IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
	)	Case No. 16-11501 (CSS)
MAXUS ENERGY CORPORATION, *et al.*,[1]	)	
	)	Jointly Administered
Debtors.	)	
	)	
	)	

DISCLOSURE STATEMENT FOR THE CHAPTER 11 PLAN OF LIQUIDATION PROPOSED BY MAXUS ENERGY CORPORATION, *et al.*

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT AND THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE. THE FILING AND DISSEMINATION OF THIS DISCLOSURE STATEMENT IS NOT, AND SHOULD NOT BE CONSTRUED AS, A SOLICITATION OF VOTES WITH RESPECT TO THE PLAN. ACCEPTANCES OR REJECTIONS OF THE PLAN MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE BANKRUPTCY COURT WILL CONSIDER APPROVAL OF THIS DISCLOSURE STATEMENT AT A HEARING ON MARCH 7, 2017.

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[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Maxus Energy Corporation (1531), Tierra Solutions, Inc. (0498), Maxus International Energy Company (7260), Maxus (U.S.) Exploration Company (2439), and Gateway Coal Company (7425). The address of each of the Debtors is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042.

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR AN EQUITY INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND ALL OF THE ACTIONS NECESSARY TO EFFECTUATE THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES, AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT MAY BE ATTACHED HERETO AND ARE INCORPORATED BY REFERENCE HEREIN. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS "MAY," "WILL," "MIGHT," "EXPECT," "BELIEVE," "ANTICIPATE," "COULD," "WOULD," "ESTIMATE," "CONTINUE," "PURSUE," OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE DEBTORS' EXPECTATIONS WITH RESPECT TO FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN AND ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN. MAKING INVESTMENT DECISIONS BASED ON THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND/OR THE PLAN IS, THEREFORE, SPECULATIVE.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THEIR BOOKS AND RECORDS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS. ALTHOUGH THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS AND/OR THE LIQUIDATING TRUST MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED PLAN AND RELATED AMENDED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED IN ARTICLE XII OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED OR, IF CONFIRMED, THAT SUCH MATERIAL CONDITIONS PRECEDENT WILL BE SATISFIED OR WAIVED. YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING, BUT NOT LIMITED TO, THE PLAN AND ARTICLE VII OF THIS DISCLOSURE STATEMENT ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING," BEFORE SUBMITTING YOUR BALLOT TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS OR EQUITY INTERESTS WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND ANY TRANSACTIONS CONTEMPLATED THEREBY.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND RECOMMEND ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

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ARTICLE I.

INTRODUCTION AND OVERVIEW OF THE PLAN

This disclosure statement (this "Disclosure Statement") provides information regarding the *Chapter 11 Plan of Liquidation Proposed by Maxus Energy Corporation, et al.* (as may be amended, supplemented, or otherwise modified from time to time, the "Plan"), which the Debtors are seeking to have confirmed by the Bankruptcy Court.[1] A copy of the Plan is attached hereto as **Exhibit A**. The rules of construction set forth in Article I of the Plan shall govern the interpretation of this Disclosure Statement.

The Debtors believe that the Plan is in the best interests of the Debtors' Estates. The Debtors recommend that all Holders of Claims entitled to vote accept the Plan by returning their Ballots so as to be actually received by the Claims and Noticing Agent no later than [_____] at 4:00 p.m. (prevailing Eastern Time). Assuming the requisite acceptances to the Plan are obtained, the Debtors will seek the Bankruptcy Court's approval of the Plan at the Confirmation Hearing on [_____] at [__]:00 [_].m. (prevailing Eastern Time).

A. *The Plan*

The Debtors filed for chapter 11 bankruptcy protection on June 17, 2016. The purpose of a chapter 11 bankruptcy case is to resolve the affairs of a debtor and distribute the proceeds of the debtor's estate pursuant to a confirmed chapter 11 plan. To that end, the Debtors filed the Plan, the terms of which are more fully described herein, contemporaneously with the filing of this Disclosure Statement. The Plan contemplates a liquidation of the Debtors and their Estates and is therefore referred to as a "plan of liquidation." The primary objective of the Plan is to maximize the value of recoveries to all Holders of Allowed Claims and to distribute all property of the Estates that is or becomes available for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that the Plan accomplishes this objective and is in the best interests of the Estates and therefore seek to confirm the Plan. The Debtors believe that Confirmation of the Plan will avoid the lengthy delay and significant cost of conversion to and completion of a liquidation under chapter 7 of the Bankruptcy Code. The Plan classifies Holders of Claims and Equity Interests according to the type of the Holder's Claim or Equity Interest, as more fully described below.

The Plan designates the Classes of Claims against and Equity Interests in the Debtors and specifies which Classes are (a) Impaired or Unimpaired by the Plan, (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code, or (c) deemed to accept or reject the Plan. Claims against and Equity Interests in the Debtors are classified in nine (9) separate Classes as described herein.

[1] Unless otherwise specified herein, capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan.

B. *The Adequacy of this Disclosure Statement*

Before soliciting acceptances of a proposed chapter 11 plan, section 1125 of the Bankruptcy Code requires a plan proponent to prepare a written disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan. The Debtors submit this Disclosure Statement in accordance with such requirements. This Disclosure Statement includes, without limitation, information about:

- the procedures for voting on the Plan and projected recoveries under the Plan (Article I hereof);
- the Debtors' organizational structure, business operations, and assets and liabilities (Article II hereof);
- the events leading to the Chapter 11 Cases (Article III hereof);
- the major events during the Chapter 11 Cases, including significant pleadings Filed in the Chapter 11 Cases and certain relief granted by the Bankruptcy Court in connection therewith (Article IV hereof);
- the classification and treatment of Claims and Equity Interests under the Plan, including identification of the Holders of Claims entitled to vote on the Plan (Article V hereof);
- the means for implementation of the Plan, the provisions governing distributions to certain Holders of Claims pursuant to the Plan, the procedures for resolving Disputed Claims, and other significant aspects of the Plan (Article V hereof);
- the releases contemplated by the Plan that are integral to the overall settlement of Claims pursuant to the Plan (Article V hereof);
- the statutory requirements for confirming the Plan (Article VI hereof);
- certain risk factors that Holders of Claims should consider before voting to accept or reject the Plan and information regarding alternatives to Confirmation of the Plan (Article VII hereof); and
- certain United States federal income tax consequences of the Plan (Article VIII hereof).

In light of the foregoing, the Debtors believe that this Disclosure Statement contains "adequate information" to enable a hypothetical reasonable investor to make an informed judgment about the Plan and complies with all aspects of section 1125 of the Bankruptcy Code.

The Plan and all documents to be executed, delivered, assumed, and/or performed in connection with the Consummation of the Plan, including the documents to be included in the Plan Supplement, are subject to revision and modification from time to time prior to the Effective Date.

C. *Summary of Classes and Treatment of Claims and Equity Interests Under the Plan*

As set forth in Articles II and III of the Plan, and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Equity Interests (other than Administrative Claims, Priority Tax Claims, Professional Claims, and any DIP Tranche A Claim, which are unclassified Claims under the Plan) are classified into Classes for all purposes, including voting, Confirmation, and distributions pursuant to the Plan. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class. A Claim or Equity Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or an Allowed Equity Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The table below summarizes the classification and treatment of all classified Claims and Equity Interests under the Plan. The classification, treatment, and projected recoveries of classified Claims are described in summary form below for illustrative purposes only. ***Recoveries available to Holders of Claims are estimates and actual recoveries may differ materially based on, among other things, the amount of Claims actually Allowed. Depending on the amount of Allowed Claims, the actual recoveries available to Holders of Allowed Claims could be materially higher or lower compared to the estimates provided below. To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.***

Class	**Designation**	**Impairment**	**Voting Rights**	**Projected Approximate Amount of Allowed Claims or Interests ($000s)**	**Projected Plan Recovery[2]**
1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Conclusively Presumed to Accept)	$0	100%

[2] The projected recoveries reflected herein presuppose that the YPF Approval Order has been entered.

Class	Designation	Impairment	Voting Rights	Projected Approximate Amount of Allowed Claims or Interests ($000s)	Projected Plan Recovery[2]
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Conclusively Presumed to Accept)	$300	100%
3	General Unsecured Convenience Claims	Unimpaired	Not Entitled to Vote (Conclusively Presumed to Accept)	$1,000	100%
4	General Unsecured Claims	Impaired	Entitled to Vote	$500,000	0–25%
5	Retiree Claims	Impaired	Entitled to Vote	$2,000	N/A[3]
6	Government Environmental Claims	Impaired	Entitled to Vote	$0-12,000,000[4]	N/A[5]
7	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)	$422,345	0%
8	DIP Tranche B Claim	Impaired	Not Entitled to Vote (Deemed to Reject)	$26,000	0%
9	Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)	N/A	N/A

Except to the extent that the Debtors or the Liquidating Trust, as applicable, and a Holder of an Allowed Claim or Equity Interest, as applicable, agree to a less favorable treatment, such Holder shall receive under the Plan the treatment described in Article V hereof in full settlement

[3] Projected recoveries to Holders of Retiree Claims will be determined as provided for in any Modification Order or Modification Agreement as described more fully in Article IX of the Plan.

[4] Due to the fact that the December 15, 2016 Governmental Bar Date only recently passed, the Debtors and its advisors are still in the process of reviewing and analyzing substantial environmental proofs of claim filed by governmental agencies. Depending on the results of this analysis, both the amount of Allowed Government Environmental Claims and actual projected recoveries to Holders thereof could be materially different than the projections herein.

[5] If the YPF Approval Order is not entered by the Bankruptcy Court prior to Confirmation, Class 6 shall dissolve and all Government Environmental Claims shall be classified as General Unsecured Claims.

and release of and in exchange for such Holder's Allowed Claim or Equity Interest. Unless otherwise indicated, each Holder of an Allowed Claim or Equity Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

D. *Voting on and Confirmation of the Plan*

By order of the Bankruptcy Court, entered on [_____], 201[__] [Docket No. ____] (the "Disclosure Statement Order"), the Bankruptcy Court, among other things, (a) approved the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code and (b) established Plan voting tabulation procedures, which include certain vote tabulation rules that temporarily allow or disallow Claims for voting purposes (the "Solicitation Procedures"). A copy of the Solicitation Procedures approved by the Bankruptcy Court is attached hereto as **Exhibit B**.

E. *Classes Entitled to Vote on the Plan*

The following Classes are the only Classes entitled to vote to accept or reject the Plan (the "Voting Classes"):

Class	Claim	Status
4	General Unsecured Claims	Impaired
5	Retiree Claims	Impaired
6	Government Environmental Claims	Impaired

If your Claim or Equity Interest is not included in one of the Voting Classes, you are not entitled to vote and you will not receive a Solicitation Package or a Ballot. If your Claim or Equity Interest is included in one of the Voting Classes, you should read your Ballot and carefully follow the instructions set forth therein. Please use only the Ballot that accompanies this Disclosure Statement or the Ballot that the Debtors, or the Claims and Noticing Agent on behalf of the Debtors, otherwise provide to you.

F. *Votes Required for Acceptance by a Class*

Under the Bankruptcy Code, acceptance of a plan by a class of claims or interests is determined by calculating the amount and, if a class of claims, the number, of claims or interests voting to accept, as a percentage of the allowed claims or interests, as applicable, in the class. Each Class of Claims entitled to vote on the Plan will have accepted the Plan if: (a) the Holders of at least two-thirds in dollar amount of the Claims validly voting in each Class vote to accept the Plan; and (b) the Holders of more than one-half in number of the Claims validly voting in each Class vote to accept the Plan.

G. *Certain Factors to Be Considered Prior to Voting*

There are a variety of factors that all Holders of Claims entitled to vote on the Plan should consider prior to voting to accept or reject the Plan. These factors may impact recoveries under the Plan, including:

- the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement;
- although the Debtors believe that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtors can neither assure such compliance nor that the Bankruptcy Court will confirm the Plan;
- the Debtors may request Confirmation without the acceptance of all Impaired Classes entitled to vote in accordance with section 1129(b) of the Bankruptcy Code; and
- any delays of either Confirmation or Consummation could result in, among other things, increased Administrative Claims or Professional Claims.

For a further discussion of risk factors, please refer to Article VII hereof, entitled "Certain Risk Factors to be Considered Before Voting."

H. *Classes Not Entitled to Vote on the Plan*

Under the Bankruptcy Code, holders of claims and equity interests are not entitled to vote if their contractual rights are unimpaired by the proposed plan, in which case they are conclusively presumed to accept the proposed plan, or if they will receive no property under the plan, in which case they are deemed to reject the proposed plan. Accordingly, the following Classes of Claims and Equity Interests are not entitled to vote to accept or reject the Plan:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
3	General Unsecured Convenience Claims	Unimpaired	Presumed to Accept
7	Intercompany Claims	Impaired	Deemed to Reject
8	DIP Tranche B Claim	Impaired	Deemed to Reject
9	Equity Interests	Impaired	Deemed to Reject

I. *Solicitation Procedures*

1. *Solicitation Agent*

The Debtors retained Prime Clerk LLC ("Prime Clerk") to act, among other things, as the solicitation agent in connection with the solicitation of votes to accept or reject the Plan.

2. *Solicitation Package*

The Disclosure Statement Order provides that Holders of Claims as of [_____], 201[__] (the "Voting Record Date") are entitled to vote to accept or reject the Plan. The Debtors will mail or cause to be mailed appropriate solicitation materials (the "Solicitation Package") to the U.S. Trustee and Holders of Claims in the Voting Classes, which will include the following:

- the Disclosure Statement Order, without attachments;
- the notice of the Confirmation Hearing;
- a CD-ROM containing the Disclosure Statement, which shall include the Plan and the Solicitation Procedures as exhibits thereto;
- a Ballot customized for each Holder and conforming to Official Bankruptcy Form No. B314, and a postage-prepaid return envelope;
- any supplemental documents filed with the Bankruptcy Court and any documents that the Bankruptcy Court orders to be included in the Solicitation Package, including any other letters in support of the Plan.

3. *Distribution of the Solicitation Package and Plan Supplement*

The Debtors will cause Prime Clerk to begin to distribute the Solicitation Packages to Holders of Claims in the Voting Classes on or before [_____], 201[__], which will be at least [__] days before the deadline to vote to accept or reject the Plan (*i.e.*, 4:00 p.m. (prevailing Eastern Time) on [_____], 201[__]) (the "Voting Deadline").

The Solicitation Package (except for the Ballots) may also be obtained: (a) from Prime Clerk by (i) visiting, free of charge, https://cases.primeclerk.com/maxus; (ii) writing to Maxus Ballot Processing, c/o Prime Clerk, 830 3rd Avenue, 3rd Floor, New York, New York 10022; or (iii) calling (855) 252-4093; or (b) for a fee via PACER at https://ecf.deb.uscourts.gov.

The Debtors shall File the Assumption Schedule no later than fourteen (14) days before the commencement of the Confirmation Hearing, and the remainder of the substantially complete versions of the materials comprising the Plan Supplement no later than five (5) days prior to the deadline to object to the Plan or such later date as may be approved by the Bankruptcy Court, except as otherwise provided under the Plan. If the Plan

Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website. The Debtors will not serve paper or CD-ROM copies of the Plan Supplement; however, parties may obtain a copy of the Plan Supplement (a) from Prime Clerk by (i) visiting, free of charge, https://cases.primeclerk.com/maxus; (ii) writing to Maxus Ballot Processing, c/o Prime Clerk, 830 3rd Avenue, 3rd Floor, New York, New York 10022; or (iii) calling (855) 252-4093; or (b) for a fee via PACER at https://ecf.deb.uscourts.gov.

As described above, certain Holders of Claims may not be entitled to vote because they are Unimpaired or are otherwise presumed to accept the Plan under section 1126(f) of the Bankruptcy Code. In addition, certain Holders of Claims and Equity Interests may be Impaired but are receiving no distribution under the Plan, and are therefore deemed to reject the Plan and are not entitled to vote. Such Holders will receive only notice of the Confirmation Hearing, the deadline to object to the Plan, and the applicable Notice of Non-Voting Status (as defined in the Disclosure Statement Order). The Debtors are only distributing a Solicitation Package, including this Disclosure Statement and a Ballot to be used for voting to accept or reject the Plan, to the Holders of Claims or Equity Interests entitled to vote to accept or reject the Plan as of the Voting Record Date.

J. *Voting Procedures*

If, as of the Voting Record Date, you are a Holder of a Claim in Class 4, 5, or 6, you may vote to accept or reject the Plan in accordance with the Solicitation Procedures by either completing the Ballot and returning it in the envelope provided or completing the Ballot on Prime Clerk's E-Ballot platform on the Debtors' restructuring website.

If your Claim or Equity Interest is not included in one of the Voting Classes, you are not entitled to vote and you will not receive a Solicitation Package. Except as otherwise set forth herein, the Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' creditors and other parties in interest.

1. *Voting Deadline*

The Disclosure Statement Order establishes a deadline to vote on the Plan of [_____], 201[__], at 4:00 p.m. (prevailing Eastern Time). To be counted as a vote to accept or reject the Plan, a Ballot must be **actually received** by Prime Clerk no later than the Voting Deadline.

2. *Voting Instructions*

As described above, the Debtors retained Prime Clerk to serve as the solicitation agent for purposes of the Plan. Prime Clerk is available to answer questions, provide additional copies of all materials, oversee the voting process, and process and tabulate Ballots for each Class entitled to vote to accept or reject the Plan.

BALLOTS
To be counted, all Ballots must be **actually received** by Prime Clerk by the Voting Deadline, which is [_____], 201[__], at 4:00 p.m. (prevailing Eastern Time), via Prime Clerk's E-Ballot platform **or** at the following address: MAXUS ENERGY CORPORATION Ballot Processing c/o Prime Clerk 830 3rd Avenue, 3rd Floor New York, New York 10022 If you have any questions on the procedure for voting on the Plan, please call the Debtors' restructuring hotline maintained by Prime Clerk at: (855) 252-4093

More detailed instructions regarding the procedures for voting on the Plan are contained on the Ballots distributed to Holders of Claims that are entitled to vote to accept or reject the Plan. All votes to accept or reject the Plan must be cast by using the appropriate Ballot. All Ballots must be properly executed, completed, and delivered according to their applicable voting instructions. Any Ballot that is properly executed by the Holder of a Claim entitled to vote that does not clearly indicate an acceptance or rejection of the Plan or that indicates both an acceptance and a rejection of the Plan will not be counted. Ballots received by facsimile or electronic means (other than E-Ballots submitted through Prime Clerk's E-Ballot platform) will not be counted.

Each Holder of a Claim entitled to vote to accept or reject the Plan may cast only one Ballot for each Claim held by such Holder. By signing and returning a Ballot, each Holder of a Claim entitled to vote will certify to the Bankruptcy Court and the Debtors that no other Ballots with respect to such Claim have been cast or, if any other Ballots have been cast with respect to such Claim, such earlier Ballots are revoked.

All Ballots will be accompanied by postage prepaid return envelopes. It is important to follow the specific instructions provided on each Ballot, as failing to do so may result in your Ballot not being counted.

K. *Plan Objection Deadline*

The deadline to file objections to confirmation of the Plan is [_____], 201[__], at 4:00 p.m. (prevailing Eastern Time) (the "Plan Objection Deadline"). All objections to confirmation of the Plan must be in writing and must specify in detail the name and address of the objector, all grounds for the objection, and the amount of the Claim or Equity Interest held by the objector. Any such objection must be Filed with the Bankruptcy Court and served on the Debtors and certain other parties in interest in accordance with the Disclosure Statement Order so that they are **actually received** on or before the Plan Objection Deadline. Parties wishing to reply to any confirmation objection shall have until 11:00 a.m. on the date that is 48 hours prior to the Confirmation Hearing (as defined below), including any adjournments thereof, to file a reply.

L. *Confirmation Hearing*

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. The Bankruptcy Court has entered the Disclosure Statement Order that, among other things, scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing").

The Confirmation Hearing will commence on [_____], 201[__], at [__]:00 [__].m. (prevailing Eastern Time), before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware. The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment Filed with the Bankruptcy Court and served on the entities who have Filed objections to the Plan, without further notice to other parties in interest. The Bankruptcy Court, in its discretion and before the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may be modified, if necessary, before, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

ARTICLE II.

DEBTORS' ORGANIZATIONAL STRUCTURE AND BUSINESS

A. *Current Corporate Structure and Business Operations*

Debtor Maxus Energy Corporation ("Maxus") is a Delaware corporation, which is a wholly owned subsidiary of non-Debtor YPF Holdings, Inc. ("YPF Holdings"). YPF Holdings is wholly owned by non-debtor YPF S.A. ("YPF").

Maxus's business consists of collecting onshore oil and gas royalties from over 3,000 wells located in six states in the United States, overseeing the administration of benefits for Maxus and Debtor Gateway Coal Company ("Gateway Coal") retirees, complying with environmental remediation obligations, providing general and administrative services for its subsidiaries and Debtor Tierra Solutions, Inc. ("Tierra"), and managing U.S.-based and international litigation on behalf of itself and Occidental Chemical Corporation ("OCC").

Tierra is a Delaware corporation that is directly owned by CLH Holdings, Inc. ("CLH," an inactive, non-Debtor entity, which, in turn, is owned by YPF Holdings). Tierra's business is to manage its own environmental remediation obligations as well as those owed by Maxus, either as principal or when acting on behalf of third parties, principally OCC.

Debtor Maxus International Energy Company ("Maxus International"), a wholly owned subsidiary of Maxus, is a Delaware corporation whose business is inactive.

Debtor Maxus (U.S.) Exploration Company ("MUSE"), a wholly owned subsidiary of Maxus, is a Delaware corporation which is involved in oil and gas exploration efforts in the deep waters of the Gulf of Mexico primarily through its ownership of a 15% non-operating working

interest in five oil and gas leases relating to an offshore oil and gas drilling field known as "Neptune."

Gateway Coal, a wholly owned subsidiary of Maxus, is a Delaware corporation whose business is limited to the administration of retiree benefits for its 142 former employees and their dependents.

B. *The Debtors' Assets*[6]

1. *Proceeds of YPF Settlement Agreement*

As discussed in further detail in Article III hereof, the $130 million of proceeds payable upon the Bankruptcy Court's entry of an order approving the prepetition settlement of the Debtors' claims against YPF and certain of its affiliates, such order becoming a Final Order, all conditions to effectiveness of such order having been satisfied or waived, the YPF Settlement having been consummated, and the YPF Contribution having been funded, represent the Debtors' most valuable asset.

2. *Neptune*

As noted above, MUSE owns a 15% non-operating working interest in Neptune. Neptune is operated by non-affiliate BHP Billiton Petroleum (Deepwater) Inc. (the "Operator"). The working interest requires MUSE to pay its percentage of operating expenses and capital expenditures that are billed by the Operator. In exchange, MUSE receives revenues generated from third-party contracts to purchase the oil, gas, and liquids that are produced at Neptune. Prior to the Petition Date, MUSE granted to the Operator liens and security interests to secure payment of its share of expenses.

The Neptune drilling field contains seven subsea producing oil and gas wells that produce (as of December 31, 2015) an average of 8,862 barrels of oil per day. In 2015, MUSE earned approximately $20.2 million on account of its working interest in Neptune. From January 1, 2016 through November 30, 2016, MUSE earned approximately $11.9 million on account of its working interest in Neptune. As of December 31, 2015, Neptune had 1.16 million barrels of oil equivalent (a combined measure of oil, gas, and natural gas liquids) of proved reserves. Based on current estimates of future oil prices and production, Neptune's reserves will decline to a point where it will cease to be operated profitably in early 2023.[7]

The Bureau of Ocean Energy Management ("BOEM") requires financial assurance for decommissioning (*i.e.*, plugging and abandonment) liability for Neptune. Given the $190,892,139 total amount of decommissioning liability calculated by BOEM, MUSE's proportionate share of liability, based on its 15% working interest in Neptune, is $28,633,821. MUSE is currently evaluating potential alternatives for providing its share of financial assurance for the decommissioning liability, which will be included as part of a so-called "tailored plan" to

[6] As discussed in further detail in Article IV hereof, all of the Debtors' assets described below, with the exception of the proceeds of the YPF Contribution, are pledged as collateral in connection with the Debtors' DIP financing facility.

[7] As discussed in Article IV.B hereof, the Debtors have retained a sales broker and consultant to gauge interest in a potential sale of MUSE's working interest in Neptune. At this time, the Debtors are unable to determine whether the value of the working interest exceeds their future plugging and abandonment liabilities.

be submitted by the Operator to BOEM. The financial assurance will need to be put in place in or around March 2017. In the event that MUSE is unable to provide its share of financial assurance, the Operator can, among other things, foreclose on its liens and security interests and offset the amount owed against the proceeds of sale of MUSE's share of oil and gas production.

3. *Overriding Royalty Interests*

Maxus owns overriding royalty interests ("ORRIs") in over 3,000 oil and gas wells located in six states within the United States (Louisiana, New Mexico, Oklahoma, Texas, West Virginia, and Wyoming), which entitle Maxus to receive periodic payments from the wells' operators as revenues are generated. In 2015, Maxus earned approximately $3 million on account of the ORRIs. Maxus currently receives approximately $150,000 per month on account of the ORRIs. From January 1, 2016 through November 30, 2016, Maxus earned approximately $1.8 million on account of the ORRIs.[8]

4. *Real and Leased Property*

The Debtors own certain real property that has been or is the subject of environmental remediation activities, including (a) 80-120 Lister Avenue in Newark, New Jersey (the "Lister Site"), (b) two properties in Kearny, New Jersey, (c) a number of parcels in Painesville, Ohio, and (d) a property in Tuscaloosa, Alabama.[9]

The Debtors also lease certain non-residential real property, including offices located in Houston, Texas, and East Brunswick, New Jersey. On December 15, 2016, the Debtors filed a motion to further extend their deadline to assume or reject their office leases and certain oil and gas leases as described more fully in Article IV.B hereof [Docket No. 634]. The hearing to consider the motion is currently scheduled for January 25, 2017.

5. *Litigation Assets*

a. *Insurance Policies and Litigation*

In August 2012, Maxus engaged Aon Risk Insurance Services, Inc. ("ARS") to identify whether the Debtors could assert coverage claims against their insurers for litigation costs and damages the Debtors both have incurred previously and are expected to incur. In exchange for such services, Maxus agreed to pay ARS a percentage of the funds recovered from the insurers. At this time, Maxus has either notified or tendered claims to its insurers seeking reimbursement for those amounts that Maxus paid to settle outstanding litigation claims or that Maxus is being asked by OCC to pay pursuant to an existing indemnification obligation owed to OCC (described in more detail below). The estimated recovery to Maxus on account of reimbursement claims submitted to its insurers is speculative.

[8] As discussed in Article IV.B hereof, the Debtors have retained a sales broker and consultant to gauge interest in a potential sale of the ORRIs. According to the sales broker and consultant, the estimated value of the ORRIs, less sales commissions, is between $8.4-12.6 million.

[9] As discussed in Article IV.B hereof, the Debtors have retained a real estate broker to gauge interest in a potential sale of their owned real property. Depending on the outcome of the marketing process, the Debtors may decide to sell or abandon their owned real property, subject to the approval of the Bankruptcy Court. According to the real estate broker, the estimated value of the Debtors' owned real property, less sales commissions and fees, is between $0-7.8 million.

The Debtors are engaged in pending litigation against Bedivere Insurance Company ("Bedivere"). The claim against Bedivere arises from the Debtors' settlement of certain litigation in 2013 and is potentially very valuable, but the ultimate value of the claim is unknown at this time.

The Debtors are also evaluating potential claims against Greenstone Insurance ("Greenstone") that would seek to compel Greenstone to provide coverage or reimbursement to the Debtors in connection with a prepetition settlement in the amount of $65 million between Maxus and the State of New Jersey. The claim against Greenstone is potentially very sizeable, but the ultimate recovery is unknown at this time.

b. *Non-Insurance Litigation*

As of the Petition Date, Tierra was the plaintiff in a breach of contract action against Scepter Management Corporation, Inc. ("Scepter") and Erie Coke and Chemical Company ("Erie"). As set forth in Article IV hereof, the Debtors have settled the litigation with Scepter and Erie and obtained Bankruptcy Court approval of same.

6. *Miscellaneous Other Assets*

In addition to the foregoing assets, the Debtors' assets include internet protocol addresses,[10] *de minimis* office supplies, furniture, and fixtures, and mineral interests in Ohio.[11] The Debtors also have approximately $3.3 million in prepaid expenses in the form of trust accounts. The Debtors maintain nine trust accounts, eight containing restricted cash to fund payments for environmental remediation activities at certain sites as required by various governmental agencies, and one containing restricted cash associated with a rabbi trust for the benefit of members of the Debtors' former workforce. The Debtors estimate that approximately $760,000 (solely from the rabbi trust) will be recovered from these assets.

C. *Debtors' Workforce*

As of the Petition Date, the Debtors employed approximately 30 employees, consisting of 29 full time employees and 1 part time employee (the "Employees"), and 4 independent contractors (the "Independent Contractors," and together with the Employees, the "Workforce"). As of the date of this Disclosure Statement, the Workforce consists of approximately 28 Employees and 5 Independent Contractors.

The Workforce is essential to the Debtors' ongoing environmental remediation projects and other critical business operations necessary to maintain value for the Estates throughout the Chapter 11 Cases. The Workforce also plays a key role in enabling the Debtors to comply with environmental regulations. The Workforce has specialized experience in the exploration and production ("E&P") and environmental remediation industries and possesses significant institutional knowledge of the Debtors and their operations. The Employees are all salaried, and

[10] As discussed in Article IV.B hereof, the Debtors have retained an IP address broker to gauge interest in a potential sale of the IP addresses. According to the broker, the estimated value of the IP addresses, less commissions, is approximately $554,000.
[11] The Debtors estimate that the proceeds from the liquidation of the mineral interests would be between $0-50,000.

the Independent Contractors are paid once monthly based upon services performed during the prior month.

D. *Collective Bargaining Agreements*

Gateway Coal was a signatory to the National Bituminous Coal Wage Agreement of 1988 (the "1988 Wage Agreement"), which was the national agreement between certain coal operators and the International Union, United Mine Workers of America (the "UMWA"). The 1998 Wage Agreement expired on February 1, 1993, and Gateway Coal did not sign the successor agreement, which was the National Bituminous Coal Wage Agreement of 1993. Currently, neither Gateway Coal nor any of the other Debtors is a party to an unexpired collective bargaining agreement.

E. *The Debtors' Liabilities*

As of the Petition Date, the Debtors had no outstanding secured or unsecured funded debt, and did not have a credit facility with any lender. The Debtors' most significant prepetition liabilities fall into the following general categories: (a) environmental liabilities; (b) contractual indemnification obligations; (c) other legal liabilities; and (d) retiree obligations.

1. *Environmental Liabilities*

As discussed in further detail in Article III hereof, Maxus's liability largely relates to releases by Diamond Alkali Company, a chemical company founded in West Virginia more than 100 years ago, and various of its successors. As a result of activities undertaken by Diamond Alkali, and properties owned by it (of which a few are now held by the Debtors) federal and state regulators have imposed a variety of legal liabilities and obligations upon the Debtors, among other potentially responsible parties ("PRPs"), through judicial or administrative orders or decrees, based on their statutory authorities related to the pollution or protection of the environment (the "Direct Environmental Liabilities").[12]

Analytically, there are three distinct bases for the Direct Environmental Liabilities. The first is "owner liability," which consists of obligations arising from the Debtors' ongoing ownership of facilities at which hazardous substances have historically been released into the environment. The second is "operator liability," which consists of obligations arising from the Debtors' management and operation of facilities at which hazardous substances have been released into the environment. The third is "arranger liability," which arises from the Debtors' disposal of materials at waste disposal sites owned and operated by third parties from which there have been releases of hazardous substances into the environment. Accordingly, the Debtors are potentially liable as "owners" for any historic releases of hazardous substances at facilities located on the Lister Site or on the other owned real property discussed herein. The Debtors also are potentially liable as "operators" of certain facilities or "arrangers" at other properties across the United States.

[12]To the best of the Debtors' knowledge, only Maxus and Tierra have any actual or potential responsibility for the Direct Environmental Liabilities.

Relatedly, as discussed in further detail in Article III hereof, the Debtors also are contractually obligated to indemnify OCC for the environmental liabilities of DSCC (as defined in Article III hereof), a former subsidiary of Maxus that was acquired by OCC in 1986.[13] Prior to its acquisition by OCC, DSCC managed and operated a wide variety of chemical manufacturing facilities located across the United States and disposed of wastes at various disposal sites around the country. Immediately following the acquisition, OCC merged with DSCC and succeeded by operation of law to DSCC's environmental liabilities. In connection with the 1986 transaction, Maxus agreed to indemnify OCC for DSCC's historical environmental liabilities (largely as an "operator"), but OCC remains primarily liable for such obligations under applicable law.

In many instances, the Direct Environmental Liabilities, OCC's environmental liabilities arising from its acquisition of DSCC, and the OCC Indemnification Obligations overlap. For example, the Debtors and OCC are both liable, as owner and operator, respectively, for the cleanup of hazardous substances released at the Lister Site. Additionally, OCC is entitled to be indemnified by the Debtors for its "operator liability" related to the Lister Site. Accordingly, the Debtors' ongoing remediation efforts at the Lister Site have reduced directly the amount of the Debtors' "owner liability," OCC's environmental liabilities arising from its acquisition of DSCC, and the OCC Indemnification Obligations related to the Lister Site.

Prior to the Petition Date, the exact nature and scope of the Debtors' and OCC's respective environmental liabilities was generally determined in one of two ways. If the nature and scope of a particular liability was not disputed, then the Debtors (or the Debtors acting as agent on behalf of OCC) would enter into a consensual administrative order with the U.S. Environmental Protection Agency (the "EPA") or state agency equivalent that obligated the Debtors (or OCC) to perform specified response activities (*e.g.*, removal, remedial investigation, feasibility study, remedial design) and/or reimburse the governmental regulator for response costs already incurred. If the nature and scope of a particular liability was disputed, then the EPA or state agency equivalent would sue one or more of the Debtors or OCC, as applicable, and the parties would litigate or resolve by settlement the nature and scope of liability. The Passaic River Litigation (defined and discussed in further detail in Article III hereof) is an example of one such litigation.

Based on a review of the Debtors' financial records, over the past 30 years, the Debtors incurred approximately $687 million in response costs through September 30, 2016 on account of the Direct Environmental Liabilities and the OCC Indemnification Obligations. Because future response costs are highly speculative, and because in many cases remedies have not been selected or allocations of liabilities between PRPs made, the Debtors are generally unable to reliably quantify potential future costs arising from the Direct Environmental Liabilities and the OCC Indemnification Obligations. In the context of the Chapter 11 Cases, Governmental Units have submitted joint and several environmental liability claims against the Debtors in the collective amount of $7-12 billion on account of the Debtors' Direct Environmental Liabilities. The Estates (and their successors under the Plan) may be able to reduce the Debtors' overall liability by asserting objections or defenses to these claims through the claims

[13] Such obligations are defined in Article III hereof as the "OCC Indemnification Obligations."

reconciliation process, as well as pursuing other responsible parties for equitable contribution claims pursuant to applicable statutes.

The Debtors have taken, and will continue to take, significant measures to wind down their business in an environmentally responsible manner. The Debtors will continue, within the constraints of their financial resources, including DIP financing, to comply with their obligations under the Comprehensive Environmental Response, Compensation, and Liability Act (commonly referred to as "CERCLA," or the Superfund statute) and state law equivalents as well as other laws relating to the pollution or protection of the environment.

As detailed in Article V hereof, with respect to environmental matters, the Plan provides for the establishment of an Environmental Response Trust to support the performance of the Debtors' ongoing environmental remediation and other obligations, for the period after the Effective Date of the Plan.

2. *Other Legal Liabilities*

In addition to their environmental obligations, the Debtors face potential liability in connection with litigation involving personal injury claims associated with Agent Orange,[14] more recent environmental contamination claims brought against them in Louisiana arising from legacy petroleum E&P activities, and toxic tort claims arising in Illinois, Missouri and Texas in which the plaintiffs allege harm (lung cancer and mesothelioma) caused by exposure to asbestos while working as oilfield service workers for an independent contractor. In addition, Gateway Coal has ongoing mining-related monitoring and maintenance obligations at the Gateway Coal Site in Pennsylvania. Moreover, MUSE has liabilities associated with its working interest in Neptune unrelated to the financial assurance obligation described above.

3. *Retiree Obligations*

The Debtors have liabilities associated with (a) several defined benefit pension plans (the "Pension Plans") historically maintained by the Debtors, each of which was terminated prior to the Petition Date, and (b) other post-employment benefit plans (the "OPEB Plans") provided by the Debtors to certain of their retired employees, each of which is described in detail below.

a. *The Pension Plans*

The Debtors historically maintained several defined benefit pension plans (the "Legacy Pension Plans") for the benefit of their retired employees. In 1987, the Debtors terminated the Legacy Pension Plans and replaced them with two new defined benefit pension plans: (a) the Diamond Shamrock Corporation Chemical Consolidated Pension Plan, and (b) the Maxus Energy Corporation Career Average Retirement Income Plan (together, the "New Pension Plans"). The Debtors terminated the New Pension Plans in 2009 and replaced them with a defined contribution plan (the "401(k) Plan"). As of the Petition Date, the 401(k) Plan was the only active retirement plan maintained by the Debtors.

[14] On December 7, 2016, special counsel to the Debtors sent a letter requesting that the plaintiff dismiss the suit against Maxus and Tierra on the grounds that Maxus and Tierra were not in existence at the time of the plaintiff's exposure to Agent Orange.

i. *Legacy Pension Plans*

In connection with the termination of the Legacy Pension Plans, the Debtors caused the Legacy Pension Plans to purchase an annuity contract (the "Aetna Contract") from Aetna Life Insurance Company ("Aetna"), which was intended to fully satisfy any future obligations related to the Legacy Pension Plans. Under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Debtors may remain liable for Legacy Pension Plan obligations to the extent those obligations are not fully satisfied by the Aetna Contract.

The Legacy Pension Plans provided participants with retirement benefits that varied in amount based on the participant's compensation and years of service. After turning 55, the participants in the Legacy Pension Plans had ten years to make a one-time election to receive benefits. The participants could elect to receive either a stream of monthly annuity payments or a lump-sum benefit payout. To calculate the amount of the lump-sum benefit payout, the Legacy Pension Plans required that the lesser of two discount rates be used: a fixed rate of 5.5 percent and a variable rate established by the Pension Benefit Guaranty Corporation (the "PBGC").

The Aetna Contract did not contain a methodology for calculating the amount of the lump-sum benefit payouts. Instead, the Aetna Contract included exhibits (the "Aetna Lump Sum Exhibits") that recorded the amount of the lump-sum benefit payout due to each participant under the Legacy Pension Plans. The amounts listed on the Aetna Lump Sum Exhibits were calculated using 5.5 percent as the discount rate, which was the rate required by the Legacy Pension Plans at the time the Legacy Pension Plans purchased the Aetna Contract.

In 1993, the PBGC rate fell below 5.5 percent. As a result, there existed a differential between the higher lump-sum benefit payout due under the Legacy Pension Plans (calculated using the PBGC rate) and the lower lump-sum amounts listed on the Aetna Lump Sum Exhibits (calculated using the fixed rate of 5.5 percent). Aetna invoiced the Debtors for this differential amount (the "Aetna Differential Amount") until October 11, 2016, when Aetna informed the Debtors that it would not collect the Aetna Differential Amount without a Bankruptcy Court order expressly authorizing the Debtors to make such payments. As of the date hereof, the Debtors have not sought a Bankruptcy Court order authorizing the payment of the Aetna Differential Amount, and the Debtors have ceased making Aetna Differential Amount payments. Aetna timely filed unliquidated proofs of claim against Maxus and Gateway Coal for, among other things, any damages that Aetna may incur in connection with any funds advanced by Aetna pursuant to the Aetna Contract for which Aetna has not been or may not be reimbursed.

There are currently 171 individuals who have not yet elected to receive benefits under the Legacy Pension Plans. If each of those individuals elects to receive the lump-sum benefit payout (rather than the annuity stream), the Aetna Differential Amount owing to such participants could exceed $3.5 million.

ii. *The New Pension Plans*

Shortly after terminating the New Pension Plans in 2009, Maxus amended the New Pension Plans to reduce benefits for most (and increase benefits for a few) participants (the "2009 Amendments"). The 2009 Amendments modified the interest rate and mortality table

used to calculate benefits to participants in the New Pension Plans, effectively reducing the value of the New Pension Plan benefits by an average of $2,000 per participant (but increasing the value of benefits to some participants). The Debtors also caused the New Pension Plans to purchase an annuity contract (the "Prudential Contract") from Prudential Insurance Company of America. The Prudential Contract funded all benefits due to New Pension Plan participants after giving effect to the 2009 Amendments.

In August 2016, the PBGC announced the result of an audit of the 2009 termination of the New Pension Plans, which found that the 2009 Amendments had impermissibly reduced benefits owing to New Pension Plan participants. The Debtors do not contest the findings of the audit. As a result of the audit findings, the Prudential Contract is insufficient to fund the New Pension Plans once the 2009 Amendments are disregarded. In order to fully fund the New Pension Plans, the Debtors must amend the Prudential Contract and pay an additional fee to Prudential in connection with the amendment, plus pay additional benefits to participants who have already received lump sums. If this is not done, most participants in the New Pension Plans that received or will receive benefits under the Prudential Contract may assert general unsecured claims against the Debtors for the amount of the differential (the "Prudential Differential Amount") between benefits paid (or to be paid) under the Prudential Contract and the benefits actually due under the New Pension Plans. Participants and the PBGC also may have a claim against non-Debtor affiliates that are part of the Debtors' "controlled group," as that term is understood under ERISA. This may include claims against YPF and others. There are approximately 3,800 individuals who receive benefits under the New Pension Plans, and the Debtors are working with an actuary to determine the amount of the Prudential Differential Amount. In addition, if the New Pension Plans are not fully funded by the Debtors, the PBGC may treat the New Pension Plans as if they were not terminated, and the PBGC may involuntarily terminate the New Pension Plans. If the New Pension Plans are involuntarily terminated by the PBGC, additional termination premiums may be imposed by the PBGC on the Debtors or their controlled group.

iii. *Supplemental Executive Retirement Plans*

The Maxus Energy Corporation Excess Benefits Plan (formerly the Diamond Shamrock Corporation Excess Benefit Plan) and the Maxus Energy Corporation Supplemental Executive Retirement Income Plan (the "SERPs") were adopted by Diamond Shamrock Corporation and Maxus as unfunded nonqualified deferred compensation plans to provide retirement income in addition to the Pension Plans' benefits for highly paid executives of both corporations. The benefits provided by the SERPs were funded from a rabbi trust, annuities, and the general assets of the Debtors. All benefit payments ceased as of the Petition Date. The SERPs have not yet been terminated.

iv. *The 401(k) Plan*

The Debtors currently provide defined contribution retirement benefits to current and former employees pursuant to the 401(k) Plan. Most of the Debtors' current employees are participating in the 401(k) Plan and numerous former employees have fully vested account balances. The 401(k) Plan may be terminated at any time, and the Debtors will have no further obligation to contribute to the 401(k) Plan after the occurrence of the termination

date. Following termination, the Debtors may no longer administer the 401(k) Plan, but such a termination will not affect any participant's vested contributions that are already in the 401(k) Plan.

b. *The OPEB Plans*

The Debtors historically offered medical and life insurance benefits to approximately 560 members of their former workforce pursuant to the OPEB Plans. As of the Petition Date, the Debtors maintained the following OPEB Plans:

- The Maxus Energy Corporation Retiree Health and Welfare Plan;
- The 1988 Employer Benefit Plan for the UMWA Represented Employees of Gateway Coal Company (the "UMWA OPEB Plan"); and
- The Health and Welfare Plan for LTD Participants.

The Debtors currently spend approximately $3 million per year on the OPEB Plans. Since the Petition Date, the Debtors have continued to maintain the OPEB Plans pursuant to section 1114 of the Bankruptcy Code. The Debtors estimate that the present value of the benefits payable under the OPEB Plans exceeds $20 million. The Debtors presently have no significant operations and no meaningful prospect of generating the revenue necessary to fund retiree benefits after the conclusion of the Chapter 11 Cases other than by monetizing causes of action through litigation or settlement.

As set forth in more detail in Article IV hereof, on December 16, 2016, the U.S. Trustee appointed an official committee of retirees pursuant to section 1114 of the Bankruptcy Code [Docket No. 641].

c. *Coal Act Benefits*

The United Mine Workers of America 1992 Benefit Plan (the "1992 Plan") provides benefits to (a) former employees of Gateway Coal who, based on their age and service record as of February 1, 1993, could have retired and received benefits under the United Mine Workers of America 1950 Benefit Plan and Trust or the United Mine Workers of America 1974 Benefit Plan and Trust if those trusts had not been merged by statute, and who actually retired between July 20, 1992 and October 1, 1994; and (b) former employees of Gateway Coal who would be covered by an individual employer plan maintained pursuant to the Coal Industry Retiree Health Benefit Act of 1992 but who no longer receive such coverage.

The Debtors intend to coordinate with the UMWA and the 1992 Plan officials to arrange for the transition of retirees entitled to benefits under the UMWA OPEB Plan to the 1992 Plan with no loss of benefits.

d. *Workers' Compensation Benefits*

The Debtors currently provide workers' compensation benefits (the "Workers' Compensation Benefits") to 21 former employees of Gateway Coal and Diamond Shamrock Corporation, at the level required by law, including coverage for occupational pneumoconiosis (also known as "black lung") claims under applicable state and federal law, and claims made under the Longshore and Harbor Workers' Compensation Act. The Debtors self-insure the majority of the Workers' Compensation Benefits. Based on an actuarial analysis conducted in April 2016, the Debtors estimate that they have approximately $2.18 million in total liability for the Workers' Compensation Benefits; however, the Debtors may have contractual rights to reimbursement for a portion of such liability.

ARTICLE III.

EVENTS LEADING TO THE CHAPTER 11 CASES

The following is a description of certain factors that led to the commencement of the Chapter 11 Cases.

A. *Genesis of Maxus's Environmental Liability and the OCC Indemnification Obligations*

During the 1950s and 1960s, various successors in interest to Diamond Alkali Company (collectively, "DSCC"), a chemical company founded in West Virginia in 1910, operated, among others around the country, a chemical plant (the "Lister Plant") located on the Lister Site that manufactured pesticides and herbicides. In 1982, the EPA initiated a study targeting facilities that had produced certain pesticides and herbicides, including those produced at the Lister Plant, for soil sampling and testing for an impurity known as "dioxin." The study produced a list of contaminated sites, including the Lister Site. On June 13, 1983, the New Jersey Department of Environmental Protection (the "NJDEP") issued an administrative order requiring DSCC to implement certain partial site stabilization measures designed to prevent further off-site migration of dioxin and other contaminants from the Lister Site.

In 1983, DSCC incorporated, and transferred all of its stock to, an entity now known as Maxus Energy Corporation. Ownership of the Lister Site was subsequently transferred from a third party to an entity now known as Tierra Solutions, Inc.

In 1986, Maxus sold all of the outstanding stock of DSCC to OCC pursuant to the *Stock Purchase Agreement between Diamond Shamrock Corporation, Occidental Petroleum Corporation, Occidental Chemical Holding Corporation, and Oxy-Diamond Alkali Corporation,* dated September 4, 1986 (the "SPA"). In 1987, DSCC was merged with OCC. Under the terms of the SPA, Maxus is contractually required to indemnify OCC against, among other things, a broad range of environmental liability, including claims related to DSCC's operation of the Lister Site and other contaminated properties associated with DSCC's operations and waste disposal practices. Tierra continues to own the Lister Site today. Since 1986, a number of former DSCC plant sites, nearby properties, and third-party owned and operated waste disposal sites to which DSCC sent hazardous substances have been identified by the EPA or state equivalents as contaminated properties subject to remediation requirements pursuant to

CERCLA and/or other environmental statutes.[15] On August 24, 2011, as part of the litigation pending in New Jersey among Maxus, OCC and YPF, a New Jersey state court (the "NJ State Court") entered an order against Maxus affirming these contractual indemnification obligations (the "OCC Indemnification Obligations").

In 1983, DSCC incorporated, and transferred all of its stock to, an entity now known as Maxus Energy Corporation. In 1986, after having re-acquired the Lister Site, DSCC transferred ownership of the Lister Site to an entity now known as Tierra Solutions, Inc. Tierra continues to own the Lister Site today. Since 1986, a number of former DSCC plant sites, nearby properties, and third-party owned and operated waste disposal sites to which DSCC sent hazardous substances have been identified by the EPA or state equivalents as contaminated properties subject to remediation requirements pursuant to CERCLA and/or other environmental statutes.

In 1986, Maxus sold all of the outstanding stock of DSCC to OCC pursuant to the *Stock Purchase Agreement between Diamond Shamrock Corporation, Occidental Petroleum Corporation, Occidental Chemical Holding Corporation, and Oxy-Diamond Alkali Corporation*, dated September 4, 1986 (the "SPA"). Under the terms of the SPA, Maxus is contractually required to indemnify OCC against, among other things, a broad range of environmental liability, including claims related to DSCC's operation of the Lister Site and other contaminated properties associated with DSCC's operations and waste disposal practices. On August 24, 2011, as part of the litigation pending in New Jersey among Maxus, OCC and YPF, a New Jersey state court (the "NJ State Court") entered an order against Maxus affirming these contractual indemnification obligations (the "OCC Indemnification Obligations").

Since 1986, Maxus (through Tierra) has regularly performed its OCC Indemnification Obligations. Those efforts have led to the successful remediation of a number of contaminated sites throughout the United States and substantial progress toward that end at many others. Tierra's remediation activities have included the investigation of contamination and potential feasible remedies, treating groundwater, removing and treating polluted sediment, dismantling industrial structures, pioneering the use of new remediation technologies, and purifying contaminated soil. Moreover, in certain instances, Tierra has continued to oversee the maintenance of interim remedial measures during the Chapter 11 Cases to ensure that remedies continue to be properly implemented and monitored and that human health and the environment are adequately protected.

Over the past thirty years, Maxus (largely through Tierra) has contributed more than $687 million in response costs at contaminated properties on account of the Direct Environmental Liabilities and the OCC Indemnification Obligations.

B. *YPF's Acquisition of Maxus in 1995*

In the early 1990s, Maxus experienced a liquidity crisis resulting from, among other things, depressed oil and gas prices, the high cost of Maxus's existing debt service, and its limited access to the capital markets. As a result, Maxus began to sell assets to satisfy cash flow

[15] For the avoidance of doubt, to the best of the Debtors' knowledge, all manufacturing operations and all disposal of hazardous substances had ceased well before Tierra acquired the Lister Site for purposes of remediating it.

needs. In late February 1995, after conducting a marketing process involving financial and strategic investors, the board of directors of Maxus voted to enter into a merger agreement with YPF and YPF Acquisition Corporation ("YPFA"), a subsidiary of YPF, and to recommend that Maxus's shareholders accept a tender offer from YPFA for Maxus's issued and outstanding common stock. The tender offer occurred in April 1995.

To ensure that Maxus would remain solvent following the merger, the merger agreement included a covenant (the "Keepwell Covenant") requiring YPF to capitalize Maxus should Maxus be "unable to meet its obligations as they come due." YPF's obligation under the Keepwell Covenant was limited to approximately $440 million, subject to certain adjustments, and expired in 2004, nine years after the effective date of the merger agreement. A solvency report issued in connection with the merger projected that Maxus would be solvent following the acquisition, but also estimated that YPF would make capital contributions to Maxus of approximately $417 million under the Keepwell Covenant.

C. *YPF/Maxus Global Restructuring*

During the years that followed the acquisition, Maxus sold substantially all of its non-U.S. oil and gas assets to YPF International and its affiliates and used the proceeds of those sales to retire Maxus's outstanding public and private debt, the majority of which was guaranteed by YPF.

By mid-1996, Maxus and YPF determined to engage in the following series of transactions: (a) a tax restructuring that would transfer Maxus's non-U.S. assets to YPF's foreign subsidiaries in order to maximize tax synergies; (b) a debt restructuring that would repay and/or replace Maxus's outstanding public and private debt through a combination of proceeds from asset sales and loans provided by YPF; and (c) an environmental restructuring that would place Maxus's environmental liabilities under specialized management and present a more streamlined balance sheet to investors.

As part of the environmental restructuring, CLH was spun off to YPF Holdings, and YPF Holdings was to hold all of Maxus's equity. CLH and Maxus also entered into an agreement whereby CLH assumed, among other things, the OCC Indemnification Obligations.

On June 18, 1996, the board of directors of Maxus approved an initial restructuring of Maxus, whereby Maxus sold the equity of its subsidiaries in Bolivia and Venezuela to YPF International and used a portion of those proceeds to redeem certain of its preferred stock. Maxus also effectuated an environmental reorganization, including the assumption of Maxus's environmental remediation obligations by Tierra. In connection with the environmental reorganization, YPF entered into an agreement (the "Contribution Agreement") to fund certain environmental remediation costs and to provide funds for ongoing general and administrative and legal expenses of Tierra.

Beginning in late 1996 and continuing through 1997, Maxus carried out the next phase of the restructuring of its public debt and preferred stock, which had the effect of replacing its third-party debt, which had been guaranteed by YPF, with over $1.4 billion in aggregate amount of unsecured loans owed by Maxus and its subsidiaries to YPF and its subsidiaries. The final stage

of the global restructuring began in late 1997, when Maxus sold its Indonesian and Ecuadorian subsidiaries to YPF International and used the proceeds of those sales to partially repay its unsecured loans owing to YPF, the proceeds of which had been used to retire Maxus's third-party debt.

At the conclusion of the global restructuring, Maxus had significantly deleveraged its balance sheet, transferred all of its non-U.S. assets to affiliates of YPF, and transferred management responsibilities for its environmental obligations to Tierra. Maxus's main asset after the restructuring was its indirect interest in a joint venture called Crescendo with Amoco Production Company that generated approximately $22 million in net income annually.

D. *Repsol's Acquisition of YPF*

In 1999, Repsol, S.A. ("Repsol") gained control of YPF through the purchase of approximately 97% of YPF's outstanding capital stock. Beginning that same year and continuing into 2000, Repsol caused Maxus to sell its interest in Crescendo, and used a portion of the proceeds of that sale to partially retire Maxus's third-party debt. Maxus later used some of those proceeds to invest in exploratory wells in the Gulf of Mexico. By the end of 2000, Repsol owned 99% of YPF's outstanding capital stock.

In January 2005, Repsol began formulating a "corporate separation" plan intended to separate Maxus's exploration and production assets from its environmental liabilities. Pursuant to the corporate separation plan, Repsol caused Maxus to sell the majority of its domestic E&P assets, including its interests in prospects (*i.e.*, prospective oil deposits) in the Gulf of Mexico. In February 2007, a U.S. subsidiary of Repsol hired 140 of Maxus's employees without compensating Maxus.

E. *Settlements Between Maxus, Repsol and YPF*

Between April and July 2007, Repsol subsidiaries entered into three separate settlement agreements with Maxus subsidiaries to compensate Maxus for marketing, distribution, exploration, and technical services performed on behalf of Repsol during 2006 and 2007.

In October 2007, YPF, Maxus, and Tierra, along with affiliates of each, entered into a settlement agreement pursuant to which (a) the Contribution Agreement was terminated, (b) YPF contributed to YPF Holdings the right to seek repayment of a $14.4 million pre-settlement transfer to Maxus, and (c) YPF forgave a $363 million receivable from Maxus. Additionally, the parties agreed that YPF would contribute to Maxus (through YPF Holdings) its right to seek repayment of a $43 million transfer to Maxus, which YPF made prior to the closing of the settlement agreement on account of Maxus's underfunded pension liability.

In July 2009, Maxus entered into a settlement agreement with affiliates of Repsol that resolved several disputes between the parties, including (a) the use by Repsol affiliates of Maxus's intellectual property, (b) the lack of consideration provided by Repsol to Maxus in connection with certain asset sales and the transfer of Maxus's employees, and (c) unpaid invoices for services rendered by Maxus to Repsol and certain of its subsidiaries.

F. *Argentina's Expropriation of YPF*

In May 2012, the Argentine government expropriated control of 51% of YPF's outstanding shares, thereby displacing Repsol as the majority holder of YPF's shares. Thus, as of 2012, Repsol effectively had no controlling interest in YPF and was no longer a controlling indirect parent of Maxus or its affiliates.

G. *Underperformance of Neptune*

On May 22, 2003, MUSE acquired a 15% working interest Neptune from non-affiliate BHP Billiton Petroleum (Deepwater) Inc. Commercial production was expected to commence in late 2007, but setbacks occurred in 2006 and continued through 2007 and 2008. Initial production was achieved on July 6, 2008, and by the end of that year, six wells had started production. International commodity prices declined in 2008 as global financial markets collapsed, and in the years that followed, actual production did not meet estimates. When combined with low commodity prices, MUSE's cash realization on its interest in the Neptune field fell well short of projected expectations.

Despite the challenging market conditions, MUSE continued its oil exploration efforts in the Gulf of Mexico by making substantial capital commitments of $350 million towards numerous projects. Certain exploratory wells, including those at Coronado and Tiger/North Bronto, proved to be "dry holes" that did not produce oil. On the other hand, the Neptune field actively produced oil, but required substantial capital commitments. In recent years, the Debtors have spent $285 million on production-related costs at Neptune, yet the asset continues to underperform.

Even though the revenue generated by Neptune, combined with Maxus's other oil and gas holdings, provides Maxus with adequate income to cover its overhead costs, the Neptune revenues have not been sufficient to address Maxus's indemnification obligations to OCC. As a result, between 2010 and the Petition Date, the Debtors requested and obtained cash infusions from YPF in the approximate amount of $335 million to satisfy the indemnification obligations to OCC.

H. *The Passaic River Litigation*

On November 22, 2005, the NJDEP and the Administrator of the New Jersey Spill Compensation Fund (the "Plaintiffs") filed a complaint against OCC, Tierra, Maxus, YPF, and Repsol, among others (the "Defendants"), in the NJ State Court seeking to hold the Defendants liable for damages resulting from toxic discharges at the Lister Site (the "Passaic River Litigation").

On November 29, 2006, the Plaintiffs filed an amended complaint in the Passaic River Litigation, which asserted that YPF, Repsol, and certain of their affiliates had "worked to strand the environmental liabilities associated with the Newark Bay Complex in Maxus and Tierra, while systematically stripping Maxus's and Tierra's assets and ability to satisfy these obligations." The amended complaint asserted that YPF, Repsol, Maxus, and Tierra were "acting jointly, as a common economic unit, and as alter egos of each other" and sought to hold

Repsol and YPF jointly and severally liable for the environmental liabilities of Maxus and Tierra.

In late 2007, OCC filed certain cross-claims against YPF and Repsol asserting that Repsol and YPF, and certain of their affiliates, were "alter egos of Maxus" and were "contractually obligated to defend and to indemnify OCC" in the Passaic River Litigation.

On July 19, 2011, the NJ State Court held that OCC, as successor to DSCC, was liable to the Plaintiffs for any "cleanup and removal costs" later shown to be associated with toxic discharges at the Lister Site. On May 21, 2012, following entry of the order affirming the OCC Indemnification Obligations, the NJ State Court held that Maxus was the alter ego of Tierra, and that both entities were strictly, jointly, and severally liable for these "cleanup and removal costs" based solely on Tierra having acquired title to the Lister Site in 1986.

On December 12, 2013, the NJ State Court approved a settlement between the Plaintiffs and the non-OCC Defendants, which released all of the Plaintiffs' claims against those Defendants, as well as certain of their claims against OCC, in exchange for a $130 million payment from the non-OCC Defendants, of which $65 million was paid by YPF and Maxus and $65 million was paid by Repsol. On December 16, 2014, the NJ State Court then approved a settlement between the Plaintiffs and OCC, pursuant to which OCC agreed to pay $190 million to the Plaintiffs for a release of the Plaintiffs' remaining claims against OCC. As a result of the foregoing settlements, the only claims remaining in the Passaic River Litigation were the cross-claims among the Defendants.

On November 21, 2014, the YPF-affiliated Defendants filed motions to dismiss OCC's cross-claims, including those predicated on OCC's allegation that YPF was an "alter ego" of Maxus. On January 13, 2015, a Special Master appointed by the NJ State Court issued a recommendation that the YPF-affiliated Defendants' motions to dismiss be granted with respect to all of OCC's claims, except those premised on YPF's alter ego conduct. The Special Master's recommendation was adopted by the NJ State Court on January 29, 2015.

On April 5, 2016, the NJ State Court adopted a series of recommendations issued by the Special Master that, among other things, (a) granted summary judgment to Repsol on OCC's alter ego claims against Repsol, (b) found Maxus was not entitled to an offset against OCC's claim for $190 million for the environmental damages that OCC itself caused at the Lister Site, and (c) denied YPF's motion for partial summary judgment on several transactions on which OCC's alter ego claim was based in part, thereby allowing those claims against YPF to proceed to trial. On April 25, 2016, OCC, YPF, and Maxus each filed requests for interlocutory appeals of certain of the April 5, 2016 orders in the New Jersey Superior Court, Appellate Division, which were denied on May 25, 2016.

As set forth in more detail in Article IV hereof, the Passaic River Litigation was removed to the Bankruptcy Court and, thereafter, certain claims were remanded to the NJ State Court.

I. *Special Independent Committee Formation and Investigation*

On July 13, 2015, the board of directors of Maxus formed a special committee of independent directors (the "Special Independent Committee"), which includes Theodore P.

Nikolis and Bradley I. Dietz. Initially, the Special Independent Committee was empowered and authorized to design and implement a process and procedure for the review and assessment of (a) all material transactions entered into between Maxus and any affiliate involving aggregate consideration of $10 million or more in any instance that occurred from April 1995 (when YPF acquired Maxus) through July 12, 2015, (b) the historical course of dealing and interrelationships between Maxus and its affiliates over the same time period, and (c) potential claims and defenses arising in relation to these transactions and interrelationships (collectively, the "Special Independent Committee Investigative Responsibilities"). The Special Independent Committee also was authorized to negotiate and recommend a settlement, release, discharge, or other agreement relating to any potential claims and defenses identified in connection with the execution of the Special Independent Committee Investigative Responsibilities.

The board of directors of Maxus permitted the Special Independent Committee to engage, at Maxus's expense, financial and other experts and consultants, including legal counsel, in connection with the Special Independent Committee Investigative Responsibilities in order to properly assess any of the relevant transactions and interrelationships.

On November 23, 2015, the Special Independent Committee engaged Morrison & Foerster LLP ("Morrison & Foerster") to represent and assist the Special Independent Committee in the performance of the Special Independent Committee Investigative Responsibilities. On April 5, 2016, after a search for financial advisors in which the Special Independent Committee participated, Morrison & Foerster engaged Zolfo Cooper, LLC ("Zolfo Cooper," and together with Morrison & Foerster, the "Firms") to assist Morrison & Foerster and the Special Independent Committee. The Firms reported only to the Special Independent Committee and took direction only from the Special Independent Committee in connection with the performance of the Special Independent Committee Investigative Responsibilities. During the course of its work, the Special Independent Committee had regular communications with the Firms regarding the progress of their work and developments in the Passaic River Litigation.

Consistent with its mandate, the Special Independent Committee examined, among other things, whether Maxus could recover damages against YPF and against Repsol under an alter ego theory of liability on account of asset transfers and intercompany transactions and other corporate activity that occurred in connection with and during the period following YPF's 1995 leveraged buyout of Maxus (the "Investigation").

The Investigation was based primarily on an extensive review and assessment of the contentions raised, documents produced, and opinions issued in the Passaic River Litigation. In particular, the Special Independent Committee looked at each of the claims asserted by OCC as part of the litigation, including the alter ego claims and other claims against YPF. All of these issues were heavily litigated by the parties to the Passaic River Litigation, who were represented by experienced counsel. OCC was represented principally by Munger, Tolles & Olson LLP; YPF was represented principally by Chadbourne & Parke LLP; Repsol was represented principally by Weil, Gotshal & Manges LLP; and Maxus, Tierra, and Maxus International were represented principally by Drinker Biddle & Reath LLP. The evidentiary record regarding the alter ego claims was exceptionally well developed by the parties to the Passaic River Litigation at the time of the Investigation.

The Firms examined and assessed the facts presented and the respective contentions of these parties concerning OCC's alter ego damages theories, and the extent of potential damages related to those theories, and provided a written analysis of the issues to the Special Independent Committee. The Investigation involved the review of over a quarter of a million pages of materials from the Passaic River Litigation, including pleadings, motions and exhibits thereto, orders, interrogatory responses, deposition transcripts and exhibits thereto, expert reports and referenced documents, board minutes, and other documents produced by the parties to the Passaic River Litigation during the course of discovery regarding the alter ego and other issues.

As part of examining the transactions placed at issue in the Passaic River Litigation, and to assess the competing contentions concerning the existence and extent of any monetary injury to Maxus that could form the basis of alter ego or other liability (including the dismissed fraudulent conveyance claims), Morrison & Foerster worked with Zolfo Cooper, who analyzed Maxus's financial and other records made available to it in order to validate the parties' stated asset values for Maxus's foreign oil and gas assets and evaluate the degree to which YPF's inter-company transactions, including loan forgiveness and capital contributions, harmed or benefited Maxus.

J. *Settlement Agreement with YPF*

Following the conclusion of the Investigation, the Special Independent Committee and representatives of YPF engaged in negotiations to resolve the Debtors' claims against YPF and certain of its affiliates (collectively, the "YPF Entities"), including claims predicated on alter ego conduct by YPF toward Maxus, arising from the material transactions between the parties after April 1995. These negotiations lasted from May 18, 2016 through June 15, 2016.

On June 15, 2016, the parties reached a settlement of the Debtors' claims against YPF and its affiliates and executed a settlement agreement on June 17, 2016 (the "YPF Settlement Agreement") pursuant to which (a) YPF agreed to pay $130 million to the Debtors and their Estates upon the satisfaction of certain conditions, and (b) YPF Holdings agreed to provide debtor-in-possession financing in the amount of $63.1 million to the Debtors, of which $34.35 million is subordinate in payment to all general unsecured claims. In exchange, the Debtors agreed to, among other things, (i) release their claims against the YPF Entities, and (ii) prosecute the Chapter 11 Cases in accordance with certain case milestones set forth in the DIP Agreement (as defined below). As set forth in more detail below, the Debtors filed a motion with the Bankruptcy Court seeking approval of the YPF Settlement Agreement and granting related relief.

ARTICLE IV.

EVENTS DURING THE CHAPTER 11 CASES

On the Petition Date, each of the Debtors filed with the Bankruptcy Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have continued to operate their business and manage their properties as debtors-in-possession in accordance with sections 1107 and 1108 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered (*i.e.*, for procedural purposes only) by order of the Bankruptcy Court pursuant to Bankruptcy Rule 1015(b) [Docket No. 34].

The filing of the Debtors' bankruptcy petitions on the Petition Date triggered the immediate imposition of the automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions, enjoined all collection efforts and actions by creditors, the enforcement of liens against property of the Debtors, and both the commencement and the continuation of prepetition litigation against the Debtors.

A. *"First Day" Pleadings*

On the Petition Date, the Debtors filed numerous "first day" motions seeking various forms of relief intended to ensure a seamless transition of the Debtors' business operations into chapter 11 and facilitate an efficient administration of the Chapter 11 Cases. The relief requested in these motions, among other things, allowed the Debtors to continue certain normal business activities that may not be specifically authorized under the Bankruptcy Code or as to which the Bankruptcy Code may have required prior court approval. All of the relief requested in the first-day motions was granted by the Bankruptcy Court. These motions and orders are available for review on the website maintained by Prime Clerk for the Chapter 11 Cases at https://cases.primeclerk.com/maxus.

The orders entered pursuant to the Debtors' first-day motions authorized the Debtors to, among other things:

- pay prepetition wages, compensation, reimbursable business expenses, and employee benefit obligations, and maintain and continue certain compensation and benefit programs post-petition [Docket No. 36];

- provide adequate assurance of payment to utility companies and establish procedures for resolving requests by utility companies for additional assurance of payment [Docket Nos. 37 and 121];

- maintain their existing bank accounts and cash management system, and continue use of existing business forms and records [Docket Nos. 38 and 146]; and

- pay certain prepetition taxes and fees [Docket No. 122].

B. *Other Case Matters*

1. *Debtors' Retention of Professionals*

Pursuant to Bankruptcy Court approval, the Debtors retained (a) Morrison & Foerster as bankruptcy counsel [Docket No. 152], (b) Young Conaway Stargatt & Taylor, LLP as Delaware co-counsel [Docket No. 125], (c) Zolfo Cooper as bankruptcy consultants and special financial advisors [Docket No. 153], (d) Drinker Biddle & Reath LLP as special counsel (in connection with certain environmental and personal injury litigation and regulatory matters) [Docket Nos. 171 and 323], (e) McKool Smith P.C. as special counsel (in connection with certain insurance litigation) [Docket No. 172], (f) BDO USA, LLP as tax services provider [Docket No. 324], and (g) Prime Clerk as Claims and Noticing Agent [Docket No. 35] and as administrative agent [Docket No. 170].

The Bankruptcy Court also authorized the Debtors to retain, employ, and compensate certain professionals utilized by the Debtors in the ordinary course of business [Docket No. 147].

Moreover, the Bankruptcy Court entered orders authorizing the Debtors to retain and employ (a) EnergyNet.com as sales broker and consultant with respect to the potential sale of the Debtors' rights, title, and interests in and to certain oil and gas properties [Docket No. 629], (b) Keen-Summit Capital Partners LLC as real estate broker with respect to the potential sale of certain parcels of real property [Docket No. 643], and (c) Hilco IP Services, LLC d/b/a Hilco Streambank as broker in connection with the marketing of certain of the Debtors' internet protocol numbers and/or other internet number resources [Docket No. 631].

2. *Appointment of the Creditors' Committee/Retention of Professionals*

On July 7, 2016, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee"). The members of the Creditors' Committee are OCC, the Lower Passaic River Study Area Cooperating Parties Group, and Brown and Caldwell. Pursuant to Bankruptcy Court approval, the Creditors' Committee retained (a) Schulte Roth & Zabel LLP as its counsel [Docket No. 255], (b) Cole Schotz P.C. as its Delaware co-counsel [Docket No. 256], and (c) Berkeley Research Group, LLC as its financial advisor [Docket No. 257].

Since the Creditors' Committee's formation, the Debtors have consulted with the Creditors' Committee concerning the administration of the Chapter 11 Cases, and the Creditors' Committee has remained an active participant in the Chapter 11 Cases. The Debtors have kept the Creditors' Committee informed of matters relating to the Debtors' business operations and have conferred with, and sought the concurrence of, the Creditors' Committee to the extent transactions outside of the ordinary course of the Debtors' business would affect the Creditors' Committee's constituency. The Debtors have conducted several meetings with the Creditors' Committee to discuss chapter 11 plan constructs and the status of the Creditors' Committee's ongoing investigation of the YPF Settlement Agreement.

3. *Appointment of Section 1114 Retiree Committee*

On November 15, 2016, the Bankruptcy Court entered an order authorizing the U.S. Trustee to appoint one or more official committees of retirees pursuant to section 1114 of the Bankruptcy Code, as determined by the U.S. Trustee, to serve as the section 1114 authorized representative of the OPEB Plan participants [Docket No. 567]. On December 16, 2016, the U.S. Trustee appointed a three person committee of retirees (the "Retiree Committee") [Docket No. 641]. The Debtors intend to engage with the professionals retained by the Retiree Committee regarding the modification and/or termination of the OPEB Plans.

4. *DIP Facility and Case Milestones*

On June 18, 2016, the Debtors filed a motion (the "DIP Motion") seeking Bankruptcy Court authority to, among other things: (a) enter into a debtor-in-possession financing agreement (the "DIP Agreement") with YPF Holdings (in its capacity as debtor-in-possession lender, the "DIP Lender"), to obtain cash advances and other extensions of credit in an aggregate amount not to exceed $63.1 million (the "DIP Facility") in accordance with the terms of the DIP

Agreement; (b) grant to the DIP Lender, with respect to the proposed $31.9 million Tranche A portion of the DIP Facility (the "Tranche A Facility"), a first-priority security interest in and lien on all of the Debtors' assets to secure the DIP Obligations (as defined in the Final DIP Order (defined below)), subject and subordinate only to payment of the Carve-Out (as defined in the DIP Agreement); and (c) with respect to the proposed Tranche A Facility, grant superpriority administrative expense status to the DIP Lender, subject and subordinate only to payment of the Carve-Out. The proposed Tranche B of the DIP Facility consisted of an unsecured $31.2 million facility (the "Tranche B Facility") that is subordinate in payment to all general unsecured claims. The Tranche A Facility is being used for the Debtors' general bankruptcy and restructuring expenses. The Tranche B Facility is being used to fund the Debtors' corporate overhead expenses, such as salaries and administrative fees, the E&P operations and related overhead, and the operations of Tierra, including all current and active remediation projects being undertaken by Tierra.

The DIP Facility, as originally proposed, provided for an interim financing commitment of up to $11 million funded after entry of an order approving the DIP Facility on an interim basis and a final financing commitment of $63.1 million after entry of an order approving the DIP Facility on a final basis, in accordance with the terms and conditions set forth in the DIP Agreement. After filing the DIP Motion, the Debtors, in consultation with their professional advisors and the Creditors' Committee, determined that the Debtors did not need the interim financing commitment and decided to pursue approval of the DIP Motion on a final basis only.

After lengthy negotiations with the Creditors' Committee, the Debtors and the DIP Lender agreed to make material modifications to the proposed order granting the DIP Motion and, on that basis, the Creditors' Committee did not file an objection to the DIP Motion. On August 4, 2016, Benjamin Moore & Co. ("Benjamin Moore") and OCC each filed objections to the DIP Motion (together, the "DIP Objections") [Docket Nos. 193, 197]. On August 11, 2016, the Debtors filed a reply in support of the DIP Motion [Docket No. 208].

At the August 15, 2016 final hearing on the DIP Motion (the "Final DIP Hearing"), the Debtors and the DIP Lender agreed to make additional modifications to the proposed order in order to resolve the DIP Objections.

On August 19, 2016, the Bankruptcy Court entered an order approving the DIP Facility on a final basis [Docket No. 268] (the "Final DIP Order").

The Final DIP Order, as modified: (a) authorized the Debtors to obtain the $63.1 million DIP Facility, but reduced the amount of the Tranche A Facility to $28.75 million (the obligations under such facility, the "Tranche A Obligations") and increased the amount of the Tranche B Facility to $34.35 million (the obligations under such facility, the "Tranche B Obligations"); (b) granted to the DIP Lender, only with respect to the modified Tranche A Facility, a first-priority security interest in and lien on the DIP Collateral (as defined in the Final DIP Order) to secure the DIP Obligations, subject and subordinate only to payment of the Carve-Out; (c) granted superpriority administrative expense status to the DIP Lender for the DIP Obligations solely with respect to the modified Tranche A Obligations, subject and subordinate only to payment of the Carve-Out; and (d) provides that the Debtors and their Estates shall not repay the modified Tranche B Obligations under any circumstances until such time as all administrative expense

claims, priority claims, and general unsecured claims against the Debtors allowed under the Bankruptcy Code (other than the claims of the Lender or the Lender-Related Parties (each as defined in the Final DIP Order)) have been fully satisfied in cash or deemed fully satisfied with such other debt or equity distribution permitted under the Bankruptcy Code.

The Final DIP Order, as modified, also provides that in the event a chapter 11 plan that is not supported by the DIP Lender is confirmed, the Tranche A Obligations will be deemed satisfied if the DIP Lender receives (a) the greater of (x) the liquidated proceeds of the DIP Collateral or (y) $20 million, and (b) a non-recourse promissory note (the "Non-Recourse Promissory Note") in an amount equal to the outstanding amount of the Tranche A Obligations less cash paid from the proceeds of the DIP Collateral, but in no event to exceed $8.75 million. The Non-Recourse Promissory Note has recourse to the DIP Collateral, with the exception of the proceeds of claims or causes of action against the DIP Lender and affiliated parties.

Unless otherwise agreed to by the DIP Lender, in the event that a chapter 11 plan supported by the DIP Lender is confirmed, the Tranche A Obligations will be deemed satisfied if the DIP Lender receives an amount in Cash equal to the DIP Tranche A Claim on the Effective Date.

Moreover, the Final DIP Order: (a) excludes all avoidance actions and the proceeds of avoidance actions under chapter 5 of the Bankruptcy Code from the DIP Liens (as defined in the Final DIP Order) and the DIP Collateral; (b) excludes from the DIP Liens and the DIP Collateral the proceeds of the YPF Settlement Agreement; (c) provides the Creditors' Committee with a budget of $1.25 million to investigate (i) claims and causes of action against the DIP Lender and (ii) the circumstances underlying the approval of the YPF Settlement Agreement; (d) confirms that the DIP Lender waives any right to set off the Tranche B Obligations against any of the DIP Lender's obligations to the Debtors; (e) provides for ten days' notice of any hearing regarding stay relief upon the occurrence of an event of default; and (f) confirms that all interest and fees owing under the DIP Facility are payable in kind and not in cash.

The DIP Agreement requires the Debtors to achieve certain case milestones on or prior to their corresponding deadlines, as set forth below:

Date	Milestone
August 29, 2016	File a motion and seek approval of the YPF Settlement Agreement
February 28, 2017	File a plan that contains, incorporates, implements, and is in no manner inconsistent with, the terms of the YPF Settlement Agreement and is acceptable to the YPF Entities
May 15, 2017	Obtain entry of an order confirming the plan that (i) contains, incorporates and implements the terms of the YPF Settlement Agreement in form and substance reasonably acceptable to the YPF Entities or, (ii) in the event the Bankruptcy Court has issued YPF Approval Order, in form and substance reasonably acceptable to the YPF Entities, is in no manner inconsistent with the terms of the YPF Settlement Agreement
June 1, 2017	Obtain a final order dismissing the Passaic River Litigation as against the Debtors and the YPF Entities
June 15, 2017	Plan becomes effective

Failure to achieve any of the above milestones triggers an event of default under the DIP Agreement.

5. *Schedules and Statements*

On August 16, 2016, the Debtors filed their Schedules of Assets and Liabilities and Schedules of Executory Contracts and Unexpired Leases (the "Schedules") and Statements of Financial Affairs (the "Statements") [Docket Nos. 236-245]. On November 1, 2016 and November 30, 2016, the Debtors filed amended Schedules [Docket Nos. 498-1 and 593-599]. These documents contain basic information including, among other things, schedules of creditors holding unsecured priority and non-priority claims against the Debtors. Copies of the Schedules and Statements are available for inspection on the Bankruptcy Court's website at https://ecf.deb.uscourts.gov/ and on the website maintained by Prime Clerk for the Chapter 11 Cases at https://cases.primeclerk.com/maxus.

6. *Claims Bar Dates*

On August 25, 2016, the Bankruptcy Court entered an order establishing: (a) October 31, 2016 as the General Bar Date; (b) December 15, 2016 as the Governmental Bar Date; (c) the later of the date that is thirty (30) days after entry of an order providing for the rejection of an executory contract or unexpired lease, the applicable Bar Date, or such other date as the

Bankruptcy Court may fix in the order authorizing such rejection as the Rejection Bar Date; and (d) the later of the General Bar Date or Governmental Bar Date, as applicable, and the date that is thirty (30) days after the date that notice of any Amended Schedules is served on the claimant as the Amended Schedules Bar Date [Docket No. 289].

7. *Removal and Remand of Passaic River Litigation*

On June 20, 2016, OCC filed a *Notice of Removal of Claims* (the "Notice of Removal") in the United States Bankruptcy Court for the District of New Jersey (the "New Jersey Bankruptcy Court"), pursuant to which OCC removed the following claims asserted in the Passaic River Litigation to the New Jersey Bankruptcy Court: (a) all cross-claims asserted by OCC against the YPF Defendants (as defined in the Notice of Removal) (the "YPF Claims); (b) all cross-claims asserted by OCC against Repsol (the "Repsol Claims"); and (c) the counterclaim asserted by Repsol against OCC (the "Repsol Counterclaim," and collectively with the YPF Claims and the Repsol Claims, the "Removed Claims").

On June 21, 2016, OCC moved in the New Jersey Bankruptcy Court for transfer of venue of the Removed Claims to the Bankruptcy Court. On June 28, 2016, the New Jersey Bankruptcy Court ordered that the venue of the Removed Claims be transferred to the Bankruptcy Court. The Removed Claims were docketed in the Bankruptcy Court as Case No. 16-51025-CSS (the "Adversary Proceeding"). On July 5, 2016, Repsol filed a statement pursuant to Bankruptcy Rule 9027(e)(3) in connection with the Notice of Removal stating that (a) the Repsol Claims and Repsol Counterclaim are non-core, (b) Repsol takes no position on whether the YPF Claims are core or non-core, and (c) Repsol does not consent to entry of final orders or judgments by the Bankruptcy Court [Docket No. 85]. On July 6, 2016, the YPF Defendants filed a statement in response to the Notice of Removal and Repsol's related statement stating that (x) the claims asserted by OCC against YPF are property of the Debtors' estates, (y) certain of the YPF Claims may be core and certain may be non-core, and (z) the YPF Defendants take no position on whether the Repsol Claims or Repsol Counterclaim are core or non-core [Docket No. 91].

On July 20, 2016, Repsol filed a motion to remand the Repsol Claims and the Repsol Counterclaim to the NJ State Court (the "Repsol Remand Motion") [Adv. Proc. Docket No. 27]. The YPF Claims are not at issue in the Repsol Remand Motion. On August 10, 2016, OCC filed an objection to the Repsol Remand Motion [Adv. Proc. Docket No. 30], the Debtors filed a statement in response to the Repsol Remand Motion [Adv. Proc. Docket No. 31], and the YPF Defendants filed an objection to the Repsol Remand Motion [Adv. Proc. Docket No. 33]. After additional briefing by the parties, Repsol filed a notice of completion of briefing on September 9, 2016 [Adv. Proc. Docket No. 41]. On November 15, 2016, the Bankruptcy Court entered an opinion [Docket No. 560 and Adv. Proc. Docket No. 42] and an order (the "Repsol Remand Order") [Docket No. 561 and Adv. Proc. Docket No. 43] granting the Repsol Remand Motion, thereby remanding the Repsol Claims and the Repsol Counterclaim to the NJ State Court.

On November 29, 2016, OCC filed a motion for clarification or, in the alternative, for reconsideration of the Repsol Remand Order [Adv. Proc. Docket No. 44]. On December 13, 2016, the Debtors filed an objection to OCC's motion [Adv. Proc. Docket No. 45], and on December 23, 2016, OCC filed a reply to the Debtors' objection [Adv. Proc. Docket No. 47].

8. *Insurance*

On July 11, 2016, the Bankruptcy Court entered an order authorizing the Debtors' payment of prepetition obligations incurred in the ordinary course of business in connection with insurance policies and the continuation of the Debtors' insurance premium financing agreement [Docket No 123].

9. *Motion to Approve Settlement Agreement with YPF Entities*

On August 29, 2016, the Debtors filed a motion pursuant to Bankruptcy Rule 9019 seeking an order of the Bankruptcy Court approving the YPF Settlement Agreement and granting related relief [Docket No. 300]. The merits of the YPF Settlement Agreement are described in detail in the motion, which is incorporated herein by reference.

Prior to and after filing the motion, certain parties, and most notably OCC, criticized the neutrality and integrity of the process that produced the YPF Settlement Agreement and expressed dissatisfaction with the adequacy of the $130 million to be contributed by YPF to the Estates. In order to prevail on an alter ego claim, the plaintiff must prove, by greater than a preponderance of the evidence, disregard of the corporate form such that affiliated corporations operated as a single economic unit in a manner that caused injustice and unfairness. Given the complexity and stringent legal standard applied to alter ego claims, the Debtors believe that a trial on these claims would be extraordinarily complicated and costly, and it is impossible to predict how a tribunal would ultimately decide these claims. When compared to the risks of losing everything at trial and garnering no value for the Debtors' creditors, the Special Independent Committee concluded that entry into the YPF Settlement Agreement, which provides a substantial recovery of value for the Estates, is a much more favorable outcome for creditors than the unadulterated risk presented by litigation.

A hearing date on this motion has been scheduled for no earlier than April 17, 2017.

10. *Critical Vendors*

On September 2, 2016, the Bankruptcy Court entered an order authorizing the Debtors to pay prepetition claims of certain critical vendors up to a cap of $2 million [Docket No. 321]. As of November 25, 2016, the Debtors made approximately $1.4 million in payments on account of prepetition claims of critical vendors.

11. *Credit Card Program*

On September 2, 2016, the Bankruptcy Court entered an order authorizing the Debtors to reinstate their commercial credit card program with JPMorgan Chase Bank, N.A. [Docket No. 320].

12. *Key Employee Retention Plan and Modified Severance Plan*

On September 2, 2016, the Bankruptcy Court entered an order approving the Debtors' key employee retention plan (the "KERP") and authorizing the Debtors to implement and maintain a modified severance plan (the "Modified Severance Plan," and together with the

KERP, the "KERP/Severance Plans") [Docket No. 322]. The Debtors discussed and negotiated the terms of the KERP/Severance Plans with the Creditors' Committee and the U.S. Trustee prior to filing the motion seeking approval thereof.

The KERP applies to 25 employees who are critical to the Debtors' ongoing operations and remediation efforts and other critical business functions, and is designed to incentivize such employees to remain with the Debtors through the effectiveness of a chapter 11 plan. The maximum cost of the KERP is $1,290,000. The Modified Severance Plan applies to all current employees and is payable upon termination, change of control, or death, based on years of service (capped at 4 months' salary). The maximum cost of the Modified Severance Plan is $1,038,000. The KERP/Severance Plans will be funded out of the fully subordinated Tranche B Facility.

13. *Removal Deadline*

On September 2, 2016, the Bankruptcy Court entered an order extending the period within which the Debtors may remove actions to the Bankruptcy Court through and including January 13, 2017, without prejudice to the right to seek further extensions of the removal deadline [Docket No. 325]. On December 22, 2016, the Debtors filed a motion to further extend the period within which the Debtors may remove actions to the Bankruptcy Court [Docket No. 676]. The hearing to consider the motion is currently scheduled for January 13, 2017.

14. *Deadline to Assume or Reject Non-Residential Real Property Leases*

On October 4, 2016, the Bankruptcy Court entered an order extending the Debtors' deadline to assume or reject non-residential real property leases pursuant to section 365(d)(4) of the Bankruptcy Code through and including January 13, 2017, without prejudice to the right to seek further extensions of the deadline with the consent of the affected lessors [Docket No. 382]. On December 15, 2016, the Debtors filed a motion to further extend their deadline to assume or reject certain leases, with prior consent of the lessors, and to establish procedures related thereto. [Docket No. 634]. The hearing to consider the motion is currently scheduled for January 25, 2017.

15. *Key Employee Incentive Plan*

On October 18, 2016, the Bankruptcy Court entered an order approving the Debtors' key employee incentive plan (the "KEIP") for the Debtors' three-member senior management team (the "Senior Management Team") [Docket No. 448]. The Debtors discussed and negotiated the terms of the KEIP with the Creditors' Committee prior to and after filing the motion seeking approval thereof and modified the proposed KEIP based on these discussions.

The KEIP (as modified) consists of four performance objectives: (a) conducting a pre-sale marketing process for the Debtors' non-litigation assets; (b) achieving at least a threshold value from the sale of some or all of the Debtors' non-litigation assets; (c) achieving certain milestones in order to maintain claims for distribution to a litigation trust or receiving affirmative judgments and/or other recoveries in connection with the Debtors' pending and potential litigations; and (d) transitioning environmental remediation projects (the "Projects") from Tierra to OCC. If each member of the Senior Management Team achieves the "threshold" award in

each performance objective, the total cost of the KEIP is $950,000. If each member of the Senior Management Team achieves the "maximum" award in each performance objective, the total cost of the KEIP is $1,425,000.

The Senior Management Team must accomplish the pre-sale marketing performance objective before December 15, 2016 to achieve the "maximum" award and before January 31, 2017 to achieve the "threshold" award. The Senior Management Team achieves the "threshold" award under the non-litigation assets performance objective when the value derived from the sale of any non-litigation assets reaches $10 million, and the award opportunity increases at the $20 million "maximum" level. The litigation performance objective is broken down into four different categories and the Senior Management Team achieves the "threshold" and "maximum" awards at various points in time when certain milestones or recoveries are achieved. Under the Tierra transition performance objective, the Senior Management Team must enter into a transition plan with OCC for the Projects before November 15, 2016 to achieve the "maximum" award and before December 15, 2016 to achieve the "threshold" award. The Senior Management Team entered into a transition plan with OCC prior to November 15, 2016 and thus achieved the "maximum" award under this performance objective. The Senior Management Team must complete transition of the Projects to OCC by March 31, 2017 to achieve the "maximum" awards and by May 15, 2017 to achieve the "threshold" awards.

16. *Plan Exclusivity*

On October 20, 2016, the Bankruptcy Court entered an order extending the Debtors' exclusive period to file a chapter 11 plan through and including December 19, 2016 and extending the Debtors' exclusive period to solicit acceptances of a plan through and including February 17, 2017, without prejudice to the right to seek further extensions of the exclusive periods [Docket No. 465]. The order further provides that the Debtors, the Creditors' Committee, and OCC may stipulate to a further 30 day extension of each of the exclusive periods without further order of the Bankruptcy Court.

On November 29, 2016, the Debtors filed a motion to further extend the Debtors' exclusive period to file a chapter 11 plan through and including February 17, 2017 and the Debtors' exclusive period to solicit acceptances of a plan through and including April 18, 2017 [Docket No. 590]. On December 13, 2016, OCC, the Lower Passaic River Study Area Cooperating Parties Group, and the Creditors' Committee each filed objections to the motion [Docket Nos. 616, 617, 619]. On December 16, 2016, the Debtors filed an omnibus reply in support of the motion [Docket No. 636]. Also on December 16, 2016, the YPF Entities filed an omnibus reply to the objections and joinder to the Debtors' omnibus reply [Docket. 639]. On December 20, 2016, the Bankruptcy Court entered an order, as agreed to among the Debtors and the objectors, further extending the Debtors' exclusive period to file a chapter 11 plan through and including January 18, 2017 and further extending the Debtors' exclusive period to solicit acceptances of a plan through and including March 18, 2017; provided, however, that the exclusive filing period shall terminate if the Debtors fail to file an initial plan (as described by the Debtors' counsel on the record of the hearing) by 11:59:59 p.m. on December 31, 2016 [Docket No. 664]. The order further provides that it is without prejudice to the rights of the Debtors and their estates to seek further extensions of the exclusive periods or the rights of any party-in-interest to seek to terminate the exclusive periods for cause.

17. *Services Agreement Between Tierra and OCC*

On November 1, 2016, the Bankruptcy Court entered an order (the "Services Agreement Order") approving a services agreement (the "Services Agreement") by and between Tierra and OCC [Docket No. 495]. The Services Agreement establishes a framework by which Tierra can effectuate a transition to OCC of certain remediation projects and services for which Tierra historically has been responsible as part of Maxus's indemnification obligation to OCC. Pursuant to the Services Agreement, Tierra has been providing OCC with the information that OCC requires to continue cleanup efforts at certain contaminated industrial sites across the country. The Services Agreement also provides that OCC will reimburse Tierra for the costs and expenses incurred by Tierra in the employment of skilled and experienced remediation professionals required to identify, collect, and transmit this information to OCC. Since the motion seeking approval of the Services Agreement was filed, Tierra has received nine work orders from OCC that were approved by the Debtors and OCC and work is proceeding pursuant to the terms of those work orders. The Debtors and OCC are also discussing issues outside of the approved work orders, including Tierra's work on certain projects that may impact OCC going forward.

18. *Status of Transition of Environmental Projects*

With a few exceptions, the Debtors' environmental remediation projects relate to properties and facilities for which OCC is primarily liable.[16] The Debtors intend to effectuate an orderly transition of those projects to OCC by the conclusion of the Chapter 11 Cases. The projects fall into two general categories. The first category consists of ongoing projects that, if stopped, would pose a hazard to public health or safety, or disrupt an orderly transition of the project to OCC. To the extent these projects have not already been transitioned to OCC, they are being funded by the Tranche B Facility. The second category consists of projects that were not started as of the Petition Date and/or do not require ongoing funding to be transitioned to OCC without material disruption. The projects in this second category are not being funded by the Tranche B Facility.[17]

The Debtors have made significant progress in their efforts to transition responsibility for both categories of projects to OCC. The Debtors' efforts in this regard include the following:

- On September 20, 2016, principals of Tierra and Glenn Springs Holdings, Inc. ("Glenn Springs"), OCC's environmental remediation affiliate, met in Houston, Texas to discuss projects under the Services Agreement and to outline a transition plan. Teams at Tierra and Glenn Springs are currently conducting weekly calls regarding the status of various environmental projects involving OCC.

- On October 26, 2016, principals of Tierra and Glenn Springs held a second working group session to outline a transition plan for certain environmental

[16] The Debtors have several other minor (or substantially completed) remediation projects that do not involve OCC and will be transitioned to the appropriate PRPs, without the need for additional funding, by the conclusion of the Chapter 11 Cases.

[17] The Debtors are presently being reimbursed by OCC under the Services Agreement for certain costs associated with the transition of projects in this second category.

projects. During this meeting, the parties began to structure (subject to final documentation) a process by which Tierra will provide Glenn Springs with a comprehensive set of data for each site for which it manages environmental remediation matters for OCC. It is anticipated that Glenn Springs will validate its receipt of all of the relevant data from Tierra for each specific site, and then assume future primary environmental remediation responsibilities for the specific site. In addition, the teams at Tierra and Glenn Springs continue to conduct weekly calls on the environmental projects.

- On November 1, 2016, the Bankruptcy Court entered the Services Agreement Order, thereby approving the parties' agreement to enter into a master services agreement establishing the general terms and conditions governing OCC's future requests for assistance from Tierra (*i.e.*, work orders) related to the eventual transition of day-to-day responsibility for certain remediation sites to OCC.

- In November 2016, the Debtors and OCC finalized a plan to transition existing remediation projects to OCC in a manner that is acceptable in form and substance to OCC. Thereafter, the parties met and agreed upon a form of transition plan checklist, which will be used to facilitate the necessary transition of information to OCC so that OCC can assume responsibility for remediation obligations at specific remediation sites.

- The Debtors also have been providing the Creditors' Committee and other parties in interest with monthly reports concerning the progress of their active remediation efforts at those sites covered by the Tranche B Facility as well as those sites in which the Debtors are passive participants.

19. *Filing of Amended Bylaws*

On November 8, 2016, the Debtors adopted amended bylaws [Docket No. 533] that grant the Debtors' two independent directors exclusive authority over any claims, transactions, litigations, disputes, arrangements or other matters between the Debtors and YPF. The expanded authority of the independent directors extends to the YPF Settlement Agreement (including with respect to any decisions concerning its prosecution or amendment), the DIP Agreement (including with respect to any decisions concerning alternative financing), and all plan matters that implicate YPF.

20. *Settlement Agreement with Scepter and Erie*

On November 29, 2016, the Debtors filed a motion, pursuant to Bankruptcy Rule 9019, seeking approval of a settlement agreement by and among Tierra, Scepter, and Erie [Docket No. 589]. This settlement provides, in pertinent part, for a recovery for the Debtors in the amount of $925,000, which represents more than 90% of the amounts sought in pending litigation, in full and final resolution of all of the Debtors' claims against Scepter and Erie. On December 13, 2016, the Creditors' Committee filed a limited objection to the motion [Docket No. 618]. The Creditors' Committee had no issue with the terms of the settlement, but instead objected to any use of proceeds as unrestricted cash that the Debtors are required to use before they can borrow

further funds under the DIP Facility. On December 16, 2016, the YPF Entities filed a reply to the limited objection [Docket No. 638]. On December 20, 2016, the Bankruptcy Court entered an agreed order granting the motion as set forth therein [Docket No. 666].

21. *Amended Discovery Protocol Motion*

On December 23, 2016, the Debtors filed an amended motion for approval of a protocol for discovery related to plan confirmation and the YPF Settlement Agreement [Docket No. 679]. This motion supersedes a prior motion seeking approval of an earlier version of a discovery protocol [Docket No. 483]. The hearing to consider the amended motion is currently scheduled for January 25, 2017.

ARTICLE V.

SUMMARY OF THE PLAN

This section provides a summary of the structure and means for implementation of the Plan and 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 thereto and definitions therein).

The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in the documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions of the Plan or documents referred to therein.

The Plan controls the actual treatment of Claims against, and Equity Interests in, the Debtors under the Plan, and will, upon the occurrence of the Effective Date, be binding upon all Holders of Claims against and Equity Interests in the Debtors and the Debtors' Estates, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict between this Disclosure Statement and the Plan or any other operative document, the terms of the Plan and/or such other operative document shall control.

A. *DIP Tranche A Claim, Administrative Claims, Professional Claims, Priority Tax Claims, And U.S. Trustee Fees*

1. *DIP Tranche A Claim*

If the DIP Lender Files a Support Notice prior to the commencement of a hearing seeking approval of the Disclosure Statement, unless otherwise agreed to by the DIP Lender, the DIP Tranche A Claim shall be paid in Cash on or before the Effective Date.

If the DIP Lender does not File a Support Notice on or before the deadline to object to Confirmation, unless otherwise agreed to by the DIP Lender, the DIP Lender shall receive on the Effective Date (a) Cash in the amount equal to the greater of (i) the aggregate amount of liquidated proceeds of the DIP Collateral, whether in the form of Cash, marketable securities, or

any other liquid assets, held by the Debtors, the Liquidating Trust, and/or the Environmental Response Trust as of the Effective Date, and (ii) $20 million in Cash, provided, however, that the value of such Cash, marketable securities, and liquid assets shall in no event be greater than the DIP Tranche A Claim; and (b) the Non-Recourse Promissory Note in an amount equal to the difference (if any) of the outstanding amount of the DIP Tranche A Claim less the amount of Cash paid under subsection (a) of this paragraph, but in no case shall the Non-Recourse Promissory Note exceed $8,750,000 plus the amount of all accrued and unpaid fees and expenses that constitute part of the DIP Tranche A Claim other than interest and fees that are capitalized under Sections 2.07 and 2.08 of the DIP Credit Agreement.

The Non-Recourse Promissory Note issued pursuant to the immediately preceding paragraph shall have economic terms identical to the economic terms of the lending arrangement that gave rise to the DIP Tranche A Claim except that (a) the Non-Recourse Promissory Note shall have recourse solely to the Note Collateral, (b) the maturity date of the Non-Recourse Promissory Note shall be three years from the Effective Date, and (c) interest on the Non-Recourse Promissory Note shall be due and payable in Cash on each anniversary of the Effective Date; provided, however, that the Non-Recourse Promissory Note shall be subject to mandatory prepayments as and when the Liquidating Trust receives proceeds of the Note Collateral. The Liquidating Trust shall use reasonable best efforts to monetize the remaining Note Collateral to maximize the values of such assets. The DIP Lender shall have no right to foreclose on the Note Collateral prior to the maturity date on the Non-Recourse Promissory Note; provided, however, that the DIP Lender shall have the right to seek enforcement of the obligations of the Liquidating Trust. Notwithstanding anything set forth herein or in the Plan to the contrary, to the extent that any amount of the DIP Tranche A Claim is not paid in full on the Effective Date, the Claims and Liens securing the Note Collateral provided under the DIP Order shall survive and remain in full force and effect.

2. *Administrative Claims*

a. *Treatment of Administrative Claims Other than Professional Claims.*

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim, or set forth in an order of the Bankruptcy Court, the Liquidating Trust or, in the case of Allowed Administrative Claims arising from the assumption and assignment of the ERT Executory Contracts, the Environmental Response Trust, will pay each Holder of such Allowed Administrative Claim (other than Holders of Professional Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) the full unpaid amount of such Claim in Cash: (a) if the Administrative Claim is Allowed before the Effective Date, on the Effective Date, or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due, or as soon as practicable thereafter); or (b) if the Administrative Claim is Allowed on or after the Effective Date, on the date such Administrative Claim is Allowed, or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due, or as soon as practicable thereafter); provided, however, that Allowed Administrative Claims other than Professional Claims that arise in the ordinary course of the Debtors' business shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions. On or

after the Effective Date, the Liquidating Trust or the Environmental Response Trust, as applicable, may settle and pay any Administrative Claim in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

b. *Administrative Claims Bar Date*

Except as provided for in the Plan or in any order of the Bankruptcy Court, and subject to section 503(b)(1)(D) of the Bankruptcy Code, Holders of Administrative Claims (other than Holders of Administrative Claims paid in the ordinary course of business, Holders of Professional Claims, Holders of Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code, and Holders of post-petition Intercompany Claims) must File and serve on the Debtors, the Liquidating Trust, and the Environmental Response Trust requests for the payment of such Administrative Claims not already Allowed by Final Order in accordance with the procedures specified in the Confirmation Order, on or before the Administrative Claim Bar Date or be forever barred, estopped, and enjoined from asserting such Claims against the Debtors, the Liquidating Trust, the Environmental Response Trust, or their respective assets or properties, and such Claims shall be deemed released as of the Effective Date.

3. *Professional Claims*

a. *Final Fee Applications*

All final requests for Professional Claims must be Filed no later than sixty (60) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims will be determined by the Bankruptcy Court.

b. *Professional Claims*

The amount of Professional Claims owing to the Professionals will be paid in Cash to such Professionals by the Liquidating Trust within 10 days of the Bankruptcy Court's approval thereof.

c. *Post-Effective Date Fees and Expenses*

Except as otherwise specifically provided in the Plan, the Liquidating Trust and the Environmental Response Trust shall pay in Cash the legal, professional, or other fees and expenses incurred by their respective professionals from and after the Effective Date, in the ordinary course of business and without any further notice to or action, order or approval of the Bankruptcy Court. Upon the Effective Date, professionals may be employed by the Liquidating Trust and/or the Environmental Response Trust and paid in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court from the Liquidating Trust Assets and the ERT Assets, respectively.

4. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment or has been paid by any applicable Debtor prior to the Effective Date, the Liquidating Trust shall pay each Holder of an Allowed Priority Tax Claim, in full and final satisfaction, settlement, and release of such Allowed Priority Tax Claim, in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, the full unpaid amount of such Allowed Priority Tax Claim in Cash on, or as soon as practicable after, the latest of: (a) the Effective Date; or (b) the date such Allowed Priority Tax Claim becomes Allowed.[18]

5. *U.S. Trustee Fees*

On the Effective Date or as soon as practicable thereafter, the Liquidating Trust shall pay all U.S. Trustee Fees that are due and owing on the Effective Date. For the avoidance of doubt, nothing in the Plan shall release the Liquidating Trust from its obligation to pay all U.S. Trustee Fees due and owing after the Effective Date before a Final Order is entered by the Bankruptcy Court concluding or closing the Chapter 11 Cases.

B. *Classification, Consolidation, Treatment, and Voting of Claims and Equity Interests*

1. *Classification of Claims and Equity Interests*

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Equity Interests. A Claim or Equity Interest is placed in a particular Class for the purposes of voting on the Plan and receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest has not been paid, withdrawn or otherwise settled before (i) the Claims Record Date for voting purposes, or (ii) the time at which distributions are made with respect to such Claims or Equity Interests pursuant to the Plan for distribution purposes.

2. *Record Date for Claims*

As of the Claims Record Date, the transfer registers for each Class of Claims or Equity Interests, as maintained by the Debtors or their agents, shall be deemed closed and there shall be no further changes made to reflect any new record holders of any such Claims or Equity Interests without the written consent of the Debtors or the Liquidating Trustee, as applicable. The Debtors and the Liquidating Trust shall have no obligation to recognize any transfer of such Claims or Equity Interests occurring on or after the Claims Record Date.

3. *Consolidation of the Debtors*

The Plan will consolidate all of the Debtors for all purposes, including for the purpose of implementing the Plan, for purposes of voting, for assessing whether Confirmation standards have been met, for calculating and making distributions under the Plan and for filing post-Confirmation reports and paying quarterly fees to the U.S. Trustee. Pursuant to the Confirmation Order, as of the Effective Date: (a) all assets and liabilities of the Debtors will be deemed

[18] The projected amount of Allowed Priority Tax Claims is approximately $80,000.

merged; (b) all guarantees by one Debtor of the obligations of any other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors will be deemed to be one obligation of the consolidated Debtors; (c) each and every Claim Filed or to be Filed in the Chapter 11 Case of any Debtor will be deemed Filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors, and the Debtors may File and the Bankruptcy Court will sustain objections to Claims for the same liability that are Filed against multiple Debtors; and (d) Intercompany Claims between Debtors will be eliminated and extinguished. This consolidation will not: (i) affect the legal and corporate organizational structures of the Debtors; (ii) affect the vesting of assets in the Liquidating Trust or the Environmental Response Trust; (iii) affect the rights of any Holder of an Other Secured Claim with respect to the collateral securing such Claim; (iv) constitute a change of control of any Debtor for any purpose; or (v) cause a merger or consolidation of any legal entity.

a. *The Effect of Consolidation*

Consolidation is an equitable remedy that a bankruptcy court may apply in the chapter 11 cases of affiliated debtors, among other instances. Consolidation of the estates of multiple debtors in a bankruptcy case effectively combines the assets and liabilities of multiple debtors for certain purposes under a plan. The effect of consolidation is the pooling of the assets of, and claims against, consolidated debtors, satisfying liabilities from a common fund and combining the creditors of consolidated debtors for purposes of voting on a plan. In the absence of consolidation, the creditors of an individual debtor could only look to the assets of that debtor to fully or partially satisfy such creditor's claim.

b. *The Basis for Consolidation*

Substantive consolidation of the Debtors is an important element of the Debtors' successful implementation of the Plan. The Debtors submit that the proposed consolidation structure is supported by the applicable legal standards, practical considerations, and the Debtors' prepetition operations and financial affairs. The recoveries for unsecured creditors in the Chapter 11 Cases will predominantly derive for a single source: the Liquidating Trust Assets. Furthermore, the consolidation of the Debtors will expedite the conclusion of the Chapter 11 Cases.

c. *Consolidation Order*

The Plan will serve as a motion seeking entry of an order consolidating the Debtors, as described and to the extent set forth in Article III of the Plan. Unless an objection to such consolidation is made in writing by any creditor or claimant affected by the Plan and timely Filed and served on or before the Plan Objection Deadline, or such other date as may be fixed by the Bankruptcy Court, the order approving consolidation (which may be the Confirmation Order) may be entered by the Bankruptcy Court. In the event any such objections are timely Filed, a hearing with respect thereto will occur at the Confirmation Hearing. This, however, will not affect the obligation of the consolidated Debtors to (a) pay a single quarterly fee to the U.S Trustee in accordance with 28 U.S.C. § 1930 based upon the consolidated disbursements made

by the substantively consolidated Debtors or (b) seek the closing of their substantively consolidated Chapter 11 Cases.

4. *Classification, Treatment, and Voting of Claims and Equity Interests*

Except for Claims addressed in Article II of the Plan, all Claims and Equity Interests are classified in the Classes set forth in Article III of the Plan in accordance with section 1122 of the Bankruptcy Code. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Equity Interest qualifies within the description of such other Classes. A Claim or Equity Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or Allowed Equity Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date. In no event shall any Holder of an Allowed Claim be entitled to receive payments under the Plan that, in the aggregate, exceed the Allowed amount of such Holder's Claim.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for the purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Equity Interests. The Debtors reserve the right to modify the Plan in accordance with Article XIII of the Plan.

The following table assigns each Class a number designation for purposes of identifying each separate Class, a description of whether that Class is Impaired, and the voting rights of each Class:

Class	**Designation**	**Impairment**	**Entitled to Vote**
1	Other Secured Claims	Unimpaired	No (presumed to accept)
2	Other Priority Claims	Unimpaired	No (presumed to accept)
3	General Unsecured Convenience Claims	Unimpaired	No (presumed to accept)
4	General Unsecured Claims	Impaired	Yes
5	Retiree Claims	Impaired	Yes
6	Government Environmental Claims	Impaired	Yes
7	Intercompany Claims	Impaired	No (deemed to reject)
8	DIP Tranche B Claim	Impaired	No (deemed to reject)
9	Equity Interests	Impaired	No (deemed to reject)

5. *Treatment of Claims and Equity Interests*

a. *Class 1—Other Secured Claims*

1. *Classification*: Class 1 consists of all Other Secured Claims.

2. *Treatment*: Except to the extent that a Holder of an Other Secured Claim agrees to a less favorable treatment, such Holder shall, in full and final satisfaction, settlement, and release of and in exchange for such Holder's Allowed Claim, receive, at the option of the Debtors or the Liquidating Trust: (1) Cash equal to the amount of such Allowed Other Secured Claim on or as soon as practicable after the latest of the (x) the Effective Date, (y) the date that such Other Secured Claim becomes Allowed, and (z) a date agreed to by the Debtors or the Liquidating Trust and the Holder of such Other Secured Claim; (2) reinstatement of such Other Secured Claim; or (3) property securing such Other Secured Claim, with any deficiency to result in a Class 4 General Unsecured Claim.

3. *Voting*. Class 1 is Unimpaired. Holders of Allowed Class 1 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Class 1 Claims are not entitled to vote to accept or reject the Plan.

b. *Class 2—Other Priority Claims*

1. *Classification*: Class 2 consists of all Other Priority Claims.

2. *Treatment*: Except to the extent that a Holder of an Other Priority Claim agrees to a less favorable treatment, such Holder shall, in full and final satisfaction, settlement, and release of and in exchange for such Holder's Allowed Claim, receive, at the option of the Debtors or the Liquidating Trust, Cash equal to the amount of such Allowed Other Priority Claim on or as soon as practicable after the latest of (x) the Effective Date, (y) the date that such Claim becomes Allowed, and (z) a date agreed to by the Debtors or the Liquidating Trust and the Holder of such Claim.

3. *Voting*: Class 2 is Unimpaired. Holders of Allowed Class 2 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Class 2 Claims are not entitled to vote to accept or reject the Plan.

c. *Class 3—General Unsecured Convenience Claims*

1. *Classification*: Class 3 consists of all General Unsecured Convenience Claims.

2. *Treatment*: Except to the extent that a Holder of a General Unsecured Convenience Claim agrees to a less favorable treatment, such Holder shall, in full and final satisfaction,

settlement, and release of and in exchange for such Holder's Allowed Claim, receive Cash equal to 100% of the amount of such Allowed General Unsecured Convenience Claim on or as soon as practicable after the latest of (x) the Effective Date, (y) the date that such General Unsecured Convenience Claim becomes Allowed, and (z) a date agreed to by the Debtors or the Liquidating Trust and the Holder of such General Unsecured Convenience Claim.

3. *Voting*: Class 3 is Unimpaired. Holders of Allowed Class 3 Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Holders of Allowed Class 3 Claims are not entitled to vote to accept or reject the Plan.

d. *Class 4—General Unsecured Claims*

1. *Classification*: Class 4 consists of all General Unsecured Claims.

2. *Treatment*: Except to the extent that a Holder of a General Unsecured Claim agrees to a less favorable treatment, such Holder shall, in full and final satisfaction, settlement, and release of and in exchange for such Holder's Allowed Claim, receive such Holder's Distribution Pro Rata Share of Cash from the Liquidating Trust Distributable Assets on Distribution Dates established by the Liquidating Trust.

3. *Voting*: Class 4 is Impaired. Therefore, Holders of Class 4 Claims are entitled to vote to accept or reject the Plan.

e. *Class 5—Retiree Claims*

1. *Classification*: Class 5 consists of all Retiree Claims.

2. *Treatment*: Retiree Claims shall receive treatment as provided for in any Modification Agreement or Modification Order, as applicable.

3. *Voting*: Class 5 is Impaired. Therefore, Holders of Class 5 Claims are entitled to vote to accept or reject the Plan.

f. *Class 6*— Government Environmental Claims

1. *Classification*: Class 6 consists of all Government Environmental Claims.

2. *Treatment*: If the YPF Approval Order is entered by the Bankruptcy Court prior to Confirmation, in full and final satisfaction, settlement, and release of and in exchange for all Government Environmental Claims, the Debtors shall create the Environmental Response Trust as provided for in Article VIII of the Plan and shall fund the Environmental Response Trust with the ERT Cash. If the YPF Approval Order has not been entered by the Bankruptcy Court prior to Confirmation, Class 6 shall dissolve and all Government Environmental Claims shall be classified as Class 4 General Unsecured Claims.

3. *Voting*: Class 6 is Impaired. Therefore, Holders of Class 6 Claims are entitled to vote to accept or reject the Plan.

g. *Class 7—Intercompany Claims*

1. *Classification*: Class 7 consists of all Intercompany Claims.

2. *Treatment*: Class 7 Claims will be eliminated and extinguished, and no payment on account of Intercompany Claims will be made.

3. *Voting*: Class 7 is Impaired. Holders of Class 7 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

h. *Class 8—DIP Tranche B Claim*

1. *Classification*: Class 8 consists of the DIP Tranche B Claim.

2. *Treatment*: The DIP Tranche B Claim shall be subordinated to (i) all Claims described in Article II of the Plan and (ii) all Claims described in Classes 1 through 7 of Article III of the Plan, and shall receive no distribution under the Plan until all Claims described in clauses (i) and (ii) immediately above have been satisfied in full in accordance with the Plan.

3. *Voting*: Class 8 is Impaired. Holders of Class 8 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

i. *Class 9—Equity Interests*

1. *Classification*: Class 9 consists of all Equity Interests in the Debtors.

2. *Treatment*: On the Effective Date, the Equity Interests in the Debtors shall be cancelled and the Holders of the Equity Interests shall not be entitled to, and shall not receive or retain, any property on account of such Equity Interests under the Plan.

3. *Voting*: Class 9 is Impaired. Holders of Class 9 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

6. *Subordinated Claims*

The allowance, classification, and treatment of all Allowed Claims and Equity Interests and the respective distributions and treatments under the Plan take into account the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise.

7. *Distributions on Account of Allowed Claims and Equity Interests*

Except as otherwise provided in the Plan, on the Effective Date or as soon as practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtors shall receive the distributions that the Plan provides for Allowed Claims in the applicable Class pursuant to Article III of the Plan.

8. *Elimination of Vacant Classes*

Any Class of Claims or Equity Interests that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Equity Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

9. *Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Equity Interests.

C. *Implementation of the Plan*

1. *YPF Settlement*

Pursuant to Bankruptcy Rule 9019, and prior to Confirmation, the Debtors will seek the Bankruptcy Court's approval of the YPF Settlement and the YPF Settlement Agreement. The YPF Entities shall not pay the YPF Contribution or any portion thereof to the Debtors, the Liquidating Trust, or the Environmental Response Trust, as applicable, except upon satisfaction of the conditions and/or requirements in the YPF Settlement Agreement as set forth in the YPF Approval Order. For the avoidance of doubt, no portion of the YPF Contribution will become or otherwise be included in the Liquidating Trust Available Assets, the ERT Cash, or the ERT Distribution Assets unless and until the YPF Approval Order becomes a Final Order. Further, if the YPF Approval Order is entered by the Bankruptcy Court, any and all Claims and Causes of Action against the YPF Entities will be settled and released, and therefore, will not become Liquidating Trust Available Assets or Liquidating Trust Causes of Action. If the Bankruptcy Court does not enter the YPF Approval Order, any Claim that was sought to be settled pursuant to the YPF Settlement shall be transferred to the Liquidating Trust and shall become Liquidating Trust Available Assets for prosecution in accordance with the Liquidating Trust Agreement.

In addition, if the Bankruptcy Court enters the YPF Approval Order, and subject to the terms of such order, the Allowed YPF Claims are hereby deemed to be Allowed Administrative Claims (which claims shall be excepted from and/or otherwise deemed to have complied with the Administrative Claims Bar Date and any related requirement set forth in Article II.B.2. of the Plan), and all Allowed YPF Claims shall be paid in full and in Cash on the Effective Date, or as soon as practicable thereafter; provided, however, that the DIP Tranche A Claim and the DIP Tranche B Claim shall receive the treatment set forth in Articles II.A. and III.E. of the Plan, respectively.

2. *Cancellation of Documents Evidencing Claims and Equity Interests*

Subject to the assumption of Executory Contracts and Unexpired Leases as set forth in the Plan, and except for purposes of evidencing a right to distributions under the Plan, on the Effective Date, all notes, stock, instruments, certificates, indentures, guarantees, and other documents or agreements evidencing a Claim against or Equity Interest in the Debtors will be deemed automatically cancelled with respect to the Debtors and shall be of no further force or effect as against the Debtors, whether such document is surrendered for cancellation or not, and the obligations of the Debtors, the Liquidating Trust, or the Environmental Response Trust, as applicable, thereunder or in any way related thereto will be addressed through the Plan.

3. *Environmental LOCs*

To the extent permissible under applicable law, the Environmental LOCs will be deemed to have been terminated and cancelled on the Effective Date. Further, upon termination and cancellation of the Environmental LOCs, any assets of the Estates securing such Environmental LOCs shall be released immediately and constitute Liquidating Trust Available Assets.

4. *Corporate Action*

Except as otherwise provided in the Plan, the corporate or related actions to be taken by or required of the Debtors in connection with each matter provided for by the Plan shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan, and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by Holders of Claims or Equity Interests, directors of the Debtors, or any other Entity. On or prior to the Effective Date, the appropriate officers of the Debtors shall be authorized and directed to issue, execute, and deliver the agreements, securities, instruments, or other documents 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 Debtors, prior to the Effective Date, or the Liquidating Trust or the Environmental Response Trust, as applicable, following the Effective Date. Notwithstanding any requirements under nonbankruptcy law, the authorizations and approvals contemplated by this provision shall be effective.

On the Effective Date, upon the appointment of the Liquidating Trust Board, the persons acting as directors and officers of the Debtors prior to the Effective Date, as the case may be, will be released from all further authority, duties, responsibilities, and obligations relating to and arising from operations of the Debtors or the Chapter 11 Cases. Upon such release, the Liquidating Trust Board will be charged with the authority, duties, responsibilities, and obligations relating to and arising from operations of the Debtors and the Chapter 11 Cases, except to the extent such authority, duties, responsibilities, and obligations are to be undertaken as provided in the Plan.

5. *Dissolution of the Debtors*

On and after the Effective Date, the Liquidating Trust Board shall be authorized, in its sole and absolute discretion, to take all actions reasonably necessary to manage or dissolve the Debtors under applicable laws, including the laws of the jurisdictions in which they may be organized or registered, notwithstanding any applicable consent requirements or other restrictions contained in any financing agreements or other debt documents to which any Debtor is a party, and to pay all reasonable costs and expenses in connection with such dissolutions, including the costs of preparing or filing any necessary paperwork or documentation. The Liquidating Trust Board shall have no liability for using its discretion to dissolve or not dissolve any of the Debtors or their subsidiaries. Whether or not dissolved, the Debtors shall have no authorization to implement the provisions of the Plan from and after the Effective Date except as specifically provided in the Plan. Notwithstanding the foregoing, the Liquidating Trust Board shall not dissolve any Debtor to the extent such Debtor is required to hold, after the Effective Date, Liquidating Trust Available Assets pursuant to Article VI.C of the Plan or Withheld Properties pursuant to Article VIII.A of the Plan, and any such Debtor shall be authorized to take such actions at the direction of the Liquidating Trust Board or the Environmental Response Trustee, as applicable, as may be necessary to implement the provisions of the Plan with respect to such Liquidating Trust Available Assets or Withheld Properties.

6. *Effectuating Documents; Further Transactions*

On the Effective Date, the Liquidating Trust Board and the Environmental Response Trustee will be authorized to take any actions or effect transactions, including conversions, dissolutions, transfers, liquidations, or other corporate transactions, as may be determined by the Liquidating Trust Board or the Environmental Response Trustee, as applicable, to be necessary or appropriate to implement the terms of the Plan. After the Effective Date, the Liquidating Trust Board and the Environmental Response Trustee may utilize the aforementioned authority without any further notice to or action, order or approval of the Bankruptcy Court.

On and after the Effective Date, the Liquidating Trust Board and the Environmental Response Trustee 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 in the name of and on behalf of the Debtors, without the need for any approvals, authorizations, or consents, except for those expressly required by the Plan.

7. *Exemption from Certain Taxes and Fees*

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any stamp, real estate transfer, mortgage reporting, or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to 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 instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

8. *Preservation of Causes of Action*

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, settled, transferred, or assigned under the Plan, or otherwise resolved by a Final Order, in accordance with section 1123(b) of the Bankruptcy Code, including, for the avoidance of doubt, pursuant to the YPF Settlement, the Liquidating Trust shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors or the Estates, whether arising before or after the Petition Date, and no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation. The Liquidating Trust may pursue the Causes of Action, as appropriate, in accordance with the best interests of the Liquidating Trust. The Liquidating Trust has the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against such Entity as any indication that the Liquidating Trust will not pursue any and all available Causes of Action against such Entity. The Liquidating Trust expressly reserves all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. For the avoidance of doubt, the Plan does not release any Causes of Action that the Debtors have or may have now or in the future against any Entity other than the Released Parties (and only in their capacity as Released Parties). The Liquidating Trustee is deemed the representative of the Estates for the purpose of prosecuting, as applicable, the Liquidating Trust Causes of Action and any objections to Claims pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

9. *D&O Policies*

Notwithstanding anything to the contrary contained herein, in the Plan, or in the Confirmation Order, Confirmation shall not impair or otherwise modify (a) any obligations arising under the D&O Policies, or (b) any person's rights to receive any benefits under such D&O Policies. In addition, after the Effective Date, the Debtors and the Liquidating Trust, as applicable, shall not terminate or otherwise reduce coverage under any D&O Policy, including, without limitation, any "tail policy" in effect as of the Effective Date, and all Persons shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such Persons remain affiliated with the Debtors after the Effective Date.

10. *Alternative Funding Source*

If the Bankruptcy Court does not enter the YPF Approval Order prior to Confirmation, any party-in-interest may seek financing in an amount not less than the Liquidating Trust Minimum Initial Contribution, which shall be deposited into the Liquidating Trust on the Effective Date in lieu of the YPF Contribution; provided, that the Liquidating Trust Minimum Initial Contribution shall be treated as Liquidating Trust Available Assets for the purposes of the Plan, that any lending arrangement between a lender and the Liquidating Trust is deemed reasonable by the Bankruptcy Court, and that all Allowed Administrative Claims, DIP Tranche A Claims, Professional Claims, Priority Tax Claims, and U.S. Trustee Fees are paid in full from the proceeds of such financing. Any lending arrangement will be presented to the Bankruptcy Court for approval as part of the Plan Supplement.

11. *Closing the Chapter 11 Cases*

The Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules, provided, however, that the Liquidating Trustee may keep one of the Debtors' cases open in order to resolve any Disputed Claims or until the Liquidating Trust has been terminated and all remaining Liquidating Trust Assets have been distributed. For the avoidance of doubt, the Chapter 11 Cases may be closed prior to termination of the Environmental Response Trust.

D. *Treatment of Executory Contracts and Unexpired Leases*

1. *Rejection of Executory Contracts and Unexpired Leases*

Except as otherwise provided herein or in the Plan, each Executory Contract and Unexpired Lease not previously assumed shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (a) is expressly identified on the Assumption Schedule; (b) has been previously assumed by the Debtors by Final Order or has been assumed by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date; (c) is the subject of a motion to assume pending as of the Effective Date; or (d) is otherwise assumed pursuant to the terms herein. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date or as otherwise set forth in the Plan Supplement.

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, including any Executory Contracts or Unexpired Leases rejected or deemed rejected under the Plan, must be Filed in accordance with the procedures set forth in the Bar Date Order by the Rejection Damages Claim Bar Date or such Claims will be automatically disallowed, forever barred from assertion, and unenforceable against the Debtors, the Liquidating Trust, or the Environmental Response Trust, or their respective assets or properties without the need for any objection by the Liquidating Trust or the Environmental Response Trust or further notice to, or action, order, or approval of, the Bankruptcy Court. All Allowed Claims arising from the rejection of Executory Contracts or Unexpired Leases will be classified as General Unsecured Claims and treated in accordance with the terms of Article III of the Plan. The deadline to object to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, shall be the Claims Objection Deadline.

2. *Assumption of Executory Contracts and Unexpired Leases*

The Debtors will file the Assumption Schedule with the Bankruptcy Court at least fourteen (14) days before the commencement of the Confirmation Hearing. The Assumption Schedule will (a) include (i) the name of the non-Debtor counterparty, (ii) the legal description of the Executory Contract or Unexpired Lease to be assumed, and (iii) the proposed amount to be paid on account of an associated Cure Claim, if any, and (b) identify whether each such Executory Contract or Unexpired Lease will be assigned to the Liquidating Trust or the Environmental Response Trust. On such date or as soon as practicable thereafter, the Debtors will serve a notice of filing of the Assumption Schedule upon each non-Debtor counterparty listed thereon that will describe the procedures by which such parties may object to the proposed assumption of their respective Executory Contract or Unexpired Lease or the proposed Cure Claim amount, and explain how such disputes will be resolved by the Bankruptcy Court if the parties are not able to resolve a dispute consensually. Objections, if any, to the proposed assumption and/or Cure Claim must be filed with the Bankruptcy Court and served so as to be actually received by the Debtors no later than seven (7) days from the date of filing the Assumption Schedule. Any non-Debtor counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or Cure Claim amount will be deemed to have assented to such assumption or Cure Claim amount.

If an objection to the proposed Cure Claim is sustained by the Bankruptcy Court, the Debtors, prior to the Effective Date, or the Liquidating Trust or the Environmental Response Trust, as applicable, following the Effective Date, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming it on proper notice to the non-Debtor counterparty thereto, which non-Debtor counterparty shall then be entitled to file a Proof of Claim asserting Claims arising from the rejection thereof, if applicable, in accordance with the terms of the Plan and the Bar Date Order.

The Debtors, prior to the Effective Date, or the Liquidating Trust or the Environmental Response Trust, as applicable, following the Effective Date, may settle any dispute regarding the amount of a Cure Claim without further notice to any party or action, approval, or order of the Bankruptcy Court. If the Debtors, prior to the Effective Date, or the Liquidating Trust or the Environmental Response Trust, as applicable, following the Effective Date, object to any request for payment of a Cure Claim, the Bankruptcy Court shall determine the Allowed amount of such Cure Claim and any related issues. Unless the parties to the Executory Contract or Unexpired Lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later of (a) ten (10) days after entry of a Final Order determining the amount, if any, of the Debtors' liability with respect thereto and (b) the Effective Date. The Debtors, prior to the Effective Date, or the Liquidating Trust or the Environmental Response Trust, as applicable, following the Effective Date, reserve the right either to reject or nullify the assumption of any Executory Contract or Unexpired Lease no later than thirty (30) days after a Final Order determining a Cure Claim greater than that proposed by the Debtors.

ASSUMPTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE PURSUANT TO THE PLAN OR OTHERWISE SHALL RESULT IN THE FULL RELEASE AND SATISFACTION OF ANY CLAIMS AGAINST OR DEFAULTS BY THE DEBTORS, WHETHER MONETARY OR NONMONETARY, INCLUDING DEFAULTS OF PROVISIONS RESTRICTING THE CHANGE IN CONTROL OR

OWNERSHIP INTEREST COMPOSITION OR OTHER BANKRUPTCY-RELATED DEFAULTS, ARISING UNDER ANY ASSUMED EXECUTORY CONTRACT OR UNEXPIRED LEASE AT ANY TIME BEFORE THE DATE THE DEBTORS OR THE LIQUIDATING TRUST ASSUME SUCH EXECUTORY CONTRACT OR UNEXPIRED LEASE. ANY PROOFS OF CLAIM FILED WITH RESPECT TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT HAS BEEN ASSUMED SHALL BE DEEMED DISALLOWED AND EXPUNGED, WITHOUT FURTHER NOTICE TO OR ACTION, ORDER OR APPROVAL OF THE BANKRUPTCY COURT.

The assumption of Executory Contracts and Unexpired Leases under the Plan shall include the vesting of such contracts and leases in the Liquidating Trust or the Environmental Response Trust, as applicable. The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions, assignments, and vesting.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Assumption Schedule, nor anything contained in the Plan or each Debtor's Schedules, shall constitute an admission by the Debtors that any such contract or lease is or is not in fact an Executory Contract or Unexpired Lease capable of assumption, that any Debtor has any liability thereunder, or that such Executory Contract or Unexpired Lease is necessarily a binding and enforceable agreement. Further, the Debtors expressly may (a) remove any Executory Contract or Unexpired Lease from the Assumption Schedule and reject an Executory Contract or Unexpired Lease pursuant to the terms of the Plan, up until the Effective Date, and (b) contest any Claim (including any Cure Claim) asserted in connection with assumption of any Executory Contract or Unexpired Lease. If the YPF Approval Order has not been entered prior to Confirmation, each ERT Executory Contract shall be subject to the terms of Article V.A of the Plan.

In the event a written objection is filed with the Bankruptcy Court as to whether a contract or lease is executory or unexpired, the right of the Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the entry of a Final Order by the Bankruptcy Court determining that the contract or lease is executory or unexpired, in which case the deemed assumptions and rejections provided for in the Plan shall not apply to such contract or lease.

3. *Contracts and Leases Entered Into After the Petition Date*

Counterparties to contracts and leases entered into after the Petition Date by a Debtor, including any Executory Contract or Unexpired Lease assumed by a Debtor, must File a Proof of Claim for an Administrative Claim against the appropriate Debtor by the Administrative Claim Bar Date or have their rights with respect to such Administrative Claims forever waived and released. Executory Contracts and Unexpired Leases entered into after the Petition Date by any Debtor will vest in the Liquidating Trust or the Environmental Response Trust, as applicable. Accordingly, the Liquidating Trust or the Environmental Response Trust, as applicable, shall be deemed a successor in interest to the Debtors under, and a beneficiary of, such contracts and unexpired leases, and any rights, obligations and benefits thereunder shall be transferred to the Liquidating Trust or the Environmental Response Trust, as applicable.

4. *Insurance Policies*

Notwithstanding any other provision of the Plan, pursuant to sections 365 and 1123 of the Bankruptcy Code and in accordance with the terms of the Plan, the Insurance Policies shall be assumed by the Debtors and assigned, to the extent permitted by law, as follows: all Insurance Policies other than the ERT Insurance Policies shall be assigned to the Liquidating Trust, and all ERT Insurance Policies shall be assigned to the Environmental Response Trust, in each case unless any Insurance Policy was previously rejected by the Debtors pursuant to a Bankruptcy Court order or is the subject of a motion to reject pending on the Effective Date. The Liquidating Trust and the Environmental Response Trust shall share such Insurance Policies as provided for in Article XV.E. of the Plan.

Coverage for defense and indemnity under any such Insurance Policy, including the D&O Policies, shall remain available to all individuals within the definition of "Insured" in any such Insurance Policy, including the D&O Policies. Notwithstanding anything to the contrary herein, nothing in the Plan, the Liquidating Trust Agreement, or the ERT Agreement shall affect any party's rights under any Insurance Policy.

If the YPF Approval Order has not been entered prior to Confirmation, each ERT Insurance Policy shall, rather than being assumed and assigned to the Environmental Response Trust, be assumed and assigned to the Liquidating Trust.

5. *Indemnification Obligations*

Subject to the occurrence of the Effective Date, the obligations of the Debtors as of the Effective Date to indemnify, defend, reimburse, or limit the liability of the current and former directors, officers, employees, attorneys, other professionals and agents of the Debtors against any Claims or Causes of Action under the Indemnification Provisions or applicable law, shall survive Confirmation, shall be assumed by the Debtors and assigned to the Liquidating Trust and will remain in effect after the Effective Date if such indemnification, defense, reimbursement, or limitation is owed in connection with an event occurring before the Effective Date; provided, however, that, notwithstanding anything in the Plan to the contrary, the obligation of the Liquidating Trust to fund such Indemnification Provisions shall be limited to the extent of coverage available under any D&O Policies.

On the Effective Date, the SPA, including any and all indemnification obligations arising out of or in connection therewith, shall be rejected as of the Effective Date.

6. *Pre-existing Obligations to the Debtors Under Executory Contracts and Unexpired Leases*

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such Executory Contract or Unexpired Lease. Notwithstanding any applicable non-bankruptcy law to the contrary, the Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a non-Debtor party to provide, warranties, indemnifications or

continued maintenance obligations on goods previously purchased, or services previously received, by the contracting Debtors from non-Debtor parties to rejected Executory Contracts or Unexpired Leases.

7. *Nonoccurrence of Effective Date*

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any consensual request, pursuant section 365(d)(4) of the Bankruptcy Code, to extend the deadline for assuming or rejecting Executory Contracts and Unexpired Leases.

8. *No Change in Control*

The consummation of the Plan or the assumption of any Executory Contract or Unexpired Lease is not intended to, and shall not, constitute a change in ownership or change in control under any employee benefit plan or program, financial instrument, loan or financing agreement, Executory Contract or Unexpired Lease or contract, lease or agreement in existence on the Effective Date to which a Debtor is a party.

E. *The Liquidating Trust*

1. *Generally; Creation and Conversion*

The powers, authority, responsibilities, and duties of the Liquidating Trust are set forth in and will be governed by the Liquidating Trust Agreement, the form of which shall be included in the Plan Supplement. The Liquidating Trust shall be a representative of the Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

2. *Purpose of the Liquidating Trust*

The Liquidating Trust shall be established for the purpose of liquidating and distributing the Liquidating Trust Assets in accordance with Treasury Regulations Section 301.7701-4(d) for the benefit of the Liquidating Trust Beneficiaries, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, its liquidating purpose described in the Plan and set forth in the Liquidating Trust Agreement. The Liquidating Trust shall wind down the affairs of the Debtors in accordance with the terms of the Plan.

3. *Transfer of Assets to the Liquidating Trust*

On the Effective Date, the Debtors are authorized and directed to transfer, grant, assign, convey, set over, and deliver to the Liquidating Trust, for the benefit of the Liquidating Trust Beneficiaries, in the form thereof existing on such date, all of the Debtors' and Estates' right, title and interest in and to the Liquidating Trust Available Assets free and clear of any and all Liens, Claims, encumbrances and interests (legal, beneficial or otherwise) of all other Persons and Entities to the maximum extent contemplated by and permissible under section 1141 of the Bankruptcy Code. For the avoidance of doubt, if the YPF Approval Order is entered by the Bankruptcy Court, and all conditions to effectiveness of such order have been satisfied or

waived, the YPF Settlement has been consummated, and the YPF Contribution has been funded, neither the Liquidating Trust Available Assets nor the Liquidating Trust Causes of Action shall include those Claims and Causes of Action that are settled and released pursuant to the YPF Settlement.

Notwithstanding the foregoing, if, on the Effective Date, any of the Liquidating Trust Available Assets cannot be transferred to the Liquidating Trust or it is deemed impractical or inadvisable to do so, as determined by the Liquidating Trust Board, the Debtors shall retain such Liquidating Trust Available Assets, as bailee for the account of the Liquidating Trust, until such time as the Liquidating Trust may receive such Liquidating Trust Available Assets (and any proceeds of such assets retained by the Debtors shall constitute Liquidating Trust Available Assets).

The Debtors and the Liquidating Trust, as successor in interest to the Estates, may (a) execute and deliver any instruments, documents, books, and records (including those maintained in electronic format and original documents as may be needed), and (b) take, or cause to be taken, all such further action in order to evidence, vest, perfect or effectuate the transfer of the Liquidating Trust Available Assets to the Liquidating Trust and consummate transactions contemplated by and to otherwise carry out the intent of the Plan. Upon the transfer of the Liquidating Trust Available Assets, the Liquidating Trust shall succeed to all of the Debtors' right, title and interest in the Liquidating Trust Available Assets, and the Debtors will have no further rights or interest in or with respect to the Liquidating Trust Assets or the Liquidating Trust.

In connection with the Liquidating Trust Available Assets, any attorney-client privilege, work-product privilege, joint interest privilege or other privilege or immunity attaching to any documents or communications (in any form, including, without limitation, written, electronic or oral) may be transferred and may vest in the Liquidating Trust. The Liquidating Trust's receipt of such privileges associated with the Liquidating Trust Available Assets shall not operate as a waiver of those privileges possessed or retained by the Debtors, nor shall it operate to eliminate the rights of any co-defendant to any applicable joint privilege.

4. *Liquidating Trust Expenses Set Aside and Distribution Reserve*

The Liquidating Trust Expenses Set Aside shall be established on the Effective Date for the purpose of maintaining Cash from time to time necessary, subject to the Liquidating Trust Budget, to satisfy reasonable costs and expenses of the Liquidating Trust and other obligations incurred or reasonably anticipated by the Liquidating Trust in accordance with the Plan Documents, including, without limitation, fees and costs incurred in connection with (a) the implementation of the Plan, including to the extent not paid on the Effective Date, funds for making the payments provided in Article VII.B of the Plan, (b) the liquidation of the Liquidating Trust Assets, (c) the winding down of the Estates and affairs of the Debtors, (d) the reserves for potential liabilities, and (e) compensation for the Liquidating Trust Board and the employees, professionals, advisors and other agents of the Liquidating Trust. In its discretion, the Liquidating Trust Board may reserve non-Cash assets in satisfaction of the aforesaid set-aside requirements, which non-Cash assets may be monetized from time to time and the Cash so realized included in the Liquidating Trust Expenses Set Aside; provided,

however, that in connection with any such reservation of non-Cash assets, the Liquidating Trust Board shall give due consideration to the timing and amount of scheduled and anticipated payments and both the fair market value and the timing of monetization of such non-Cash assets, so as to enable the Liquidating Trust to pay its obligations as they become due. Any Cash released from the Liquidating Trust Expenses Set Aside shall be available for distribution, and any other assets released from the Liquidating Trust Expenses Set Aside shall become general, unrestricted assets of the Liquidating Trust.

The Distribution Reserve shall be established on the Effective Date for the purpose of maintaining Cash from time to time necessary to satisfy (a) Administrative Claims, Priority Tax Claims, Other Priority Claims, and Other Secured Claims that are (i) Allowed as of the Effective Date but that cannot be paid on or promptly following the Effective Date, or (ii) Disputed Claims as of the Effective Date but that may become Allowed after the Effective Date, (b) Professional Claims that are Allowed or that may become Allowed on or after the Effective Date, and (c) General Unsecured Convenience Claims that are Allowed or that may become Allowed on or after the Effective Date. In its discretion, the Liquidating Trust Board may reserve non-Cash assets in satisfaction of the aforesaid reserve requirements, which non-Cash assets may be monetized from time to time by the Distribution Reserve; provided, however, that in connection with any such reservation of non-Cash assets, the Liquidating Trust Board shall give due consideration to the timing and amount of scheduled and anticipated payments and both the fair market value and the timing of monetization of such non-Cash assets, so as to enable the Liquidating Trust to pay its obligations as they become due. Any Cash released from the Distribution Reserve shall be available for distribution, and any other assets released from the Distribution Reserve shall become general, unrestricted assets of the Liquidating Trust.

5. *Liquidating Trust Governance*

The affairs of the Liquidating Trust shall be managed by, or under the direction of, the Liquidating Trust Board, which board shall be selected by the members of the Creditors' Committee, after consultation with the Debtors, and shall be identified in the Plan Supplement. The Liquidating Trust Board shall be authorized and empowered to undertake, acting through the management and agents of the Liquidating Trust, actions on behalf of the Liquidating Trust, including without limitation (a) to hold, manage, dispose and convert to Cash, the Liquidating Trust Assets, (b) to maintain the Liquidating Trust Expenses Set Aside, the Disputed Claims Reserve, and the Distribution Reserve, (c) to appoint and supervise management and agents of the Liquidating Trust, and (d) to prepare and review periodic financial reports of the Liquidating Trust.

In the case where the Liquidating Trust Board has more than one member, the Liquidating Trust Board shall elect a Chairman and may designate one or more committees of the Liquidating Trust Board. The Liquidating Trust Board shall appoint officers or other representative agents of the Liquidating Trust to carry out the purpose of the Liquidating Trust. The Liquidating Trust Board shall be authorized to hire employees and engage advisors and other professionals, subject to any limitations imposed by the Liquidating Trust Board.

6. *Financial Statements/Reporting*

The Liquidating Trust will provide or make available certain financial and other information, including annual and quarterly financial statements.

7. *Tax Treatment*

The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Liquidating Trust Beneficiaries treated as grantors and owners of the trust. The Liquidating Trust will not be deemed a successor in interest of the Debtors for any purpose other than as specifically set forth in the Plan or in the Liquidating Trust Agreement.

The Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to 26 C.F.R. § 1.671-4(a) and in accordance with Article VI of the Plan. The Liquidating Trust's taxable income, gain, loss, deduction or credit will be allocated to each Holder in accordance with its relative beneficial interest in the Liquidating Trust.

As soon as possible after the Effective Date, the Liquidating Trust shall make a good faith valuation of the Liquidating Trust Assets, and such valuation shall be used consistently by all parties for all federal income tax purposes. The Liquidating Trust also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any Governmental Unit for taxing purposes.

The Liquidating Trust may request an expedited determination of taxes of the Liquidating Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

The Liquidating Trustee shall be responsible for filing all federal, state, local and non-U.S. tax returns for the Liquidating Trust. The Liquidating Trust shall comply with all withholding and reporting requirements imposed by any federal, state, local, or non-U.S. taxing authority, and all distributions made by the Liquidating Trust shall be subject to any such withholding and reporting requirements.

8. *Duration*

The Liquidating Trust shall be dissolved as soon as practicable after the date that is the earlier to occur of: (a) the distribution of all Liquidating Trust Assets available for distribution pursuant to the Plan, or (b) the determination of the Liquidating Trust Board that the administration of the Liquidating Trust Assets is not likely to yield sufficient additional proceeds to justify further pursuit; provided, however, that in no event shall the Liquidating Trust be dissolved later than three (3) years from the Effective Date, unless the Bankruptcy Court, upon motion within the six (6) months prior to the third (3rd) anniversary of the Effective Date (or within six (6) months prior to the end of an extension period), determines that a fixed-period extension is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets.

9. *Conflicting Terms*

To the extent that the terms of the Plan with respect to the Liquidating Trust are inconsistent with the terms set forth in the Liquidating Trust Agreement, then the terms of the Liquidating Trust Agreement shall govern.

10. *Exculpation; Indemnification; Insurance*

The Liquidating Trust Agreement shall provide for the following with respect to exculpation, indemnification, and insurance:

(a) None of the Liquidating Trustee, the Liquidating Trust Board, or their respective advisors or professionals, shall be liable for any damages arising out of the creation, operation or termination of the Liquidating Trust, including actions taken or omitted in fulfillment of his or her duties with respect to the Liquidating Trust, except in the case of such party's gross negligence, bad faith or willful misconduct; provided, that in no event will any such party be liable for punitive, exemplary, consequential or special damages under any circumstances. Furthermore, the Liquidating Trustee shall not be liable for any action taken in good faith reliance upon the advice of Liquidating Trust Board.

(b) Neither the Liquidating Trustee nor the Liquidating Trust Board shall be subject to any personal liability whatsoever, whether in tort, contract or otherwise, to any person in connection with the affairs of the Liquidating Trust to the fullest extent provided under section 3803 of the Delaware Statutory Trust Act, and all persons claiming against either the Liquidating Trustee or the Liquidating Trust Board, or otherwise asserting claims of any nature in connection with affairs of the Liquidating Trust, shall look solely to the Liquidating Trust Assets for satisfaction of any such claims.

(c) The Liquidating Trust Board and its Affiliates, and their respective officers, directors, partners, members, managers and employees, shall be indemnified to the fullest extent permitted by law by the Liquidating Trust against all liabilities arising out of the creation, operation or termination of the Liquidating Trust, including actions taken or omitted in fulfillment of their duties with respect to the Liquidating Trust, except for those acts that are determined by Final Order to have arisen out of their own willful misconduct, gross negligence, or bad faith.

(d) The Liquidating Trust will maintain customary insurance coverage for the protection of the Liquidating Trustee and the Liquidating Trust Board from and after the Effective Date.

F. *Provisions Governing Liquidating Trust Distributions*

1. *Applicability*

The provisions of Article VII of the Plan shall govern distributions to the extent not otherwise provided for in the Plan or in any indenture, trust agreement, or plan of allocation recognized under the Plan. To the extent the provisions of any such indenture, trust agreement, or plan of allocation address specific matters set forth in Article VII of the Plan, the provision of such indenture, trust agreement, or plan of allocation shall govern.

2. *Distributions for Administrative Claims, Professional Claims, Priority Tax Claims, Other Secured Claims, Other Priority Claims, and General Unsecured Convenience Claims*

The Liquidating Trustee shall pay any Administrative Claim, Professional Claim, Priority Tax Claim, Other Secured Claim, Other Priority Claim, and General Unsecured Convenience Claims against the Debtors, as soon as practicable after the later of (a) the Effective Date, and (b) the date upon which any such Claim becomes an Allowed Claim.

3. *Interim Distributions to Liquidating Trust Beneficiaries*

Subject to approval of the Liquidating Trust Board as set forth in the Liquidating Trust Agreement, the Liquidating Trustee shall (a) make an interim distribution to Liquidating Trust Beneficiaries at least semi-annually provided that any such distribution is not unduly burdensome to the Liquidating Trust, and (b) have the right to make more frequent interim distributions if the Liquidating Trustee determines that such interim distributions are warranted and economical; provided, however, that any such distribution shall only be made if the Liquidating Trustee retains amounts reasonably necessary to meet contingent liabilities, to maintain the value of the Liquidating Trust Assets during liquidation, and to satisfy other liabilities or expenses incurred by the Liquidating Trust in accordance with the Plan or the Liquidating Trust Agreement.

4. *Final Distributions to Liquidating Trust Beneficiaries*

Notwithstanding anything else in the Plan, upon the settlement and satisfaction of all Administrative Claims, Professional Claims, Priority Tax Claims, Other Secured Claims, and Other Priority Claims, the completion of the prosecution and/or settlement of all Claims Objections and Causes of Action, and the completion of the sale and/or liquidation of all Liquidating Trust Distributable Assets, the Liquidating Trustee shall distribute, as soon as practicable, all remaining Liquidating Trust Assets to the Liquidating Trust Beneficiaries.

5. *Distributions on Account of Claims Allowed After the Effective Date*

If and to the extent that there are Disputed Claims, distributions on account of any Disputed Claims shall be made to the extent such Claims are Allowed in accordance with the provisions set forth in Article X of the Plan with respect to dispute resolution. Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of Disputed Claims that become Allowed after the

Effective Date shall be made as soon as practicable after the Disputed Claim becomes an Allowed Claim.

Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

6. *Disbursing Agent*

a. *Generally*

All distributions under the Plan shall be made by the Liquidating Trust, as Disbursing Agent, or by such other Person designated by the Liquidating Trust to act as a Disbursing Agent. Except as otherwise ordered by the Bankruptcy Court, a Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties.

b. *Rights and Powers of the Disbursing Agent*

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, securities, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated by the Plan; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

c. *Expenses Incurred On or After the Effective Date*

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by a Person designated by the Liquidating Trust as Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Liquidating Trust from the Liquidating Trust Expenses Set Aside.

7. *Delivery of Distributions and Undeliverable or Unclaimed Distributions*

a. *Delivery of Distributions*

If a Creditor holds more than one Allowed Claim in any one Class, all Allowed Claims of the Creditor in a single Class will be aggregated into one Allowed Claim and one distribution will be made with respect to the aggregated Allowed Claim.

b. *Distributions to Holders of Disputed Claims*

Except as otherwise provided in the Plan or agreed to by the relevant parties: (a) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by

settlement or Final Order and (b) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. Any distributions arising from property distributed to Holders of Allowed Claims in a Class and made to such Holders under the Plan shall be made also, in the applicable amounts, to any Holder of a Disputed Claim in such Class that becomes an Allowed Claim after the date or dates that such distributions were earlier made to Holders of Allowed Claims in such Class. No Disputed Claim shall accrue interest on or after the Petition Date on account of such Claim.

c. *Minimum Distributions; and Other Distribution Limitations*

Other than with respect to Allowed General Unsecured Convenience Claims, no Cash payment of less than $50 shall be made to a Holder of an Allowed Claim on account of such Allowed Claim. If a Holder of an Allowed Claim would be entitled to receive less than $50 as of the time of a particular distribution, but would be entitled to receive more than $50 in combination with later distributions, the Disbursing Agent will combine such distributions with later distributions to such Holder of an Allowed Claim so that such Holder may eventually be entitled to a distribution of at least $50 in value.

Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

d. *Undeliverable Distributions and Unclaimed Property*

In the event that any distribution to a Holder of an Allowed Claim is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six (6) months from the applicable date of distribution. After such date, all unclaimed property or interests in property shall revert to the Liquidating Trust (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or interest in property shall be released, settled, compromised, and forever barred.

8. *Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed upon it by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each Holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes imposed on such Holder by any Governmental Unit, including income, withholding and other tax obligations, on account of such distribution. The Disbursing Agent has the right, but not the obligation,

not to make a distribution until such Holder has made arrangements satisfactory to the Disbursing Agent for payment of any such withholding tax obligations and, if the Disbursing Agent fails to withhold with respect to any such Holder's distribution, and is later held liable for the amount of such withholding, the Holder shall reimburse the Disbursing Agent. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms it believes are reasonable and appropriate. The Disbursing Agent may require, as a condition to the receipt of a distribution, that the Holder complete the appropriate Form W-8 or Form W-9, as applicable to each Holder. If the Holder fails to comply with such a request within six months, such distribution shall be deemed an unclaimed distribution. Finally, the Disbursing Agent reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

9. *Allocations*

Distributions in respect of Allowed Claims shall be allocated first to the principal amount (as determined for federal income tax purposes) of such Claims, and then, to the extent the consideration exceeds the principal amount of such Claims, to any portion of such Claims for accrued but unpaid interest.

10. *Setoffs and Recoupment*

The Liquidating Trust or the Environmental Response Trust may, but shall not be required to, set off against or recoup from any Claims of any nature whatsoever that it may have against the claimant, including any Causes of Action transferred to the Liquidating Trust by the Debtors, but neither the failure to do so nor the Allowance of any Claim shall constitute a waiver or release by the Debtors or the Liquidating Trust or the Environmental Response Trust of any such Claim it may have against the Holder of such Claim.

Before the Liquidating Trust can set off against or recoup from the distribution to be made on account of an Allowed Claim, the Holder of the Claim shall be served with written notice of the proposed setoff or recoupment at least thirty (30) days prior to the Liquidating Trust exercising any asserted setoff or recoupment right, and, if such claimant serves a written objection to such asserted setoff or recoupment on or before thirty (30) days of receipt of such written notice, (a) the objection shall be deemed to initiate a contested matter governed by, inter alia, Bankruptcy Rule 9014, (b) nothing in the Plan shall affect the respective burden of each party in connection with such contested matter, and (c) the Liquidating Trust shall not proceed with the asserted setoff or recoupment absent the withdrawal of such objection or the entry of a Final Order overruling such objection.

11. *Claims Paid or Payable by Third Parties*

Except as otherwise provided herein or in the Plan, the Debtors, on or prior to the Effective Date, or the Liquidating Trust, after the Effective Date, shall reduce a Claim, and such Claim shall be disallowed without a Claims Objection having to be Filed and without any further notice, action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment on account of such Claim from a party that is not a Debtor, the Liquidating Trust, or other party making distributions on account of the Claim pursuant to the Plan.

To the extent a Holder of a Claim receives a distribution on account of a Claim and receives payment from a party that is not a Debtor or the Liquidating Trust, on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the Debtors or the Liquidating Trust, as applicable, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Debtors or the Liquidating Trust, as applicable, annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

12. *Distributions Free and Clear*

Except as otherwise provided herein, any distributions under the Plan shall be free and clear of any Liens, Claims, and encumbrances, and no other Entity, including the Debtors, the Liquidating Trust, or the Disbursing Agent, shall have any interest (legal, beneficial or otherwise) in property of the Estates distributed pursuant to the Plan.

G. *The Environmental Response Trust*

1. *Creation, Funding, and Governance of the Environmental Response Trust*

If the YPF Approval Order is entered by the Bankruptcy Court prior to Confirmation, the Debtors will establish the Environmental Response Trust on or prior to the Effective Date, and, on the Effective Date, the Debtors will transfer to the Environmental Response Trust the ERT Distribution Assets, free and clear of any Liens, Claims and encumbrances other than any liability to Governmental Units expressly provided for in the ERT Agreement. From and after its formation, the Environmental Response Trust will be administered by the Environmental Response Trustee in accordance with the ERT Agreement, with the purpose of conducting and funding environmental response activities at the ERT Properties.

Notwithstanding the foregoing, if, on the Effective Date, any of the ERT Properties cannot be transferred to the Environmental Response Trust or it is deemed impractical or inadvisable to do so, as determined by the Environmental Response Trust, the Debtors shall retain such ERT Properties, as bailee for the account of the Environmental Response Trust, until such time as the Environmental Response Trust may receive such ERT Properties (and any proceeds of such assets retained by the Debtors shall constitute ERT Properties).

Any property transferred to the Environmental Response Trust may be sold or transferred, subject to and in accordance with the terms of the ERT Agreement. The proceeds of any sale of ERT Assets in accordance with the preceding sentence shall be retained by the Environmental Response Trustee to be used as provided in the ERT Agreement. Upon completion of environmental response activities and reimbursement of any costs therefor required under the ERT Agreement, any property or funds held by the Environmental Response Trust shall be disposed of in accordance with the ERT Agreement.

Neither the Debtors nor the Liquidating Trust shall have any reversionary or further interest in or with respect to any of the ERT Assets from and after the transfer of the ERT Distribution Assets to the Environmental Response Trust.

The ERT Agreement shall (a) be in form and substance consistent in all respects with the Plan, acceptable to the Debtors, and reasonably acceptable to the Government Environmental Entities acting as lead agencies with respect to the ERT Properties and any Withheld Properties, and (b) contain customary provisions for trust agreements utilized in comparable circumstances, including any and all provisions necessary to ensure continued treatment of the Environmental Response Trust as a "qualified settlement fund," and the ERT Beneficiaries as the beneficiaries thereof for federal income tax purposes. The powers, authority, responsibilities, and duties of the Environmental Response Trust and the Environmental Response Trustee will be set forth in and will be governed by the Plan, the Confirmation Order, and the ERT Agreement.

In connection with the ERT Assets, any attorney-client privilege, work-product privilege, joint interest privilege or other privilege or immunity attaching to any documents or communications (in any form, including, without limitation, written, electronic or oral) may be transferred and may vest in the Environmental Response Trust. The Environmental Response Trust's receipt of such privileges associated with the ERT Assets shall not operate as a waiver of those privileges possessed or retained by the Debtors or the Liquidating Trust, nor shall it operate to eliminate the rights of any co-defendant to any applicable joint privilege.

The Environmental Response Trustee shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Environmental Response Trustee is otherwise so ordered, all costs and expenses of procuring any such bond or surety shall be paid with Cash derived from the ERT Assets held by the Environmental Response Trust.

2. *Tax Treatment of the Environmental Response Trust*

The Environmental Response Trust shall be treated as a qualified settlement fund within the meaning of Treasury Regulation section 1.468B-1, and the Environmental Response Trustee shall be the "administrator" of the Environmental Response Trust pursuant to Treasury Regulation section 1.468B-2(k)(3). No election shall be made to treat the Environmental Response Trust as a grantor trust for U.S. federal income tax purposes. The Environmental Response Trust shall be treated as a taxable entity for federal income tax purposes. The Environmental Response Trustee shall cause all taxes imposed on the Environmental Response Trust to be paid using ERT Assets and shall comply with all tax reporting and withholding requirements imposed under applicable tax laws.

H. *Retiree Benefits*

Consistent with sections 1114 and 1129(a)(13) of the Bankruptcy Code, the Debtors will pay Retiree Benefits to Retirees that are incurred in the ordinary course until the Modification Date. Retirees shall receive treatment as provided for in any Modification Order or Modification Agreement, as applicable. The Debtors and the Liquidating Trust, as applicable, reserve all rights to contest whether any Retiree has a Claim.

I. *Procedures For Resolving Disputed Claims*

1. *Applicability*

The provisions of Article X of the Plan shall govern the resolution of Disputed Claims to the extent not otherwise provided for in the Plan or in any other trust agreement or plan of allocation approved under the Plan. To the extent the provisions of any such trust agreement or plan of allocation address specifically matters set forth in Article X of the Plan, the provision of such trust agreement or plan of allocation shall govern.

2. *Allowance of Claims*

On or after the Effective Date, the Liquidating Trust shall have and shall retain any and all rights and defenses that the Debtors had with respect to any Claim, except with respect to any Claim (a) deemed Allowed as of the Effective Date or (b) waived, relinquished, exculpated, released, compromised, settled, or Allowed in the Plan or in a Final Order. Except as otherwise provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date, including the Confirmation Order, no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed (i) under the Plan or the Bankruptcy Code or (ii) by Final Order of the Bankruptcy Court, including the Confirmation Order.

3. *Prosecution of Objections to Claims*

On the Effective Date, the Liquidating Trust will have the exclusive authority to: (a) File, withdraw, or litigate to judgment, objections to Claims or Equity Interests; (b) settle or compromise (or decline to do any of the foregoing) any Disputed Claim or Cause of Action without any further notice to or action, order, or approval by the Bankruptcy Court; and (c) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

4. *Claims Estimation*

The Debtors, prior to the Effective Date, or the Liquidating Trust, following the Effective Date, may request that the Bankruptcy Court estimate any disputed, contingent, or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtors (prior to the Effective Date) or the Liquidating Trust (following the Effective Date) have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall have

jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. Except as set forth below with respect to reconsideration under section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any Disputed Claim, contingent Claim, or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim for all purposes under the Plan, including for purposes of distributions. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidating Trust may elect to pursue any supplemental proceedings to object to any ultimate distribution on account of such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before twenty-one (21) days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

5. *Expungement or Adjustment of Claims Without Objection*

Any Claim that has been paid or satisfied may be expunged on the Claims Register by the Claims and Noticing Agent, and any Claim that has been amended on account of payment or satisfaction may be adjusted thereon by the Claims and Noticing Agent, in both cases without a Claims Objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

6. *Deadline to File Claims Objections*

Any objections to Claims shall be Filed by no later than the applicable Claims Objection Deadline.

7. *Disallowance of Claims*

Any Claims held by an Entity from which property is recoverable under sections 542, 543, or 550 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Final Order with respect thereto has been entered and all sums due, if any, by that Entity have been turned over or paid by such Entity to the Debtors or the Liquidating Trust.

EXCEPT AS OTHERWISE AGREED BY THE DEBTORS, THE LIQUIDATING TRUST, OR ORDERED BY THE BANKRUPTCY COURT, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE BAR DATE SHALL BE DEEMED DISALLOWED, RELEASED, AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF

THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOFS OF CLAIM ARE DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

8. *Amendments to Claims*

On or after the Effective Date, a Claim may not be Filed or amended without prior authorization of the Bankruptcy Court or the Liquidating Trust Board, as applicable, and any such new or amended Claim Filed without such prior authorization shall be deemed disallowed in full and expunged without any further action.

9. *Disputed Claims Reserve*

On each Distribution Date, or as soon as practicable thereafter, the Liquidating Trust shall deposit into the Disputed Claims Reserve an amount of Cash that would have been distributed to Holders of all Disputed Claims as if such Disputed Claims had been Allowed on such Distribution Date, with the amount of such Disputed Claim to be the least of (a) the asserted amount of the Disputed Claim as Filed with the Bankruptcy Court, or if no Proof of Claim was Filed, as listed by the Debtors in the Schedules, (b) the amount, if any, estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code, and (c) the amount otherwise agreed to by the Debtors or the Liquidating Trust, as applicable, and the Holder of such Disputed Claim for reserve purposes. In the event a Disputed Claim or a portion thereof becomes an Allowed Claim, the Liquidating Trustee shall release an appropriate amount of Cash from the Disputed Claims Reserve to satisfy the Holder of such Allowed Claim in accordance with the terms of the Plan.

J. *Settlement, Release, Injunction, And Related Provisions*

1. *Compromise and Settlement of Claims, Interests, and Controversies*

Pursuant to Section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete settlement, compromise, and release, effective as of the Effective Date, of Claims, Equity Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Equity Interests from and after the Petition Date, including, but not limited to, all known or unknown liabilities of, Liens on, obligations of, rights against, and Equity Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Equity Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such Claims or Equity Interests relate to services performed by employees of the Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the

kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or proof of Equity Interest based upon such debt, right, or Equity Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Equity Interest based upon such debt, right, or Equity Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim or Equity Interest has accepted the Plan. Any default by the Debtors or their Affiliates with respect to any Claim or Equity Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Equity Interests, subject to the Effective Date occurring.

2. *Release of Liens*

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall revert or otherwise transfer to the Debtors, the Liquidating Trust, or the Environmental Response Trust, as applicable, and their respective successors and assigns.

3. *Subordinated Claims*

The allowance, classification, and treatment of all Allowed Claims and Equity Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right for the Debtors or the Liquidating Trustee, as applicable, to re-classify, upon approval by the Bankruptcy Court, any Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

4. *Debtor Release*

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTORS ON BEHALF OF THEMSELVES, THEIR ESTATES, THE LIQUIDATING TRUST, AND THE ENVIRONMENTAL RESPONSE TRUST (SUCH THAT THE DEBTORS, THE LIQUIDATING TRUST, AND THE ENVIRONMENTAL RESPONSE TRUST WILL NOT HOLD ANY CLAIMS OR CAUSES OF ACTION RELEASED PURSUANT TO

ARTICLE XI OF THE PLAN), FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, FROM ANY AND ALL ACTIONS, CLAIMS, DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, OR OTHER OCCURRENCE OR CIRCUMSTANCES EXISTING OR TAKING PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING FROM OR RELATED IN ANY WAY TO THE DEBTORS, ANY OF THE DEBTORS' PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR MANAGEMENT OF THE DEBTORS, THE PLAN, THE DISCLOSURE STATEMENT, THE CHAPTER 11 CASES, OR ANY RESTRUCTURING OF CLAIMS OR EQUITY INTERESTS UNDERTAKEN PRIOR TO THE EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTORS, THE LIQUIDATING TRUST, OR THE ENVIRONMENTAL RESPONSE TRUST WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM AGAINST OR EQUITY INTEREST IN THE DEBTORS OR ANY OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTORS OR THEIR ESTATES; PROVIDED, HOWEVER, THAT THE FOREGOING "DEBTOR RELEASE" SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTORS OR THEIR CHAPTER 11 ESTATES AGAINST A RELEASED PARTY ARISING UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTORS THAT IS ENTERED INTO OR ASSUMED PURSUANT TO THE PLAN, OR THAT SUCH RELEASED PARTY IS OTHERWISE REQUIRED TO PERFORM PURSUANT TO ARTICLE V.F. OF THE PLAN.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED IN THE PLAN, *AND, FURTHER*, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTORS' ESTATES AND ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS; (4) FAIR, EQUITABLE, AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR AGAINST ANY OF THE DEBTORS' ESTATES, THE LIQUIDATING TRUST, OR THE ENVIRONMENTAL RESPONSE TRUST ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

5. *YPF Settlement Release*

IF THE YPF APPROVAL ORDER IS ENTERED BY THE BANKRUPTCY COURT, AND ALL CONDITIONS TO EFFECTIVENESS OF SUCH ORDER HAVE BEEN SATISFIED OR WAIVED, THE YPF SETTLEMENT HAS BEEN CONSUMMATED, AND THE YPF CONTRIBUTION HAS BEEN FUNDED, THE RELEASES SET FORTH IN THE YPF SETTLEMENT AGREEMENT SHALL BE INCORPORATED INTO THE PLAN.

6. *Exculpation*

EXCEPT AS OTHERWISE PROVIDED BY THE PLAN OR THE CONFIRMATION ORDER, ON THE EFFECTIVE DATE, THE DEBTORS, THE CREDITORS' COMMITTEE, THE AUTHORIZED REPRESENTATIVE, AND EACH OF THEIR RESPECTIVE CURRENT OR FORMER MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, ADVISORS, ATTORNEYS, PROFESSIONALS, AGENTS, PARTNERS, STOCKHOLDERS, SUCCESSORS AND ASSIGNS (EACH, AN "EXCULPATED PARTY," AND COLLECTIVELY, THE "EXCULPATED PARTIES") SHALL BE DEEMED RELEASED BY EACH OF THEM AGAINST THE OTHER, AND BY ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS, OF AND FROM ANY CLAIMS, OBLIGATIONS, RIGHTS, CAUSES OF ACTION AND LIABILITIES FOR ANY ACT OR OMISSION IN CONNECTION WITH, OR ARISING OUT OF, THE CHAPTER 11 CASES, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE FORMULATION, PREPARATION, DISSEMINATION, IMPLEMENTATION, CONFIRMATION OR APPROVAL OF THE PLAN OR ANY COMPROMISES OR SETTLEMENTS CONTAINED THEREIN, THE DISCLOSURE STATEMENT, 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, EXCEPT FOR ACTS OR OMISSIONS WHICH CONSTITUTE FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE AS DETERMINED BY FINAL ORDER, AND ALL SUCH EXCULPATED PARTIES, IN ALL RESPECTS, SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES UNDER THE PLAN AND UNDER THE BANKRUPTCY CODE.

7. *Injunction*

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO ARTICLE XI.D OF THE PLAN; (3) ARE AGAINST AN EXCULPATED PARTY; OR (4) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY

MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST AN EXCULPATED PARTY, INCLUDING ON ACCOUNT OF ANY CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTORS, THE LIQUIDATING TRUST, THE ENVIRONMENTAL RESPONSE TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE DEBTORS, THE LIQUIDATING TRUST, THE ENVIRONMENTAL RESPONSE TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE DEBTORS, THE LIQUIDATING TRUST, THE ENVIRONMENTAL RESPONSE TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF OR SUBROGATION OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES UNLESS SUCH ENTITY HAS TIMELY ASSERTED SUCH SETOFF OR SUBROGATION RIGHT PRIOR TO CONFIRMATION IN A DOCUMENT FILED WITH THE BANKRUPTCY COURT EXPLICITLY PRESERVING SUCH SETOFF OR SUBROGATION; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTORS, THE LIQUIDATING TRUST, THE ENVIRONMENTAL RESPONSE TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO THE PLAN; PROVIDED THAT NOTHING CONTAINED IN THE PLAN SHALL PRECLUDE AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO SUCH ENTITY PURSUANT TO THE TERMS OF THE

PLAN; PROVIDED, FURTHER, THAT NOTHING CONTAINED IN THE PLAN SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY LAW.

K. *Conditions Precedent to Confirmation and Consummation of the Plan*

1. *Conditions Precedent to Confirmation*

It shall be a condition to Confirmation that the following conditions shall have been satisfied or waived as provided herein or pursuant to Article XII.C of the Plan:

(a) The Bankruptcy Court shall have approved the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code;

(b) Regardless of whether the YPF Approval Order has been entered prior to Confirmation,

i. The Confirmation Order shall be reasonably acceptable to the Debtors and the YPF Entities; and

ii. The Plan Supplement and any related documentation shall be reasonably acceptable to the Debtors and the YPF Entities; and

(c) If the YPF Approval Order has not been entered prior to Confirmation, a Liquidating Trust Minimum Initial Contribution financing source has been obtained and approved by the Bankruptcy Court in accordance with Article IV.J of the Plan.

2. *Conditions Precedent to the Effective Dat*e

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived as provided herein or pursuant to Article XII.C of the Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order, which shall grant final approval of the Plan and the injunctions, releases, and Exculpation contained therein;

(b) The Confirmation Order shall not have been stayed, modified, or vacated on appeal;

(c) Subject to Article VI of the Plan, the Liquidating Trust Available Assets, which shall include Cash in an amount at least equal to the amount of the Liquidating Trust Minimum Initial Contribution, shall have been transferred to the Liquidating Trust;

(d) If the YPF Approval Order is entered prior to Confirmation,

i. All conditions to effectiveness of such order shall have been satisfied or waived;

ii. The YPF Settlement shall have been consummated;

iii. The YPF Contribution shall have been funded; and

iv. The ERT Distribution Assets shall have been transferred to the Environmental Response Trust;

(e) If the YPF Approval Order has not been entered prior to Confirmation,

i. The Withheld Properties shall have been abandoned in accordance with section 554 of the Bankruptcy Code; and

ii. All conditions contained in any documents evidencing a financing provided for in Article IV.J of the Plan have been satisfied or otherwise waived and such alternative financing has been funded;

(f) All material governmental and third-party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions contemplated by the Plan, shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions;

(g) All other actions, documents, and agreements necessary to implement the Plan as of the Effective Date will have been delivered and all conditions precedent thereto will have been satisfied; and

(h) The DIP Tranche A Claim shall have been paid in accordance with Article II.A. of the Plan.

3. *Waiver of Conditions*

The conditions set forth in Article XII.A(b) of the Plan may be waived if both the Debtors and the YPF Entities agree to waive such conditions.

The condition set forth in Article XII.B(h) of the Plan may be waived by the YPF Entities.

4. *Effect of Nonoccurrence of Conditions*

Each of the conditions to the Effective Date must be satisfied or duly waived, and the Effective Date must occur on or before June 15, 2017. If the Effective Date has not occurred on or before June 15, 2017, then upon motion by the Debtors made before the Effective Date and a hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the Filing of such motion to vacate, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, including the release of Claims and termination

of Equity Interests pursuant to the Plan and the assumptions, assignments or rejections of Executory Contracts, and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims, Equity Interests or Causes of Action; (b) prejudice in any manner the rights of any Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer or undertaking of any sort by such Debtor or any other Entity.

L. *Modification, Revocation, or Withdrawal of the Plan*

1. *Modification and Amendments*

The Debtors may amend, modify, or supplement the Plan pursuant to section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date; provided, however, that, if the Confirmation Order has not been entered or if the Confirmation Order has been entered and a stay of such order is in effect, the Debtors may extend the deadline for the Effective Date of the Plan.

2. *Effect of Confirmation on Modifications*

Pursuant to section 1127(a) of the Bankruptcy Code, entry of the Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

3. *Revocation or Withdrawal of the Plan*

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to File a subsequent chapter 11 plan(s). If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Equity Interest or Class of Claims or Equity Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void except as may be set forth in a separate order entered by the Bankruptcy Court; and (c) nothing contained in the Plan shall constitute a waiver or release of any Claims or Equity Interests or prejudice in any manner the rights of the Debtors, or any other Entity, or constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

M. *Retention of Jurisdiction*

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction:

(a) to allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, or unsecured status, or amount of any Claim or

Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests;

(b) to determine, adjudicate, or decide any other applications, adversary proceedings, contested matters, and any other matters pending on the Effective Date;

(c) to hear and determine any matter, case, controversy, suit, dispute, or Causes of Action regarding the existence, nature, and scope of the releases, injunctions, and Exculpation provided under the Plan, and to enter such orders as may be necessary or appropriate to implement such releases, injunctions, Exculpation, and other provisions;

(d) to ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(e) to hear and determine matters relating to insurance claims and settlements regarding insurance;

(f) to resolve disputes as to the ownership of any Claim or Equity Interest;

(g) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, reversed, modified, or vacated;

(h) to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(i) to consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(j) to hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan;

(k) to hear and determine any matters relating to the Liquidating Trust or the Environmental Response Trust, including to hear and determine any actions brought against the Liquidating Trust Board or the Environmental Response Trustee in connection with the Plan, including any action or other dispute relating to distributions under the Plan, provided, that if the Plan does not become effective, nothing herein shall be deemed to transfer the venue or jurisdiction over any underlying litigation to the Bankruptcy Court;

(l) to hear and determine any issue for which the Plan requires a Final Order of the Bankruptcy Court;

(m) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(n) to hear and determine all matters related to applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

(o) to resolve any matters related to (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable, and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; and (ii) any dispute regarding whether a contract or lease is or was executory or expired;

(p) to hear and determine any Causes of Action preserved under the Plan;

(q) to enter a final decree closing any of the Chapter 11 Cases;

(r) to issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with Consummation or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(s) to enforce all orders previously entered by the Bankruptcy Court; and

(t) to hear any other matter not inconsistent with the Bankruptcy Code.

N. *Miscellaneous Provisions*

1. *Immediate Binding Effect*

Subject to Article XII of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Liquidating Trust, the Environmental Response Trust, and any and all Holders of Claims or Equity Interests (irrespective of whether such Claims or Equity Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with any Debtor.

Notwithstanding anything in Bankruptcy Rule 3020(e) to the contrary, (a) the entry of the Confirmation Order shall constitute a Final Order, and (b) the Confirmation Order shall take effect immediately upon its entry and the Debtors are authorized to consummate the Plan immediately after entry of the Confirmation Order and the satisfaction or waiver of all other conditions to the Effective Date of the Plan, in accordance with the terms of the Plan.

2. *Additional Documents*

On or before the Effective Date, the Debtors may File with the Bankruptcy Court any and all agreements and other documents that may be necessary or appropriate in order to effectuate and further evidence the terms and conditions of the Plan.

3. *Payment of Statutory Fees*

On the Effective Date, and thereafter as may be required, each of the Debtors, or the Liquidating Trust, as applicable, shall (a) pay all the respective fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code, together with interest, if any, pursuant to section 3717 of title 31 of the United States Code, until the earliest to occur of the entry of (i) a final decree closing such Debtor's Chapter 11 Case, (ii) a Final Order converting such Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, or (iii) a Final Order dismissing such Debtor's Chapter 11 Case, and (b) be responsible for the filing of consolidated post-confirmation quarterly status reports with the Bankruptcy Court in accordance with the Local Bankruptcy Rules, which status reports shall include reports on the disbursements made by each of the Debtors.

4. *Dissolution of the Creditors' Committee and Retiree Committee*

On the Effective Date, the Creditors' Committee and the Retiree Committee shall dissolve; provided, however, that following the Effective Date, the Creditors' Committee and the Retiree Committee shall continue in existence and have standing and a right to be heard for the following limited purposes: (a) Claims and/or applications for compensation by Professionals and requests for allowance of Administrative Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; (b) any appeals to which the Creditors' Committee or the Retiree Committee are parties; (c) any adversary proceedings or contested matters as of the Effective Date to which the Creditors' Committee or the Retiree Committee are parties; and (d) responding to creditor inquiries for one-hundred-twenty (120) days following the Effective Date. Upon the dissolution of the Creditors' Committee and the Retiree Committee, the current and former members of the Creditors' Committee and the Retiree Committee, and their respective officers, employees, counsel, advisors and agents, shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention or employment of the Creditors' Committee's and the Retiree Committee's respective attorneys, accountants and other agents shall terminate, except that the Creditors' Committee, the Retiree Committee, and their respective Professionals shall have the right to pursue, review and object to any applications for compensation or reimbursement of expenses filed in accordance with Article II of the Plan.

5. *Access to Debtors' Records after Effective Date*

On the Effective Date, (a) the Debtors shall be deemed to have transferred, assigned and conveyed to the Liquidating Trust, and the Liquidating Trust shall be authorized to take possession of, the Liquidating Trust Books and Records and (b) the Debtors shall be deemed to have transferred, assigned and conveyed to the Environmental Response Trust, and the Environmental Response Trust shall be authorized to take possession of, the ERT Books and Records. To the extent the Environmental Response Trustee requires access to any of the Liquidating Trust Books and Records in order to fulfill its duties, obligations and purpose in accordance with the ERT Agreement, the Liquidating Trustee shall provide copies of such books and records or coordinate with the Environmental Response Trustee to develop a document sharing, retention, and maintenance policy with respect to such documents on terms and conditions agreed upon by the Liquidating Trustee and the Environmental Response Trustee.

The Liquidating Trust and the Environmental Response Trust shall have the responsibility of storing and maintaining the Liquidating Trust Books and Records and the Environmental Response Books and Records, as applicable. The Debtors shall cooperate with the Liquidating Trustee and the Environmental Response Trustee to facilitate the delivery and storage of their books and records in accordance herewith. For the purpose of this Section, books and records include computer generated or computer maintained books and records and computerized data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in possession of third parties, and all of the claims and rights of the Debtors in and to books and records, wherever located.

6. *Substantial Consummation*

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

7. *Reservation of Rights*

Except as otherwise provided in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by the Debtors with respect to the Plan or the Disclosure Statement shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

8. *Successors and Assigns*

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

9. *Service of Documents*

All notices, requests and demands hereunder to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered by mail or courier, addressed as follows:

(a) if to the Debtors, to Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019, Attn: Lorenzo Marinuzzi and Jennifer Marines, with copies to Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: M. Blake Cleary and Joseph M. Barry.

(b) if to the Liquidating Trust, as provided in the Liquidating Trust Agreement for notices to the Liquidating Trust.

(c) if to the Environmental Response Trust, as provided in the ERT Agreement for notices to the Environmental Response Trust.

(d) if to the Creditors' Committee, to Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York, 10022, Attn: Adam Harris and Lucy Kweskin, with copies to Cole Schotz, P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn: Norman Pernick and J. Kate Stickles.

(e) if to the YPF Entities or the DIP Lender, to Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, New York, 10019, Attn: Howard Seife, Samuel S. Kohn, and Francisco Vazquez, with copies to Landis Rath & Cobb LLP, 919 Market St. – Suite 1800, Wilmington, Delaware 19801, Attn: Adam G. Landis and Matthew B. McGuire.

(f) if to the Retiree Committee, to Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201-4624, Attn: Charles Gibbs, Eric Seitz, and Eric Haitz, with copies to Ashby & Geddes, P.A., 500 Delaware Avenue, 8th Fl., P.O. Box 1150, Wilmington, Delaware 19899-1150, Attn: William Bowden.

After the Effective Date, the Liquidating Trust has authority to send a notice to any Entity that, in order to continue to receive documents pursuant to Bankruptcy Rule 2002, it must File a renewed request to receive documents with the Bankruptcy Court. After the Effective Date, the Liquidating Trust is authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

10. *Further Assurances*

The Debtors, the Liquidating Trust, the Environmental Response Trust, all Holders of Claims receiving distributions pursuant to the Plan, and all other Entities, as applicable, shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

11. *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan and the Confirmation Order shall remain in full force and effect in accordance with their terms.

12. *Entire Agreement*

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

13. *Exhibits and Related Documents*

All exhibits and documents Filed in relation to the Plan are incorporated into and are a part of the Plan as if set forth in full in the Plan. After any exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Liquidating Trust's counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website, https://cases.primeclerk.com/maxus, or the Bankruptcy Court's website, http://www.deb.uscourts.gov (a PACER login and password are required to access documents on the Bankruptcy Court's website).

14. *Severability of Plan Provisions*

Except as otherwise provided herein, if, before Confirmation of the Plan, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (c) nonseverable and mutually dependent.

15. *Waiver or Estoppel Conflicts*

Each Holder of a Claim or Equity Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Equity Interest should be Allowed in a certain amount, in a certain priority, or as secured, or should not be subordinated, by virtue of an agreement made with the Debtors, or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

16. *Conflicts*

Except as set forth in the Plan or unless otherwise ordered by the Bankruptcy Court, to the extent that the Disclosure Statement, any order of the Bankruptcy Court (other than the Confirmation Order), or any exhibit to the Plan or document executed or delivered in connection with the Plan is inconsistent with the terms of the Plan, the terms of the Plan shall control.

ARTICLE VI.

STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the confirmation process. Holders of Claims and Equity Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors with respect to the summary provided in this Disclosure Statement.

A. *Confirmation Hearing*

The Bankruptcy Court has scheduled the Confirmation Hearing for [_____], 2017, at [__]:00 [__].m. (prevailing Eastern Time). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or the Filing of a notice of such adjournment served in accordance with the Disclosure Statement Order. Any objection to the Plan must: (1) be in writing; (2) conform to the Bankruptcy Rules and the Local Rules of Bankruptcy Practice & Procedure of the United States Bankruptcy Court for the District of Delaware; (3) state the name, address, phone number, and email address of the objecting party and the amount and nature of the Claim or Interest of such entity, if any; (4) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (5) be Filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is **actually received** by the following notice parties set forth below no later than the Objection Deadline. **Unless an objection to the Plan is timely served and Filed, it may not be considered by the Bankruptcy Court**.

Counsel to the Debtors	
Morrison & Foerster LLP 250 West 55th Street New York, New York 10019 James M. Peck, Esq. Lorenzo Marinuzzi, Esq. Jennifer L. Marines, Esq. Jordan A. Wishnew, Esq.	**Young Conaway Stargatt & Taylor, LLP** Rodney Square 1000 North King Street Wilmington, Delaware 19801 M. Blake Cleary, Esq. Joseph M. Barry, Esq. Justin P. Duda, Esq. Travis G. Buchanan, Esq.
Counsel to the Creditors' Committee	
Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Adam C. Harris, Esq. Lucy F. Kweskin, Esq.	**Cole Schotz P.C.** 500 Delaware Avenue, Suite 1410 Wilmington, Delaware 19801 Norman L. Pernick, Esq. J. Kate Stickles, Esq.
Counsel to the YPF Entities	
Chadbourne & Parke LLP 1301 Avenue of the Americas New York, New York 10019 Howard Seife, Esq. Samuel S. Kohn, Esq. Francisco Vazquez, Esq.	**Landis Rath & Cobb LLP** 919 Market Street, Suite 1800 Wilmington, DE 19801 Adam Landis, Esq. Matthew B. McGuire, Esq.
Counsel to the Retiree Committee	
Akin Gump Strauss Hauer & Feld LLP 1700 Pacific Avenue, Suite 4100 Dallas, Texas 75201-4624 Charles Gibbs, Esq. Eric Seitz, Esq. Eric Haitz, Esq.	**Ashby & Geddes, P.A.** 500 Delaware Avenue, 8th Fl. P.O. Box 1150 Wilmington, Delaware 19899-1150 William Bowden, Esq.
U.S. Trustee	
United States Department of Justice Office of the United States Trustee J. Caleb Boggs Federal Building 844 King Street, Suite 2207 Wilmington, Delaware 19801 Linda J. Casey, Esq. David Buchbinder, Esq.	

B. *Confirmation Standards*

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code and that they have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code. Specifically, the Debtors believe that the Plan satisfies or will satisfy the applicable confirmation requirements of section 1129 of the Bankruptcy Code, including those set forth below.

1. *Feasibility*

The Bankruptcy Code requires that to confirm a chapter 11 plan, the Bankruptcy Court must find that confirmation of such plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor unless contemplated by the plan.

The Plan provides for the liquidation and distribution of the Debtors' assets. Accordingly, the Debtors believe that all Plan obligations will be satisfied without the need for further reorganization of the Debtors.

2. *Best Interests of Creditors*

Notwithstanding acceptance of the Plan by a voting Impaired Class, to confirm the Plan, the Bankruptcy Court must still independently determine that the Plan is in the best interests of each Holder of a Claim or Interest in any such Impaired Class that has not voted to accept the Plan, meaning that the Plan provides each such Holder with a recovery that has a value at least equal to the value of the recovery that each such Holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code on the Effective Date. Accordingly, if an Impaired Class does not unanimously vote to accept the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides to each member of such Impaired Class a recovery on account of the Class member's Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the recovery that each such Class member would receive if the Debtors were liquidated under chapter 7.

The Debtors believe that the Plan satisfies the best interests test because, among other things, the recoveries expected to be available to Holders of Allowed Claims under the Plan will be greater than the recoveries expected to be available in a hypothetical chapter 7 liquidation, as discussed more fully below.

In a typical chapter 7 case, a trustee is elected or appointed to liquidate a debtor's assets and to make distributions to creditors in accordance with the priorities established under the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of sales of their collateral. If any assets remain in the bankruptcy estate after satisfaction of secured creditors' claims from their collateral, administrative expenses are paid next. Unsecured creditors are paid from any remaining liquidation proceeds, according to their respective priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with the same

priority. Finally, interest holders receive the balance that remains, if any, after all creditors are paid in full.

Substantially all of the Debtors' assets will either have been liquidated during the Chapter 11 Cases or will be liquidated under the Plan. Although the Plan effects a liquidation of the Debtors' assets and a chapter 7 liquidation would achieve the same goal, the Debtors believe that the Plan provides a greater recovery to Holders of Allowed General Unsecured Claims than would a chapter 7 liquidation. Liquidating the Debtors' Estates under the Plan likely provides Holders of Allowed General Unsecured Claims with a larger, more timely recovery in part because of the expenses that would be incurred in a chapter 7 liquidation, including the potential added time (thereby reducing the present value of any recovery for Holders) and expense incurred by a chapter 7 trustee and any retained professionals in familiarizing themselves with the Debtors and the Chapter 11 Cases. Moreover, the conversion to chapter 7 would require entry of a new bar date. *See* Fed. R. Bankr. P. 1019(2); 3002(c). Thus, the amount of Claims ultimately Filed and Allowed against the Debtors could materially increase, thereby reducing the estimated creditor recoveries.

The information contained in the Liquidation Analysis attached as **Exhibit C** hereto provides a summary of the recoveries under the Plan and in a chapter 7 liquidation. In sum, the Debtors believe that a chapter 7 liquidation would result in diminution in recoveries to be realized by Holders of Claims, as compared to the proposed distributions under the Plan. Consequently, the Debtors believe that the Plan will provide a greater ultimate return to Holders of Claims than would a chapter 7 liquidation of the Debtors.

C. *Alternative Plans*

The Debtors do not believe that there are any alternative plans for the reorganization or liquidation of the Debtors' Estates. The Debtors believe that the Plan, as described therein, enables Holders of Claims and Equity Interests to realize the greatest possible value under the circumstances and that, compared to any alternative plan, the Plan has the greatest chance to be confirmed and consummated.

D. *Acceptance by Impaired Classes*

The Bankruptcy Code requires, as a condition to Confirmation, that except as described in the following section, each class of claims or equity interests that is impaired under a plan accept the plan. A class that is not "impaired" under a plan is presumed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. Pursuant to section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" under a plan unless, with respect to each claim or interest of such class, the plan: (1) leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the Holder of such claim or interest; or (2) cures any default, reinstates the maturity of such claim or interest as such maturity existed before such default, and compensates the Holder of such claim or interest for any damages incurred.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired creditors as acceptance by holders of at least two-thirds (2/3) in dollar amount and

more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject a plan. Thus, a Class of creditor Claims will have voted to accept the Plan only if two-thirds (2/3) in amount and a majority in number actually voting cast their Ballots in favor of acceptance, subject to Article III of the Plan. Only Holders of Claims in the Voting Classes will be entitled to vote on the Plan.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance by holders of at least two-thirds (2/3) in dollar amount of those interests who actually vote to accept or reject a plan. Votes that have been "designated" under section 1126(e) of the Bankruptcy Code are not included in the calculation of acceptance by a class of interests. Thus, a Class of Equity Interests will have voted to accept the Plan only if two-thirds (2/3) in amount actually voting cast their Ballots in favor of acceptance, not counting designated votes, subject to Article III of the Plan. No Class including Holders of Equity Interests is entitled to vote on the Plan.

E. *Confirmation Without Acceptance by All Impaired Classes*

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if Impaired Classes entitled to vote on the plan have not accepted it or if an Impaired Class is deemed to reject the Plan, provided that the plan is accepted by at least one Impaired Class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of a plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

1. *No Unfair Discrimination*

This test applies to Classes of Claims or Equity Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of Classes of Claims of equal rank (*e.g.*, classes of the same legal character). The Debtors do not believe that the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Debtors believe that the Plan and the treatment of all Classes of Claims and Equity Interests satisfy the foregoing requirements for nonconsensual Confirmation.

2. *Fair and Equitable Test*

This test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the non-accepting class, the test sets different standards depending on the type of claims or interests in such class. As set forth below, the Debtors believe that the Plan satisfies the "fair and equitable" requirement because there is no Class of equal priority receiving more favorable treatment and no Class that is junior to such dissenting Class that will receive or retain any property on account of the Claims or Equity Interests in such Class.

a. *Secured Claims*

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (i) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (ii) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

b. *Unsecured Claims*

The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the requirement that either: (i) the plan provides that each holder of a claim of such class receives or retains on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (ii) the holder of any claim or any equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior equity interest any property.

c. *Equity Interests*

The condition that a plan be "fair and equitable" to a non-accepting class of equity interests includes the requirement that either: (i) the plan provides that each holder of an equity interest in that class receives or retains under the plan on account of that equity interest property of a value, as of the effective date of the plan, equal to the greater of: (A) the allowed amount of any fixed liquidation preference to which such holder is entitled; (B) any fixed redemption price to which such holder is entitled; or (C) the value of such interest; or (ii) if the class does not receive the amount as required under (i) hereof, no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

ARTICLE VII.

CERTAIN RISK FACTORS TO BE CONSIDERED BEFORE VOTING

Holders of Claims should read and carefully consider the risk factors set forth below, as well as the other information set forth in this Disclosure Statement and the documents delivered together with this Disclosure Statement, referred to or incorporated by reference in this Disclosure Statement, before voting to accept or reject the Plan. These factors should not be regarded as constituting the only risks present in connection with the Debtors' business or the Plan and its implementation.

A. *Risk Factors that May Affect Recoveries Available to Holders of Allowed Claims Under the Plan*

1. *The Amount of Allowed Claims May Adversely Affect the Recovery of Some Holders of Allowed Claims*

The Debtors cannot determine with any certainty at this time the number or amount of Claims that will ultimately be Allowed, and thus the projected recoveries disclosed in this Disclosure Statement are highly speculative. A large amount of Allowed Claims may materially and adversely affect, among other things, the recoveries to Holders of Allowed Claims and Allowed Equity Interests under the Plan. Some Holders are not entitled to any recovery pursuant to the terms of the Plan, and, depending on the accuracy of the Debtors' various assumptions, even those Holders entitled to a recovery under the terms of the Plan may ultimately receive no recovery.

2. *The Debtors Cannot State with Certainty What Recovery Will Be Available to Holders of Allowed Claims in the Voting Classes*

The Debtors cannot know with certainty, at this time, the number or amount of Claims in Voting Classes that will ultimately be Allowed. Accordingly, because certain Claims under the Plan will be paid on a pro rata basis, the Debtors cannot state with certainty what recoveries will be available to Holders of Allowed Claims in the Voting Classes.

3. *Any Valuation of Any Assets to be Distributed Under the Plan Is Speculative and Could Potentially be Zero*

Any valuation of any of the assets to be distributed under the Plan is necessarily speculative, and the value of such assets could potentially be zero. Accordingly, the ultimate value, if any, of these assets could materially affect, among other things, recoveries to the Debtors' creditors, including Holders of Claims in the Voting Classes.

4. *If the Bankruptcy Court Does Not Enter the YPF Approval Order, Holders of Allowed Claims Risk Receiving Nothing On Account of their Claims, Because the Liquidating Trust May Not Recover on Purported Claims Against the YPF Entities*

In the event that the Bankruptcy Court does not enter the YPF Approval Order (and such order does not become a Final Order), certain Claims and Causes of Action against the YPF Entities will be contributed to the Litigation Trust. However, litigation with respect to any such Claims or Causes of Action (including Claims and Causes of Action based on an alter ego theory) could be complex, and could involve extensive, time-consuming and costly appeals, and possible retrials. There is a risk that the Litigation Trust will not obtain a judgment against any of the YPF Entities or that any such judgment would be *de minimis*. Further, although certain of the YPF Entities may have significant resources, substantially all of those resources are located in Argentina. If the Litigation Trust obtains a non-consensual judgment against any of the YPF Entities, collection on that judgment could prove to be time consuming, expensive, and uncertain. Accordingly, there is no guarantee that the Litigation Trust will obtain a judgment against any of the YPF Entities, and in the event that a judgment is entered against any of the

YPF Entities, there is no guarantee that the Liquidating Trust will successfully collect on any such judgment. If the Liquidating Trust cannot successfully recover on Claims and Causes of Action against the YPF Entities, the Holders of Allowed Claims will in turn be unable to recover value from the Liquidating Trust on account of such Claims and Causes of Action.

5. *The Debtors Cannot Guarantee Recoveries or the Timing of Such Recoveries*

Although the Debtors have made commercially reasonable efforts to disclose projected recoveries in this Disclosure Statement, it is possible that the amount of Allowed Claims will be materially higher than any range of possible Allowed Claims the Debtors have considered to date, and thus creditor recoveries could be materially reduced or eliminated. In addition, the timing of actual distributions to Holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, the Debtors cannot guarantee the timing of any recovery on an Allowed Claim.

6. *Certain Tax Implications of the Debtors' Bankruptcies*

Holders of Allowed Claims should carefully review Article VIII of this Disclosure Statement, "Certain United States Federal Income Tax Consequences," for a description of certain tax implications of the Plan and the Chapter 11 Cases.

B. *Certain Bankruptcy Law Considerations*

The occurrence or nonoccurrence of any or all of the following contingencies, and any others, may affect distributions available to Holders of Allowed Claims and Allowed Equity Interests under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

1. *Parties in Interest May Object to the Plan's Classification of Claims and Equity Interests or the Amount of Such Claims or Equity Interests*

Section 1122 of the Bankruptcy Code provides that a plan 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 the Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Equity Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

Furthermore, certain parties in interest, including the Debtors, reserve the right, under the Plan, to object to the amount or classification of any Claim. The estimates set forth in this Disclosure Statement cannot be relied upon by any Holder of a Claim where such Claim is or may be subject to an objection or is not yet Allowed. Any Holder of a Claim that is or may be subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

2. *Failure to Satisfy Vote Requirements*

In the event that votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to pursue another strategy to wind down the Estates, such as an alternative chapter 11 plan, a dismissal of the Chapter 11 Cases and an out-of-court dissolution, an assignment for the benefit of creditors, a conversion to a chapter 7 case(s), or other strategies. There can be no assurance that the terms of any such alternative strategies would be similar or as favorable to the Holders of Allowed Claims and Allowed Equity Interests as those proposed in the Plan.

3. *The Debtors May Not Be Able to Secure Confirmation of the Plan*

The Debtors will need to satisfy section 1129 of the Bankruptcy Code, which sets forth the requirements for confirmation of a chapter 11 plan and requires, among other things, a finding by a bankruptcy court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim or an Allowed Interest might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or the Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the Solicitation Procedures, and the voting results are appropriate, the Bankruptcy Court can still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims and Allowed Equity Interests will receive with respect to their Allowed Claims and Allowed Interests.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications may result in a less favorable treatment of any Class than the treatment currently provided in the Plan. Such a less favorable treatment may include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

4. *Nonconsensual Confirmation*

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponent's request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the Bankruptcy Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting class. The Debtors believe that the Plan satisfies these requirements and the Debtors may request such nonconsensual Confirmation in accordance with section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation of the Plan may result in, among other things, increased expenses and the expiration of any commitment to provide support for the Plan, financially or otherwise.

5. *Risk of Nonoccurrence of the Effective Date*

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

6. *Contingencies May Affect Votes of Impaired Classes to Accept or Reject the Plan*

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Claims to be Allowed. The occurrence of any and all such contingencies, which may affect distributions available to Holders of Allowed Claims and Allowed Equity Interests under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

C. *Disclosure Statement Disclaimer*

1. *The Financial Information Contained in this Disclosure Statement Has Not Been Audited*

In preparing this Disclosure Statement, the Debtors and their advisors relied on financial data derived from the Debtors' books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information, and any conclusions or estimates drawn from such financial information, provided in this Disclosure Statement, and although the Debtors believe that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to warrant that the financial information contained herein, or any such conclusions or estimates drawn therefrom, is without inaccuracies.

2. *Information Contained in this Disclosure Statement Is for Soliciting Votes*

The information contained in this Disclosure Statement is for the purpose of soliciting acceptances of the Plan and may not be relied upon for any other purpose.

3. *This Disclosure Statement Was Not Reviewed or Approved by the United States Securities and Exchange Commission*

This Disclosure Statement was not Filed with the United States Securities and Exchange Commission under the Securities Act or applicable state securities laws. Neither the United States Securities and Exchange Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement or the exhibits or the statements contained in this Disclosure Statement.

4. *This Disclosure Statement May Contain Forward Looking Statements*

This Disclosure Statement may contain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "will," "might," "expect," "believe," "anticipate," "could," "would," "estimate," "continue," "pursue," or the negative thereof or comparable terminology. All forward looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The information contained herein is an estimate only, based upon information currently available to the Debtors.

5. *No Legal or Tax Advice Is Provided to You by this Disclosure Statement*

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or an Interest should consult his or her own legal counsel, accountant, or other applicable advisor with regard to any legal, tax, and other matters concerning his, her, or its Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

6. *No Admissions Made*

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including, without limitation, the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, Holders of Allowed Claims or Allowed Interests, or any other parties in interest.

7. *Failure to Identify Projected Objections*

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Debtors or the Liquidating Trustee may object to Claims or Equity Interests after Confirmation or the Effective Date of the Plan irrespective of whether this Disclosure Statement identifies objections to such Claims or Interests.

8. *No Waiver of Right to Object or Right to Recover Transfers and Assets*

The vote by a Holder of a Claim or Interest for or against the Plan does not constitute a waiver or release of any claims, causes of action, or rights of the Debtors (or any entity, as the case may be) to object to that Holder's Claim or Interest, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any claims or causes of action of the Debtors or their Estates are specifically or generally identified in this Disclosure Statement.

9. *Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors*

The Debtors' advisors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although the Debtors' advisors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained in this Disclosure Statement.

10. *Potential Exists for Inaccuracies, and the Debtors Have No Duty to Update*

The statements contained in this Disclosure Statement are made by the Debtors as of the date of this Disclosure Statement, unless otherwise specified in this Disclosure Statement, and the delivery of this Disclosure Statement after the date of this Disclosure Statement does not imply that there has not been a change in the information set forth in this Disclosure Statement since that date. While the Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

11. *No Representations Outside this Disclosure Statement are Authorized*

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to counsel to the Debtors and the U.S. Trustee.

D. *Liquidation Under Chapter 7*

If no plan can be confirmed, the Chapter 11 Cases may be converted to a case(s) under chapter 7 of the Bankruptcy Code, pursuant to which a chapter 7 trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code.

ARTICLE VIII.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain U.S. federal income tax consequences of implementation of the Plan to the Debtors and certain Holders of Claims. This discussion is intended for general information purposes only, and is not a complete analysis of all potential U.S. federal income tax consequences that may be relevant to any particular Holder.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "IRC") and the Treasury Regulations promulgated thereunder, judicial decisions and published administrative rulings, and pronouncements of the Internal Revenue Service (the "IRS"), each as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the discussion set forth below with respect to the U.S. federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences described herein.

Except as otherwise set forth herein, this discussion does not address the U.S. federal income tax consequences to Holders of Claims that (a) are Unimpaired or otherwise entitled to payment in full in Cash on the Effective Date, or (b) are otherwise not entitled to vote on the Plan. Furthermore, this discussion does not address the U.S. federal income tax consequences with respect to the Environmental Response Trust. The discussion assumes that each Holder of a Claim holds only Claims in a single Class.

The U.S. federal income tax consequences of the Plan are complex and are subject to substantial uncertainties. The discussion set forth below of certain U.S. federal income tax consequences of the Plan is not binding upon the IRS. Thus, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position different from any discussed herein, resulting in U.S. federal income tax consequences to the Debtors and/or Holders of Claims that are substantially different from those discussed herein. The Debtors have not requested an opinion of counsel with respect to any of the tax aspects of the Plan, and no opinion is given by this Disclosure Statement.

This discussion does not apply to a Holder of a Claim that is not a "United States person," as such term is defined in the IRC. Moreover, this discussion does not address U.S. federal taxes other than income taxes, nor any state, local, U.S. possession, or non-U.S. tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to United States persons in light of their individual circumstances or to United States persons that may be subject to special tax rules, such as persons who are related to the Debtors within the meaning of the IRC, governments or governmental entities, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate mortgage investment conduits, tax-exempt organizations, pass-through entities, beneficial owners of pass-through entities, Subchapter S corporations, employees of the Debtors, persons who received their Claims as compensation, persons that hold Claims as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark to market method of

accounting, and Holders of Claims that are themselves in bankruptcy. If a partnership or entity treated as a partnership for U.S. federal income tax purposes holds Claims, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership.

THE FOLLOWING SUMMARY OF CERTAIN U.S. 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. THIS SUMMARY IS LIMITED TO THE U.S. FEDERAL INCOME TAX ISSUES ADDRESSED IN THIS DISCLOSURE STATEMENT. ADDITIONAL ISSUES MAY EXIST THAT ARE NOT ADDRESSED IN THIS SUMMARY AND THAT COULD AFFECT THE U.S. FEDERAL TAX TREATMENT OF CONSUMMATION OF THE PLAN. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, U.S. POSSESSION INCOME, NON-U.S. INCOME, ESTATE, GIFT, AND OTHER TAX CONSEQUENCES OF THE PLAN.

A. *Certain United States Federal Income Tax Consequences to the Debtors*

For U.S. federal income tax purposes, the Debtors are members of a consolidated group of corporations of which the common parent, YPF Holdings, is a nondebtor. The U.S. federal income tax consequences of the Plan to the Debtors should generally be reported and accounted for by YPF Holdings as the parent of the consolidated group. The members of the consolidated group have not entered into a tax sharing agreement which governs the allocation and payment of tax liabilities of the members of the consolidated group. Consequently, though there may be items of income – including income from cancellation of indebtedness –, gain, or loss generated as a result of transactions contemplated by the Plan, YPF Holdings will generally be responsible for paying any tax liability associated with these items.

B. *Certain United States Federal Income Tax Consequences to Holders of Allowed Claims*

1. *General*

The U.S. federal income tax consequences to a Holder receiving, or entitled to receive, a payment in partial or total satisfaction of a Claim will depend on a number of factors, including the nature of the Claim, the Holder's method of tax accounting, and its own particular tax situation.

Because the Holders' Claims and tax situations differ, Holders should consult their own tax advisors to determine how the Plan affects them for U.S. federal, state, local, and non-U.S. tax purposes, based on their particular tax situations. Among other things, the U.S. federal income tax consequences of a payment to a Holder may depend initially on the nature of the original transaction pursuant to which the Claim arose.

The U.S. federal income tax consequences of a transfer to a Holder may also depend on whether the item to which the payment relates has previously been included in the Holder's gross income or has previously been subject to a loss or a worthless security or bad debt deduction. For example, if a payment is made in satisfaction of a receivable acquired in the ordinary course of a Holder's trade or business, the Holder had previously included the amount of such

receivable payment in its gross income under its method of tax accounting, and had not previously claimed a loss or a worthless security or bad debt deduction for that amount, the receipt of the payment should not result in additional income to the Holder but may result in a loss. Conversely, if the Holder had previously claimed a loss or worthless security or bad debt deduction with respect to the item previously included in income, the Holder generally would be required to include the amount of the payment in income.

A Holder receiving a payment pursuant to the Plan in satisfaction of its Claim generally may recognize taxable income or loss measured by the difference between (a) the amount of Cash and the fair market value (if any) of any property received by the Holder, including, as discussed below, any beneficial interests in the Liquidating Trust, and (b) its adjusted tax basis in the Claim. For this purpose, the adjusted tax basis may include amounts previously included in income (less any bad debt or loss deduction) with respect to that item. The character of any income or loss that is recognized will depend upon a number of factors, including the status of the Holder, the nature of the Claim in the Holder's hands, whether the Claim was purchased at a discount, whether and to what extent the Holder has previously claimed a bad debt deduction with respect to the Claim, and the Holder's holding period of the Claim. Each Holder of the Claim should consult its own tax advisor to determine the character of any gain or loss recognized by such Holder. It is possible that any loss, or a portion of any gain, realized by a Holder of a Claim may have to be deferred until all of the distributions to such Holder are received.

As discussed below, each Holder of an Allowed Claim that receives a beneficial interest in the Liquidating Trust will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the Liquidating Trust Assets, consistent with its economic rights in the trust. Pursuant to the Plan, the Liquidating Trustee will value the assets transferred to the Liquidating Trust in good faith, and all parties to the Liquidating Trust (including Holders of Claims receiving beneficial interests in the Liquidating Trust) must consistently use such valuation for all U.S. federal income tax purposes.

2. *Information Reporting and Backup Withholding*

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of an Allowed Claim may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded or credited against the Holder's U.S. federal income tax liability to the extent it results in an overpayment of tax, provided that the required information is timely provided to the IRS.

The Debtors, or the Liquidating Trustee, or the applicable withholding agent, will withhold all amounts required by law to be withheld. The Debtors will comply with all applicable reporting requirements of the IRS.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, U.S. POSSESSION, OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

C. *Tax Treatment of the Liquidating Trust and Holders of Beneficial Interests*

1. *Classification of the Liquidating Trust*

The Liquidating Trust, created pursuant to the Plan, is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., all income and loss is taxed directly to the liquidating trust beneficiaries). However, merely establishing a trust as a liquidating trust does not ensure that it will be treated as a grantor trust for U.S. federal income tax purposes. The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties (including, without limitation, the Debtors, the Liquidating Trustee, and Holders) will be required to treat, for U.S. federal income tax purposes, the Liquidating Trust as a grantor trust. The holders of beneficial interests in the Liquidating Trust are the owners and grantors of the Liquidating Trust. The following discussion assumes that the Liquidating Trust will be so respected for U.S. federal income tax purposes.

2. *General Tax Reporting by the Liquidating Trust and Holders of Beneficial Interests*

For all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee, and Holders) must treat the transfer of the Liquidating Trust Assets to the Liquidating Trust in accordance with the terms of the Plan. Pursuant to the Plan, the Liquidating Trust Assets (other than assets allocable to Disputed Claims) are treated, for U.S. federal income tax purposes, as having been transferred, subject to any obligations relating to those assets, directly to the Holders of the respective Claims receiving beneficial interests in the Liquidating Trust (with each Holder receiving an undivided interest in such assets in accordance with their economic interests in such assets), followed by the transfer by the holders of such assets to the Liquidating Trust in exchange for a beneficial interest in the Liquidating Trust. Accordingly, all parties must treat the Liquidating Trust as a grantor trust of which the holders of beneficial interests in the Liquidating Trust are the owners and grantors, and treat the holders of beneficial interests in the Liquidating Trust as the direct owners of an undivided interest in the Liquidating Trust Assets (other than any assets allocable to Disputed Claims), consistent with their economic interests therein, for all U.S. federal income tax purposes.

Each holder of a beneficial interest in the Liquidating Trust must report on its U.S. federal income tax return its pro rata allocable share of income, gain, loss, deduction and credit recognized or incurred by the Liquidating Trust. Taxable income or loss allocated to a holder of a beneficial interest in the Liquidating Trust will be treated as income or loss with respect to a holder's undivided interest in the Liquidating Trust Assets, and not as income or loss with respect to its prior Claim. Moreover, upon the sale or other disposition (or deemed disposition) of any Liquidating Trust Asset, each holder of a beneficial interest in the Liquidating Trust must report on its U.S. federal income tax return its share of any gain or loss measured by the difference between (a) its share of the amount of Cash and/or the fair market value of any property received by the Liquidating Trust in exchange for the Liquidating Trust Asset so sold or otherwise disposed of and (b) such holder's adjusted tax basis in its pro rata share of such Liquidating Trust Asset. The character of any such gain or loss to the holder will be determined as if such holder itself had directly sold or otherwise disposed of the Liquidating Trust Asset. The character of items of income, gain, loss, deduction and credit to any holder of a beneficial interest in the Liquidating Trust, and the ability of the holder to benefit from any deductions or losses, depends on the particular circumstances or status of the holder.

As soon as reasonably practicable after the transfer of the Liquidating Trust Assets to the Liquidating Trust, the Liquidating Trustee shall make a good faith valuation of the Liquidating Trust Assets. All parties to the Liquidating Trust (including, without limitation, the Debtors and holders of beneficial interests) must consistently use such valuation for all U.S. federal income tax purposes. The valuation will be made available, from time to time, as relevant for tax reporting purposes.

The U.S. federal income tax obligations of a holder with respect to its beneficial interest in the Liquidating Trust are not dependent on the Liquidating Trust distributing any Cash or other proceeds. Thus, a holder may incur a U.S. federal income tax liability with respect to its allocable share of Liquidating Trust income even if the Liquidating Trust does not make a concurrent distribution to the holder. In general, other than in respect of Cash retained on account of Disputed Claims and distributions resulting from undeliverable distributions (the subsequent distribution of which still relates to a holder's Allowed Claim), a distribution of Cash by the Liquidating Trust will not be separately taxable to a holder of a beneficial interest in the Liquidating Trust since the beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the Cash was earned or received by the Liquidating Trust). Holders are urged to consult their tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of Cash originally retained by the Liquidating Trust on account of Disputed Claims or undeliverable distributions.

The Disbursing Agent will comply with all applicable governmental withholding requirements (see section VII.H of the Plan). Thus, in the case of any holders of beneficial interests in the Liquidating Trust that are not U.S. persons, the Disbursing Agent may be required to withhold up to 30% of the income or proceeds allocable to such persons, depending on the circumstances (including whether the type of income is subject to a lower treaty rate).

The Liquidating Trustee will file with the IRS tax returns for the Liquidating Trust consistent with its classification as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a). Except as discussed below with respect to any reserve for Disputed Claims, the Liquidating

Trustee also will send annually to each holder of a beneficial interest in the Liquidating Trust a separate statement regarding the receipts and expenditures of the Liquidating Trust as relevant for U.S. federal income tax purposes and will instruct all such holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns.

3. *Treatment of the Disputed Claims Reserve*

The Disputed Claims Reserve is intended to be treated, for U.S. federal income tax purposes, as a disputed ownership fund within the meaning of Treasury Regulation Section 1.468B-9(b)(1). If so treated, any payment of Cash or distribution of a beneficial interest in the Liquidating Trust made out of the reserve should not be deemed to have been made to any recipient until, and to the extent that, the amount to which the recipient is entitled has been determined and distributed. At such time, the recipient (including the holders of any beneficial interests in the Liquidating Trust upon the disallowance of a Disputed Claim) will take such amount into account for U.S. federal income tax purposes as an amount received in respect of its Claim. Upon the disallowance of a Disputed Claim, the Disputed Claims Reserve will be treated as having distributed to holders of any beneficial interests in the Liquidating Trust the portion of the Liquidating Trust Assets allocable to such Disputed Claim. Recipients of amounts from the Disputed Claims Reserve should report these amounts consistently with the foregoing and should consult their tax advisors concerning the federal, state, local, and non-U.S. tax consequences of the receipt of amounts from the Disputed Claims Reserve.

Upon the allowance or disallowance of a Disputed Claim, the Disputed Claims Reserve generally will be treated as having sold or exchanged the portion of the Liquidating Trust Assets allocable to such Claim for purposes of IRC section 1001(a). Amounts earned by the Disputed Claims Reserve will generally be subject to an entity level tax on a current basis. The Disputed Claims Reserve will be taxed in a manner similar to either a corporation or a qualified settlement fund, depending on the type of assets transferred to it. In general, in determining the Disputed Claims Reserve's taxable income, (a) any amounts transferred to the Disputed Claims Reserve would be excluded from its income, (b) any sale or exchange of property (including recoveries with respect to the Causes of Action) by the Disputed Claims Reserve would result in the recognition of gain or loss equal to the difference between the amount received on such disposition and the Disputed Claims Reserve's adjusted basis in such property and (c) any interest income or other earnings with respect to the Disputed Claims Reserve's assets would be included in income.

THE FOREGOING SUMMARY IS PROVIDED FOR GENERAL INFORMATIONAL PURPOSES ONLY. HOLDERS OF CLAIMS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING FEDERAL, STATE, LOCAL, U.S. POSSESSION, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN TO THEM.

ARTICLE IX.

RECOMMENDATION OF THE DEBTORS

The Debtors believe that the Plan is in the best interests of all Holders of Claims against and Equity Interests in the Debtors, and urges all Holders of Claims against and Equity Interests in the Debtors entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be received by Prime Clerk by the Voting Deadline.

Dated: December 29, 2016
New York, New York

Respectfully Submitted,

MAXUS ENERGY CORPORATION
for itself and its Debtor affiliates

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Name: Bradley I. Dietz
Title: Independent Director

By: /s/ Theodore P. Nikolis
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EXHIBIT A

Chapter 11 Plan of Liquidation Proposed by Maxus Energy Corporation, *et al.*

EXHIBIT B

Solicitation Procedures

[TO BE INSERTED UPON ENTRY OF DISCLOSURE STATEMENT ORDER]

EXHIBIT C

Liquidation Analysis

[TO BE FILED]