

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re Nova Holding Clinton County, LLC, et al.,

Case No. 09-11081 (KG)

Reporting Period: January 31, 2010

**MONTHLY OPERATING REPORT**

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

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

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>	<b>Affidavit/Supplement Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a			X
Schedule of Professional Fees Paid	MOR-1b			
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4			X
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

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

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Individual\*

\_\_\_\_\_  
Date

BRENT KING  
Printed Name of Authorized Individual

C. R. D.,  
Title of Authorized Individual

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

In re:  
Nova Holding Clinton County, LLC, et al.,  
Debtors

Case no. 09-11081 (KG)  
Jointly Administered  
Reporting Period: 1/01/10 to 1/31/10

**MOR-1: SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD FROM January 1, 2010 THROUGH January 31, 2010**

Debtor	Nova Holding Clinton County, LLC	Nova Biofuels Clinton County, LLC	Nova Holding Seneca, LLC	Nova Biofuels Seneca, LLC	Nova Holding Trade Group, LLC	Nova Biofuels Trade Group, LLC	NBF Operations, LLC	Nova Biosource Technologies, LLC	Biosource America, Inc.	Nova Biosource Fuels, Inc.	Current Month Total
Cash at Beginning of Month	\$ 1,000.00	\$ 94,845.29	\$ -	\$ 436,692.93	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ 1,186,922.49	\$ 1,719,460.72
<b>RECEIPTS</b>											
Trade Accounts Receivable	-	-	-	-	-	-	-	-	-	-	\$ -
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Inter-Company transfers	-	24.46	-	(188,756.47)	-	-	-	-	(3,016.78)	242,450.77	50,701.98
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	\$ -	\$ 24.46	\$ -	\$ (188,756.47)	\$ -	\$ -	\$ -	\$ -	\$ (3,016.78)	\$ 242,450.77	\$ 50,701.98
<b>DISBURSEMENTS</b>											
Payroll	-	-	-	32,831.23	-	-	-	-	-	54,815.14	\$ 87,646.37
Payroll Taxes	-	24.46	-	70,700.42	-	-	-	-	(1,454.50)	8,866.76	78,137.14
Employee Benefits	-	-	-	23,357.72	-	-	-	-	(1,621.92)	11,769.34	33,505.14
Consultants and Contractors	-	-	-	306.00	-	-	-	-	-	1,048.60	1,354.60
Utilities	-	-	-	27,095.90	-	-	-	-	-	-	27,095.90
Maintenance	-	-	-	662.00	-	-	-	-	-	94.00	756.00
Equipment Supplies	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	5.82	5.82
Environmental & Permits	-	-	-	-	-	-	-	-	-	-	-
Telecom	-	-	-	122.90	-	-	-	-	-	594.12	717.02
Office Supplies	-	-	-	562.52	-	-	-	-	-	400.00	962.52
Insurance	-	-	-	-	-	-	-	-	-	26,584.15	26,584.15
IP Attorneys/Consultants	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses	-	-	-	-	-	-	-	-	-	3,326.92	3,326.92
Bank Fees	-	-	-	-	-	-	-	-	59.64	-	59.64
Interest Expense	-	-	-	586.59	-	-	-	-	-	-	586.59
<b>Subtotal - Operating Disbursements</b>	\$ -	\$ 24.46	\$ -	\$ 156,225.28	\$ -	\$ -	\$ -	\$ -	\$ (3,016.78)	\$ 107,504.85	\$ 260,737.81
US Trustees Fees	-	-	-	-	-	-	-	-	-	-	\$ -
Professional Fees	-	-	-	-	-	-	-	-	-	134,186.64	134,186.64
Court Costs	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal - Restructuring Disbursements</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,186.64	\$ 134,186.64
<b>Total Disbursements</b>	\$ -	\$ 24.46	\$ -	\$ 156,225.28	\$ -	\$ -	\$ -	\$ -	\$ (3,016.78)	\$ 241,691.49	\$ 394,924.45
<b>Receipts and Disbursements</b>	\$ -	\$ -	\$ -	\$ (344,981.75)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 759.28	\$ (344,222.47)
<b>Cash at End of Month</b>	\$ 1,000.00	\$ 94,845.29	\$ -	\$ 91,711.18	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ 1,187,681.77	\$ 1,375,238.25

General Notes

- 1) Cash balances may not be the same as the bank statements as they do not reflect unavailable funds, outstanding checks and other timing differences
- 2) Disbursements reflect when the disbursement accounts are funded rather than when the item clears the bank

In re:  
 Nova Holding Clinton County, LLC, et al.,  
 Debtors

Case no. 09-11081 (KG)  
 Jointly Administered  
 Reporting Period: 1/01/10 to 1/31/10

**MOR-1A: Debtors' Bank Accounts**  
**January 31, 2010**

Debtor	Bank/Institution	Account Number	Book Balance
Biosource America Inc.	Sterling Bank	101050046	\$ 0.01
Biosource America Inc.	Sterling Bank	101050062	
Nova Biosource Fuels Inc.	Sterling Bank	101050445	\$ 1,186,120.05
Nova Biosource Fuels Inc.	Sterling Bank	101052235	\$ 1,561.72
Nova Biosource Fuels Inc.	Sterling Bank	5000220315	
Nova Biosource Fuels Inc.	Wells Fargo Bank, N.A.	660-5289187	
Nova Biofuels Trade Group, LLC	Sterling Bank	5000207866	\$ -
Nova Holding Trade Group, LLC	Sterling Bank	5000207025	\$ -
Nova Biosource Technologies, LLC	Sterling Bank	5000223624	\$ -
Nova Holding Clinton County LLC	Sterling Bank	5000207823	\$ 1,000.00
Nova Biofuels Clinton County, LLC	Sterling Bank	5000207068	\$ 94,845.29
Nova Biofuels Clinton County, LLC	Sterling Bank	5000227824	
Nova Biofuels Seneca, LLC	Sterling Bank	101051042	\$ 91,250.00
Nova Biofuels Seneca, LLC	Sterling Bank	5000227638	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1381 5 01	\$ 38.16
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1382 5 01	\$ 350.93
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1383 5 01	\$ 0.15
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1391 5 01	\$ 71.94
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1384 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1385 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1386 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1387 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1388 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1389 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1390 5 01	\$ -
Nova Biofuels Seneca, LLC	Sterling Bank - Trust Accts	62 00 1392 5 01	\$ -
Nova Holding Seneca, LLC	Sterling Bank	101051050	\$ -
Total			<u>\$ 1,375,238.25</u>

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**MOR-2: STATEMENTS OF OPERATIONS**  
**January 31, 2010**

Case number for individual debtor	Nova Holding Clinton County, LLC 09-11081	Nova Biofuels Clinton County, LLC 09-11082	Nova Holding Seneca, LLC 09-11083	Nova Biofuels Seneca, LLC 09-11084	Nova Holding Trade Group, LLC 09-11085	Nova Biofuels Trade Group, LLC 09-11086	NBF Operations, LLC 09-11087	Nova Biosource Technologies, LLC 09-11088	Biosource America, Inc. 09-11089	Nova Biosource Fuels, Inc. 09-11090	Total of all Debtors
REVENUES											
Gross Sales	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Allowances	-	-	-	-	-	-	-	-	-	-	-
Net Revenues	-	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES											
Payroll	-	-	-	32,831.23	-	-	-	-	-	54,815.14	87,646.37
Payroll Taxes	-	-	-	70,700.42	-	-	-	-	(1,454.50)	8,866.76	78,112.68
Employee Benefits	-	24.46	-	23,357.72	-	-	-	-	(1,621.92)	11,769.34	33,529.60
Consultants and Contractors	-	-	-	306.00	-	-	-	-	-	1,048.60	1,354.60
Utilities - note 1	-	-	-	27,095.90	-	-	-	-	-	-	27,095.90
Maintenance	-	-	-	662.00	-	-	-	-	-	94.00	756.00
Equipment Supplies	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	5.82	5.82
Environmental & Permits	-	-	-	-	-	-	-	-	-	-	-
Telecom	-	-	-	-	-	-	-	-	-	594.12	594.12
Office Supplies	-	-	-	122.90	-	-	-	-	-	400.00	522.90
Insurance	-	-	-	562.52	-	-	-	-	-	26,584.15	27,146.67
IP Attorneys/Consutants	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses	-	-	-	-	-	-	-	-	-	3,326.92	3,326.92
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	586.59	-	-	-	-	59.64	-	646.23
Total Operating Expenses	-	24.46	-	156,225.28	-	-	-	-	(3,016.78)	107,504.85	260,737.81
OTHER INCOME AND EXPENSES											
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Interest Expense - note 2	-	-	-	-	-	-	-	-	-	-	-
Other Income and(expenses), net	-	-	-	-	-	-	-	-	-	-	-
Income (Loss) before reorganization items	-	(24.46)	-	(156,225.28)	-	-	-	-	3,016.78	(107,504.85)	(260,737.81)
REORGANIZATION ITEMS											
Professional Fees	-	-	-	-	-	-	-	-	-	134,186.64	134,186.64
U.S. Trustee quarterly fees	-	-	-	-	-	-	-	-	-	-	-
Total reorganization expenses	-	-	-	-	-	-	-	-	-	134,186.64	134,186.64
Net income (loss)	-	(24.46)	-	(156,225.28)	-	-	-	-	3,016.78	(241,691.49)	(394,924.45)

Notes:

In re:  
Nova Holding Clinton County, LLC, et al.,  
Debtors

Case no. 09-11081 (KG)  
Jointly Administered  
Reporting Period: 1/01/10 to 1/31/10

**MOR-3: BALANCE SHEETS**  
**January 31, 2010**

Case number for individual debtor	Nova Holding Clinton County, LLC 09-11081	Nova Biofuels Clinton County, LLC 09-11082	Nova Holding Seneca, LLC 09-11083	Nova Biofuels Seneca, LLC 09-11084	Nova Holding Trade Group, LLC 09-11085	Nova Biofuels Trade Group, LLC 09-11086	NBF Operations, LLC 09-11087	Nova Biosource Technologies, LLC 09-11088	Biosource America, Inc. 09-11089	Nova Biosource Fuels, Inc. 09-11090	Total of all Debtors (1)
<b>ASSETS</b>											
Current Assets											
Cash and cash equivalents	1,000.00	94,845.29	-	91,711.18	-	-	-	-	0.01	187,681.77	\$ 375,238.25
Restricted Cash	-	-	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	816,398.34	-	-	-	-	14,679.82	-	831,078.16
Inter-Company receivables	14,684,782.45	1,699,636.91	59,602,859.09	4,504,464.88	1,132,416.09	(2,227,541.72)	-	86,154.59	20,132,184.64	108,930,081.20	208,545,038.13
Inventories	-	-	-	1,000.00	-	-	-	-	-	-	1,000.00
Prepaid expenses and other current assets	(9,399.80)	-	-	2,554.83	-	-	-	-	-	(794,677.69)	(801,522.66)
<b>TOTAL CURRENT ASSETS</b>	<b>14,676,382.65</b>	<b>1,794,482.20</b>	<b>59,602,859.09</b>	<b>5,416,129.23</b>	<b>1,132,416.09</b>	<b>(2,227,541.72)</b>	<b>-</b>	<b>86,154.59</b>	<b>20,146,864.47</b>	<b>108,323,085.28</b>	<b>208,950,831.88</b>
Restricted Cash	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary	-	-	-	-	-	-	-	-	-	350,100.00	350,100.00
Property and equipment, net	-	-	-	70,652,754.27	-	-	-	-	193,513.77	-	70,846,268.04
Intellectual property, net	-	-	-	-	-	-	-	5,155,495.55	-	-	5,155,495.55
Deferred financing costs	-	-	-	-	-	-	-	-	-	(0.00)	(0.00)
<b>TOTAL ASSETS</b>	<b>\$ 14,676,382.65</b>	<b>\$ 1,794,482.20</b>	<b>\$ 59,602,859.09</b>	<b>\$ 76,068,883.50</b>	<b>\$ 1,132,416.09</b>	<b>\$ (2,227,541.72)</b>	<b>\$ -</b>	<b>\$ 5,241,650.14</b>	<b>\$ 20,340,378.24</b>	<b>\$ 108,673,185.28</b>	<b>\$ 285,302,695.47</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>											
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>											
Amounts due to Insiders	-	-	-	-	-	-	-	-	-	-	\$ -
Accounts Payable	-	3,450,082.17	-	8,137,856.77	-	101,200.00	-	18,861.19	89,794.64	477,074.52	12,274,869.29
Accrued compensation and related benefits	-	-	-	35,389.88	-	-	-	-	(11,812.89)	2,548.13	26,125.12
Accrued expenses and other	-	-	-	3,297,321.63	-	-	-	-	-	-	3,297,321.63
Intercompany	14,676,382.65	15,462,450.74	49,495,167.31	61,765,719.04	1,132,416.09	1,694,095.21	-	5,443,229.03	33,991,278.85	13,229,509.80	196,890,248.72
Current portion of long-term debt	-	-	-	9,650,000.00	-	-	-	-	-	-	9,650,000.00
<b>TOTAL POST PETITION LIABILITIES</b>	<b>14,676,382.65</b>	<b>18,912,532.91</b>	<b>49,495,167.31</b>	<b>82,886,287.32</b>	<b>1,132,416.09</b>	<b>1,795,295.21</b>	<b>-</b>	<b>5,462,090.22</b>	<b>34,069,260.60</b>	<b>13,709,132.45</b>	<b>222,138,564.76</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Prepetition)</b>											
Secured Liabilities	-	-	-	32,220,000.00	-	-	-	-	-	55,000,000.00	\$ 87,220,000.00
Priority Liabilities	-	-	-	-	-	-	-	-	-	-	-
Non-Priority Liabilities	-	230,000.00	-	-	-	-	-	-	-	-	230,000.00
<b>TOTAL PREPETITION LIABILITIES</b>	<b>-</b>	<b>230,000.00</b>	<b>-</b>	<b>32,220,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,000,000.00</b>	<b>87,450,000.00</b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>											
Common stock	-	-	-	-	-	-	-	-	0.10	110,198.57	\$ 110,198.67
Member interest - Kaluzney	-	-	2,573,813.95	-	-	-	-	-	-	-	2,573,813.95
Additional paid-in-capital	-	-	-	-	-	-	-	-	350,099.90	100,429,639.83	100,779,739.73
Retained earnings (Accumulated deficit)	-	(17,348,050.71)	7,533,877.83	(39,037,403.82)	-	(4,022,836.93)	-	(220,440.08)	(14,078,982.36)	(59,151,705.57)	(126,325,541.64)
Postpetition Contributions (Disbursements)	-	-	-	-	-	-	-	-	-	-	-
Treasury stock	-	-	-	-	-	-	-	-	-	(424,080.00)	(424,080.00)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>-</b>	<b>(17,348,050.71)</b>	<b>10,107,691.78</b>	<b>(39,037,403.82)</b>	<b>-</b>	<b>(4,022,836.93)</b>	<b>-</b>	<b>(220,440.08)</b>	<b>(13,728,882.36)</b>	<b>40,964,052.83</b>	<b>(23,285,869.29)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 14,676,382.65</b>	<b>\$ 1,794,482.20</b>	<b>\$ 59,602,859.09</b>	<b>\$ 76,068,883.50</b>	<b>\$ 1,132,416.09</b>	<b>\$ (2,227,541.72)</b>	<b>\$ -</b>	<b>\$ 5,241,650.14</b>	<b>\$ 20,340,378.24</b>	<b>\$ 109,673,185.28</b>	<b>\$ 286,302,695.47</b>
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ 1,000,000.00

(1) Each individual entity's balances are presented in their respective columns; the "Total of all Debtors" column is provided to show the balances of the combined Debtor entities as a whole for information purposes only

In re:  
Nova Holding Clinton County, LLC, et al.,  
Debtors

Case no. 09-11081 (KG)  
Jointly Administered  
Reporting Period: 1/01/10 to 1/31/10

**MOR-4: SUMMARY OF UNPAID POSTPETITION ACCOUNTS PAYABLE**  
**January 31, 2010**

	Number of Days Past Due					Total
	Current	0 - 30	31 - 60	61 - 90	over 90	
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Fees	-	-	-	-	-	-
Total Postpetition Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes

All invoices are recorded and paid during the week received.

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Debtors

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Jointly Administered  
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**MOR-5: ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**  
**January 31, 2010**

Case number for individual debtor	Nova Holding Clinton County, LLC 09-11081	Nova Biofuels Clinton County, LLC 09-11082	Nova Holding Seneca, LLC 09-11083	Nova Biofuels Seneca, LLC 09-11084	Nova Holding Trade Group, LLC 09-11085	Nova Biofuels Trade Group, LLC 09-11086	NBF Operations, LLC 09-11087	Nova Biosource Technologies, LLC 09-11088	Biosource America, Inc. 09-11089	Nova Biosource Fuels, Inc. 09-11090	Total of all Debtors
Accounts Receivable Reconciliation											
<b>33</b> Total Accounts Receivable at the beginning of the reporting period	-	17,454.41	-	816,398.34	-	-	-	-	14,679.82	-	\$ 848,532.57
+ Amounts billed during the period	-	-								-	-
- Amounts collected during the period	-	-									-
Amounts reclassified to intercompany	-										-
19 - Amounts written off from Gavilon settlement agreement	-									-	\$ -
<b>33</b> Total Accounts Receivable at the end of the reporting period	-	17,454.41	-	816,398.34	-	-	-	-	14,679.82	-	848,532.57
Accounts Receivable Aging											
0 - 30 days old	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31 - 60 days old	-	-	-	-	-	-	-	-	-	-	-
61 - 90 days old	-	-	-	-	-	-	-	-	-	-	-
91+ days old	-	17,454.41	-	816,398.34	-	-	-	-	14,679.82	-	848,532.57
Total Accounts Receivable	\$ -	\$ 17,454.41	\$ -	\$ 816,398.34	\$ -	\$ -	\$ -	\$ -	\$ 14,679.82	\$ -	\$ 848,532.57
Amount considered uncollectible (Bad Debt)											
Accounts Receivable (Net)											

**DEBTOR QUESTIONNAIRE**

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

2 - Funds may have been disbursed from a non-Debtor account to fund administrative expenses.