LISTING MEMORANDUM | **NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES**

$1,200,000,000

PETROPLUS FINANCE LIMITED

(organized in Bermuda, a finance subsidiary of Petroplus Holdings AG)

$600,000,000 6¾% Senior Notes due 2014
$600,000,000 7% Senior Notes due 2017
To be guaranteed on a senior basis by Petroplus Holdings AG and certain of its subsidiaries

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Petroplus Finance Limited (the "**Issuer**") is offering (the "**Offering**") $600 million aggregate principal amount of 6¾% senior notes due 2014 (the "**2014 Notes**") and $600 million aggregate principal amount of 7% senior notes due 2017 (the "**2017 Notes**" and, together with the 2014 Notes, the "**Notes**"). Interest will be paid on the Notes on May 1 and November 1 of each year, beginning on November 1, 2007. The 2014 Notes will mature on May 1, 2014 and the 2017 Notes will mature on May 1, 2017. The Notes will be guaranteed (the "**Senior Guarantees**") on a senior basis by Petroplus Holdings AG and certain of its subsidiaries. The Notes and the Senior Guarantees will be secured by first-priority pledges of all of the equity interests in the Issuer and of certain intercompany loans made to Petroplus Marketing AG.

The Issuer may redeem some or all of the 2014 Notes on or after May 1, 2011 and some or all of the 2017 Notes on or after May 1, 2012, in each case, at the redemption prices set forth in this Offering Memorandum. Prior to May 1, 2011 (in the case of the 2014 Notes) and May 1, 2012 (in the case of the 2017 Notes), the Issuer may redeem, at its option, some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus, in each case, the applicable "make-whole" premium, as described in this Offering Memorandum. The Issuer may also redeem up to 35% of the aggregate principal amount of each of the 2014 Notes and the 2017 Notes, at any time prior to May 1, 2010 using the net proceeds from certain equity offerings at the redemption prices set forth in this Offering Memorandum, if at least 65% of the originally issued aggregate principal amount of each of the 2014 Notes and the 2017 Notes remains outstanding. Additionally, the Issuer may redeem all, but not less than all, of the Notes in the event of certain developments affecting taxation. Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any.

There is currently no public market for the Notes. Application has been made to list the Notes on the Irish Stock Exchange for trading on the Alternative Securities Market thereof. There is no assurance that the Notes will be admitted to listing on the Irish Stock Exchange.

We expect that the Notes will be made available for trading in The PORTAL[SM] Market ("**PORTAL**"), a subsidiary of The Nasdaq Stock Market, Inc.

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 13.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction where such offer or solicitation is unlawful. The Notes and the Guarantees have not been and will not be registered under the Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, the Offering is being made only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in compliance with Rule 144A under the U.S. Securities Act. You are hereby notified that the initial purchasers of the Notes may be relying on the exemption from certain provisions of the U.S. Securities Act provided by Rule 144A thereunder. Outside the United States, the Offering is being made in reliance on Regulation S under the U.S. Securities Act. See "Notice to Investors," "Notice to United States Investors," "Notice to Investors in the United Kingdom" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions.

Price for the Senior Notes due 2014: 100%
Price for the Senior Notes due 2017: 100%
plus accrued interest, if any, from May 2, 2007.

The Initial Purchasers expect to deliver the Notes to investors in book-entry form on or about May 2, 2007.

Joint Bookrunners

Morgan Stanley　Credit Suisse　UBS Investment Bank　Barclays Capital

Joint Lead Managers

BNP PARIBAS | **JPMorgan**

Co-Managers

ABN AMRO Incorporated | **ING Wholesale Banking**

The date of this Listing Memorandum is July 13, 2007.

You should rely only on the information contained in this Offering Memorandum or in a document to which we have referred you. We have not, and the banks named on the front cover (collectively, the "Initial Purchasers") have not, authorized anyone to provide you with information that is different from the information contained herein. We are not, and the Initial Purchasers are not, making an offer of these securities in any jurisdiction where such offer is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

IN CONNECTION WITH THE OFFERING, MORGAN STANLEY & CO. INTERNATIONAL PLC (THE "STABILIZATION MANAGER") OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER MAY, ON BEHALF OF THE INITIAL PURCHASERS, EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZATION MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ALL SUCH ACTIVITIES WILL BE CARRIED OUT IN ACCORDANCE WITH APPLICABLE RULES AND REGULATIONS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE AND WILL IN ANY EVENT BE DISCONTINUED AFTER A LIMITED PERIOD.

It is expected that the delivery of the Notes will be made against payment therefor on or about the date specified on the cover of this Offering Memorandum, which is the fifth business day following the date of pricing of the Notes (such settlement cycle being referred to as "T+5"). You should note that trading of the Notes on the date of pricing or the next succeeding business day may be affected by the T+5 settlement. See "Plan of Distribution".

DEFINITIONS

In this Offering Memorandum:

- References to "**Argus**" are to Argus Atlantic Energy Limited or Argus Atlantic Energy Limited together with its consolidated subsidiaries, as the context requires.
- References to "**euro**" or "**€**" are to the currency of the member states of the European Union participating in the third stage of the Economic and Monetary Union.
- References to "**EPH**" are to European Petroleum Holdings N.V. or European Petroleum Holdings N.V. together with its consolidated subsidiaries, as the context requires.
- References to "**IFRS**" are to International Financial Reporting Standards.
- References to "**Issuer**" or "**Petroplus Finance Limited**" are to Petroplus Finance Limited.
- References to "**Petroplus**", "**We**", "**Us**" and "**Our**" are to Petroplus Holdings AG or Petroplus Holdings AG together with its consolidated subsidiaries, as the context requires.
- References to "**Petroplus Bermuda**" are to Petroplus Finance 2 Limited.
- References to "**PMAG**" are to Petroplus Marketing AG.
- References to "**PPI**" are to Petroplus International B.V. or Petroplus International B.V. together with its consolidated subsidiaries, as the context requires.
- References to "**PRML**" are to Petroplus Refining and Marketing Ltd.
- References to "**pounds sterling**" or "**£**" are to the currency of Great Britain.
- References to "**RIVR**" are to RIVR Acquisition B.V.
- References to "**RIVR Holding B.V.**" are to the former controlling shareholder of Petroplus Holdings AG prior to its initial public offering in November 2006.
- References to "**Swiss francs**" or "**CHF**" are to the currency of Switzerland.
- References to "**U.S. dollars**", "**US$**" or "**$**" are to the currency of the United States of America.

Unless the context otherwise requires, all references to "tons" in this Offering Memorandum are to metric tons. One metric ton represents 1.102 short tons. Solely for the convenience of the reader, such metric data have also been converted into barrels.

Under the caption "Glossary", we have included definitions of certain technical terms used in this Offering Memorandum.

NOTICE TO INVESTORS

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements. See "Transfer Restrictions."

We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything material that is likely to affect the import of such information.

Neither we nor the Initial Purchasers nor any of our or their respective representatives are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business, tax or other advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. In making an investment decision regarding the Notes, you must rely on your own examination of the Issuer and the terms of the Offering, including the merits and risks involved.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions, to make no photocopies of this Offering Memorandum or any documents referred to herein and not to use any information herein for any purpose other than considering an investment in the Notes.

This Offering Memorandum is based on information provided by us and other sources that we believe to be reliable. The Initial Purchasers are not making any representation or warranty that this information is accurate or complete and are not responsible for this information. In this Offering Memorandum, we have summarized certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding. In making an investment decision, you must rely on your own examination of our business and the terms of the Offering and the Notes, including the merits and risks involved.

The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the entitled "Book Entry, Delivery And Form" and in "Description of the Notes" is subject to any change in or reinterpretation of the rules, regulations and procedures of The Depository Trust Company ("**DTC**") currently in effect. While we accept responsibility for accurately summarizing the information concerning DTC, we accept no further responsibility in respect of such information. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

The information contained in this Offering Memorandum is as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this Offering Memorandum or in our business since the date of this Offering Memorandum.

The Notes will be available initially only in book-entry form. We expect that each series of Notes offered hereby will be issued in the form of one or more global notes, all of which will be deposited with, or on behalf of, DTC and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through records maintained by DTC and its direct and indirect participants, as applicable. See "Book-Entry, Delivery and Form" and "Description of the Notes".

Neither the U.S. Securities and Exchange Commission (the "**SEC**"), any U.S. state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or

determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

The Notes are subject to restrictions on transferability and resale, which are described under the caption "Transfer Restrictions." By possessing this Offering Memorandum or purchasing any note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this Offering Memorandum. You should be aware that you may be required to bear the financial risks of your investment for a long period of time.

We reserve the right to withdraw this offering of the Notes at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

We cannot guarantee that the application we will make to the Irish Stock Exchange for the Notes to be listed and admitted to trading on the Alternative Securities Market thereof will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this admission to trading.

Morgan Stanley & Co. International plc (or persons acting on behalf of Morgan Stanley & Co. International plc) may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, Morgan Stanley & Co. International plc (or persons acting on behalf of Morgan Stanley & Co. International plc) may bid for and purchase Notes in the open market, including through PORTAL. For a description of these activities, see "Plan of Distribution."

The Issuer has obtained a direction from the Bermuda Minister of Finance that Part III and Section 35 of Part IV of the Bermuda Companies Act 1981, as amended, relating to prospectuses and public offers shall not apply to the Offering of the Notes, provided that the Notes are offered only to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act or to persons that are not U.S. persons (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). The Bermuda Minister of Finance and the Register of Companies of Bermuda accept no responsibility for the financial soundness or correctness of any statements made or opinions expressed in this Offering Memorandum.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, RECIPIENTS OF THIS OFFERING MEMORANDUM AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF ANY SUCH RECIPIENT MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE SUCH TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION REGARDING THE PRICING (EXCEPT TO THE EXTENT PRICING IS RELEVANT TO THE TAX STRUCTURE OR TAX TREATMENT) OF THE OFFERING.

NOTICE TO INVESTORS IN THE UNITED STATES

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under the "Notice to Investors" section of this Offering Memorandum.

The Notes have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to QIBs as defined in Rule 144A, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. The Notes may be offered and sold outside the United States to investors in offshore transactions in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see "Transfer Restrictions".

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense under the laws of the United States.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is only being distributed to, and is directed only at: (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") and (iii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This Offering Memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Offering Memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

NOTICE TO INVESTORS IN CANADA

The Notes have not been nor will be qualified by prospectus for sale to the public in Canada under applicable Canadian securities laws and, accordingly, any offer or sale of the Notes in Canada will be made pursuant to an exemption from the applicable prospectus filing requirements, and otherwise in compliance with applicable Canadian laws. Investors in Canada should refer to the section entitled "Transfer Restrictions—Canada".

NOTICE TO IRISH RESIDENTS

The Notes may be offered or sold in Ireland only in accordance with the European Communities (Stock Exchange) Regulations 1984, the European Communities (Transferable Securities and Stock Exchange) Regulation 1992, the Investment Intermediaries Act, 1985 (as amended) and the Companies Act 1963 to 2001 and all other applicable Irish laws and regulations.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer and one of the Guarantors are incorporated and organized pursuant to the laws of Bermuda. In addition, certain of the directors and officers of the Issuer and such Guarantor reside outside of the United States and a substantial portion of the assets of the Issuer and such Guarantor are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons. We have been advised by our Bermuda counsel that the United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. We have also been advised that there is doubt as to whether the courts of Bermuda would enforce judgments of U.S. courts based on the civil liability provisions of the U.S. federal securities laws obtained in actions against us or our directors and officers. In addition, there is doubt as to whether the courts of Bermuda would enforce original actions

brought in Bermuda against us or our directors and officers based solely upon the U.S. federal securities laws. A Bermuda court may, however, impose civil liability on us or our directors or officers in a suit brought in the Supreme Court of Bermuda provided that the facts alleged constitute or give rise to a cause of action under Bermuda law. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under the U.S. federal securities laws, would not be allowed in Bermuda courts to the extent that they are contrary to public policy.

In addition, the other Guarantors are organized in jurisdictions outside the United States, including Switzerland, The Netherlands and the United Kingdom. Therefore, it may be difficult to effect service of process within the United States and enforce judgments or bring actions against such Guarantors and/or their directors or officers.

AVAILABLE INFORMATION

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and Petroplus Finance Limited is neither subject to Section 13 or 15(d) of the U.S. Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, it will, upon the request of any such person, furnish to any holder or beneficial owner of Notes, or to any prospective purchaser designated by any such registered holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

Information on the website of Petroplus Holdings AG, any website directly or indirectly linked to the website of Petroplus Holdings AG or any other website mentioned in this Offering Memorandum is not incorporated by reference into this Offering Memorandum and prospective investors should not rely on any such website in making their decision to invest in the Notes.

INDUSTRY AND MARKET DATA

We have generally obtained the market and competitive position data in this Offering Memorandum from industry publications and from surveys or studies conducted by third-party sources that we believe to be reliable. Nonetheless, we cannot assure you of the accuracy and completeness of such information and we have not independently verified such market and position data. We do, however, accept responsibility for the correct reproduction of this information. In addition, as far as we are aware and are able to ascertain from information published by third parties, no facts have been omitted in reproducing such information in this Offering Memorandum that would render the information inaccurate or misleading.

In addition, in many cases we have made statements in this Offering Memorandum regarding our industry and position in the industry based on our experience and our own investigation of market conditions. We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information have been verified by any independent sources.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains statements under the captions "Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview", "Business", and "The Acquisition of the Coryton Refinery" and in other sections that are, or may be deemed to be, forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "aims", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Any forward-looking statements are only made as of the date of this Offering Memorandum and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Memorandum.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industries in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Offering Memorandum.

These factors include among others:

- our ability to obtain sufficient short-term credit to finance our spot market crude oil purchases and long-term credit to finance our future capital expenditures;
- changes in general economic conditions and capital markets;
- changes in the underlying demand for refined petroleum products;
- the availability, costs and price volatility of crude oil, other refinery feedstocks and refined products;
- actions of customers and competitors;
- changes in fuel and utility costs incurred by our facilities;
- the ability to transport crude oil and other feedstocks to our refineries and to transport refined petroleum products to our customers, including maintenance of pipeline access and transportation agreements;
- the execution of planned capital projects and acquisitions;
- the effects and cost of compliance with current and future environmental, economic, health, safety and other laws, policies and regulations;
- our ability to remediate contaminated sites with budgeted amounts;
- operating hazards, natural disasters, casualty losses, marketing activities, terrorist activities and other matters beyond our control;
- change in tax laws or practice;
- our need for significant capital to fund our working capital and acquisition strategy;
- difficulties related to the integration of acquisitions;
- unscheduled or unexpectedly long maintenance shut-downs at our refineries;
- labor disruptions;
- our ability to hedge against currency, commodity and interest rate risks;
- loss of key management; and
- the other factors discussed in more detail under "Risk Factors".

These risks and others described under "Risk Factors" are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In March/April 2005, RIVR Acquisition B.V. ("**RIVR**") purchased Petroplus International B.V. ("**PPI**"). Subsequent to this purchase, RIVR delisted PPI from the Euronext in Amsterdam. In August 2006, the shareholders of RIVR contributed their shares in RIVR to Argus Atlantic

Energy Ltd. ("**Argus**") in return for shares in Argus, resulting in Argus becoming the ultimate parent of RIVR. Argus subsequently transferred its registered office from Bermuda to Switzerland and changed its name to Petroplus Holdings AG. RIVR is now a wholly owned subsidiary of Petroplus Holdings AG.

This Offering Memorandum includes audited consolidated financial statements for Petroplus Holdings AG and its subsidiaries as of and for the years ended December 31, 2006 and 2005 (the "**Consolidated Financial Statements**"). The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

In accordance with IFRS, the year ended December 31, 2005 in the Consolidated Financial Statements reflects only the nine months of operations for PPI following RIVR's purchase of PPI.

On May 31, 2006, we purchased European Petroleum Holdings N.V. ("**EPH**"), the holding company for the Belgium Refining Corporation N.V. ("**BRC**") refinery and related wholesale marketing businesses. Therefore, the Consolidated Financial Statements reflect the results of operations and cash flows of EPH only for the period from June 1 to December 31, 2006.

The Consolidated Financial Statements reflect neither our acquisition of the Ingolstadt refinery on March 31, 2007 nor our planned acquisition of the Coryton refinery, which is expected to close in the second quarter of 2007. Therefore, the Consolidated Financial Statements are not indicative of our future results of operations, financial position or cash flows.

In this Offering Memorandum, references to "**EBITDA**" are to net income/(loss) before interest, income taxes, depreciation and amortization. Accordingly, EBITDA can be extracted from the Consolidated Financial Statements by taking net income and adding back income taxes, depreciation and amortization expenses and financial expense, net. We are not presenting EBITDA as a measure of our operating results. Our management believes that the presentation of EBITDA is helpful to investors as a measure of our operating performance and ability to service debt. However, you should not construe EBITDA as an alternative to net income determined in accordance with IFRS or to cash flows from operations, investing activities or financing activities. Our EBITDA measure may not be comparable to similarly titled measures used by other companies.

Certain data contained in this Offering Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row.

EXCHANGE RATES

For the convenience of the reader, we have presented conversions of certain non-U.S. dollar-denominated amounts in this Offering Memorandum. We have converted these amounts at the conversion rates used in preparing the Consolidated Financial Statements. You can find information about these conversion rates in Note 2 to the Consolidated Financial Statements.

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SUMMARY

The following summary is not complete and is to be read together with the more detailed information appearing elsewhere in this Offering Memorandum.

Petroplus

We are one of the largest independent refiners and wholesalers of petroleum products in Europe. We are focused on refining and currently own and operate four refineries across Europe: the BRC refinery in Antwerp, Belgium, the Cressier refinery in the canton of Neuchâtel, Switzerland, the Ingolstadt refinery in Ingolstadt, Germany and the Teesside refinery in Teesside, United Kingdom. We acquired the Ingolstadt refinery from ExxonMobil Central European Holding GmbH ("**ExxonMobil**") on March 31, 2007. We have also entered into a business sale agreement (the "**BSA**") with BP Oil U.K. Limited ("**BP**") to acquire the Coryton refinery and related operations located on the Thames Estuary in the United Kingdom. We also own and operate a bitumen and gasoil processing facility in Antwerp, Belgium. Our existing four refineries have a combined throughput capacity of approximately 405,000 barrels per day ("**bpd**"). Based on information provided by the seller, the Coryton refinery has a crude oil throughput capacity of approximately of 172,000 bpd and can process up to an additional 70,000 bpd of other feedstocks. Full capacity of crude reduces the Coryton refinery's capacity of other feedstocks by 20,000 bpd and vice versa. Following our acquisition of the Coryton refinery, we expect our five refineries to have a combined throughput capacity of approximately 625,000 bpd. We sell our refined petroleum products to distributors and end customers, primarily in Germany, Switzerland, the United Kingdom and the Benelux countries as well as on the spot market.

We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchasing based on spot-market pricing gives us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis than long-term contracts. Since our BRC, Cressier and Ingolstadt refineries have access, either directly or through pipeline connections, to deepwater terminals, we have the flexibility to purchase our crude oils from a number of different countries. In addition, the Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk crude oil pipeline. This provides us with a cost advantage as it allows the refinery to receive Ekofisk crude oil at the refinery with minimal transportation costs. Our access to pipelines is accommodated by direct and indirect ownership, together with long-term transportation agreements with third parties.

Our supply and distribution group, which is centrally based in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude oil and other feedstocks for each refinery and the off-take of each refinery's refined petroleum products. This group is also responsible for managing our price exposure and related risks.

Highly refined petroleum products, known as light products and which typically generate higher margins, including diesel fuel, jet fuel and home heating oil among others, accounted for approximately 73% of our total product volume for the year ended December 31, 2006 (this excludes our acquisition of the Ingolstadt refinery on March 31, 2007 and our planned acquisition of the Coryton refinery).

Our History

1993	PPI is founded.
July 1998	PPI is listed on the Amsterdam Stock Exchange.
May 2000	PPI acquires the Cressier refinery and its associated wholesale marketing business from Shell Switzerland, a wholly owned subsidiary of Royal Dutch Shell plc.
December 2000	PPI acquires the Teesside refinery and its wholesale marketing business from PIP Ltd., a joint venture between Phillips Petroleum Company (now ConocoPhillips) and ICI plc.
March/April 2005	PPI is acquired and taken private by RIVR and delisted from Euronext Amsterdam.
February 2006	Argus is incorporated in Bermuda.

May 2006	We recruit a new management team, including Thomas D. O'Malley as our chairman and chief executive officer.
	We acquire EPH, including the BRC refinery in Antwerp, Belgium, and related supply and distribution assets from Sovereign Holding Limited (Bermuda).
August 2006	We sell or contract to sell Petroplus Tankstorage, a tank storage business; Frisol/Bunkering, a wholesale bunkering and trading business; Oxyde Chemical, a chemicals and plastics trading and distribution business; 4Gas, a liquefied natural gas import terminal and marketing businesses; and other non-core assets.
	Argus and RIVR merge and the combined entity is relocated to Switzerland and renamed Petroplus Holdings AG.
November 2006	Petroplus Holdings AG launches its initial public offering (the "**IPO**") and its shares are traded on the SWX Swiss Exchange for the first time on November 30.
February 2007	We enter into an agreement with BP to purchase the Coryton refinery in the United Kingdom.
March 2007	We complete our acquisition of the Ingolstadt refinery.

Market Trends

We believe that the outlook for the European refining industry is attractive due to the trends set out below. We also believe that we are well positioned to take advantage of these trends.

- We believe that the supply and demand fundamentals for refinery operations in Europe have improved since the late 1990s and will remain favorable.
- We expect the ongoing trend of integrated oil companies seeking to lower their exposure to the Western European refining sector will create attractive opportunities to acquire competitive refining capacity.
- We expect that the significant imbalances between demand and supply of different refined petroleum product qualities that have developed in Europe and North America will continue in the next few years and that the price differentials between Europe and North America that result from these product supply and demand imbalances could make long-distance sea transport of refinery products increasingly attractive.
- We expect that products meeting new and evolving stricter fuel specifications could account for an increasing share of total fuel demand, which may benefit refiners, such as us, possessing the capabilities to blend and process these fuels.

Competitive Strengths

We have the following competitive strengths:

- *Track Record of Highly Experienced and Growth-Oriented Management Team.* Our chairman and chief executive officer ("**CEO**"), Thomas D. O'Malley, and other members of our senior management team are highly experienced and have a proven track record of growth in operations and stakeholder returns in the refining industry through successful refinery asset acquisitions and seamless integration of these acquisitions.
- *Proven Ability to Identify, Execute and Integrate Acquisitions.* We believe that we are at the forefront of successfully identifying and consummating refinery acquisitions in Europe as demonstrated by our acquisition of the BRC refinery in May 2006, our acquisition of the Ingolstadt refinery in March 2007 and our announcement of the Coryton refinery acquisition in February 2007.
- *Leading Pure-Play Refiner.* We are a "pure play" refiner able to source our crude oil with spot market arrangements and without the obligation to supply retail outlets and, as a result, are free

to supply our products into distribution channels or markets that we believe will maximize profits.

- *Multi-Site Refining System With Geographic and Cash Flow Diversification.* Our growing portfolio of refineries provides us with geographic diversity and reduces our dependence on any single facility or national market.
- *Strategically Located Refineries with Cost and Supply Advantages.* Our refineries' locations provide key competitive advantages, such as crude and product transportation cost benefits, inland-market product premiums and access to favorable customer markets and to crude oil supplies at attractive prices.
- *Ability to Produce Products Complying with the Latest Environment Requirements.* Our refineries have been upgraded and are able to comply with the E.U. 2009 and Swiss mandatory maximum 10ppm sulfur limit for gasoline and diesel, eliminating the need to divert additional capital to meet these requirements.
- *Export Channel to North America.* We expect that the product supply-and-demand imbalance for gasoline between North America and Europe will result in arbitrage opportunities that we may be able to take advantage of through our portfolio of refinery assets.
- *Flexibility of Crude Supply*. Our refineries have the ability to individually process a variety of crude types, reducing our dependence on any given crude or crude supplier, enhancing our ability to opportunistically purchase crude on the spot market and enabling us to take advantage of the sweet-sour crude differential.
- *Strong Cash Generation, Balance Sheet and Access to Liquidity and Capital.* Our existing refineries are cash generative and are supported by a strong balance sheet and access to long-term liquidity and capital.

Strategy

Our goal is to become the leading independent refiner and supplier of petroleum products in Europe and to be an industry leader in creating value for our stakeholders. We intend to accomplish this goal, grow our business, enhance our earnings and improve our cash flow from operations by executing the following strategies:

- *Meaningful Growth Through Acquisitions and Disciplined Internal Capital Investment.* The management team assembled by Thomas D. O'Malley, CEO, has a proven track record of growing businesses through acquisitions, and we intend to pursue acquisitions and discretionary capital expenditure opportunities that we believe will be promptly accretive to earnings and improve our return on capital.
- *Optimize Production Through Our North Sea System.* We intend to strengthen our ability to optimize production of middle distillates in our North Sea-based refining and processing facilities, which currently consists of the BRC and Teesside refineries and the Antwerp processing facility (the "**North Sea System**"), through interchange of feedstocks and processing capacity. In addition, we believe that successfully integrating the Coryton refinery into our North Sea System will enable our existing refineries and processing facility in the North Sea System to better take advantage of European demand for higher margin refining products, such as middle distillates.
- *Maintain Efficient Capital Structure.* Our business has strong, recurring cash flow streams. We intend to continue to maximize our cash flows by maintaining financial costs at adequate levels, by optimizing utilization of our refinery asset base, by making focused capital improvements designed to generate incremental profits and by increasing cash flow from operations.
- *Assets Operated by Highly Experienced Refining Professionals.* Our strategy is to employ highly experienced refining sector professionals and to create a working environment that allows our employees to use best practices to improve the safety and efficiency of our refineries. We believe that it is only by maintaining a strong engineering focus on the performance of our assets that we can deliver sustainable profitability for our stakeholders.
- *Promote Operational Excellence in Safety and Reliability.* We will continue to promote operational excellence by devoting significant time and resources to improving the safety, reliability and

environmental compliance of our operations and continue to emphasize safety in all aspects of our operations.

- *Commercial Optimization.* To optimize our refineries' commercial operations, we will continue to focus on developing processes that allow our supply and distribution group to react in real time to changes in market prices of crude oil and refined petroleum products.
- *Create an Organization Highly Motivated to Generate Stakeholder Value.* We intend to create an organization in which employees are highly incentivized to enhance earnings, increase cash flows and improve return on capital.

Financing Transactions

The financing transactions consist of:

- the raising of $608.7 million (CHF 732.0 million), net of expenses, through the issue of 7,600,000 additional registered shares of Petroplus Holdings AG (the "**New Shares**") at an offer price of CHF 100.00 per share by way of a fully underwritten rights issue (the "**Equity Offering**"); and
- the Offering of the Notes.

These transactions are referred to in this Offering Memorandum as the "**Financing Transactions**".

Recent Developments

The Ingolstadt Acquisition

On March 31, 2007, we completed the acquisition of the holding company for ExxonMobil's refinery located in Ingolstadt, Germany, which we renamed Petroplus Raffinerie Ingolstadt GmbH at closing, together with associated industrial, wholesale and heating-oil marketing operations, for a preliminary purchase price, including working capital and other adjustments, of $627.5 million. The final purchase price is subject to adjustment after the final determination of working capital acquired. We funded the Ingolstadt refinery acquisition by drawing down $562.8 million under our working capital facilities and with $64.7 million of cash on hand.

The Ingolstadt refinery is a catalytic-cracking refinery with a rated crude oil throughput capacity of approximately 110,000 bpd. The refinery's Nelson Complexity Index, as calculated by NEXIDEA Incorporated ("**Nexidea**"), a consultancy firm for the oil and gas industry, is 7.3. Major refinery process units include crude distillation units, a catalytic reformer, a naphtha hydrotreater, diesel hydrotreaters, a kerosene hydrotreater, a heating oil hydrotreater, a fluid catalytic cracker ("**FCC**") unit capable of converting a portion of the residual fuel oil, a sulfur recovery unit with a tail gas recovery system, a hydrogen plant and a complete electrical utility system capable of generating approximately 26MW of power. Ingolstadt represents 4.5% of Germany's refining capacity according to *Oil & Gas Journal*.

Also included in the acquisition is ExxonMobil's Bavarian industrial and wholesale operations; Esso Bayern GmbH ("**Esso Bayern**"), which we renamed Petroplus Bayern GmbH at closing, which operates a direct home heating-oil business; 6.9 million barrels (1.1 million cubic meters) of crude oil and product tankage; truck and rail-loading facilities and a depot in Passau, Germany. Additionally, a five-year contractual arrangement has been agreed with Transalpine ("**TAL**") for transportation via the TAL pipeline system.

In connection with the acquisition of the Ingolstadt refinery, we entered into a five-year off-take agreement with Esso to supply its retail chain in Bavaria with substantial amounts of gasoline and diesel fuel and to supply ExxonMobil with substantial amounts of jet fuel. This agreement will account for approximately 65% of the Ingolstadt refinery's gasoline production, 59% of its diesel fuel production and 85% of its jet fuel production.

The Coryton Acquisition

On February 1, 2007, we executed the BSA with BP to acquire the Coryton refinery and its related operations located on the Thames Estuary in southeastern United Kingdom. The purchase price is approximately $1.4 billion, plus the value of net working capital to be determined at closing. Our current estimates, based on current market conditions and information provided by BP, value net working capital at approximately $300 million. We expect to fund the acquisition primarily with the net

proceeds from the Offering of the Notes, draw-downs under our working capital facilities and cash on hand.

The Coryton refinery has a total crude oil throughput capacity of approximately 172,000 bpd with an additional capacity to process up to an additional 70,000 bpd of other feedstocks. Full capacity of crude reduces capacity of other feedstocks by 20,000 bpd and vice versa. According to information provided by BP, the refinery has a Nelson Complexity Index of 12.0. Major refinery process units include atmospheric distillation, two vacuum distillation units, diesel hydrotreatment, a catalytic reformer, isomerization penex, isomerization C4, propane deasphalter, an FCC unit, FCC gasoline hydrotreater (SHU), HF alkylation, two sulfur recovery units and a bitumen blower. Coryton represents 11.4% of the United Kingdom's refining capacity according to *Oil & Gas Journal*.

As part of the acquisition of the Coryton refinery, we will enter into a five-year product off-take agreement with BP that will account for approximately 90% of the refinery's gasoline production, 100% of its jet fuel production, 100% of its ULSD production and 10% of its gasoil production in the first year following the acquisition.

We believe we are acquiring a quality refinery at an attractive price that should be accretive to our earnings per share and generate positive cash flow from operations. Completion of the acquisition is subject to the satisfaction of customary conditions, including review and approval from the relevant competition authorities.

Discretionary Capital Expenditure Program Update

As part of our continual assessment of our discretionary capital expenditure program, further evaluations of this program are in progress in connection with the recent acquisition of the Ingolstadt refinery and the pending acquisition of the Coryton refinery. While management has not made any changes in the discretionary capital program, management is reviewing certain projects at the Teesside refinery in light of the pending acquisition of the Coryton refinery.

Tax Update

For 2007 we are currently estimating an effective tax rate of approximately 12%, excluding non-recurring items. This rate will be applied quarterly and adjusted throughout the year as necessary. In connection with the acquisition of the Ingolstadt refinery on March 31, 2007, we expect to recognize a tax benefit generated from previously unrecognized tax losses. This will result in a tax benefit in the first quarter of 2007.

Supply Agreement

In March 2003, we entered into a 10-year agreement with Nynas N.V. under which Nynas N.V. acquired the exclusive distribution rights for bitumen produced at the Antwerp processing facility and the Cressier refinery. The agreement also provides Nynas N.V. with a "right of purchase" regarding the bitumen production and marketing activities of any future refining business that we may acquire, excluding the pending acquisition of the Coryton refinery. We and Nynas N.V. are re-negotiating terms and conditions with respect to the supply of bitumen products at the Cressier and Ingolstadt refineries. Negotiations are expected to conclude sometime in the second quarter of 2007.

RIVR Holding B.V.'s Sale of Its Interest in Petroplus Holdings AG

In February 2007, RIVR Holding B.V. informed us that it had sold all of its remaining 21.0% interest in Petroplus Holdings AG through open market transactions.

Risk Factors

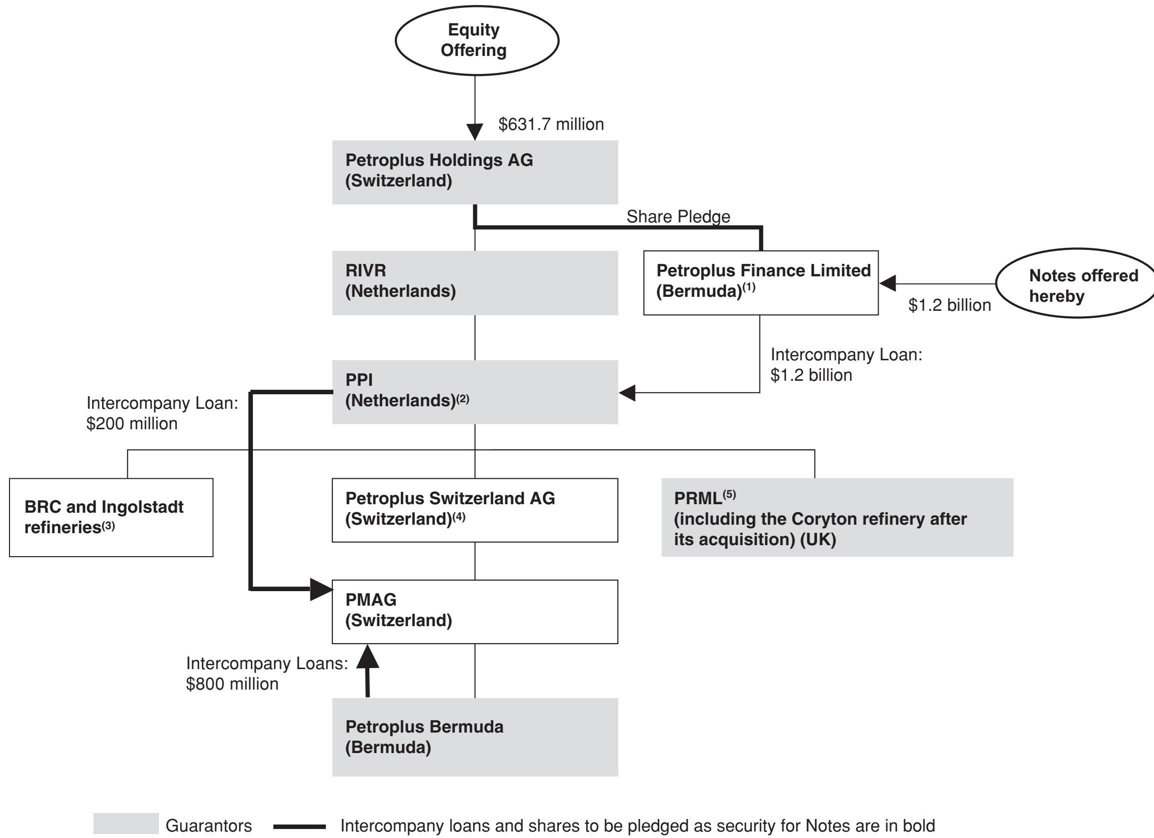
You should carefully consider the information under the caption "Risk Factors" and all other information in this Offering Memorandum before making an investment decision.

The Issuer

The Issuer is a company limited by shares incorporated under the laws of Bermuda. The Issuer's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

Organizational Structure

The diagram below depicts, in simplified form, our current corporate structure and certain debt obligations *pro forma* for the issuance of the Notes and the Equity Offering:



(1) Shares of Petroplus Finance Limited to be pledged by Petroplus Holdings AG as security for the Notes.

(2) Shortly following the closing of the Offering, PPI will sell and/or contribute its interest in PRML to PMAG.

(3) Refineries owned through subsidiaries of PPI.

(4) Owns the Cressier refinery through a subsidiary.

(5) Owns the Teesside refinery through a subsidiary.

Summary of the Offering

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to limitations and exceptions. The "Description of the Notes" section of this Offering Memorandum contains a more detailed description of the terms and conditions of the Notes, including definitions of certain terms used in the summary.

Issuer	Petroplus Finance Limited, a Bermuda company.
Notes Offered	$600 million aggregate principal amount of 6.75% senior notes due 2014 (the "**2014 Notes**"). $600 million aggregate principal amount of 7% senior notes due 2017 (the "**2017 Notes**" and, together with the 2014 Notes, the "**Notes**").
Maturity Date	The 2014 Notes will mature on May 1, 2014. The 2017 Notes will mature on May 1, 2017.
Interest Rates and Payment Dates	The interest rate on the 2014 Notes will be 6.75%. The interest rate on the 2017 Notes will be 7%. We will pay interest on the Notes on May 1 and November 1 of each year beginning on November 1, 2007.
Minimum Denominations	$75,000 and integral multiples of $1,000 in excess thereof.
Guarantees	The Notes will be guaranteed (the "**Senior Guarantees**") on a senior basis by Petroplus Holdings AG, the direct parent of the Issuer, and certain of its subsidiaries (each, a "**Subsidiary Guarantor**" and, together with Petroplus Holdings AG, the "**Guarantors**"). The Notes may be guaranteed in the future under certain circumstances on a senior subordinated basis by other subsidiaries of Petroplus Holdings AG.
Ranking	The Notes are senior obligations of the Issuer and will rank equal in right of payment with all existing and future senior unsubordinated indebtedness of the Issuer and senior in right of payment to any obligations of the Issuer expressly subordinated to the Notes. Immediately following the Offering, the Issuer will have no indebtedness other than the Notes. The Issuer is a finance subsidiary that does not conduct any revenue-generating operations of its own. The Issuer's only significant asset following the Offering will be its funding loan in the amount of the gross proceeds from the Offering to PPI (the "**PPI Funding Loan**"). The Issuer will depend on payments from PPI under the PPI Funding Loan and funds from Petroplus Holdings AG and its other subsidiaries to make payments on the Notes. PPI is an intermediate holding company and has no revenue-generating operations of its own and will depend on distributions from its subsidiaries to make payments on the funding loan. The Senior Guarantees will rank: • equal in right of payment with all of the Guarantors' existing and future senior indebtedness, but effectively junior in right of payment to all of the Guarantors' secured debt, including their guarantees, to the extent of the value of the collateral; • senior in right of payment to our and the Guarantors' existing and future senior subordinated and subordinated indebtedness; and

- effectively junior in right of payment to all of the liabilities, including trade payables, of our subsidiaries that have not guaranteed the Notes.

Collateral . . . . Subject to the terms of the security documents, the Notes and Guarantees will be secured on a first-priority basis by all of the equity interests in the Issuer and $1,000 million of intercompany loans (the "**PMAG Loans**") between certain Subsidiary Guarantors of the Notes, as lenders, and Petroplus Marketing AG, as borrower (the "**Collateral**"). See "Description of the Notes—Security."

Optional Redemption . . . . At the redemption prices set forth in "Description of the Notes—Optional Redemption", we may redeem (i) on or after May 1, 2011, some or all of the 2014 Notes at any time and from time to time and (ii) on or after May 1, 2012, some or all of the 2017 Notes at any time and from time to time.

Prior to May 1, 2011 (in the case of the 2014 Notes) and May 1, 2012 (in the case of the 2017 Notes), we may redeem, at our option, some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the applicable redemption date plus, in each case, the applicable "make-whole" premium set forth in this Offering Memorandum. In addition, at any time prior to May 1, 2010, we may redeem up to 35% of the aggregate principal amount of each of the 2014 Notes and the 2017 Notes with the proceeds of certain equity offerings, if at least 65% of the originally issued aggregate principal amount of each of the 2014 Notes and the 2017 Notes remains outstanding. See "Description of the Notes—Optional Redemption."

Change of Control . . . . If a change of control occurs, we must give holders of the Notes an opportunity to sell us their Notes at a purchase price of 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase.

Redemption for Taxation Reasons . . . In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the Notes at 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption. See "Description of the Notes—Redemption for Changes in Withholding Taxes".

Certain Covenants . . . . The Indenture will contain covenants that, among other things, limit our ability and the ability of our subsidiaries (including the Issuer) to:

- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain liens;
- sell assets;
- create restrictions on restricted subsidiaries' ability to pay dividends or other amounts to Petroplus Holdings AG or its restricted subsidiaries;
- guarantee additional indebtedness without also guaranteeing the Notes;
- engage in transactions with affiliates;

- create unrestricted subsidiaries;
- impair the security interests in the Collateral; and
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

These covenants are subject to a number of important limitations and exceptions as described under "Description of the Notes—Certain Covenants".

Additional Amounts	Except as provided in "Description of the Notes", all payments on the Notes and the Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes or duties except as required by applicable law. If any such withholding or deduction is required to be made, additional amounts will be required to be paid on the Notes or the Guarantees (as applicable) so that holders of the Notes will receive such amounts as they would have received had no such withholding or deduction been required.
Transfer Restrictions	The Notes and the Guarantees have not been registered under the U.S. Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See "Transfer Restrictions". The Issuer has not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).
Use of Proceeds	We will use the net proceeds from the issuance of the Notes offered hereby, drawings under our working capital facilities and cash on hand to consummate the proposed acquisition of the Coryton refinery and to pay related fees and expenses. If the acquisition is not consummated, the proceeds will be used for general corporate purposes, including any future acquisitions. See "Use of Proceeds".
No Prior Listing	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing and Trading	Application has been made to list the Notes on the Irish Stock Exchange for admission to trading on the Alternative Securities Market thereof.
Governing Law of the Indenture, the Notes and the Guarantees	New York.
Irish Paying Agent	Deutsche International Corporate Services (Ireland) Limited.
Trustee and Security Agent	Deutsche Bank Trust Company Americas.
Registrar, Paying Agent and Transfer Agent	Deutsche Bank Trust Company Americas.
Registrar and Irish Listing Agent . . .	Deutsche Bank Luxembourg S.A.

Summary Financial and Operating Information

The following table sets forth selected financial data and other operating information of Petroplus Holdings AG. The selected financial data in the table are derived from the consolidated financial statements of Petroplus Holdings AG. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Consolidated Financial Statements, related notes and other financial information included elsewhere in this Offering Memorandum.

RIVR purchased PPI in March/April 2005 and subsequently delisted PPI from the Euronext in Amsterdam. Therefore, in accordance with IFRS, the period ended December 31, 2005 in the Consolidated Financial Statements reflects only the nine months of operations for PPI following RIVR's purchase of PPI. You can find adjusted unaudited information about what our results of operations would have been for the year ended December 31, 2005 had PPI been consolidated for the full year under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations".

On May 31, 2006, we purchased EPH, the holding company for the BRC refinery and related wholesale marketing businesses. Therefore, the Consolidated Financial Statements reflect the results of operations and cash flows of EPH for only the period from June 1 to December 31, 2006. You can find adjusted unaudited information about what our results of operations would have been had EPH been excluded from our Financial Statements for all of 2006 under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" and the notes to the Consolidated Financial Statements.

We have pursued a strategy of divesting our non-core assets, or businesses that were not related to the refinery and wholesale marketing operations. This strategy was substantially completed in 2006. As of December 31, 2006, we had received approximately $600 million of proceeds from divestitures in 2006 and 2005. We have recorded the gains from the divestitures of our non-core assets under the line item gain from discontinued operations, net of tax, in our consolidated income statement. You can find more information about the divestiture of our non-core assets under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—Sale of Non-Core Assets/Discontinued Operations".

None of the summary financial and operational information set forth below reflects our acquisition of the Ingolstadt refinery on March 31, 2007 or our planned acquisition of the Coryton refinery, which is expected to close in the second quarter of 2007.

You can find more information about the acquisition of the Ingolstadt refinery in "Management's Discussion and Analysis of Financial Condition and Results of Operations—The Ingolstadt Refinery", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook" and "Business—Oil Refining Operations—Ingolstadt Refinery" and about the Coryton refinery in "Management's Discussion and Analysis of Financial Condition and Results of Operations—The Acquisition of the Coryton Refinery", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook" and "The Acquisition of the Coryton Refinery".

For the above-mentioned reasons and the discontinuation of our refining margin hedging program, the summary financial and operational information set forth below is not indicative of our results of operations, financial position or cash flows for subsequent periods.

	Year Ended December 31,	
	2006[1]	2005[2]
	($ million, except as noted)	
INCOME STATEMENT DATA (Audited):		
Revenue	$ 6,923.0	$ 4,188.3
Materials costs	(6,376.8)	(3,977.3)
Gross margin	$ 546.2	$ 211.0
Personnel expenses	(115.5)	(56.1)
Operating expenses	(139.8)	(66.5)
Depreciation and amortization	(74.9)	(39.0)
Other administrative expenses	(36.5)	(13.0)
Operating profit	$ 179.5	$ 36.4
Financial expense, net	(85.5)	(51.2)
Financial currency exchange gains/(losses)	4.9	(3.0)
Share of income from associates	0.3	—
Profit/(loss) before income taxes	$ 99.2	$ (17.8)
Income taxes	(25.1)	(10.3)
Net income/(loss) from continuing operations	$ 74.1	$ (28.1)
Gain from discontinued operations, net of tax	369.5	26.5
Net income/(loss) available to minority interests	0.2	1.1
Net income/(loss) available to shareholders	$ 443.4	$ (2.7)
BALANCE SHEET DATA (end of period) (Audited):		
Cash and short-term deposits	$ 91.6	$ 65.9
Total working capital[3]	$ 648.6	$ (225.5)
Total assets	$ 3,014.8	$ 2,452.2
Total long-term debt, including current portion	—	$ 555.3
Total equity	$ 1,555.1	$ 29.8
CASH FLOW DATA (Audited):		
Cash (used in) provided by continuing operating activities	$ (250.7)	$ 77.9
Cash (used in) continuing investing activities	$ (466.6)	$ (340.1)
Cash provided by continuing financing activities	$ 156.1	$ 283.2
Net cash from discontinued operations	$ 598.7	$ 38.5
Capital expenditures for property, plant equipment	$ 68.5	$ 87.4
BRC refinery acquisition expenditures[4]	$ 429.2	—
KEY FINANCIAL DATA (Unaudited):		
EBITDA[5]	$ 259.6	$ 72.4
Net financial debt[6]	$ (91.6)	$ 489.4
Hedging gain/(loss)[7]	$ 182.6	$ (31.3)
KEY OPERATING STATISTICS (Unaudited):		
Throughput (thousands of bpd)[8]:		
Crude unit throughput	192.9	158.7
Other throughput	8.1	1.0
Total throughput	201.0	159.7
Production (thousands of bpd)[8]	201.5	160.2
Refinery operating expenses[9]	$ (139.8)	$ (66.5)

(1) We acquired EPH on May 31, 2006. Therefore, except as otherwise indicated, the data set forth below reflects only 214 days of operations for the BRC refinery.

(2) Includes only nine months of operations for PPI.

(3) Total working capital represents current assets less current liabilities, excluding assets and liabilities held for sale. Unaudited.

(4) Derived from the Consolidated Financial Statements.

(5) The following table reconciles net income to EBITDA for the years indicated:

	Year Ended December 31,	
	2006	2005
	(unaudited) ($ million)	
Net income/(loss) from continuing operations	$ 74.1	$(28.1)
Income taxes	25.1	10.3
Depreciation and amortization	74.9	39.0
Financial expense, net	85.5	51.2
EBITDA	$259.6	$ 72.4

(6) Represents interest-bearing loans and borrowings (including current portion) less cash and short-term deposits.

(7) Represents the gains and losses on refining margin commodity hedges. The audited 2005 figure represents the period from April 2005 until December 2005. Excludes gains and losses on other commodity hedges in relation to price management activities in the ordinary course of business.

(8) To facilitate year-to-year comparability, we have included a full 12 months of data for 2005 for our refining operations.

(9) Refinery operating expenses reflect all costs that are directly related to the operation of our refineries. Refinery operating expenses include energy expenses; chemical expenses; general and administrative expenses; utilities; maintenance; project expenses; safety, health and environmental costs; and other expenses related to refinery operations.

RISK FACTORS

Before making an investment decision with respect to the Notes, you should carefully consider the following risks relating to our businesses and the legal structure underlying the Offering of the Notes as well as the other information in this Offering Memorandum. Our financial condition and results of operations could materially be affected by the occurrence of one or more of the risks discussed below. The market value of the Notes could fall as a result of any of these risks, and you may lose the value of your investment in whole or in part. The risks described below may, in retrospect, turn out not to be complete and therefore may not be the only risks to which we are exposed. Additional risks and uncertainties not presently known to us, or that we now believe are immaterial, could also adversely affect our businesses, results of operations, financial condition, or our ability to fulfill our obligations under the Notes. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the magnitude or the significance of the individual risks. The risks described below could occur individually or cumulatively and intensify in case of a cumulative occurrence.

Risks Relating to Our Business and Our Industry

Refining margins significantly impact our profitability and cash flow. Crude oil prices, refined petroleum product prices, refining margins and our results of operations have fluctuated significantly in the past.

As an oil refiner, our results are primarily affected by the differential between refined petroleum product prices and the prices of crude oil used for refining. This price differential, once direct costs are subtracted, constitutes our refining margin. This means we will not generate operating profit or positive cash flow from our refining operations unless we are able to buy crude oil and sell refined petroleum products at margins sufficient to cover the fixed and variable costs of our refineries. Although the strong demand for crude oil and refined petroleum products during recent years has contributed to high refining margins, it is possible that refining margins will decrease in the future due to factors beyond our control. A decrease in refining margins could have a material adverse effect on our business, results of operations and financial condition.

Historically, refining margins have fluctuated substantially. Refining margins are influenced principally by supply and demand for crude oil and refined petroleum products, which in turn determine their market prices. Other factors, in no particular order, that may have an impact on prices and refining margins include:

- changes in global economic conditions, including exchange rate fluctuations;
- changes in global and regional demand for refined petroleum products;
- market conditions in countries in which we refine or sell our refined petroleum products and the level of operations of other refineries in Europe;
- aggregate refining capacity in the global refining industry to convert crude oil into refined petroleum products, including those we refine;
- changes in the cost or availability of transportation for crude oil, feedstocks and refined petroleum products;
- availability of price arbitrage for refined petroleum products between different geographical markets;
- political developments and instability in petroleum producing regions such as the Middle East, Russia, Kazakhstan, Africa and Central and South America;
- the ability of the Organization of Petroleum Exporting Countries ("**OPEC**") and other petroleum producing nations to set and maintain oil price and production controls;
- seasonal demand fluctuations;
- expected and actual weather conditions;
- to the extent unhedged, changes in prices from the time crude feedstocks are purchased and refined petroleum products are sold;
- the extent of government regulation, in particular as it relates to environmental policy, fuel specifications and energy taxes;

- the ability of suppliers, transporters and purchasers to perform on a timely basis, or at all, under their agreements (including risks associated with physical delivery);
- price, availability and acceptance of alternative fuels; and
- terrorism or the threat of terrorism that may affect supply, transportation or demand for crude oil and refined petroleum products.

Disruption of our ability to obtain crude oil and other feedstocks could reduce our margins and results of operations.

We require crude oil and other feedstocks to produce refined petroleum products. We purchase our crude oil primarily on the spot and forward markets from, among others, oil majors, crude oil marketing companies and independent producers. Crude oil supply contracts are generally short-term contracts with market-responsive price provisions. Further, a significant portion of our crude oil is supplied from the North Sea, Africa, the Middle East, Russia and Kazakhstan subject to the political, geographic and economic risks attendant to doing business with suppliers located in those regions, such as labor strikes, regional hostilities and unilateral announcements by any of the countries within these regions that some or all oil exports for a specified period of time will be halted. In the event that one or more of our supply contracts is terminated, we may not be able to find alternative sources of supply. Moreover, unlike certain of our competitors that have their own oil exploration and production operations, we are dependent on third parties for continued access to crude oil and other raw materials and supplies at appropriate prices. If we are unable to obtain adequate crude oil volumes or are only able to obtain such volumes at unfavorable prices, our margins and our other results of operations could be materially adversely affected. Further, we may be subject to governmental restrictions on our purchases of certain crude oil because of economic sanctions against the government of the country that is the source of the crude oil, which may result in higher costs or the lack of availability of crude oil.

We are dependent on certain third-party suppliers for the provision of services that are necessary for our refineries' operations. If third parties are unable to perform under our contracts with them or cancel these contracts, we may be unable to operate our refineries or deliver refined products to customers.

Each of our refineries is dependent on receiving a steady and adequate supply of electricity and water provided by local utility companies. Any disruptions in these utilities, such as a power grid failure, could force us to shut down the affected refinery and have a material adverse effect on our results of operations, financial condition and cash flows.

The Teesside refinery is dependent on the adjacent Saudi Basic Industries Corporation ("**SABIC**") petrochemicals facility for the supply of key utilities, including hydrogen and nitrogen, power from the local utilities grid and waste water treatment in the SABIC wastewater treatment plant; the provision of crude storage capacity; and for the use of the SABIC jetty for loading refined products for delivery to customers. Most of the agreements covering these services are terminable by SABIC with 12-months' notice. If SABIC were to terminate these agreements, or if SABIC were to become insolvent, the Teesside refinery may have to shut down until it is able to find alternative local suppliers willing to provide these services. There may be no other local suppliers that are able to provide these services. Even if local suppliers were available, there can be no assurance that such suppliers would be able to supply the Teesside refinery with the quantity and quality of the services that it requires or that the refinery would not be required to shut down while the necessary infrastructure for providing these services was constructed. In addition, the terms of the alternative supply arrangements may contain prices that are unfavorable to us.

The Cressier refinery receives all of its crude oil feedstock from Fos-sur-Mer through the Société du Pipeline Sud-Européen ("**SPSE**"), Société Francaise du Pipeline du Jura ("**SFPLJ**") and Oléoduc du Jura Neuchâtelois S.A. ("**OJNSA**") spurs. When we acquired the Cressier refinery in 2000, we entered into a contract with the SPSE pipeline company to transport oil from Fos-sur-Mer to our pipeline connection point in France. This contract is terminable by SPSE in certain circumstances on 24-months' notice. We do not have throughput arrangements for the SFPLJ and OJNSA pipeline spurs from the French border to the Cressier facility as they are 100% and 80% owned by us, respectively.

Our acquisition of the Ingolstadt refinery has further increased our dependency on third-party crude oil pipeline systems. The Ingolstadt refinery relies on the 465-kilometre-long portion of the TAL pipeline system for the delivery of its crude from the port city of Trieste, Italy. In connection with the

acquisition, we entered into a five-year contractual arrangement with TAL for transportation via the TAL pipeline system.

Following our planned acquisition of the Coryton refinery, we will be able to transport the refinery's refined products via the United Kingdom Oil Pipeline ("**UKOP**") operated by British Pipelines Agency only through BP's arrangements for accessing the pipeline. In addition, the Coryton refinery currently transports jet fuel via government pipelines and storage system ("**GPSS**"), a government-owned pipeline system dedicated to jet fuel that is operated by the Oil & Pipelines Agency. If we are unable to transport refined petroleum products from the Coryton refinery through the United Kingdom Oil Pipeline or GPSS, we will have to implement transportation alternatives.

If we are unable to transport crude oil to the Cressier or Ingolstadt refineries through our existing pipeline arrangements, we will have to implement transportation alternatives. The cost of these alternatives would likely be significantly higher than our current pipeline transportation costs.

If any of our service arrangements with SABIC, the SPSE pipeline or TAL, or any of our planned service agreements with BP in relation to the UKOP or with GPSS, are terminated, this could have a material adverse effect on our business, results of operations and financial condition. Moreover, to the extent our customers require us to deliver our products by specified delivery dates and we fail to do so because we are not able to make alternative service arrangements, we may incur penalties. Such delays could also damage our reputation with customers.

Our business is subject to significant environmental regulations and environmental risks.

Like those of other European oil refiners, our operations are subject to numerous European Union ("**E.U.**"), national, regional and local environmental laws and regulations, including legislation that implements international conventions or protocols. In particular, these laws and regulations restrict the types, quantities and concentration of various substances that can be released into the environment in connection with production activities and impose administrative sanctions and criminal and civil liabilities for pollution. These laws and regulations also restrict emissions and discharges to water resulting from the operation of refineries and other facilities that we own, as well as establishing standards for the composition of gasoline, diesel fuel and other petroleum products. In addition, our operations are subject to laws and regulations relating to the generation, handling, transportation, sale, storage, disposal and treatment of materials that may be considered to be contaminants when released into the environment.

Environmental laws and regulations that affect our operations, processes and margins have become and are becoming increasingly stringent. If we violate or fail to comply with these laws and regulations, we could be fined or become liable for remediation costs or subject to other sanctions. In addition, the regulatory authorities could suspend our operations or refuse to renew the permits and authorizations we require to operate. They could also mandate upgrades or changes to our processes that could have a significant impact on costs.

We need a variety of permits to conduct our operations. We must comply with our permits and renew those permits to operate our facilities. In addition, failure to comply with our permits could subject us to civil penalties, criminal sanctions and closures of our facilities. We are in the process of renewing the permit for the Teesside refinery and the permits for the operation of the Antwerp processing facility and expect to be required to carry out various improvements and upgrades in connection with the renewal of these permits, in addition to the investment and upgrading programs we are required to undertake as a condition attached to the recent permit renewal for the BRC refinery. In addition, the application for the IPPC permit for the Coryton refinery has been submitted and is currently being reviewed by the authorities.

Sites at which we operate have a long history of industrial activities and may be, or have been in the past, engaged in activities involving the use of materials and processes that can give rise to potential liabilities in respect of remediation. Potential liabilities can also arise in relation to land previously owned by companies or refineries that we have acquired but where such land was sold prior to our acquisition of those companies or refineries. With respect to our acquisitions, we cannot assure you that our due diligence investigations identified or accurately quantified all material environmental matters and contingencies relating to acquired facilities. In addition, environmental indemnities given to us by sellers typically contain thresholds and other limitations as to the aggregate amount of the sellers' obligations. Consequently, we may be required to expend considerable amounts to remediate pre-existing environmental contamination or conditions at sites we have acquired.

We have identified soil and groundwater contamination at our sites and are undertaking measures to address the identified contamination, in consultation with regulatory authorities where necessary. For example, we have budgeted expenditures at the BRC, Cressier, Teesside and Ingolstadt refineries and the Antwerp processing facility relating to known contamination, and we may need to make additional expenditures, which could be significant, to comply with environmental laws and regulations. In response to an investigation by the Belgian authorities, we submitted a ten-year remediation report to Belgian regulators for one of the sites at the Antwerp processing facility and the proposed measures have been in principle accepted by the regulators. The Belgian authorities have not yet responded to our orienting plan in respect of the other site at the Antwerp processing facility, and we cannot assure you that this plan will be accepted in its current form or at all. Similarly, we will need to make expenditures, which could be significant, to address soil and groundwater contamination at the BRC refinery, for which we recorded a provision of $20.9 million as of December 31, 2006 in the Consolidated Financial Statements. We have provided the authorities with an initial orienting report regarding the contamination but have not yet received a response to the report. The Coryton refinery, which we intend to complete the acquisition of in the second quarter of 2007, also has historical soil and groundwater contamination, which could require remedial expenditures in the future. Given the nature of our operations at our refineries and processing facilities, there is a continuing risk of material soil and groundwater impacts that may require material remediation expenditures.

The risk of significant environmental remedial liability is inherent to our business. No assurance can be given that such liability will not arise in the future as a result of the application of present or future laws and regulations to existing contamination, whether presently detected or otherwise, or misinterpretation of data regarding such contamination, or future contamination of any of our sites or otherwise arising out of our activities and operations.

We are subject to regulations of the European Union in regards to carbon dioxide emissions. There is no assurance that we will not be required to purchase carbon dioxide credits in the market, be levied any fines or experience any operational disruption due to our facilities' carbon dioxide emissions.

In addition to liability for remediation costs and regulatory non-compliance, we may be liable under common law, e.g. negligence and/or nuisance, for the environmental impact of our operations on third parties. We could also be subject to liabilities to third parties that include, without limitation, liabilities for crude oil or refined petroleum product spills, discharges of hazardous materials into the soil, air and water and other environmental liabilities. Compensation to third parties, as well as other liabilities mentioned, may involve significant costs. Any such payments could reduce or eliminate the funds available for financing our normal operations and planned development or result in the loss of our properties. We cannot assure you that discharges of hazardous materials will not occur in the future or that third parties will not assert claims against us for damages allegedly arising out of any past or future contamination.

Stricter environmental, health and safety laws and enforcement policies could result in substantial costs and liabilities for us, and could result in our handling, manufacture, use, reuse or disposal of substances or pollutants being subjected to more rigorous scrutiny by relevant regulatory authorities than is currently the case. Compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby harming our business. For example, the new system in the E.U. for registration, evaluation and authorization of chemicals (known as REACH) may affect our operations significantly in the future. We are likely to be impacted by REACH, both as a high-volume manufacturer of petroleum substances as well as in our role as a downstream user of other substances.

In addition, we cannot assure you that we will be able to meet future refined product standards that may be introduced by the E.U. or other relevant jurisdictions or that we will have sufficient funds to make the necessary capital expenditures to produce products that comply with future specifications and regulations.

We must comply with health and safety regulations at our facilities and failure to do so could result in significant liability and/or fines and penalties.

Our activities are subject to a wide range of E.U., national, provincial and local occupational health and safety laws and regulations in each jurisdiction in which we operate. These health and safety laws are constantly changing, as are the priorities of those who enforce them. Failure to comply with these health and safety laws could lead to criminal violations, civil fines and changes in the way we operate our facilities, which could increase the costs of operating our business.

A significant interruption or casualty loss at any of our refineries could reduce our production, particularly if not fully covered by our insurance.

Our operations could be subject to significant interruption if any of our refineries or processing facilities were to experience a major accident, be damaged by severe weather or other natural disaster or otherwise be forced to shut down or curtail production due to unforeseen events, such as acts of God, nature, power outages, fires and acts of terrorism. Any such shut-down would reduce the production from that refinery. For example, fires have forced the BRC refinery, which we acquired in May 2006, to shut down selected units several times, most recently, in September 2006 for a couple of weeks. There is also risk of mechanical failure and equipment shut-downs both in general and following unforeseen events. Further, in such situations, undamaged refinery processing units may be dependent on or interact with damaged sections of our refineries and, accordingly, are also subject to being shut down. In the event any of our refineries are forced to shut down for a significant period of time, or if any of the above events were not fully covered by our insurance, this would have a material adverse effect on our results of operations and financial condition.

We may be exposed to economic disruptions in the various countries in which we operate and in which our suppliers and customers are located. These disruptions could adversely affect our operations, tax treatment under foreign laws and our financial results.

Although we operate primarily in Belgium, Switzerland, the United Kingdom and Germany, our operations extend beyond these countries. We export refined petroleum products to certain other areas, including the Netherlands, Africa and North America. Additionally, we purchase the crude oil that we refine predominantly from the North Sea, Africa, the Middle East, Russia and Kazakhstan. Accordingly, we are subject to legal, economic and market risks associated with operating internationally, purchasing crude oil and supplies from other countries and selling refined petroleum products to them. These risks include:

- interruption of crude oil supply;
- devaluations and fluctuations in currency exchange rates;
- imposition of trade restrictions or embargoes against certain states, preventing us from buying crude oil and other feedstock from, or selling products to these states;
- imposition or increase of investment and other restrictions by foreign governments;
- failure to comply with a wide variety of foreign laws; and
- unexpected changes in regulatory environments and government policies.

Our international operations also expose us to different social, political and business risks in each jurisdiction. For example:

- we will need to comply with varying union and collective bargaining agreements in a number of locations;
- we will have to implement local solutions to manage credit risks of local customers;
- imposition or increase of withholding and other taxes on remittances by foreign subsidiaries;
- our profitability will be affected by fluctuations in currency exchange rates; and
- we may be faced with political, social and labor instability that could disrupt or increase the cost of our operations.

We cannot assure you that we will develop and implement systems and policies that enable us to operate profitably, or at all, in all of the locations where we do business.

As we operate in multiple jurisdictions, we may be subjected to changes in tax law or practice, which potentially represent a risk to our tax planning.

We are subject to taxation in multiple jurisdictions and are faced with increasingly complex tax laws. The tax laws in these jurisdictions may change or be subject to differing interpretations, possibly with retroactive effect, including the imposition of substantially higher taxes, which could have a material adverse effect on our liquidity and results of operations. Any changes in law or regulations, or a failure to comply with any such laws or regulations, may adversely affect our performance. Because these future changes are unpredictable, we may have difficulty in future tax planning. In addition,

taxing authorities could review and question our tax returns leading to additional taxes and penalties that could be material.

We face significant competition. Increases in global refining and conversion capacity could further increase the competition we face and harm our business.

We face domestic and international competition in the markets in which we participate. With the adoption of higher environmental standards in Europe and the United States and the current historically high level of refining margins, many of our competitors are expected to upgrade their refining facilities, which would increase the competition faced by us in the markets for our particular slate of refined petroleum products. Oil majors, such as BP plc, Exxon Mobil Corporation, Royal Dutch Shell plc and Total S.A., compete with us. Because the oil majors have diverse operations, larger and more complex refineries and/or greater capitalization, they may be better able than us to withstand volatile industry conditions, including shortages of crude oil or refined petroleum products, volatility in prices for crude oil or refined petroleum products or intense price competition at the wholesale level. In addition, oil majors have financial and other resources substantially greater than ours. Competition could cause price reductions, reduce our margins or result in loss of market share for our products and services. This may adversely affect our results of operations.

We need significant capital to fund our working capital and future acquisitions.

We will require significant amounts of capital to fund our working capital and future acquisitions.

We purchase crude oil mostly on the spot and forward markets, and we primarily finance those purchases through short-term working capital facilities. Because prices of crude oil can be volatile, it is crucial for us to have access to these facilities. The availability of funds under our working capital facilities is conditional upon, among other things, our continued compliance with the covenants contained therein. If we fail to meet these conditions and are unable to draw funds under our working capital facilities, our financial condition would be severely impacted. In addition, because most of our working capital facilities accrue interest on a floating-rate basis, increases in base interest rates may negatively impact our financial condition.

We will also be required to make expenditures to repair, maintain and upgrade our facilities. For example, in connection with the renewal of the BRC refinery's operating permit, we are required to refurbish a significant portion of the refinery's tank farm. We expect to complete this refurbishment program in 2008. As of December 31, 2006, we had spent $74.6 million of the $100.7 million of capital expenditures budgeted for the permit extension. We are also required to make significant capital expenditures at the Antwerp processing facility as part of the renewal of its operating permit in December 2006. Based on information provided by BP, the Coryton refinery's budgeted capital expenditures in respect of modifications to the refinery's process-safety management program are currently estimated to be approximately $34 million for the second half of 2007 through 2009. In addition, capital expenditures relating to the IPPC permit extension at Coryton refinery are currently estimated to be approximately $46 million for the second half of 2007 through 2009, based on information provided by BP. In addition, we must continue to make sustaining and turnaround capital expenditures at our four refineries. If we are unable to fund these capital expenditures, our refineries might be unable to produce products that comply with future regulations, have operating permits revoked or otherwise be adversely affected.

Finally, we continually assess potential acquisitions of refining assets that would complement our businesses and expand our refinery and storage capacity. We may elect to fund future acquisitions with equity or debt financing or cash on hand. We cannot assure you, however, that our cash on hand and available debt and equity funding will be sufficient to fund those acquisitions and, in such an event, we might be required to forego attractive acquisition candidates.

Our ability to generate cash flow for our capital expenditures and to generate cash flow and obtain funding for acquisitions will depend on our future performance, which in turn will depend on successful implementation of our business strategies and on general economic, financial, competitive, legislative, regulatory, business and other factors that are beyond our control.

We are exposed to foreign currency fluctuations and translation risks.

The cost of our crude oil and other feedstocks are primarily denominated in U.S. dollars and our other operating costs are denominated in local currencies, including euro, Swiss francs and pounds

sterling, while our revenues are denominated in U.S. dollars, euro, Swiss francs and pounds sterling. Our profitability will be affected by fluctuations in the value of the currencies in which we sell our products and services against the currencies in which we pay for oil and other feedstocks. We currently hedge a portion of this transaction related foreign currency exposure. Our borrowings in the future may be denominated in currencies other than the U.S. dollar. There can be no assurance that present or future management of foreign exchange risk is or will be adequate or that exchange rate fluctuations will not have a material adverse effect on our business, results of operations, financial position or liquidity.

We report our financial results in U.S. dollars. Therefore, we also face a currency translation risk to the extent that the assets, liabilities, revenues and expenses of our subsidiaries are denominated in currencies other than the U.S. dollar. In preparing our financial statements, we must translate the values of those assets, liabilities, revenues and expenses into U.S. dollars at the applicable exchange rates. Consequently, increases and decreases in the value of the U.S. dollar against other currencies will affect the value of these items in our consolidated financial statements, even if their value has not changed in their original currency.

Unscheduled or unexpectedly long scheduled repair, maintenance and turnarounds at our refineries could affect our results of operations. In addition, as refining margins are volatile, it is possible that periods of expected low refining margins during which we undertake scheduled turnarounds could turn out to be high margin periods.

We need to carry out regular maintenance at our refineries. Our refineries are typically shut down every four years for major turnarounds to make necessary repairs, perform preventative maintenance, replace catalysts and implement capital improvements. These shut-downs vary in duration depending on the complexity of the refinery and the work to be performed, but typically last between four to five weeks. We also shut down each refinery two years after each major turnaround in order to perform an intermediate turnaround, which typically lasts between three and four weeks. In addition, portions of our refineries may be shut down for shorter periods to perform more limited maintenance, catalyst replacement and capital improvements. We may need to shut down our refineries unexpectedly for repairs and maintenance. For example in the third quarter of 2006, the BRC refinery's throughput was affected by shut downs totaling 20 days for safety and reliability maintenance following a small fire near its crude pumps, in which no one was hurt, and following a few electrical outages. Although we attempt to schedule shut-downs during periods of low refining margins, it is possible that our refineries may be shut down during periods of high margins as a result of, for example, the volatility and unpredictability of refining margins or scheduled shut-downs taking longer to complete than expected.

A substantial portion of our workforce is unionized, and we may face labor disruptions that would interfere with our refinery operations.

Our operations may be affected by labor disruptions involving our employees and employees of third-party service and product suppliers. The majority of our refinery employees are represented by trade unions under collective bargaining agreements, which are generally renegotiated every two years. While our relationships with the trade unions representing our employees in Belgium, Germany and the United Kingdom are normal, negotiations with these unions have, at times, been difficult. In addition, the Cressier refinery in Switzerland was affected by a third-party work stoppage at the Port of Marseilles in September 2005, which forced the refinery to run at lower rates with suboptimal crude oils for approximately 15 days. We may be affected by strikes, lockouts or other significant work stoppages in the future, any of which could adversely affect our business, financial condition or results of operations.

Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.

We depend highly upon our senior management team. We will continue to require operations management personnel with refinery industry experience. We do not know the availability of such experienced management personnel or how much it may cost to attract and retain such personnel. The loss of the services of any member of senior management, in particular Thomas D. O'Malley, our chairman and chief executive officer, or the inability to hire experienced management personnel could materially adversely affect our operations and financial condition.

Any military strikes, sustained military campaigns or terrorist activity in the areas or regions where we do business could have a material adverse effect on our business, results of operations and financial condition.

Any military strikes or sustained military campaign in areas or regions of the world where we acquire crude oil and other raw materials or sell our refined petroleum products may affect our business in unpredictable ways, including forcing us to increase security measures and causing disruptions of supplies and markets. Further, like other industrial companies, our facilities may be the target of terrorist activities. Any act of war or terrorism that resulted in damage to any of our refineries or third-party facilities upon which we are dependent for our business operations could have a material adverse effect on our business, results of operations and financial condition.

Our indebtedness could have a material adverse effect on our financial position and may limit our financial flexibility.

Assuming the application of the net proceeds from the Offering of Notes and the Equity Offering as described in "Use of Proceeds" and the acquisition of the Ingolstadt refinery had taken place on December 31, 2006, our total interest-bearing loans and borrowings as of December 31, 2006 would have been approximately $1,652.8 million. As at that date, our group equity on a pro forma consolidated basis would have been approximately $2,163.8 million.

Subject to certain restrictions in our bank facilities and other existing and planned debt agreements, we may incur significant additional debt in the future to fund our working capital needs and for other purposes, including possible future acquisitions. We have incurred and will continue to incur substantial short-term debt to fund our working capital needs.

Our substantial debt could have important consequences for us. For example, it could:

- make it more difficult for us to satisfy our debt-service obligations;
- increase our vulnerability to adverse general economic and industry conditions;
- limit our ability to obtain additional financing to fund our capital expenditures, working capital, acquisitions and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to take advantage of significant business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less debt and greater access to capital resources than we have;
- negatively impact payment terms with our creditors; and
- require us to dedicate a substantial portion of our cash flow from operations to payment of our debt.

In addition, our failure to comply with the covenants and restrictions contained in the agreements governing our indebtedness could trigger defaults under those agreements.

We have significantly reduced our refining margin hedges, which may leave us more exposed to fluctuating refining margins. Our hedging program to minimize the market risk associated with the time difference between our purchases of crude and delivery of such purchases may not be successful.

We have historically used hedging instruments, such as commodity instrument hedges, forward currency hedges and interest rate swaps, to manage our risk associated with commodity price, foreign currency fluctuations and interest rate risks, respectively. The most significant gains and losses relating to our hedging activities generally have been attributable to refining margin hedges. Our material costs were impacted by hedging activities in 2006 and 2005, which resulted in a gain of $182.6 million in 2006 and a loss of $31.3 million in 2005 from refining margin hedges and a gain of $63.4 million in 2006 and a loss of $5.9 million in 2005 from other commodity instruments. We were previously required to maintain certain levels of refining margin hedges in order to comply with our former senior term debt and working capital facilities. Following the IPO in November 2006, we repaid and cancelled our senior term debt and renegotiated our working capital facilities to eliminate these hedging requirements. Following the repayment of the senior term debt and the renegotiation of our working capital facilities, we have significantly reduced the proportion of refining margin hedges going forward. As of December 31, 2006, we had only limited refinery margin hedges in place. After the remaining open

contracts for refining margin hedges are repurchased in 2007, we will have no remaining refining margin hedges in place. Reducing our refining margin hedging activities will leave us more exposed to fluctuations in refining margins in the future.

We intend to continue with our hedging program to minimize the market risk associated with the time difference between our purchases of crude and the actual delivery of such purchases. There can be no assurance that this hedging program will be successful.

Risks Relating to the Ingolstadt Refinery Acquisition, the Planned Coryton Refinery Acquisition and Other Future Acquisitions

The risks associated with the acquisitions of the Ingolstadt and Coryton refineries and their integration, and other future acquisitions, could have a material adverse effect on our business, financial condition and results of operations. We may not be able to successfully integrate any of these acquisitions into our business.

A substantial portion of our growth is expected to come from acquisitions, including our recent acquisition of the Ingolstadt refinery on March 31, 2007 and our planned acquisition of the Coryton refinery. A principal component of our strategy going forward is to continue to selectively acquire refining assets to increase cash flow and earnings. Our ability to do so will depend upon a number of factors, including our ability to identify acceptable acquisition candidates, consummate acquisitions on favorable terms, successfully integrate acquired businesses and obtain financing to support our growth and many other factors beyond our control.

In connection with the recent Ingolstadt refinery acquisition, the planned Coryton refinery acquisition or with future acquisitions, we may experience unforeseen operating difficulties as we integrate the acquired assets into our existing operations. These difficulties may require significant management attention and financial resources that would otherwise be available for the ongoing development or expansion of existing operations.

The recent Ingolstadt refinery acquisition, the planned Coryton refinery acquisition and any other future acquisitions involve risks, including:

- unexpected losses of key employees, customers and suppliers of the acquired operations;
- difficulties in integrating the financial, technological and management standards, processes, procedures and controls of the acquired business with those of our existing operations;
- challenges in managing the increased scope, geographic diversity and complexity of our operations; and
- mitigating contingent and/or assumed liabilities.

If we successfully implement our business plan, we expect to grow rapidly through acquisitions. If the pace of our growth continues, it will place a strain on our administrative, financial and operational resources. To manage growth effectively, we will need to control costs, attract and retain highly skilled employees, improve our operating efficiency and enhance our management, financial and reporting systems and procedures.

If we are unable to successfully meet the challenges associated with one or more of our acquisitions, this could have a material adverse effect on our business, financial condition and results of operations.

We may not realize the anticipated benefits of the recent Ingolstadt refinery acquisition and the planned Coryton refinery acquisition.

Our estimates regarding the earnings, operating cash flow, capital expenditures and liabilities resulting from our recent acquisition of the Ingolstadt refinery and our planned acquisition of the Coryton refinery included in this Offering Memorandum is based on information currently available to us and may prove to be incorrect. In addition, we may not realize any anticipated benefits of either of these acquisitions and may not be successful in integrating the acquired assets into our existing business.

Although the information in this Offering Memorandum assumes the consummation of the Coryton refinery acquisition, the consummation is subject to the satisfaction of certain conditions precedent, including review and approval from competition authorities. Our failure to acquire the Coryton refinery would result in our asset base being smaller than as described in this Offering

Memorandum. Accordingly, we would not realize the anticipated benefits we discuss in this Offering Memorandum that are based on our completion of this acquisition.

We have provided limited historical financial and other information about the Ingolstadt and Coryton refineries in this Offering Memorandum. We also have been unable to verify information in this Offering Memorandum relating to these refineries as completely as we would with information produced from our own internal sources.

We have not included in this Offering Memorandum any audited or unaudited historical financial statements for either the Ingolstadt refinery or the Coryton refinery. The Ingolstadt refinery has historically been operated as part of ExxonMobil's central European operations, and the Coryton refinery has historically been operated as part of BP's UK operations. As a result, separate stand-alone financial statements for either of these entities have not been prepared and are not available.

We have included in this Offering Memorandum certain business, operational and other information about the Ingolstadt refinery including, among others, certain projections on throughput, operating expenses, capital expenditures and other revenues. Although we acquired the Ingolstadt refinery on March 31, 2007, we have derived this information largely from information provided to us by the seller of the Ingolstadt refinery and reflects our analyses of such information. We have not been able to verify much of this information by reference to the underlying sources or to the same extent as we would for information produced from our own internal sources. There can be no assurances that actual results for the Ingolstadt refinery will not differ from our estimates.

We have included in this Offering Memorandum certain business, operational and other information about the Coryton refinery including, among others, certain projections on throughput, operating expenses, capital expenditures and other revenues. This information has been derived largely from information provided to us by the seller of the Coryton refinery, and reflects our analyses of such information. We have not been able to verify this information by reference to the underlying sources or to the same extent as we would for information produced from our own internal sources. The seller of the Coryton refinery has not reviewed or approved any of the information contained in this Offering Memorandum regarding the Coryton refinery. There can be no assurances that actual results for the Coryton refinery will not differ from our estimates.

We may be liable for significant environmental costs relating to past and/or future acquisitions.

In connection with acquisitions of refineries, we may become responsible for certain environmental clean-up liabilities or costs. For example, the acquisition agreements for both the Ingolstadt refinery and the Coryton refinery provide that, subject to certain limitations, the sellers will indemnify us only against a certain percentage, on a sliding-scale basis for up to eight years in the case of the Ingolstadt refinery and six years in the case of the Coryton refinery, for various environmental liabilities and costs to the extent such liabilities and costs are related to acts or omissions by the sellers prior to the completion of the acquisition. We have also agreed to indemnify each of the sellers against environmental liabilities and costs to the extent these liabilities and costs are not covered by the sellers' indemnities. There can be no assurances that the sellers will satisfy their obligations under their agreements or that the liabilities and costs in excess of those that the sellers has agreed to reimburse us for will not be significant or that significant liabilities will not arise with respect to the other matters we have assumed or for which we are indemnifying the sellers. Moreover, if either of the sellers were to become insolvent, such seller would be unable to reimburse us for any environmental liabilities. In addition, we may agree to be responsible for these or other types of environmental liabilities in connection with future acquisitions. There can be no assurances that these environmental liabilities and/or costs or expenditures to comply with environmental laws will not have a material adverse effect on our current or future results of operations and financial condition.

In the event that the acquisition of the Coryton refinery is not consummated, we will not be required to redeem the Notes.

The Offering of the Notes will be consummated prior to the closing of the acquisition of the Coryton refinery. The proceeds from the sale of the Notes will not be placed in escrow pending the completion of the acquisition of the Coryton refinery. Consummation of the acquisition is subject to certain customary closing conditions, including review and approval from the relevant competition authorities. If the acquisition is not consummated or if the BSA for the Coryton refinery is terminated,

we will not be required to redeem the Notes and may use the proceeds of the Offering of the Notes in other areas of our business, including for any future acquisitions.

Risks Relating to Divested Assets

We have continuing liability for certain obligations relating to divested assets.

We have significant liabilities in relation to the disposal of our non-core assets in recent years. In connection with certain of these disposals, we were required to give indemnities and guarantee certain obligations relating to some of the divested assets. For example, when we sold non-core assets in August 2006, PPI guaranteed certain liabilities of the non-core assets for which there were outstanding guarantees to third-party buyers already in place at the time of the sale. RIVR and PPI entered into three indemnity agreements, with any liabilities to third-party buyers in excess of $32.1 million (€25 million) or after three years from the date of such indemnity agreement being indemnified by PPI. In addition, we have agreed to indemnify RIVR Divestment B.V., a company owned by RIVR Holding B.V., our former controlling shareholder, to the extent the liability for any individual breach of our representations and warranties gives rise to a liability of $641,500 (€500,000) or more and to the extent the aggregate liability for all breaches of our representations and warranties exceeds $6.4 million (€5.0 million) subject to a cap in the amount of the purchase price of $147.5 million (€115.0 million). There can be no assurance that we will not be required to expend considerable amounts under the indemnities, guarantees and other liabilities we have incurred in connection with prior asset disposals.

Risks Relating to Our Structure, the Guarantees, the Collateral and the Notes

The Issuer is a finance subsidiary that has no revenue-generating operations and will depend on payments received under the PPI Funding Loan to make payments on the Notes.

The Issuer is a finance subsidiary that was formed in connection with this offering of the Notes. Since its formation, the Issuer has not conducted any operations other than in anticipation of the issuance of the Notes and the making of the PPI Funding Loan. The Issuer will not be permitted to engage in any activities other than the issuance of the Notes, any Additional Notes and any other permitted public debt, the on-loaning of the proceeds from such issuances, other activities undertaken to fulfil any obligations under the Notes, the Indenture, any Additional Notes and any public debt and related security documents and activities related to the establishment and maintenance of its corporate existence. The Issuer has no subsidiaries and its only material asset and potential source of revenue is its right to receive payments under the PPI Funding Loan. The Issuer's ability to make payments on the Notes is therefore dependent on the payments received under the PPI Funding Loan and other funds that may be received from Petroplus Holdings AG and its other subsidiaries. However, there is no obligation on the part of Petroplus Holdings AG and its other subsidiaries to provide funds to the Issuer. If payments on the PPI Funding Loan are not made by PPI, for whatever reason, the Issuer may not have funds available to it that would permit it to make payments on the Notes. In such circumstances, the holders of the Notes would have to rely upon claims for payment under the Guarantees and recoveries, if available, under the pledged PMAG Loans, which claims and recoveries would be subject to a number of significant risks, including those described below.

PPI, the borrower under the PPI Funding Loan, is an intermediate holding company that is an indirect parent company of certain of our operating subsidiaries. PPI has no material assets other than shares of its subsidiaries and certain intercompany loans, payables and receivables. As a consequence of the foregoing, PPI's ability to make payments under the PPI Funding Loan and, in turn, the Issuer's ability to make payments on the Notes, will be substantially dependent upon dividends, loans and other intercompany payments from PPI's subsidiaries. PPI's subsidiaries may not be able to generate sufficient cash to make such payments or have adequate distributable reserves to dividend funds to PPI for application to payments on the PPI Funding Loan. Furthermore, the ability of PPI's subsidiaries to distribute earnings to PPI by way of dividends, distributions, interest, returns on investments (including repayment of loans) and other payments is subject to various restrictions arising under applicable corporate law (which, for example, limit the amount that may be paid as a dividend out of the retained profit of the relevant entity) and contained in the debt instruments of such subsidiaries, including restrictions imposed by the Inventory Revolving Credit Agreement and other existing indebtedness. Future indebtedness of PPI's subsidiaries will also likely limit such payments.

Under certain circumstances, Petroplus Holdings AG or another of its Restricted Subsidiaries can be substituted for PPI as the borrower under PPI Funding Loan. Petroplus Holdings AG is currently considering a reorganization of its corporate structure, which could involve the solvent liquidation or

winding-up of PPI, in which case PPI would be replaced as the borrower under the PPI Funding Loan. The Indenture does not impose any financial requirements or any other significant limitations as to the identity of any substitute borrower under the PPI Funding Loan. It is possible that any substitute borrower under the PPI Funding Loan could be less creditworthy than PPI. Therefore, the risks associated with the ability to make payments on the PPI Funding Loan, and for the Issuer to make payments on the Notes, could be increased by such a substitution.

On the issue date of the Notes, the PPI Funding Loan will not be subject to any security interest. However, in the future, the PPI Funding Loan could be pledged to secure certain indebtedness, including other public debt of the Issuer, in which case it would also be pledged to secure the Notes on a *pari passu* basis.

Most of our subsidiaries will not guarantee the Notes, and the Notes and the Guarantees will be structurally subordinated to all of the claims of creditors of those non-guarantor subsidiaries.

As of the issue date, most of our subsidiaries will not guarantee the Notes. Moreover, as of the issue date, none of the Guarantors other than PRML will be operating companies or otherwise engage in revenue-generating activities. In the future, other subsidiaries will only be required to Guarantee the Notes under certain limited circumstances. The Indenture for the Notes does not limit the transfer of assets to, or the making of investments in, any of our restricted subsidiaries, including our non-Guarantor subsidiaries. Accordingly, we anticipate that our non-Guarantor subsidiaries will account for a substantial portion of our assets, liabilities, revenues and EBITDA in the future.

In the event that any of our non-Guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, the assets of the non-Guarantor subsidiary will be used first to satisfy the claims or its creditors, including its trade creditors, banks and other lenders. Only the residual equity value will be available to the Company and any other Guarantor (to the extent such Guarantor is a parent company of such subsidiary). Consequently, any claim under the Notes in respect of a non-Guarantor subsidiary will be structurally subordinated to all of the claims of the creditors of such non-Guarantor subsidiary.

Fraudulent conveyance laws and other limitations on the enforceability and the amount of the Guarantees may adversely affect the validity and enforceability of the Guarantees.

As of the issue date of the Notes, Petroplus Holdings AG and the Guarantors will guarantee the payment of the Notes on a senior basis. The Notes, the Guarantees, the PPI Funding Loan and the PMAG Loans may be subject to claims that they should be limited, subordinated or voided in favor of our existing and future creditors under Bermuda, Dutch, English, Swiss, New York or other applicable law. In addition, enforcement of each Guarantee will be limited to the extent that the amount which can be guaranteed by a particular Guarantor without rendering the Guarantee voidable or otherwise ineffective under applicable law. In addition, enforcement of any of the Guarantees against any guarantor will be subject to certain defenses available to Guarantors generally. These laws and defenses include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any Guarantee if it found that:

- the Guarantee was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor;
- the Guarantor did not receive fair consideration or reasonably equivalent value for the Guarantee, and the Guarantor:
  - was insolvent or was rendered insolvent because of the Guarantee;
  - was undercapitalized or became undercapitalized because of the Guarantee; or
  - intended or incur, or believed that it would incur, debts beyond its ability to pay at maturity; or
- the Guarantee was not in the best interests or for the benefit of the Guarantor.

The measure of insolvency for purposes of fraudulent conveyance and similar laws varies depending on the law applied. Generally, however, a Guarantor would be considered insolvent if it

could not pay its debts as they became due. In such circumstances, if a court voided such Guarantee, or held it unenforceable, you would cease to have any claim in respect of the Guarantor and would be a creditor solely of the Issuer and the remaining Guarantors.

You may not be able to enforce, or recover any amounts under, any senior subordinated Guarantees due to the subordination provisions and restrictions on enforcement contained in such Guarantees and in any future intercreditor agreement.

As of the issue date, each of the Guarantees of the Notes will be Senior Guarantees. However, in the future, certain subsidiaries that become Guarantors may guarantee the Notes on a senior subordinated basis. Any such Senior Subordinated Guarantee will rank behind, and will be expressly subordinated to, all of the existing and future designated senior indebtedness of the Guarantor. This subordination provides that:

- in the event of certain insolvency events involving a Senior Subordinated Guarantor (i) the holders of designated senior indebtedness of such Guarantor will be entitled to payment in full of all amounts outstanding under such senior debt before the trustee and the holders of the Notes would be entitled to payments under the Guarantee, (ii) the Trustee will be required to turn over any amounts it receives under the Guarantee to the holders of designated senior indebtedness until all amounts outstanding under the senior debt are paid in full, and (iii) the trustee, liquidator, administrator or other person distributing assets of the Guarantor will be required to pay any amounts payable to the trustee and the holders of the Notes under the Guarantee to the holders of designated senior indebtedness until all amounts outstanding under the senior debt are paid in full;
- the Senior Subordinated Guarantor may not make payments under the Guarantee in the event of a payment event of default under the designated senior indebtedness; and
- the holders of designated senior indebtedness of such may prevent such Guarantor from making payments to the trustee and the holders of the notes under the Guarantees for a period of up to 179 days in the event that there exists a non-payment event of default under the designated senior Indebtedness.

Furthermore, no enforcement action under the Senior Subordinated Guarantees may be taken unless:

- certain insolvency events in respect of the Guarantors are continuing; or
- an event of default under the Indenture has occurred and 179 days have elapsed since notice has been given to the agent under the designated senior indebtedness concerning such event of default.

The Senior Subordinated Guarantees are also subject to release under certain circumstances, including a sale or disposition of the assets or the shares of such Guarantor pursuant to an enforcement action by the holders of designated senior indebtedness that meets certain requirements.

The Indenture will permit the Trustee and the Security Agent under the Indenture to accede to an intercreditor agreement (without the consent of the holders of the notes) in favor of holders of designated senior indebtedness.

As a result of the subordination provisions described above, in the event of a liquidation, bankruptcy or other insolvency of a Senior Subordinated Guarantor, holders of Notes may recover less, ratably, than creditors of the Guarantors who are holders of designated senior indebtedness. As a result of the obligation to deliver amounts received in trust to holders of designated senior indebtedness, holders of Notes may recover less, ratably, than trade creditors of the Senior Subordinated Guarantors.

Recoveries under the PMAG Loans may be limited due to subordination provisions and legal restrictions on enforcement and other limitations.

On the issue date, the obligations under the Notes and the Indenture will be secured by a first-priority security interest in a number of intercompany loans from restricted subsidiaries to PMAG, which are referred to as the PMAG Loans. Each of the companies that are lenders under the PMAG Loans are Senior Guarantors of the Notes. Each of the PMAG Loans is a senior subordinated loan, which means that it ranks behind, and will be expressly subordinated to, all existing and future

designated senior indebtedness of PMAG. The PMAG Loans will be subordinated on terms similar to the subordination of the Senior Subordinated Guarantees to designated senior indebtedness.

The terms of the intercompany loans that comprise the PMAG Loans vary in principal amount, interest rate, interest periods and prepayment and do not match the terms of the Notes or the Funding Loan. These terms can generally be changed at the discretion of the parties to the PMAG Loans in the future, provided that (i) the principal amount of PMAG Loans outstanding is not less than the lesser of $1,000 million and the outstanding principal amount of the Notes and (ii) the PMAG Loans include a cross-default provision providing for the acceleration of the PMAG Loans in certain circumstances. Any payments made under the PMAG Loans by PMAG in the ordinary course will not be required to be used to by the PMAG Loan Lenders to make payments in respect of the Notes. Therefore, holders of the Notes should not rely upon the application of any such funds to service the Notes.

The Indenture will permit the issuance of Indebtedness of PMAG that can be secured by liens on the PMAG Loans. If such Indebtedness is designated senior indebtedness of PMAG, the security interest in respect of the PMAG Loans will rank ahead of the security interests on the PMAG Loans that secure the obligations under the Notes and the Indenture. If this occurs, then the proceeds of any enforcement of security interests on the PMAG Loans will be applied, first, to repay all designated senior indebtedness of PMAG and, thereafter, the obligations of PMAG under the PMAG Loans. In addition, under the Indenture, the trustee and the security agent are not permitted to enforce their junior ranking security interest on the PMAG Loans until the expiration or early termination of a standstill period similar to that applicable to the Senior Subordinated Guarantees.

Under certain circumstances, the substitution of the lenders under the PMAG Loans will be permitted. In addition, an existing PMAG Loan can be repaid and discharged, refinanced or replaced with one or more other intercompany loans to PMAG, which terms (subject to certain exceptions) may be substantially different than the terms of the former PMAG Loan. Any such substitution could require the amendment, restatement or release and retaking (or similar action) of the security interest on the PMAG Loans, which could result in a limitation, imperfection or new hardening period with respect to the security interest. This could materially impair the security interest, and ultimately lead to the security interest being voided.

Recovery under the PMAG Loans may also be limited by challenges or other claims on a number of grounds that such intercompany loans should be limited, subordinated or voided in favor of other third party creditors of PMAG under applicable law, including Swiss law and the law of the jurisdictions of the lenders of such loans. For example, the PMAG Loans could be challenged because the loans are between related parties or were not made for adequate consideration or treated as equity to the extent PMAG is deemed to be undercapitalized.

As a consequence of the foregoing factors and other possible limitations, the lenders under the PMAG Loans, the Trustee and the Security Agent for the Notes, and ultimately, the holders of the Notes, may not realize any recoveries at all in respect of the PMAG Loans.

We have not prepared, and do not intend to prepare, separate Guarantor or Issuer financial data.

We have not presented separate financial statements or summary financial data for the Subsidiary Guarantors or the Issuer in this Offering Memorandum and are not required to do so in the future under the Indenture for the Notes.

We may not be able to finance a change of control offer.

The Indenture for the Notes requires the Issuer to make an offer to repurchase the Notes at 101% of their principal amount if we experience a change of control. As described above, PPI depends on the cash flow of operating subsidiaries, and the Issuer relies on payments by PPI under the PPI Funding Loan to make payments on the Notes, including offers to repurchase. In addition, some of our existing indebtedness, and indebtedness that we may enter into in the future could also restrict the ability of the Issuer to finance a change of control offer. The Issuer's failure to effect a change of control offer when required would constitute an event of default under the indenture.

There is doubt as to the enforceability of civil liability provisions of U.S. or other securities laws.

The Issuer is a company incorporated under the laws of Bermuda. In addition, the directors of the Issuer are non-residents of the United States. All or a substantial portion of the assets of such persons are located outside the United States. As a result, it may be difficult or impossible for holders of the

Notes to effect service of process on the Issuer or such persons in the United States or to enforce in the United States judgments obtained in United States courts against the Issuer or such persons based on the civil liability provisions of the United States federal securities laws. Further, no claim may be brought in Bermuda against the Issuer or its directors in the first instance for violation of United States federal securities laws because these laws have no extraterritorial application under Bermuda law and do not have force of law in Bermuda. However, a Bermuda court may impose civil liability, including the possibility of monetary damages, on the Issuer or its directors if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

There is doubt as to whether the courts of Bermuda would enforce judgments obtained in other jurisdictions, including the United States, against the Issuer or its directors under the securities laws of those jurisdictions or entertain actions in Bermuda against the Issuer or its directors under the securities laws of other jurisdictions. Further there is no treaty in effect between the United States and Bermuda providing for the enforcement of judgments of United States courts in civil and commercial matters, and there are grounds upon which Bermuda courts may decline to enforce the judgments of United States courts. Some remedies available under the laws of United States jurisdictions, including some remedies available under the United States federal securities laws, may not be allowed in Bermuda courts as contrary to public policy in Bermuda. Because judgments of United States courts are not automatically enforceable in Bermuda or Ireland, it may be difficult for holders of the Notes to recover against the Issuer or its directors based upon such judgments.

Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

In the event that any one or more of the Issuer, the Guarantors or any of the Issuer's other subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

Certain Aspects of European Union Insolvency Law

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "**E.U. Insolvency Regulation**"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company will be the court of the Member State (other than Denmark) where the company concerned has its "center of main interests" (as that term is used in Article 3(1) of the E.U. Insolvency Regulation). The determination of where any such company has its "center of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views. It should also be noted that no final decisions have been taken in cases that have been brought before the European Court of Justice in relation to questions of interpretation or the effects of the E.U. Insolvency Regulation throughout the E.U.

Furthermore, "center of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the E.U. Insolvency Regulation that any such company has its "center of main interests" in the Member State in which it has its registered office, Preamble 13 of the E.U. Insolvency Regulation states that the "center of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties". In that respect, factors such as the place for the holding of board meetings, the place where the company conducts the majority of its business and the place where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its "center of main interests".

If the center of main interests of any such company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the E.U. Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the E.U. Insolvency Regulation. Insolvency proceedings opened in one Member State under the E.U. Insolvency Regulation are to be recognized in other Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the "center of main interests" of a debtor is in one Member State (other than Denmark) under Article 3(2) of the E.U. Insolvency Regulation, the courts of another Member State (other than Denmark) may open "territorial proceedings" in the event that such debtor has an "establishment" in the territory of such

other Member State. If the company does not have an establishment in any other Member State, no court of any other Member State shall have the ability to open territorial proceedings in respect of such issuer or guarantor under the E.U.

The Netherlands

PPI and RIVR are incorporated under the laws of the Netherlands and have their center of main interest in the Netherlands. Therefore, any insolvency proceedings in relation to PPI would likely be based on Dutch insolvency law. Dutch insolvency law differs significantly from insolvency proceedings in the United States and may make it more difficult for holders of Notes to recover the amount they would normally expect to recover in a liquidation or bankruptcy proceeding in the United States.

There are two primary insolvency regimes under Dutch law: the first, moratorium of payments (*surséance van betaling*), is intended to facilitate the reorganization of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate and distribute the proceeds of the assets of a debtor to its creditors. Such liquidation could also take place by way of a going concern sale. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*).

An application for a moratorium of payments can only be made by the company itself. Creditors of the company cannot apply for its suspension of payments. The managing directors of a company are authorised to request a suspension of payments and they do not need the approval of the general meeting of shareholders, unless the articles of association require such consent. Upon commencement of moratorium of payments proceedings, the court will grant a provisional moratorium (*voorlopige surseance van betaling*). Unless a draft composition (*akkoord*) is filed simultaneously with the application for moratorium of payments, a meeting of creditors is required to decide on the definitive moratorium. The definitive moratorium will generally be granted. The moratorium of payments is only effective with regard to unsecured non-preferential creditors. Unlike Chapter 11 proceedings under U.S. bankruptcy law during which both secured and unsecured creditors are generally barred from seeking to recover on their claims during a moratorium of payments, under Dutch law, secured and preferential creditors (including tax and social security authorities) may enforce their rights against assets of the Subsidiary Guarantors to satisfy their claims as if there were no moratorium of payments. However, the court may order a "cooling down period" for a maximum period of two months which can be extended by another two months during which enforcement actions by secured creditors are barred. In a moratorium of payments, a composition (*akkoord*) may be offered to creditors. Such a composition will be binding on all unsecured and non-preferred creditors if it is approved by a qualified majority of (i) two-thirds in number of the creditors represented at the creditors' meeting, representing 75% in amount of the claims that are admitted for voting purposes and (ii) subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could reduce the recovery of a holder of Notes in a Dutch moratorium of payments proceedings. Interest payments that fall due after the date on which a moratorium of payments is granted cannot be claimed in a composition.

Under Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative claims of those creditors. The board of managing directors of the company can only apply for bankruptcy after it has received shareholder authorization, unless the articles of association of the company specify that no such approval is required. Certain creditors (such as secured creditors and tax and social security authorities) will have special rights that may adversely affect the interests of holders of Notes. For example, secured creditors may enforce their rights against the assets of the subsidiary purchasers that are subject to their security rights and/or the Subsidiary Guarantors to satisfy their claims under a Dutch bankruptcy as if there is no bankruptcy. Consequently, Dutch insolvency laws could reduce your potential recovery in a Dutch bankruptcy proceeding. As in moratorium of payments proceedings, the court may order a "cooling down period" for a maximum of two months, which can be extended for another two months, during which enforcement actions by secured creditors are barred. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Generally, contractual provisions to the effect that a claim will become due and payable upon the bankruptcy of the debtor of such claim, are enforceable as a matter of Dutch law. In the absence of a contractual arrangement in this regard, the following applies. Claims that become due and payable within one year from the start of the bankruptcy are treated as if they were due and payable at the start of the bankruptcy. All claims that become due and payable more than one year after the start of the bankruptcy are admitted in the bankruptcy for their net present value calculated as of one year

since the start of the bankruptcy. Each of these claims will have to be submitted to the bankruptcy trustee (*curator*) of the issuer and the Subsidiary Guarantors to be verified. "Verification" under Dutch law means that the receiver determines the value of the claim and whether and to what extent it will be admitted in the bankruptcy proceeding. Interest payments that fall due after the date of the bankruptcy cannot be verified. Generally, in a creditors' meeting (*verificatie-vergadering*), the receiver, the insolvent debtor and all verified creditors may dispute the verification of claims of other creditors. Creditors whose claims or value thereof are disputed in the creditors meeting may be referred to a separate court proceeding (*renvooi procedure*). These renvooi procedures could cause holders of Notes to recover less than the principal amount of their Notes or less than they could recover in a U.S. liquidation. Such renvooi procedures could also cause payments to the holders of Notes to be delayed compared with holders of undisputed claims. Further, in a bankruptcy a composition may be offered to creditors, which may be binding on creditors in the same manner as set forth above in relation to a moratorium. A contractual subordination of the subsidiary guarantees in respect of certain other indebtedness of the issuer and/or the Subsidiary Guarantors should be given effect, as much as possible under Dutch law, in accordance with such contract terms.

A bankruptcy trustee can force the secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have to share in the bankruptcy costs. Excess proceeds of enforcement must be returned to the issuer in its insolvency and they may not be set-off against an unsecured claim of the secured creditor on the issuer. Such set-off is allowed prior to the issuer's insolvency.

Simultaneously with the opening of the bankruptcy of a Subsidiary Guarantor organized under the laws of the Netherlands, a Dutch bankruptcy trustee (*curator*) will be appointed. Such appointment will have an overriding effect on the appointment of a receiver as set out in the relevant security documents. The appointment of such bankruptcy trustee cannot prevent the Subsidiary Guarantor from being declared bankrupt in the Netherlands. Any future rights or assets acquired by such guarantor after it has been declared bankrupt or after it has been granted a moratorium of payments will not be subject to the security interests created by the relevant security documents.

United Kingdom

Under English law, if PRML were to go into liquidation, or administration or other insolvency proceeding, the maximum that holders of the Notes will be able to recover against PRML is the principal amount of the Notes and any interest on the Notes accruing up to the date of liquidation or administration, although this would depend on the extent to which PRML had funds available to pay such amounts, having already paid any prior-ranking creditors. Holders of the Notes would not be able to recover any interest payable under the Notes from PMRL after PRML went into liquidation or administration, unless there were to be a surplus remaining after the payment of all of PRML's other debt.

Upon liquidation of PRML, the order of priorities is such that debts due to any holders of fixed charges are paid first to the extent they are secured by such charges. Following payment of such debts, preferential debts would be paid. Such debts may include: amounts owed in respect of occupational pension obligations; and certain amounts owed to employees. Thereafter, any debts owing to any holder of a floating charge would be paid to the extent they are secured by that charge. A certain proportion of the assets covered by any floating charge would be "ring-fenced" and made available pro rata to unsecured creditors (including holders of the Notes). The exact amount will depend on the total value of PRML's property—currently the total ring-fenced amount cannot exceed £600,000 but this may be increased by subsequent legislation. Unsecured debts, including PRML's obligation under this guarantee, which are not preferential debts, would be paid after those prior liabilities.

Under English insolvency law, a liquidator or administrator of a company has certain powers to apply to court to challenge transactions entered into by a company if the company is insolvent (as defined in the UK Insolvency Act 1986) at the time of the transaction or if the company becomes insolvent as a result of the transaction and the transaction takes place up to two years prior to the administration or liquidation. A transaction might be challenged in this way if it involved a gift by the company or the company received significantly less value than it gave in return. A court will not intervene, however, if it is satisfied that the company entered into the transaction in good faith for the purposes of carrying on its business and if, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. A transaction might also be challenged where the company has done something to put a creditor, surety or guarantor in a better position than the one he

would have been in in the event of the company going into insolvent liquidation. A court will not intervene however when the company was not influenced by a desire to put this person in a better position in the event of insolvent liquidation. The Issuer cannot be sure that, in the event of PRML becoming insolvent within two years of the issuance of the Notes, the issuance of the Notes and the provision of the related guarantees will not be challenged by a liquidator or administrator or that a court would uphold the transaction as valid.

Switzerland

Petroplus Holdings AG is registered in the Commercial Register of Zug, Switzerland, and has its registered office in Zug, Switzerland. It is therefore subject to the bankruptcy proceedings according to the Swiss Federal Statute on Debt Collection and Bankruptcy, and the courts of Zug, Switzerland, will have jurisdiction to open bankruptcy proceedings. Bankruptcy can be initiated in Switzerland by a creditor without such creditor being forced to prove its claim, and bankruptcy proceedings will begin if the debtor is not opposing or if the opposition is definitely removed. All assets of Petroplus Holdings AG, even if located abroad, are in principle subject to the Swiss bankruptcy. However, with regard to assets located outside Switzerland, the Swiss bankruptcy decree is enforceable only if it is recognized at the place where such assets are located.

Under Swiss bankruptcy proceedings, the assets of the debtor are generally liquidated and the proceeds distributed to the debtors' creditors on the basis of their relative claims. However, certain creditors (such as secured creditors, claims of employees and certain tax claims and claims of certain compulsory insurances) will be satisfied with priority. Once a debtor is declared bankrupt, the obligation to pay interest stops. The ability of holders of Notes to recover interest from the Guarantor is therefore limited. Furthermore, as explained above, certain creditors are paid before the holders of Notes will be paid.

Furthermore, the ability of creditors to recover their investment from the Guarantor might be limited due to the Swiss rules applicable in case of a reorganization of the Guarantor and in particular by a debt restructuring agreement provided such an agreement is (i) ratified by either a majority of the creditors with at least two thirds of the total claims or a quarter of the creditors with at least three quarters of the total claims and (ii) approved by the competent court. To facilitate the negotiation of a debt restructuring agreement the competent court might decide to approve a debt restructuring moratorium for a period of four to six months. As long as such a moratorium is in place, it will not be possible to enforce the guarantee by way of Swiss debt collection proceedings, and the obligation to pay interest stops as from the date the moratorium comes into force.

Under Swiss law, a liquidator or administrator of a company has certain powers to challenge transactions entered into by a company if such company is declared bankrupt on the basis of undue preference in insolvency or if certain transactions are fraudulent.

Foreign bankruptcy decrees issued in the country of a debtor's domicile may be recognized in Switzerland only provided that (i) the bankruptcy decree is enforceable in the country where it was issued, (ii) its recognition is not against Swiss public policy and (iii) the country which issued the bankruptcy decree grants reciprocity to Switzerland.

Bermuda

The Issuer and Petroplus Bermuda, one of the Guarantors, are Bermuda companies and are subject to Bermuda laws. Bermuda is a self-governing dependent territory of the United Kingdom. Bermuda's legal system is based upon the English legal system. Bermuda has its own legislature, which enacts legislation for Bermuda. In addition, certain U.K. legislation is extended to Bermuda by the U.K. legislature and is effective in Bermuda.

Bermuda courts frequently cite and apply English case law, and decisions of the English House of Lords and Court of Appeal are regarded as highly persuasive and are generally followed by Bermuda courts. Decisions of English trial courts and Commonwealth courts are also cited in Bermuda. Their persuasiveness depends on the strength of the judicial reasoning and the standing of the judge who issued the decision. The Judicial Committee of the Privy Council sitting in London is the highest appellate court for Bermuda and decisions of that Committee are formally binding upon Bermuda courts.

Bermuda law recognizes the rights of secured creditors to enforce security given by a Bermuda company over its property. Secured creditors may appoint receivers if this right is expressly given in the

relevant charge document or a Bermuda court may do so in its discretion. Bermuda's insolvency regime is otherwise premised upon the concept of *pari passu* distribution of assets amongst the creditors of the insolvent company.

The two types of insolvency proceedings to which a Bermuda company may be subject in Bermuda are liquidation and receivership. Two additional reorganization processes under Bermuda law not necessarily related to the insolvency of the party are first, winding-up on just and equitable grounds and second, schemes of arrangement.

There are two types of insolvent liquidations in Bermuda: voluntary and compulsory. The former is usually referred to as a "creditors voluntary", brought at the instance of the company itself, while the latter is commenced by way of a petition presented to the Supreme Court in Bermuda by creditors or shareholders upon which the court is asked to make a winding-up order. There are a number of circumstances provided for in Section 161 of the Bermuda Companies Act 1981 in which a Bermuda company may be wound up by the Court, the most common of which is when the company is insolvent.

In the case of insolvency, the petition can be presented by either the company, a creditor or shareholder. For this purpose, "creditor" includes a contingent or prospective creditor. The petitioner must show that the company is insolvent. Insolvency can be proved in one or three ways:

- first, commercial insolvency: the company is unable to pay its debts as they fall due;
- second, balance sheet insolvency: assets do not exceed liabilities; or
- third, if a statutory demand for a liquidated sum has been served on the company and remains unpaid, without reasonable excuse, for three weeks.

Upon granting the appointment of a liquidator, the rights and duties of the directors of an insolvent Bermuda company cease. The liquidator is required to collect in the assets and distribute them *pari passu* amongst unsecured creditors.

There are no bankruptcy treaties in force under the laws of Bermuda.

A Bermuda court may make an order in a Bermuda liquidation proceeding that will aid insolvency proceedings involving assets of a Bermuda company located outside Bermuda. These order may include (i) making such orders or granting such relief as may be appropriate to facilitate or implement arrangements to co-ordinate Bermuda insolvency proceedings with foreign insolvency proceedings; (ii) appointing a provisional liquidator of any property of the debtor; (iii) staying or terminating or making any order in relation to Bermuda insolvency proceedings as the court considers appropriate; and (iv) making such orders or granting such other relief as the court considers appropriate.

Under Bermuda law, certain transactions may be set aside or otherwise be varied or amended by order of a Bermuda court when an insolvent Bermuda company goes into liquidation. Principally these are where an impugned transaction is a fraudulent preference or a transaction that constitutes a fraud on creditors.

Section 237 of the Bermuda Companies Act 1981 provides that transactions involving payments to creditors within six months prior to a petition for insolvent liquidation being presented may be set aside if the transactions were made with the dominant intention of preferring those creditors over others.

Under the Conveyancing Act 1983 of Bermuda, as amended, certain dispositions of a Bermuda company's property are voidable if the (i) disposition was made with the dominant purpose of putting the property out of the reach of creditors; and (ii) an obligation to the person seeking to set the disposition aside existed at the time of the disposition or was reasonably foreseeable at that time. The limitation period on such dispositions is six years from the transfer, or, if later, from the time when the obligation arose or cause of action accrued. Transactions entered into on an arms length basis are unlikely to constitute transactions which are capable of being avoided under this statute.

Under Section 166 of the Bermuda Companies Act 1981, any disposition of the company's property made after the commencement of the winding-up is, unless the court orders otherwise, void. Directors and officers may be personally liable for the company's debts if it is determined that they carried on the business of the company knowing it was insolvent and with the intent to defraud creditors. A liquidator has power to investigate the affairs of an insolvent company and to determine and, if felt necessary, take action against directors for breach of duty.

Any floating charge made within 12 months immediately preceding presentation of the petition shall be invalid unless the company was solvent at the time of creation or the charge was in respect of monies advanced specifically at the time the security was given.

Set-off in respect of debts is permissible provided there is mutuality and the sum in question is a debt as at the date of liquidation.

A final and conclusive judgment in the superior courts of the United Kingdom against the Issuer or Petroplus Bermuda under which a sum of money is payable (not being in respect of multiple damages, or a fine, penalty, tax or other charge of similar nature) would, on registration in accordance with the provisions of The Judgments (Reciprocal Enforcement) Act 1958 of Bermuda, be enforceable in the Supreme Court of Bermuda against a Bermuda company without the necessity of any retrial of the issues subject of such judgment or any re-examination of the underlying claims. However, where such foreign judgment is expressed in a currency other than Bermuda dollars, the registration will involve the conversion of the judgment debt into Bermuda dollars on the basis of the exchange rate prevailing at the date of such judgment as is equivalent to the judgment sum payable. The present policy of the Bermuda Monetary Authority is to give consent for the Bermuda dollar award made by the Supreme Court of Bermuda to be paid in the original judgment currency.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and we have not undertaken to effect any exchange offer for the Notes in the future. You may not offer the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, or pursuant to an effective registration statement. The Notes and the Indenture will contain provisions that will restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S, or other exceptions, under the U.S. Securities Act. Furthermore, we have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "Notice to Investors".

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be more limited.

The Notes are new securities for which there currently is no market. Although an application has been made to the Irish Stock Exchange to list the Notes on the Alternative Securities Market thereof and an application will be made to make the Notes eligible for trading in PORTAL, we cannot assure you that the Notes will become or remain listed. We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which holders of the Notes may be able to sell them. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as recommendations of securities analysts. The Initial Purchasers have informed us that they intend to make a market in the Notes. However, they are not obligated to do so and may discontinue such market-making at any time without notice. As a result, we cannot assure you that an active trading market for the Notes will develop or, if one does develop, that it will be maintained.

The liquidity of, and trading market for, the Notes may also be hurt by general declines in the market for similar securities. Such a decline may adversely affect any liquidity and trading of the Notes independent of our financial performance and prospects.

USE OF PROCEEDS

The estimated net proceeds of the Offering of the Notes will be $1,182.0 million (CHF 1,422.7 million) after deducting estimated offering expenses. We intend to use the net proceeds of the Offering of the Notes to fund part of the purchase price for our planned acquisition of the Coryton refinery and related supply and distribution operations and to pay related expenses. We intend to fund the remainder of the purchase price of the Coryton refinery acquisition and related fees and expenses primarily with borrowings under our working capital facilities.

In addition, we expect to receive estimated net proceeds of $608.7 million (CHF 732.0 million) from the Equity Offering assuming that the New Shares will be sold at an offer price of CHF 100.00 per share. The Equity Offering is expected to close on April 30, 2007. We will use the net proceeds of the Equity Offering primarily to repay borrowings under our working capital facilities. In a first step, the proceeds will be used to subscribe for additional shares of our subsidiary Argus International Limited.

The following table sets forth the estimated sources and uses of the proceeds from the Offering of the Notes and the Equity Offering and reflects the completion of the purchase of the Coryton refinery and related supply and distribution operations.

Source of Funds	($ million)	Uses of Funds	($ million)
Notes Offering	$1,200.0	Purchase of the Coryton refinery[1]	$1,700.0
Equity Offering	631.7	Repay borrowings under working capital facilities	560.0
Drawings under working capital facilities to fund Coryton	450.0	General corporate purposes and investments	71.7
Cash on hand	91.0	Commissions, fees and estimated other expenses related to the Financing Transactions	41.0
Total sources	$2,372.7	**Total uses**	$2,372.7

(1) The purchase price for the Coryton refinery is approximately $1.4 billion, plus the value of net working capital to be determined at closing. Our current estimates, based on current market conditions and information provided by BP, value net working capital at approximately $300 million.

The Offering of the Notes will be consummated prior to the closing of the acquisition of the Coryton refinery. The proceeds from the sale of the Notes will not be placed in escrow pending the completion of the acquisition of the Coryton refinery. Consummation of the acquisition is subject to certain customary closing conditions, including review and approval from the relevant competition authorities. If the acquisition is not consummated or if the BSA for the Coryton refinery is terminated, we will not be required to redeem the Notes and expect that we would use the proceeds of the offering of the Notes for general corporate purposes, including any future acquisitions. Pending such use of the proceeds, we intend to invest the proceeds in deposits and money market instruments.

FINANCING TRANSACTIONS

The Financing Transactions consist of the Equity Offering and the Offering of the Notes.

The issue of the New Shares pursuant to the Equity Offering has been underwritten by Credit Suisse, Morgan Stanley Bank AG, UBS AG, acting through its division UBS Investment Bank, Bank Vontobel AG and JPMorgan. The underwriting agreement for the Equity Offering provides that the obligations of the underwriters are subject to certain conditions precedent, including the absence of any material adverse change in our business. The underwriters also have the right to terminate the underwriting agreement upon the occurrence of certain events. The Equity Offering is expected to close on April 30, 2007.

CAPITALIZATION

The table below sets forth consolidated capitalization and other balance sheet information for us as of December 31, 2006 on an actual basis and on an adjusted basis to reflect:

- the acquisition of the Ingolstadt refinery on March 31, 2007 as though this acquisition had taken place on December 31, 2006; and
- the Equity Offering, the Offering of the Notes, the application of the net proceeds from these offerings as described under "Use of Proceeds" and the acquisition of the Coryton refinery as though such events had taken place on December 31, 2006.

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum.

	As of December 31, 2006	
	Actual	**Adjusted**
	(unaudited) ($ millions)	
Cash and short-term deposits	$ 91.6	$ 7.6
Existing working capital facilities	$ 0	$ 452.8
Total senior debt	**$ 0**	**$ 452.8**
Notes Offering	0	$1,200.0
Total debt	**$ 0**	**$1,652.8**
Total shareholders' equity	1,555.1	2,163.8
Total capitalization	**$1,555.1**	**$3,816.6**

You can find more information about the terms of our working capital facilities under "Description of Other Indebtedness".

SELECTED FINANCIAL AND OPERATIONAL DATA

The following table sets forth selected financial data and other operating information of Petroplus Holdings AG. The selected financial data in the table are derived from the consolidated financial statements of Petroplus Holdings AG. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Consolidated Financial Statements, related notes and other financial information included elsewhere in this Offering Memorandum.

RIVR purchased PPI in March/April 2005 and subsequently delisted PPI from the Euronext in Amsterdam. Therefore, in accordance with IFRS, the period ended December 31, 2005 the Consolidated Financial Statements reflects only the nine months of operations for PPI following RIVR's purchase of PPI. You can find adjusted unaudited information about what our results of operations would have been for the year ended December 31, 2005 had PPI been consolidated for the full year under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations".

On May 31, 2006, we purchased EPH, the holding company for the BRC refinery and related wholesale marketing businesses. Therefore, the Consolidated Financial Statements reflect the results of operations and cash flows of EPH for only the period from June 1 to December 31, 2006. You can find adjusted unaudited information about what our results of operations would have been had EPH been excluded from our Financial Statements for all of 2006 under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" and the notes to the Consolidated Financial Statements.

We have pursued a strategy of divesting our non-core assets, or businesses that were not related to the refinery and wholesale marketing operations. This strategy was substantially completed in 2006. As of December 31, 2006, we had received approximately $600 million of proceeds from divestitures in 2006 and 2005. We have recorded the gains from the divestitures of our non-core assets under the line item gain from discontinued operations, net of tax, in our consolidated income statement. You can find more information about the divestiture of our non-core assets under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—Sale of Non-Core Assets/Discontinued Operations."

None of the selected financial and operational information set forth below reflects our acquisition of the Ingolstadt refinery on March 31, 2007 or our planned acquisition of the Coryton refinery, which is expected to close in the second quarter of 2007.

You can find more information about the acquisition of the Ingolstadt refinery in "Management's Discussion and Analysis of Financial Condition and Results of Operations—The Ingolstadt Refinery", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook" and "Business—Oil Refining Operations—Ingolstadt Refinery" and about the Coryton refinery in "Management's Discussion and Analysis of Financial Condition and Results of Operations—The Acquisition of the Coryton Refinery", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook" and "The Acquisition of the Coryton Refinery".

For the above-mentioned reasons, and the discontinuation of our refining margin hedging program, the selected financial and operational information set forth below is not indicative of our results of operations, financial position or cash flows for subsequent periods.

	Year Ended December 31,	
	2006[1]	2005[2]
	($ million, except as noted)	
INCOME STATEMENT DATA (Audited):		
Revenue	$ 6,923.0	$ 4,188.3
Materials costs	(6,376.8)	(3,977.3)
Gross margin	$ 546.2	$ 211.0
Personnel expenses	(115.5)	(56.1)
Operating expenses	(139.8)	(66.5)
Depreciation and amortization	(74.9)	(39.0)
Other administrative expenses	(36.5)	(13.0)
Operating profit	$ 179.5	$ 36.4
Financial expense, net	(85.5)	(51.2)
Financial currency exchange gains/(losses)	4.9	(3.0)
Share of income from associates	0.3	—
Profit/(loss) before income taxes	$ 99.2	$ (17.8)
Income taxes	(25.1)	(10.3)
Net income/(loss) from continuing operations	$ 74.1	$ (28.1)
Gain from discontinued operations, net of tax	369.5	26.5
Net income/(loss) available to minority interests	0.2	1.1
Net income/(loss) available to shareholders	$ 443.4	$ (2.7)
BALANCE SHEET DATA (end of period) (Audited):		
Cash and short-term deposits	$ 91.6	$ 65.9
Total working capital[3]	$ 648.6	$ (225.5)
Total assets	$ 3,014.8	$ 2,452.2
Total long-term debt, including current portion	—	$ 555.3
Total equity	$ 1,555.1	$ 29.8
CASH FLOW DATA (Audited):		
Cash (used in) provided by continuing operating activities	$ (250.7)	$ 77.9
Cash (used in) continuing investing activities	$ (466.6)	$ (340.1)
Cash provided by continuing financing activities	$ 156.1	$ 283.2
Net cash from discontinued operations	$ 598.7	$ 38.5
Capital expenditures for property, plant equipment	$ 68.5	$ 87.4
BRC refinery acquisition expenditures[4]	$ 429.2	—
KEY FINANCIAL DATA (Unaudited):		
EBITDA[5]	$ 259.6	$ 72.4
Net financial debt[6]	$ (91.6)	$ 489.4
Hedging gain/(loss)[7]	$ 182.6	$ (31.3)
KEY OPERATING STATISTICS (Unaudited):		
Throughput (thousands of bpd)[8]:		
Crude unit throughput	192.9	158.7
Other throughput	8.1	1.0
Total throughput	201.0	159.7
Production (thousands of bpd)[8]	201.5	160.2
Refinery operating expenses[9]	$ (139.8)	$ (66.5)

(1) We acquired EPH on May 31, 2006. Therefore, except as otherwise indicated, the data set forth below reflects only 214 days of operations for the BRC refinery.

(2) Includes only nine months of operations for PPI.

(3) Total working capital represents current assets less current liabilities, excluding assets and liabilities held for sale. Unaudited.

(4) Derived from the Consolidated Financial Statements.

(5) The following table reconciles net income to EBITDA for the years indicated:

	Year Ended December 31,	
	2006	2005
	($ million)	
Net income/(loss) from continuing operations	$ 74.1	$(28.1)
Income taxes	25.1	10.3
Depreciation and amortization	74.9	39.0
Financial expense, net	85.5	51.2
EBITDA	$259.6	$ 72.4

(6) Represents interest-bearing loans and borrowings (including current portion) less cash and short-term deposits.

(7) Represents the gains and losses on refining margin commodity hedges. The audited 2005 figure represents the period from April 2005 until December 2005. Excludes gains and losses on other commodity hedges in relation to price management activities in the ordinary course of business.

(8) To facilitate year-to-year comparability, we have included a full 12 months of data for 2005 for our refining operations.

(9) Refinery operating expenses reflect all costs that are directly related to the operation of our refineries. Refinery operating expenses include energy expenses; chemical expenses; general and administrative expenses; utilities; maintenance; project expenses; safety, health and environmental costs; and other expenses related to refinery operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is derived from, and should be read in conjunction with, the Petroplus Holdings AG Consolidated Financial Statements and the related notes to those financial statements included elsewhere in this Offering Memorandum. The following discussion of our financial condition and results of operations contains forward-looking statements that are based on assumptions about our future business developments. As a result of many factors, including the risks set forth under the caption "Risks Relating to Our Business and Our Industry" and elsewhere in this Offering Memorandum, our actual results may differ materially from those anticipated by these forward-looking statements.

As we acquired the Ingolstadt refinery on March 31, 2007, this refinery's results are not reflected in the Consolidated Financial Statements. Therefore, we have discussed the Ingolstadt refinery separately below under "—Outlook—The Ingolstadt Refinery".

Overview

We are one of the largest independent refiners and wholesalers of petroleum products in Europe. We are focused on refining and currently own and operate four refineries across Europe: the BRC refinery in Antwerp, Belgium, the Cressier refinery in the canton of Neuchâtel, Switzerland, the Ingolstadt refinery in Ingolstadt, Germany and the Teesside refinery in Teesside, United Kingdom. We acquired the Ingolstadt refinery from ExxonMobil on March 31, 2007. We have also entered into a BSA with BP to acquire the Coryton refinery and related businesses located on the Thames Estuary in the United Kingdom. We also own and operate a bitumen and gasoil processing facility in Antwerp, Belgium. Our existing four refineries have a combined throughput capacity of approximately 405,000 bpd. Based on information provided by the seller, the Coryton refinery has a crude oil throughput capacity of approximately of 172,000 bpd and can process up to an additional 70,000 bpd of other feedstocks. We sell our refined petroleum products to distributors and end customers, primarily in Germany, Switzerland, the United Kingdom and the Benelux countries as well as on the spot market.

We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe spot-market purchases and short-term contracts give us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis than long-term contracts. Since our BRC and Cressier refineries have access, either directly or through pipeline connections, to deepwater terminals, we have the flexibility to purchase our crude oils from a number of different countries. In addition, the Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk crude oil pipeline. This provides us with a cost advantage as it allows the refinery to receive Ekofisk crude oil at the refinery with minimal transportation costs.

Our supply and distribution group, which is centrally based in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude oil and other feedstocks for each refinery and the off take of each refinery's refined petroleum products. This group is also responsible for managing our price exposure and related risks.

We generated revenues of $6,923.0 million and EBITDA of $259.6 million for the year ended December 31, 2006 on a consolidated basis (which does not include our acquisition of Ingolstadt refinery on March 31, 2007 or our planned acquisition of the Coryton refinery and includes only 214 days of operations of EPH).

Factors Affecting Comparability

RIVR's Purchase of PPI

In March/April 2005, RIVR purchased PPI. Subsequent to its purchase, RIVR delisted PPI from the Euronext in Amsterdam. Therefore, in accordance with IFRS, the year ended December 31, 2005 in the Consolidated Financial Statements reflects only nine months of operations for PPI following RIVR's purchase of PPI. Additionally, in connection with the going-private transaction, PPI repurchased its 10.5% senior notes due 2010, which resulted in an expense of approximately $28.5 million, relating to deferred financing costs associated with the senior notes.

Acquisition of European Petroleum Holdings N.V.

On May 31, 2006, we acquired 100% of the voting shares of EPH, the holding company for the BRC refinery. The purchase price was $506.8 million, plus acquisition fees of $4.4 million. The net cash paid for EPH was $429.2 million, which comprises the purchase price of $511.2 million less $82.0 million of cash acquired. PPI performed a preliminary purchase price allocation as of May 31, 2006, and no intangible assets or goodwill were identified at the time. Once the valuation has been finalized, the preliminary purchase price allocation will be adjusted as necessary. You can find more information on the purchase consideration and the purchase price allocation for EPH in Note 30 to the Consolidated Financial Statements.

Corporate Structure, Initial Public Offering, Extinguishment of Debt

In August 2006, the shareholders of RIVR contributed their shares in RIVR to Argus in return for shares in Argus, which resulted in Argus becoming the ultimate parent of RIVR. Argus subsequently transferred its registered office from Bermuda to Switzerland and changed its name to Petroplus Holdings AG. RIVR is now a wholly owned subsidiary of Petroplus Holdings AG. On November 30, 2006, Petroplus Holdings AG completed the IPO of 18.0 million of newly issued shares. In combination with the IPO, RIVR Holding B.V. sold approximately 66.3% of its 94.5% stake in Petroplus Holdings AG in a secondary offering of 22.0 million shares. On December 5, 2006, upon exercise of the over-allotment option, another 6.0 million shares of Petroplus Holdings AG were sold into the market, of which 45.0%, or 2.7 million shares, were provided by Petroplus Holdings AG and the remainder were provided by RIVR Holding B.V. The net proceeds from the offering to Petroplus Holdings AG as well as the proceeds of the RIVR Holding B.V.'s repayment of its note as described below under "—Sale of Non-Core Assets/Discontinued Operations" were used to pay down all of our then outstanding borrowings.

Sale of Non-Core Assets/Discontinued Operations

In August 2006, we sold our non-core assets, or businesses that were not related to the refinery and wholesale marketing operations, to RIVR Holding B.V., 4Gas B.V., RIVR Divestment B.V. or buyers unaffiliated with our group and shareholders. These non-core assets included, among others:

- the 4Gas group, which is engaged in developing and operating liquefied natural gas terminals.
- the Petroplus, Milford Haven and German tank storage groups, which are engaged in the provision of tank storage facilities to the oil industry;
- the bunkering group of companies, including the Frisol group, Reinplus van Woerden Holding B.V. and North Sea Petroleum B.V., which are engaged in the wholesale bunkering and trading business; and
- the Oxyde Chemicals group, which is engaged in the chemicals and plastics trading and distribution business.

As of December 31, 2006, Petroplus had received approximately $600 million of proceeds from these sales.

In addition, PPI entered into a non-binding memorandum of understanding with 4Gas B.V. to negotiate the sale of PPI's shares in Dragon LNG and Milford Energy Limited. This transaction closed in February 2007.

You can find additional information about the sale of our non-core assets in Notes 7, 8 and 31 to the Consolidated Financial Statements.

Factors Affecting Operating Results

Overview

Our earnings and cash flows from operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. The cost to acquire crude oil and other feedstocks and the price of refined petroleum products ultimately sold depend on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline, diesel and other refined petroleum products, which, in turn, depend on, among other factors, changes in global and regional economies, weather conditions, global and regional political affairs, production levels, the

availability of imports, the marketing of competitive fuels, pipeline capacity, prevailing exchange rates and the extent of government regulation. Our revenue and operating income fluctuate significantly with movements in industry refined petroleum product prices; our material costs fluctuate significantly with movements in crude oil prices; and our other operating expenses fluctuate with movements in the price of energy to meet the power needs of our refineries and processing facility. In addition, the effect of changes in crude oil prices on our operating results is influenced by how the prices of refined products adjust to reflect such changes.

Crude oil and other feedstock costs and the prices of refined petroleum products have historically been subject to wide fluctuation. Expansion and upgrading of existing facilities and installation of additional refinery distillation or conversion capacity, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction or increase in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for refined petroleum products, such as for gasoline and diesel, during the summer driving season and for home heating oil during the winter.

Benchmark Refining Margins

Introduction

In assessing our operating performance, we compare the refining margins (revenue less materials costs) of each of our refineries against a specific benchmark industry refining margin based on a crack spread. Benchmark refining margins take into account both crude and refined petroleum product prices. When these prices are combined in a formula they provide a single value—a gross margin per barrel—that, when multiplied by a throughput number provides an approximation of the gross margin generated by refining activities.

A refinery's performance generally does not follow a published benchmark industry refining margin exactly. Most published benchmarks are created using a single crude oil. This is often the lightest, sweetest crude oil for that region, such as Dated Brent for northwest Europe. A refinery typically runs a crude oil slate that includes more than just that specific benchmark crude oil or runs a different crude oil altogether, thereby creating a differential to the published benchmark. For example, a refinery might run a crude oil slate that includes a mixture of Dated Brent and Urals. As Urals prices at a discount to Dated Brent, this crude oil slate would result in a different refining margin than an industry benchmark calculated using only Dated Brent. A refinery may also achieve a price differential due to the location of the quoted benchmark products relative to the location where the refinery's products are actually sold. For example, a quote for 95 octane gasoline f.o.b. may be made by reference to the price for this product in the Antwerp-Rotterdam-Amsterdam ("**ARA**") region, while a specific refinery might be located in an inland market where it is able to achieve an inland premium for its products due to lower product transportation costs compared to imported products. In addition to these factors, a refinery's production typically does not match the weighted values of products within a calculated published benchmark. For example, a 2/1/1 benchmark refining margin means that for every two barrels of crude oil processed, one barrel of a particular refined product and one barrel of another refined product will be produced in equal portions. A refinery that uses a 2/1/1 margin for its reference benchmark may produce more than two types of refined products, which could affect the refinery's performance, positively or negatively, relative to the reference benchmark depending on the mix of products produced. Another factor affecting a refinery's performance relative to a reference benchmark is the actual quality of products produced by the refinery. For example, a refinery may produce super unleaded 98 octane gasoline, while its benchmark may be calculated by reference to premium 95 octane gasoline. This would cause a disparity due to the higher value of super unleaded 98 octane gasoline compared to premium 95 octane gasoline.

Our refineries' actual results will vary from reference benchmarks as our refineries have different crude oil, product slates and ancillary costs than those reflected in the benchmarks, such as crude oil and product-grade differentials, transportation costs, storage and credit fees, inventory fluctuations and price-risk management, or hedging activities. As discussed in more detail below, each of our refineries, depending on market conditions, has certain feedstock-cost and product value advantages and disadvantages as compared to the refinery's relevant benchmark.

Our Benchmark Refinery Margins

As the performance of our refineries does not closely follow any of the currently published benchmark industry refining margins, we have created benchmark refinery margins, based upon publicly available pricing information, for each of our refineries that more closely reflects each of our refinery's actual performance. These benchmark refining margins are set forth in the following table:

Benchmark Refining Margins

BRC refinery 6/1/2/2/1	six Dated Brent/one gasoline/two gasoil/two VGO/one 3.5% fuel oil
Cressier refinery 7/2/4/1	seven Dated Brent/two gasoline/four gasoil/one 1% fuel oil
Teesside refinery 5/1/2/2	five Dated Brent/one naphtha/two ULSD/two straight-run fuel oil

Each of the benchmark refining margins for our refineries is expressed in U.S. dollars per barrel and serve as proxies for the per barrel margin that a sweet crude oil refinery situated in northwest Europe would earn assuming it sold the benchmark production for the relevant refinery margin.

While the benchmark refinery margins presented in the table above are representative of the results of our refineries, each refinery's realized gross margin on a per-barrel basis will differ from the benchmark due to a variety of factors affecting the performance of the relevant refinery relative to its benchmark. These factors include the refinery's actual type of crude oil throughput, product yield differentials and any other factors not reflected in the benchmark refining margins, such as transportation costs, storage costs, credit fees, fuel consumed during production and any product premiums or discounts, as well as inventory fluctuations and price-risk management activities.

BRC Refinery. The benchmark refining margin for the BRC refinery is calculated by assuming that six barrels of benchmark Dated Brent crude oil are converted to one barrel of 95 research octane number ("**RON**") gasoline, two barrels of gasoil, two barrels of vacuum gasoil ("**VGO**") and one barrel of 3.5% fuel oil. We calculate this benchmark refining margin using the market value of VGO on a c.i.f. basis and 95 RON gasoline, heating oil (as a proxy for gasoil) and 3.5% fuel oil, in each case on a f.o.b. basis, against the market value of Dated Brent crude oil and refer to this benchmark as the 6/1/2/2/1 benchmark refining margin.

The BRC refinery's realized gross margin on a per-barrel basis has historically differed from the 6/1/2/2/1 benchmark refining margin due to the following factors:

- The BRC refinery processes primarily Urals crude oil, which has historically constituted approximately 60% of total throughput, and heavy sour crude oils, which have historically constituted approximately 20% of total throughput. These feedstocks historically have priced at a discount to Dated Brent. The remaining throughput consists of a mixture of other crude oils and feedstocks.
- Ancillary crude costs, primarily transportation costs, at the BRC refinery have historically averaged approximately $0.15 per barrel of throughput.
- The BRC refinery also achieves a slight location premium for its products, primarily due to the low cost of transportation for the products it distributes in the ARA region.
- The BRC refinery's production yields differ from the yields in the 6/1/2/2/1 benchmark refining margin.
- The BRC refinery's actual production volumes are lower than those reflected in the 6/1/2/2/1 benchmark refining margin due to part of the refinery's throughput being consumed as fuel in the production process.

Cressier Refinery. The benchmark refinery margin for the Cressier refinery is calculated by assuming that seven barrels of Dated Brent crude oil are converted to two barrels of 95 RON gasoline, four barrels of gasoil and one barrel of 1% fuel oil. We calculate this refinery margin using the market value of 95 RON gasoline, heating oil (as a proxy for gasoil) and 1% fuel oil, in each case on an f.o.b.

basis, against the market value of Dated Brent crude oil and refer to this benchmark as the 7/2/4/1 benchmark refining margin.

The Cressier refinery's realized gross margin on a per-barrel basis has historically differed from the 7/2/4/1 benchmark refining margin due to the following factors:

- The Cressier refinery has historically run a mixture of crude oils, including CPC Blend, Brass River, Saharan Light and Bonny Light. In addition to these crude oils, the refinery blends a low volume of MTBE. In the aggregate, these crude oils tend to price slightly higher than the benchmark Dated Brent crude oil.
- Given its inland location, the Cressier refinery incurs higher crude transportation costs, which also results in a differential to the benchmark refining margin. Ancillary crude costs, primarily transportation costs, at the Cressier refinery have historically averaged approximately $2.20 per barrel of throughput.
- The Cressier refinery is located in an inland market, enabling the refinery to achieve a regional premium for its refined products compared to the cost of importing products from outside the region. The principal driver of this regional premium is the freight costs on the Rhine River from Rotterdam into Switzerland.
- The Cressier refinery's production yields also differ from the yields in the 7/2/4/1 benchmark refining margin. The refinery's realized pricing will reflect its actual yields.
- The Cressier refinery's actual production volumes are lower than those reflected in the 7/2/4/1 benchmark refining margin due to part of the refinery's throughput being consumed as fuel in the production process.

Teesside Refinery. The benchmark refining margin for the Teesside refinery is calculated by assuming that five barrels of benchmark Dated Brent crude oils are converted to one barrel of naphtha, two barrels of ultra low-sulfur diesel ("**ULSD**") and two barrels of straight-run fuel oil. We calculate this refining margin using the market value of naphtha on a c.i.f. basis, ULSD on an f.o.b. basis and straight-run fuel oil on an f.o.b. basis against the market value of Dated Brent crude oil and refer to this benchmark as the 5/1/2/2 benchmark refining margin.

The Teesside refinery's realized gross margin on a per-barrel basis has historically differed from the 5/1/2/2 benchmark refining margin due to the following factors:

- The Teesside refinery has historically processed a slate of almost entirely Ekofisk crude oil, which prices slightly higher than the Dated Brent crude oil used in calculating the 5/1/2/2 benchmark refining margin.
- The Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk pipeline. This enables the refinery to achieve a transportation discount as a result of lower crude transportation costs relative to the 5/1/2/2 benchmark refining margin. Ancillary crude costs at the Teesside refinery have historically averaged approximately $0.05 per barrel of throughput.
- The Teesside refinery generates a pricing benefit on some of its products, primarily its straight-run fuel oil. Since the beginning of 2004, straight-run fuel oil has priced on average at 85% of Dated Brent.
- The Teesside refinery's production yields differ from the yields in the 5/1/2/2 benchmark refining margin.
- The Teesside refinery's actual production volumes are lower than those reflected in the 5/1/2/2 benchmark refining margin due to part of the refinery's throughput being consumed as fuel in the production process.

The following table sets forth historical benchmark crude and refined petroleum product pricing information used in calculating each of our refineries' refining margins:

Reference Benchmark Crude and Product Prices

	Year Ended December 31,	
	2006	**2005**
	(unaudited) ($/bbl)	
Crude Oil		
Dated Brent	$ 65.41	$ 54.51
Urals Differential to Dated Brent	$ 4.24	—[1]
Products Differential to Dated Brent[2]		
Naphtha	$ (1.89)	$ (0.93)
95 RON gasoline	$ 8.87	$ 8.51
ULSD	$ 16.23	$ 18.11
Gasoil[3]	$ 12.13	$ 13.12
1% Fuel Oil	$(19.54)	$(15.01)
3.5% Fuel Oil	$(20.04)	$(18.13)

Source: Bloomberg

(1) Information not relevant for 2005, as we did not acquire the BRC refinery until May 31, 2006.

(2) Average of daily prices for trading days during the relevant period.

(3) Based on the quoted price for heating oil.

Hedging Activities

Our refineries' results will differ from the reference benchmarks due to our hedging, or price-risk management, activities. We have historically used hedging instruments, such as commodity instrument hedges, forward currency hedges and interest rate swaps, to manage our risk associated with commodity price, foreign currency fluctuations and interest rate risks, respectively. As we have not currently designated our derivative financial instruments as effective hedges, any gains or losses arising from changes in the fair value of these instruments are recorded in our income statement, under the line item materials cost in the case of commodity instrument hedges and under the line item financial expense in the case of interest rate swaps and forward currency hedges. In past periods, gains and losses relating to our commodity hedges have had a material effect on our results. Our material costs were impacted by hedging activities primarily relating to refining margin hedges, resulting in a gain of $182.6 million in 2006 and a loss of $31.3 million in 2005 (nine months from April 2005). As of December 31, 2006, we had limited refinery margin hedges in place. After the remaining open contracts for refining margin hedges are repurchased in 2007, we will have no remaining refining margin hedges in place. We have no plans to continue this refining margin hedging program.

Historically, the most significant gains and losses relating to our hedging activities have been attributable to refining margin hedges. We were previously required to maintain certain levels of refining margin hedges in order to comply with our former senior term debt and working capital facilities. Following the IPO in November 2006, we repaid and cancelled our senior term debt and renegotiated our working capital facilities to eliminate these hedging requirements. Following the repayment of our senior term debt and renegotiation of our working capital facilities, we have significantly reduced the proportion of refining margin hedges going forward. You can find more information about our commodity price risk below under "—Quantitative and Qualitative Disclosure About Market Risks—Commodity Price Risk".

Other Factors

We currently source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchases based on spot market pricing has given us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis. Since our BRC, Cressier and Ingolstadt refineries have access, either directly or through pipeline

connections, to deepwater terminals, these refineries have the flexibility to purchase crude oils from a number of different countries.

Our operating cost structure is also important to our profitability. Major operating costs include costs relating to employees and contract labor, energy, maintenance and environmental compliance. The predominant variable cost is energy, in particular, the price of electricity and chemicals.

The nature of our business requires us to maintain a substantial investment in petroleum inventories. Since petroleum feedstocks and products are essentially commodities, we have no control over the changing market value of these inventories. To supply our refineries with crude oil on a timely basis, we enter into purchase contracts that fix the price of crude oil from one to several weeks in advance of receiving and processing that crude oil. In addition, it is common as part of our marketing activities to enter into fixed price contracts for sales of our refined petroleum products in advance of producing and delivering the products. Prior to delivery of the crude oil and sale of the related refined petroleum products, the market value of the crude oil and products may change as prices rise and fall related to the fixed purchase and sale commitments. As discussed above, to mitigate this market risk, we purchased futures/forward contracts to offset our fixed commitments. Our futures contracts are classified as derivative instruments and are recorded on our balance sheet at fair market value, while the fixed purchase and sale commitments are not considered derivatives and are recorded at the contract value at the time of purchase or sale.

Our operating results are also affected by safety, reliability and the environmental performance of our refinery operations. Unplanned downtime of our refinery assets generally results in lost margin opportunity and increased maintenance expense. The financial impact of planned downtime, such as major turnaround maintenance, is managed through a planning process that considers such things as the margin environment, the availability of resources to perform the needed maintenance and feedstock logistics.

Results of Operations

The following table sets forth selected financial data and other operating information of Petroplus Holdings AG. The selected financial data in the table are derived from the consolidated financial statements of Petroplus Holdings AG. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Consolidated Financial Statements, related notes and other financial information included elsewhere in this Offering Memorandum.

	Actual		Adjusted	
	Year Ended December 31,		Year Ended December 31,	
	2006	2005	2006[(1)]	2005[(2)]
	($ million)			
FINANCIAL INCOME DATA:				
Revenue	$ 6,923.0	$ 4,188.3	$ 5,023.5	$ 5,337.8
Materials cost	(6,376.8)	(3,977.3)	(4,564.0)	(5,162.2)
Gross margin	$ 546.2	$ 211.0	$ 459.5	$ 175.6
Personnel expenses	(115.5)	(56.1)	(96.3)	(76.2)
Operating expenses	(139.8)	(66.5)	(115.2)	(85.6)
Depreciation and impairments	(74.9)	(39.0)	(51.0)	(50.1)
Other administrative expenses	(36.5)	(13.0)	(27.1)	(16.8)
Operating income/(loss)	$ 179.5	$ 36.4	$ 169.9	$ (53.1)
Financial expense, net	(85.5)	(51.2)	—[(3)]	(60.2)
Financial currency exchange gains (losses)	4.9	(3.0)	—[(3)]	(3.2)
Share of income from equity investments	0.3	—	—[(3)]	0.3
Net income/(loss) before income taxes	$ 99.2	$ (17.8)	—[(3)]	$ (116.2)
Income tax (expense)/benefit	(25.1)	(10.3)	—[(3)]	4.4
Net income/(loss) from continuing operations	74.1	(28.1)	—[(3)]	(111.8)
Discontinued operations	369.5	26.5	—[(3)]	27.6
Net income/(loss) available to minority interests	0.2	1.1	—[(3)]	(0.1)
Net income/(loss) available to shareholders	$ 443.4	$ (2.7)	—[(3)]	$ (84.1)
OTHER FINANCIAL DATA:				
EBITDA	$ 259.6	$ 72.4	—[(3)]	$ (5.9)
Hedging gain/(loss)[(4)]	182.6	(31.3)	—[(3)]	(117.4)
Net income/(loss) available to shareholders (in $):				
Basic	10.90	(0.09)		
Diluted	10.51	(0.09)		
Weighted average shares outstanding (in million shares):				
Basic	40.7	28.8		
Diluted	42.2	28.8		

(1) Adjusted to exclude the results of operations of EPH for the period from May 31 to December 31, 2006.

(2) Adjusted to include the results of operations of PPI for the period from January 1 to March 31, 2005. The results for the 12 months ended December 31, 2005 were significantly impacted by first quarter losses on refining margin commodity hedges of $86.1 million, which is recorded under materials cost.

(3) Intentionally left blank.

(4) Represents the gains and losses on refining margin commodity hedges. The actual figures for 2005 represents the period from April 2005 until December 2005. Excludes gain and losses on other commodity hedges in relation to price management activities in the ordinary course of business.

	Year ended December 31,	
	2006	2005
MARKET INDICATORS ($ per barrel):		
Dated Brent	$65.41	$54.51
Brent/Urals Differential	4.24	—[(1)]
Benchmark refining margins		
6/1/2/2/1 benchmark refining margin	0.42	—[(1)]
7/2/4/1 benchmark refining margin	6.67	7.79
5/1/2/2 benchmark refining margin	2.50	3.79

(1) Not relevant, as we acquired the BRC refinery on May 31, 2006.

	Year ended December 31,	
	2006	2005
	(in thousands of bpd, except as noted)	
KEY OPERATING DATA:[1],[2]		
Selected volumetric and per barrel data[1],[2]		
Total crude throughput:		
BRC[3]	40.9	—[4]
Cressier	62.1	53.4
Teesside	89.9	105.3
Total crude throughput	192.9	158.7
Total other throughout:		
BRC[3]	6.1	—[4]
Cressier	1.7	1.0
Teesside	0.3	—
Total other throughput	8.1	1.0
Total throughput	**201.0**	**159.7**
Total throughput (millions of barrels)	**73.4**	**58.3**
Gross margin ($ per barrel of total throughput):[2],[5]		
BRC[3]	4.35	—[4]
Cressier	4.99	6.22
Teesside	2.53	3.23
Operating expenses ($ per barrel of total throughput):[2]		
BRC[3]	2.20	—[4]
Cressier	2.25	2.56
Teesside	1.36	1.05

(1) To facilitate year-to-year comparability, we have included a full 12 months of data for 2005 for our refining operations.

(2) While we manage our refinery business, including feedstock acquisition and product marketing, on an integrated basis, the business results shown in this table have been allocated to the individual refineries. We believe that this individual refinery information is helpful in understanding our overall operating results. Since crude oil is often purchased and priced well in advance of the time that it is consumed and the value of refinery production can be fixed before or after it is produced, our actual results may vary significantly from those that would be determined with reference to benchmark market indicators. We manage this price risk on a group-wide basis and may purchase futures contracts that correspond volumetrically with all or a portion of our fixed price purchase and sale commitments. As a result, the individual refinery realized gross margins presented here do not reflect the results that would be reported if separately accounted for in accordance with IFRS.

(3) We acquired the BRC refinery on May 31, 2006. The total throughput for the year ended December 31, 2006 reflects 214 days of operations at that refinery over that period. Total throughput averaged 80,200 bpd during these 214 days of operations.

(4) Information not relevant for 2005, as we did not acquire the BRC refinery until May 31, 2006.

(5) Excludes minimum operating stock and refining margin-hedging activities that are not expected to occur in the future.

2006 Compared to 2005

Overview

Our net income available to shareholders was $443.4 million ($10.51 per diluted share) for the year ended December 31, 2006 as compared to a net loss of $2.7 million ($0.09 per diluted share) for the period ended December 31, 2005. Income from continuing operations was $74.1 million for the year ended December 31, 2006 as compared to a loss from continuing operations of $28.1 million during the period ended December 31, 2005. Our operating income was $179.5 million in 2006 as compared to operating income of $36.4 million in 2005. Operating income included a gain of $182.6 million in 2006 related to refining margin commodity hedges as compared to a loss of $31.3 million in 2005. The increase in our operating income was principally due to 12 months of operations of PPI included in 2006 as compared to nine months of operations included in 2005, as a result of the acquisition of PPI by RIVR in March/April 2005. Additionally, the results of operations for 2006 include the seven months of operations of EPH, which we acquired on May 31, 2006.

Revenue

Our revenue increased $2,734.7 million, or 65%, to $6,923.0 million in 2006 from $4,188.3 million in the nine months ended December 31, 2005. The increase in revenue was mainly attributable to 12 months of operations of PPI included in 2006 as compared with nine months of PPI operations in 2005, the acquisition of EPH on May 31, 2006 and higher refined petroleum product prices during 2006 in comparison to 2005.

Gross Margin

Our gross margin increased $335.2 million, or 159%, to $546.2 million in 2006 from $211.0 million in the nine months ended December 31, 2005. The improved gross margin in 2006 was principally driven by the acquisition of EPH and gains from commodity instruments, partially offset by a decrease in refining margins. The net impact of our refining margin commodity hedge was a gain of $182.6 million in 2006 as compared to a loss of $31.3 million in the nine months ended December 31, 2005.

Our 7/2/4/1 benchmark refining margin for the Cressier refinery decreased 14% and our 5/1/2/2 benchmark refining margin for the Teesside refinery decreased 34% in 2006 compared to 2005. The 7/2/4/1 benchmark refining margin decrease was mainly attributable to decreases in the gasoline and heating oil premiums to Dated Brent combined with the increased discount of 1% fuel oil to Dated Brent. The 5/1/2/2 benchmark refining margin decrease primarily resulted from a decrease in the ULSD premium to Dated Brent by approximately $0.75 per barrel. The 7/2/4/1 and 5/1/2/2 benchmark refining margins averaged $6.67 per barrel and $2.50 per barrel, respectively, for the year ended December 31, 2006.

Refinery Operations

BRC. For the seven months ended December 31, 2006, the BRC refinery's total throughput rate averaged approximately 80,200 bpd. Following our acquisition of the refinery, we decided to reduce the refinery's throughput rates to carry out an extensive program of catch-up maintenance and training to provide for safe and reliable operations.

Cressier. For the year ended December 31, 2006, the Cressier refinery's total throughput rate averaged approximately 63,800 bpd.

For the year ended December 31, 2005, the Cressier refinery's total throughput rate averaged approximately 54,300 bpd. The rate was restricted primarily due to a major scheduled maintenance turnaround beginning at the end of May 2005 that lasted approximately 40 days.

Teesside. For the year ended December 31, 2006, the Teesside refinery's total throughput rate averaged approximately 90,200 bpd. The refinery experienced a reduced throughput rate due to a scheduled maintenance shut down in the month of June 2006.

For the year ended December 31, 2005, the Teesside refinery's total throughput rate averaged approximately 105,400 bpd.

Antwerp Processing Facility. The Antwerp processing facility's results were an operating loss of $11.8 million for 2006 as compared to $12.3 million for 2005. The decrease in the loss in 2006 was largely due to improvement in operations associated with both contracts as well as increased rental income from tank storage.

Personnel Expenses

Our personnel expenses increased $59.4 million to $115.5 million in 2006 from $56.1 million in 2005. The increase in personnel expenses was principally due to an additional three months of operations of PPI in 2006 as compared to 2005, the EPH acquisition and bonuses and severance payments paid to employees in connection with the termination of their employment contracts as part of the transfer of our headquarters from the Netherlands to Switzerland.

Refinery Operating Expenses

Our refinery operating expenses increased $73.3 million to $139.8 million in 2006 from $66.5 million in the nine months ended December 31, 2005. The increase is primarily attributable to

12 months of PPI operations in 2006 as compared with nine months of operations in 2005 and the acquisition of EPH on May 31, 2006.

Depreciation and Amortization

Our depreciation and amortization expenses increased $35.9 million to $74.9 million in 2006 from $39.0 million in the nine months ended December 31, 2005. The increase was mainly attributable to an additional three months of PPI operations in 2006 and the acquisition of EPH.

Other Administrative Expenses

Our other administrative expenses increased $23.5 million to $36.5 million in 2006 from $13.0 million in the nine months ended December 31, 2005. This increase was principally due to an additional three months of PPI operations in 2006, costs related to office closures in connection the transfer of our headquarters from the Netherlands to Switzerland and costs related to the closure of the EPH office. In addition, in connection with the relocation of our headquarters and the IPO, we incurred increased consulting costs.

Financial Income/(Expense), Net

Our financial expense, net, increased $34.3 million to $85.5 million in 2006 as compared to financial expense, net, of $51.2 million in 2005. The financial expense, net, in 2006 was mainly due to our write-off of deferred financing costs of approximately $43.0 million, expensed in connection with the repayment of all of our outstanding debt with the proceeds from the IPO and RIVR's repayment of its note to PPI and increases in gross interest expense associated with the additional borrowings in connection with our purchase of EPH. In 2005, in connection with RIVR's purchase of PPI, we repurchased PPI's 10.5% senior notes due 2010, which required us to expense approximately $28.5 million relating to deferred financing costs associated with the notes.

Foreign Currency Exchange Gains (Losses)

Our foreign currency exchange results represented a gain of $4.9 million in 2006 as compared to a loss of $3.0 million in 2005. The gain represents a stronger euro against our other local currencies, the Swiss franc and the pound sterling, in 2006.

Income Tax Expense

Our income tax expense was $25.1 million in the 2006 compared to $10.3 million in 2005. Our effective tax rate was 25.3% in 2006. The income tax expense for 2006 was largely attributable to growth in our operating income during that year. Our effective tax rate in 2006 was negatively impacted by approximately 11%, mainly related to net operating losses ("**NOL**") not tax-benefited. The NOLs include expenses that are expected to be non-recurring and include, among others, relocation expenses and financing costs.

Liquidity and Capital Resources

Cash Flows

The following table summarizes the cash flow activity for the periods indicated:

	Year Ended December 31,	
	2006	2005
	(audited) ($ million)	
Cash (used in) provided by operating activities	$(250.7)	$ 77.9
Cash (used in) investing activities	(466.6)	(340.1)
Cash provided by financing activities	156.1	283.2
Net (decrease)/increase in cash and short-term deposits	$(561.2)	$ 21.0
Net cash from discontinued operations	$ 598.7	$ 38.5
Net foreign exchange differences	(11.8)	6.4
Cash and short-term deposits at beginning of period	65.9	—
Cash and short-term deposits at end of period	$ 91.6	$ 65.9

Cash Flows From Continuing Operating Activities

Net cash flows used in continuing operating activities were $250.7 million in 2006 as compared to net cash provided by continuing operating activities of $77.9 million in 2005. Cash flows from operating activities in 2006 were significantly affected by the change in our price-risk management position, primarily related to our refining margin hedges, at year-end 2006 compared to year-end 2005. A decrease in inventory levels, exclusive of EPH, also contributed to the movement in cash from operating activities, mainly driven by lower inventory levels held by the Cressier refinery at year-end 2006. Net cash flow used in operating activities was further influenced in 2006 by a decrease in trade payables, other payables and accrued expenses. This decrease was mainly attributable to a decrease in the amounts owed by us as a result of settlement of corporate hedges in 2006 as compared to prior year, in addition to a decrease attributable to the timing of payments for cargo at sea at the Teesside and Cressier refineries.

Cash Flows From Continuing Investing Activities

Net cash flows used in continuing investing activities were $466.6 million in 2006 as compared to $340.1 million in 2005. On May 31, 2006, we completed the acquisition of the EPH group, which resulted in a net cash outflow of $429.2 million. This outflow was slightly offset by $31.1 million cash received as a result of the transaction in August 2006, in which the shareholders of RIVR contributed their shares in RIVR to Argus in return for shares in Argus and Argus became the ultimate parent of RIVR. Cash used for investing activities in 2005 primarily related to the acquisition of PPI in March/April 2005.

Cash Flows From Continuing Financing Activities

Net cash flows provided by continuing financing activities were $156.1 million for the year ended December 31, 2006 as compared to $283.2 million in 2005. Cash flows from financing activities were mainly impacted by the proceeds received from the IPO in November 2006 and the subsequent repayment of all of our then outstanding debt. Cash provided from continuing financing activities during the nine-month period ended December 31, 2005 was mainly attributable to the increase in long-term liabilities, net of repayments, during 2005.

Net Cash Flows From Discontinued Operations

Net cash flows provided by discontinued operations were $598.7 million in 2006 as compared to $38.5 million in 2005. Cash inflows in 2006 were mainly attributable to proceeds received on the sale of non-core assets in the third quarter in pursuance of our strategy to sell all businesses that were not related to our refinery and wholesale marketing operations.

Capital Spending

We classify our capital expenditures, excluding acquisition expenditures, into four major categories:

Permit related capital expenditures include capital expenditures for improvements and upgrades to our production facilities required by local authorities as a condition to the granting or renewal of the operating permits for our facilities. These include process-safety improvements, remediation of historical contamination and installation of equipment to reduce emissions to the environment.

Sustaining capital expenditures include regular, non-permit related capital expenditures we incur to maintain our production facilities and keep them in good running order.

Turnaround expenditures include capital expenditures incurred in connection with planned shut-downs to make necessary repairs, perform preventative maintenance, replace catalysts and implement capital improvements. Additionally, we incur expenditures that are directly related to capital improvements to equipment implemented during the turnarounds. We perform major scheduled turnarounds on each of our refineries generally every four years, with an intermediate, minor turnaround generally two years following each major scheduled maintenance turnaround.

Project-related capital expenditures include capital expenditures for improvements or upgrades to our production facilities that have been identified to provide significant refining margin returns. These projects are expected to either add capacity or increase product yields in higher value petroleum products.

Our total capital expenditures, excluding acquisition expenditures and acquisition of financial leases, are summarized in the following table by major category for the periods indicated:

	Year Ended December 31,	
	2006	2005
	(unaudited) ($ million)	
Permit-related	$17.2	$ 1.9
Sustaining	35.1	35.6
Turnaround	11.6	9.1
Projects	11.5	—
Total capital expenditures	$75.4	$46.6

You can find additional information about our planned capital expenditures below under "—Outlook—Planned Capital Expenditures".

Summary of Indebtedness

Overview

The following table sets forth our financial indebtedness and cash balances as of December 31, 2006:

	As of December 31,	
	2006	2005
	(audited) ($ million)	
Term loan facilities[1]	—	411.6
Working capital facilities	—	143.7
Total financial debt	—	555.3
Cash and short-term deposits	91.6	65.9
Net financial debt	**(91.6)**	**489.4**

(1) We intend to cancel our term loan facility prior to the completion of the Notes Offering.

In December 2006, we used proceeds from the sale of non-core assets and the IPO to repay all outstanding amounts under a $675 million senior credit facility and under a $130 million second lien

facility. These facilities had initially been entered into when PPI was taken private in April 2005 and had been further increased to finance part of the acquisition of EPH at the end of May 2006.

On March 28, 2007, we drew down $562.8 million under our working capital facilities to fund part of the purchase price of the Ingolstadt refinery.

You can find more information about our material credit facilities and other material financing arrangements, including a description of our plans with respect to such facilities or arrangements, under "Description of Other Indebtedness".

Liquidity

Our ability to pay interest and principal on our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance and the availability of new indebtedness, which will be affected by prevailing economic conditions and financial, business and other factors, some of which are beyond our control.

We believe that our cash flows from operations, borrowings under our existing credit facilities and other capital resources will be sufficient to satisfy the anticipated cash requirements associated with our existing operations during the next 12 months. We intend to use the net proceeds of the Offering of the Notes to fund part of the purchase price for our planned acquisition of the Coryton refinery and related supply and distribution assets and to pay related expenses. We intend to fund the remainder of the purchase price of the Coryton refinery acquisition and related fees and expenses primarily with borrowings under our working capital facilities. In addition, we intend to use the net proceeds of the Equity Offering to repay draw-downs under our working capital facilities.

Following the acquisition of the Ingolstadt refinery on March 31, 2007, we had $562.8 million of indebtedness outstanding under our credit facilities.

You can find more information about our material credit facilities and other material financing arrangements, including a description of our plans with respect to such facilities or arrangements, under "Description of Other Indebtedness".

Contractual Obligations

The following table summarizes our material contractual obligations and commitments as of December 31, 2006:

	Payments due by period[1]			
	Total	<1 year	1-5 years	>5 years
	(audited) ($ million)			
Long-term debt obligations[2]	—	—	—	—
Finance lease obligations	$ 33.3	$ 3.3	$ 8.7	$21.3
Operating lease obligations	78.3	13.0	21.0	44.3
Sales obligations[3]	18.2	18.2		
Purchase obligations[3]	3.5	3.5	—	—
Total	**$133.3**	**$38.0**	**$29.7**	**$65.6**

(1) Excludes the purchase prices for our acquisition of the Ingolstadt refinery and the planned acquisition of the Coryton refinery and related supply and distribution assets.

(2) We used the net proceeds received from the IPO in November 2006, the proceeds from RIVR Holding B.V.'s repayment of its note to PPI and proceeds from the sale of non-core assets to repay all of an outstanding borrowings.

(3) Represents contractual obligations for future crude oil term sales and purchases. These obligations were calculated using information current as of December 31, 2006 and as such the actual commitment amount may vary. Variables such as crude oil price and volume requirements can cause the minimum obligations to change.

Off-Balance Sheet Arrangements

As of December 31, 2006, we had letters of credit in the amount of $612.7 million and other guarantees in the amount of $94.2 million. Both the letters of credit and the guarantees primarily related to crude oil purchases.

Outlook

The discussion below contains forward-looking statements that reflect our current judgment regarding conditions we expect to exist and the course of action we expect to take in the future. Even though we believe our expectations regarding future events are based on reasonable assumptions, forward-looking statements are not guarantees of future performance. Our assumptions rely on our operational analysis and expectations for the operating performance of our assets based on their historical operating performance, management expectations as described below and historical costs associated with the operations of those assets. Factors beyond our control could cause our actual results to vary materially from our expectations, which are discussed in "Forward-Looking Statements" and elsewhere in this Offering Memorandum. The prospective financial information below is not fact and should not be relied upon as being necessarily indicative of future results, and you are cautioned not to place undue reliance on this prospective financial information. In addition, we only recently acquired the Ingolstadt refinery. As a result, the forecasted information relating to the Ingolstadt refinery is subject to change. We also do not currently own the Coryton refinery and have not operated this refinery. As a result, the forecasted information relating to the Coryton refinery is entirely based on our analysis of information currently available to us, and, therefore, is subject to a higher level of uncertainty than information produced from our own internal sources.

The Recent Acquisition of the Ingolstadt Refinery

On March 31, 2007, we acquired ExxonMobil's refinery and related operations located in Ingolstadt, Germany.

Because the Ingolstadt refinery has historically been operated as part of the much larger ExxonMobil Corporation, financial statements are not available for the refinery.

As the performance of the Ingolstadt refinery, similar to the performance of each of our other refineries, does not closely follow any of the currently published industry refining margin benchmarks, we have created a benchmark refining margin for the refinery based upon publicly available pricing information that we believe more accurately reflects the refinery's actual performance. Based on information currently available to us, we believe the refinery has historically produced a mix of products that more closely corresponds to our derived 10/1/3/5/1 refining margin benchmark. This benchmark refining margin is calculated by assuming that ten barrels of the benchmark Dated Brent crude oil are converted to one barrel of naphtha, three barrels of 95 RON gasoline, five barrels of ULSD and one barrel of 3.5% fuel oil. We calculate this refining margin using the market value of naphtha on a c.i.f basis and 95 RON gasoline, ULSD and 3.5% fuel oil, in each case on an f.o.b. basis, against the market value of Dated Brent crude oil and refer to the benchmark as the 10/1/3/5/1 benchmark refining margin.

We believe the Ingolstadt refinery's realized gross margin on a per-barrel basis has historically differed from the 10/1/3/5/1 benchmark refining margin due to the following factors:

- The Ingolstadt refinery has historically run a mixture of crude oils in its throughput slate, including CPC Blend, Arab Heavy, Arab Medium, Saharan Blend and other North Sea crude oils, such as Schephallion, that, in aggregate, have historically priced at a discount to Dated Brent.
- Given its inland location, the Ingolstadt refinery incurs higher crude transportation costs, which also results in a differential to the 10/1/3/5/1 benchmark refining margin. We have estimated that ancillary crude costs, primarily transportation costs, at the Ingolstadt refinery have historically averaged $1.20 per barrel of throughput.
- The Ingolstadt refinery is located in an inland market, enabling the refinery to achieve a regional premium for its refined products compared to the cost of importing products from outside the region.
- The Ingolstadt refinery's production yields differ from the yields in the 10/1/3/5/1 benchmark refining margin. Therefore, the refinery's pricing will reflect its actual yields. The Ingolstadt refinery's actual production volumes are lower than those reflected in the 10/1/3/5/1 benchmark refining margin due to part of the refinery's throughput being consumed as fuel in the production process.

You can find additional information about the Ingolstadt refinery's historical throughput and production volumes under "Business—Oil Refining Operations—Ingolstadt Refinery".

In addition to its refining revenues, the Ingolstadt refinery generates revenues from EBV (Germany's strategic stockholding agency) tank rental and inventory reserve.

The Planned Acquisition of the Coryton Refinery

On February 1, 2007, we entered into the BSA with BP to acquire the Coryton refinery and related operations located in the United Kingdom. This acquisition is expected to close in the second quarter of 2007. There can be no assurances that the acquisition will be completed.

Because the Coryton refinery has historically been operated as part of the much larger BP organization, detailed financial statements are not available for the refinery.

As the performance of the Coryton refinery, similar to the performance of each of our existing refineries, does not closely follow any of the currently published industry refining margin benchmarks, we have created a benchmark refining margin for the refinery based upon publicly available pricing information that we believe more accurately reflects the refinery's actual performance. Based on information currently available to us, we believe the refinery has historically produced a mix of products that more closely corresponds to our derived 5/2/2/1 refining margin. This benchmark refining margin is calculated by assuming that five barrels of the benchmark Dated Brent crude oil are converted to two barrel of 95 RON gasoline, two barrels of ULSD and one barrel of 3.5% fuel oil. We calculate this refining margin using the market value of 95 RON gasoline, ULSD and 3.5% fuel oil on, in each case on an f.o.b. basis, against the market value of Dated Brent crude oil and refer to the benchmark as the 5/2/2/1 benchmark refining margin.

We believe the Coryton refinery's realized gross margin on a per-barrel basis has historically differed from the 5/2/2/1 benchmark refining margin due to the following factors:

- The Coryton refinery processes primarily sweet crude oil from the North Sea region, which has historically constituted approximately 60% of total throughput, and heavy sour crude oils, which have historically constituted approximately 10% of total throughput. The remaining throughput consists of other feed and blendstocks, typically straight-run fuel oil. These other throughputs have historically priced at a discount to Dated Brent.
- Ancillary crude costs, primarily transportation costs, at the Coryton refinery have historically averaged approximately $1.50 per barrel of throughput.
- The Coryton refinery's production yields differ from the yields in the 5/2/2/1 benchmark refining margin.
- The Coryton refinery's actual production volumes are lower than those reflected in the 5/2/2/1 benchmark refining margin due to part of the refinery's throughput being consumed as fuel in the production process.

In addition to its refining revenues, the Coryton refinery generates revenues from tank rental and compulsory reserves. In addition, the Coryton refinery will provide for synergies in our North Sea System. You can find additional information about these synergies below under "—Discretionary Capital Expenditures and Synergies."

Market

We believe the market outlook for 2007 as a whole will be favorable for the European refining industry due to an increasingly tight worldwide supply and demand balance for refined petroleum products. We believe that the refining industry will perform well in 2007, absent any unexpected changes and subject to seasonality changes and assuming the supply and demand balance continues to stay in line with current conditions. While we expect refining margins to fluctuate, we believe that we are positioned in the industry to perform well under current and expected market conditions.

Refinery Operations

Overview

As discussed above under "—Factors Affecting Operating Results", it is common practice in our industry to look to benchmark market indicators, such as our derived 6/1/2/2/1 benchmark refining margin for the BRC refinery, 7/2/4/1 benchmark refining margin for the Cressier refinery, 5/1/2/2 benchmark refining margin for the Teesside refinery, 10/1/3/5/1 benchmark refining margin for the

Ingolstadt refinery and 5/2/2/1 benchmark refining margin for the Coryton refinery, as proxy indicators of refining margins. To improve the reliability of the benchmark refining margins we have derived for our refineries (including our pending acquisition of the Coryton refinery) as indicators of the refinery's actual refining margins, each refinery's benchmarks must be adjusted for the refinery's actual crude oil slate, which does not correspond to the 100% Dated Brent crude oil slate we have used in our derived benchmark refining margins; for variances from the benchmark product slate to the refinery's actual, or anticipated, product slate; and for any other factors not anticipated in the benchmark refining margin. These other factors include crude oil and product grade differentials, fuel consumed during production, ancillary crude and product costs, such as transportation costs, storage costs and credit fees, and inventory fluctuations.

The throughput estimates set forth below assume that our refinery operations will experience no operating disruptions in 2007 other than scheduled maintenance shut-downs as described below.

BRC Refinery

We expect the BRC refinery's total throughput during the first quarter of 2007 will be approximately 80,000 bpd. This throughput rate reflects management's decision to carry out extensive catch-up maintenance and enhanced training at the BRC refinery. We expect the refinery's full-year total throughput rate will be approximately 80,000 bpd to 90,000 bpd in 2007. This throughput rate reflects a significant scheduled maintenance turnaround planned for the second quarter of 2007, which will require the entire refinery to be shut down for up to 45 days.

Cressier Refinery

We expect the Cressier refinery's total throughput rate during the first quarter of 2007 will be approximately 61,000 bpd to 64,000 bpd. We expect the refinery's 2007 full-year total throughput rate will be approximately 58,000 bpd to 63,000 bpd. This throughput rate reflects a scheduled maintenance turnaround in the second quarter of 2007, which will require shutting down the entire refinery for an estimated 35 to 45 days.

Teesside Refinery

We expect the Teesside refinery's total throughput rate during the first quarter of 2007 to be approximately 95,000 bpd to 105,000 bpd. We expect the refinery's 2007 full-year total throughput rate will be approximately 105,000 bpd to 115,000 bpd.

Antwerp Processing Facility

As part of our internal evaluation of potential areas for optimization, we are exploring possibilities that may affect the Antwerp processing facility's operating results. With expected tank rental income and other changing commercial arrangements, we expect the facility to fully fund its operations in 2007.

Ingolstadt Refinery

Based on our analysis of the Ingolstadt refinery's current configuration and operations, we expect the Ingolstadt refinery's throughput rate in 2007 will be approximately 100,000 bpd to 110,000 bpd.

Coryton Refinery

Based on our analysis of the Coryton refinery's current configuration and operations, we expect the Coryton refinery's throughput rate in 2007 will be approximately 200,000 bpd to 210,000 bpd.

Other Revenues

We engage in other activities that generate revenue, primarily centered on storage requirements for strategic petroleum reserves throughout Europe. We estimate that we will generate approximately $10 million in additional revenue in 2007 from these activities, excluding those related to the Ingolstadt and Coryton refineries. We expect other revenues contributed by activities, included in the Ingolstadt and Coryton acquisitions, assuming nine months of Ingolstadt operations and six months of Coryton operations, to be approximately $10 million for 2007.

Refinery Operating Expenses

Assuming the crude oil throughput levels set forth above, our annual refinery operating expenses in 2007 are expected to be about $160 million combined for the BRC, Cressier and Teesside refineries, excluding those related to the Ingolstadt and Coryton refineries. Based on our analysis of the Ingolstadt refinery's current configuration and operations, we estimate that its refinery operating expenses will be between $60 million to $65 million in 2007 for operations in the nine-month period ended December 31, 2007. Based on our analysis of the Coryton refinery, we estimate that refinery operating expenses will be approximately $120 million in 2007 for six months of operations following successful completion of the acquisition. These refinery operating expense estimates include refinery personnel expenses, energy costs, non-capitalized maintenance costs and other refinery operating expenses.

Other Operating Expenses

We expect our other expenses, comprised of non-refinery personnel and other administrative expenses, excluding any 2007 incentive compensation, to be approximately $55 million in 2007. Our non-refinery personnel expenses are subject to increase in 2007 based on the number of our non-refinery employees and our financial performance. Our incentive compensation expense for 2007 will be based solely on our achievement of earnings per share results.

Depreciation and Amortization

We expect depreciation and amortization expenses to be approximately $140 million for 2007. This includes a full-year of depreciation of EPH assets, nine months of depreciation for the Ingolstadt refinery and six months of depreciation for the Coryton refinery. Our depreciation expenses will vary in future periods based on the completion and placing into service of our capital expenditure activity. We generally depreciate our capital activities, including those related to acquisitions (excluding goodwill), over a useful life of 20 years and our turnaround costs over a useful life between two and five years. We may be required to record impairment expenses from time to time in the future based on decreases in the fair value of our assets relative to their carrying costs.

Interest Expense

We expect that our net interest for borrowings under the working capital facilities will have a blended rate of the published LIBOR rate plus approximately 1.00%. As our financial position changes, this blended rate may increase or decrease depending on certain financial performance indicators used to set the interest rates under certain of our debt facilities. In addition, in connection with financing our potential acquisitions, we expect that interest expense will increase based on future indebtedness.

Income Taxes

For a description of our expected effective tax rate for 2007, see "Summary—Recent Developments—Tax Update."

Capital Expenditures

We plan to fund our internal investments from cash on hand and internally generated cash flows.

Overview

We expect capital expenditures, excluding acquisitions, to be $146 million for the year ending December 31, 2007. We completed the acquisition of the Ingolstadt refinery on March 31, 2007 for a purchase price, including working capital and other adjustments, of $627.5 million. Additionally, we expect to spend $1.4 billion, plus the value of net working capital, to complete the acquisition of the Coryton refinery in the second quarter of 2007. Our current estimates, based on current market conditions and information provided by BP, value the Coryton refinery's net working capital at

approximately $300 million. The following table summarizes our budgeted capital expenditures, excluding future acquisitions, for the year ending December 31, 2007, by major category:

Planned Capital Expenditures

	Year Ending December 31, 2007[1]
	($ million)
Permit-related	$ 28.0
Sustaining	50.0
Turnaround	22.0
Projects[2]	46.0
Total capital expenditures	**$146.0**

(1) Excludes budgeted capital expenditures for the Ingolstadt and Coryton refineries, which are estimated to be approximately $70 million combined for nine and six months of operations, respectively.

(2) Project related capital expenditures relate to, among other things, projects to increase the throughput and the production of higher value light products at our refineries as well as IT projects.

Discretionary Capital Expenditure Plan and Estimated Synergies

Discretionary Capital Expenditure Plan

Included in our forecasted project related capital expenditures are several projects that we expect will increase the yield of light products and improve operations at our refineries. As a result of these planned improvements, we expect to generate a high rate of return on our capital expenditures. In total, these projects, which do not include any projects related to the Coryton refinery, are expected to cost about $200 million with expected returns of approximately $100 million annually thereafter. We expect to put our currently planned group of projects into service from 2007 to 2009.

We plan to fund our budgeted capital and acquisition expenditures for the year ending December 31, 2007, including those related to the acquisitions of the Ingolstadt and Coryton refineries, with a combination of available cash on hand, cash from operations and borrowings.

The amount of our future capital expenditures, excluding acquisitions will depend on a number of factors, including any acquisitions we may complete, environmental and other regulatory requirements and general economic conditions and growth prospects.

BRC Refinery

At the BRC refinery, we are looking to change the type of catalyst in the reformer to increase the unit's production. The total isomerization ("**TIP**") improvement project will increase the reformer's production in the summer by replacing the catalyst to improve the unit's configuration. The replacement of catalyst is expected to occur during the next planned maintenance shut down in 2007 at a total cost of less than $1 million. We have also identified improvements to the BRC refinery's crude and vacuum unit to improve the separation to reduce the fuel oil production and increase production of clean transportation fuels, in each case in an amount expected to be approximately 3,500 bpd. Based on our estimates, this project is expected to cost approximately $15 million, of which $5 million was spent in 2006, and is also planned to be completed during the scheduled turnaround in 2007.

Cressier Refinery

We have identified several smaller projects at the Cressier refinery that all focus on improving the performance of the refinery's crude unit. These projects are expected to de-bottleneck the crude unit, increase throughput, increase ULSD production and improve yields. The expected implementation of these projects is 2009. The total cost of this combined group of projects, based on our current estimates, is expected to be approximately $60 million through 2009. These projects are expected to increase the Cressier refinery's throughput by approximately 5,000 bpd and increase its yields of distillates and decrease its yields of heavier oils, in each case by 3,000 bpd.

Ingolstadt Refinery

Based on our initial appraisals of the Ingolstadt refinery, we have identified several projects that we intend to implement at the Ingolstadt refinery. One project currently in process at the refinery is the expansion of the rail-car facilities to improve the distribution of products from the refinery and thereby allowing for greater throughput. The remaining expenditures for the project are currently expected to amount to approximately $5 million. This project is expected to increase the Ingolstadt refinery's loading capacity and thereby its yields for distillates and decrease its yields for heavier oils, in each case by 3,000 bpd. Upcoming legislation in Germany requires the Ingolstadt refinery to produce heating oil with a sulfur content of 1,000ppm. Based on our estimates, the 1,000ppm heating oil project is expected to cost approximately $15 million and is expected to be completed in 2007 in order to comply with the deadline set by the legislation. This project is expected to enable the Ingolstadt refinery to produce approximately 4,000 bpd of low-sulfur heating oil. The cost of this project is estimated to be approximately $9 million and to be completed in 2007. Following the implementation of the 1,000ppm heating oil project, the refinery former reactor will be available for increased production of ULSD, which is expected to increase the refinery's production of ULSD by approximately 3,000 bpd. We have also identified a potential project to commission a third-party company to produce bio-diesel blending components. The third party would bear the cost of constructing a production plant for bio-components on-site at the refinery and would provide us with discounted blendstocks in exchange for its use of the on-site plant. This project is expected to require no capital outlay on our part and, if undertaken, is expected to be completed in 2008.

Teesside Refinery

At the Teesside refinery, we are looking at three projects that would improve the refinery's crude unit performance, allow the refinery to run alternative feedstocks, decrease production of fuel oil and increase the yield of clean transportation fuels. The crude distillation unit de-bottlenecking and heavy gasoil project will increase crude capacity and is expected to increase the production of gasoil and decrease the production of fuel oil, in each case by approximately 4,500 bpd. This project is expected to be completed in 2008 and its total cost, based on our estimates, is expected to be approximately $20 million to $30 million. Additionally, we have identified a larger project, which would allow an increase in the sulfur content of feedstocks used, in an amount expected to be approximately 1,000 bpd, and increase the utilization of the refinery's hydrotreater. The replacement of the existing sulfur plant would also increase the refinery's reliability, allowing for increased capacity. In conjunction with this project, upgrades will be made to the marine facilities and new crude tankage will be installed to accommodate the higher sulfur content feedstocks. Based on our estimates, this project will cost approximately $80 million by the time it is placed in service during the refinery's scheduled turnaround in 2008.

Antwerp Processing Facility

We are planning to improve the Antwerp processing facility's sulfur recovery ability. By improving sulfur recovery, the facility's desulphurization unit will be able to process a cheaper, high sulfur gasoil rather than the current more expensive Russian gasoil to produce 10ppm ULSD. This will provide additional gasoil-hydrotreating capability for midstream feedstocks sourced from other locations in our North Sea System. We expect this project to cost approximately $2 million and to be completed in 2007.

Following completion of the Coryton acquisition, our discretionary capital expenditures will be subject to review and further evaluation.

Estimated Synergies

We have identified a number of synergistic processes that are expected to return incremental earnings to our North Sea System under certain assumptions. We plan to send about 7,000 bpd of low-sulfur straight-run fuel-oil produced at the Teesside refinery to the Coryton refinery to be used as a feedstock. This would allow the Coryton refinery to utilize more sour crude oils on about 20% of the refinery's total throughput and, in turn, to send about 14,000 bpd of intermediate feedstocks to the BRC refinery and the Antwerp processing facility. Additionally, we plan to enhance distillate production at the Antwerp processing facility by shipping about 20,000 bpd of high-sulfur gasoil from the BRC and Coryton refineries to the Antwerp processing facility. The goal of this interchange of

feedstocks and processing is to increase the yield of middle distillates. These synergies are part of our initial review of the North Sea System and are subject to review and further evaluation. Following completion of the Coryton refinery acquisition, the synergy processes and earnings contribution will be reviewed and subject to further evaluation.

Quantitative and Qualitative Disclosure about Market Risk

General

The risks inherent in our business are the potential loss from adverse changes in commodity prices and certain operating costs, as well as exchange rates, interest rates, counterparty and operational risks.

Commodity Price Risk

Our earnings, cash flow and liquidity can be significantly affected by a variety of factors beyond our control, including the supply of crude oil and other feedstocks and the demand for gasoline, diesel and other petroleum refined products. The demand for these commodities depends upon, among other factors, changes in global and regional economies, seasonal buying patterns, weather conditions, regional and global political affairs, planned and unplanned downtime in refineries, pipelines and production facilities, the amount of new refining capacity, the marketing of competitive fuels and the extent of government regulation. Our revenues fluctuate significantly with movements in the price of refined petroleum products, our cost of sales fluctuate significantly with movements in crude oil and other feedstock prices and our operating expenses fluctuate with movements in the price of electricity.

Our results are also sensitive to the fluctuations in electricity prices and other fuel costs due to the use of electricity and other fuels to power our refinery operations.

Foreign Currency Exchange Rate Risk

Overview

Our financial condition and results of operations are exposed to two types of risk related to foreign currency exchange rates: translation and transaction risk. We are exposed to translation risk because a significant percentage of our revenues and expenses are realized and incurred in currencies other than the U.S. dollar, which is our presentation currency. We are also exposed to translation risk because certain of our assets and liabilities are denominated in currencies other than the U.S. dollar. We are exposed to transaction risk because our revenues and costs, as well as the debt and receivables related to such transactions, are denominated in U.S. dollars as well as euro, Swiss francs and pounds sterling.

Translation Risk

Substantial portions of our revenues and operating expenses are recorded in euros, Swiss francs and pounds sterling and then translated into U.S. dollars for inclusion in our financial statements. Thus, a decline in the value of the euro, Swiss franc or pound sterling against the U.S. dollar will have a negative affect on our revenues as reported in U.S. dollars. Conversely, a decline in the value of the euro, Swiss francs or pounds sterling against the U.S. dollar will have a positive effect on our expenses as reported in U.S. dollars.

Transaction Risk

We are exposed to transaction risk because our revenues and expenses are denominated in not only in U.S. dollars but also in euro, Swiss francs and pound sterling. Accordingly, the relative movements of the exchange rate of the U.S. dollar against any of these non-U.S. dollar currencies can significantly affect our results of operations.

In connection with our acquisitions of the Ingolstadt and Coryton refineries, we will incur U.S. indebtedness at some non-U.S. dollar subsidiaries. As a result, a decrease in the value of any non-U.S. dollar currency against the U.S. dollar will result in a decrease in the U.S. dollar value of the relevant non-U.S. dollar-denominated indebtedness. Conversely, an increase in the value of such currency against the U.S. dollar will result in an increase in the U.S. dollar value of such indebtedness.

Interest Rate Risk

As of December 31, 2006, we did not have any borrowings. As we borrow in the future on our working capital facilities, we will be subject to interest rate risk, as all of these borrowings bear floating rates of interest. As of December 31, 2006, we had no interest rate swaps.

Credit Risk

Credit risk arises from the potential failure of a counterparty to meet its contractual obligations. We are exposed to counterparty risk primarily in connection with commercial transactions, investments and plant maintenance contracts. Our policy is to manage these risks by setting credit risk limits for selected counterparties, based, among other things, on the credit rating and our review of the counterparty, the duration of the exposure and monetary amount of the credit risk exposure. In addition, our trade debtor portfolio principally consists of strong players in world markets, including major oil companies. For sales of petroleum products, we also make extensive use of bank guarantees, letters of credit, or similar credit mitigation instruments.

Critical Accounting Judgments and Estimates

General

The preparation of our financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and provide a basis for making judgments about the carrying value of assets and liabilities that are not readily available through open market quotes. Estimates and assumptions are reviewed periodically, and actual results may differ from those estimates under different assumptions or conditions. We must use our judgment related to uncertainties in order to make these estimates and assumptions.

We have summarized below our accounting estimates that require more subjective judgment by our management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results in our financial statements.

Useful Lives of Property, Plant and Equipment

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful life might be different from the estimated useful life.

Forward Purchase and Sale Commitments

We enter into forward purchase and sales contracts for crude oil procurement and to deliver refined product to distributors and end customers. We have determined that these contracts do not meet the criteria of a derivative financial instrument according to International Accounting Standards ("**IAS**") 39 *Financial Instruments: Recognition and Measurement*. This is due to management's determination that the function of these activities is to supply crude oil to the refineries and to deliver refined products to distributors and end customers.

Environmental Costs

We provide for costs associated with environmental remediation obligations when such costs are probable and can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. Costs of future expenditures are not discounted to their present value, as the timing of cash payments can not be reliably determined.

Deferred Tax Assets

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilized. The valuation of future taxable income

depends on assumptions that can change through time, with the possibility of significant differences in management's final valuation of deferred income tax. Judgment is required when determining the key assumptions used in the assessment and changes to the assumptions can significantly affect the outcome of the assessment.

Valuation of Costs in Determining First-In, First-Out ("FIFO") Inventory

In determining the costs of our crude oil and refined petroleum products in inventory, management must make certain assumptions and estimates in order to develop the production cost of our refined petroleum products. While crude oil valuation is directly attributed to relevant purchase contracts and freight costs, the value of the refined products cost is built up by identifying the appropriate crude oil cost. Additional factors considered include yield of the refinery, market crack levels and the relevant operating and fixed overheads for the stated month of production. Whenever net realizable value is lower than FIFO cost, a write down of crude oil or refined petroleum products to its net realizable value is made. Management periodically reassesses its assumptions and estimates, and judgment is required when determining the assumptions. Changes to these assumptions and estimates can significantly affect the outcome of the value of the oil products.

Impairment of Assets

In accordance with IAS 36 *Impairment of Assets*, at each balance sheet date, the Company performs an assessment to determine whether there are any indications of impairment. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets. Based on management's assessment, there were no indications of impairment at year end.

Finance Lease Commitments

We have a contract with a third party to provide hydrogen to the Cressier refinery. In the course of evaluating that contract under International Finance Reporting Interpretation Committee 4 *Determining Whether an Arrangement Contains a Lease*, we have determined that contract to be a finance lease.

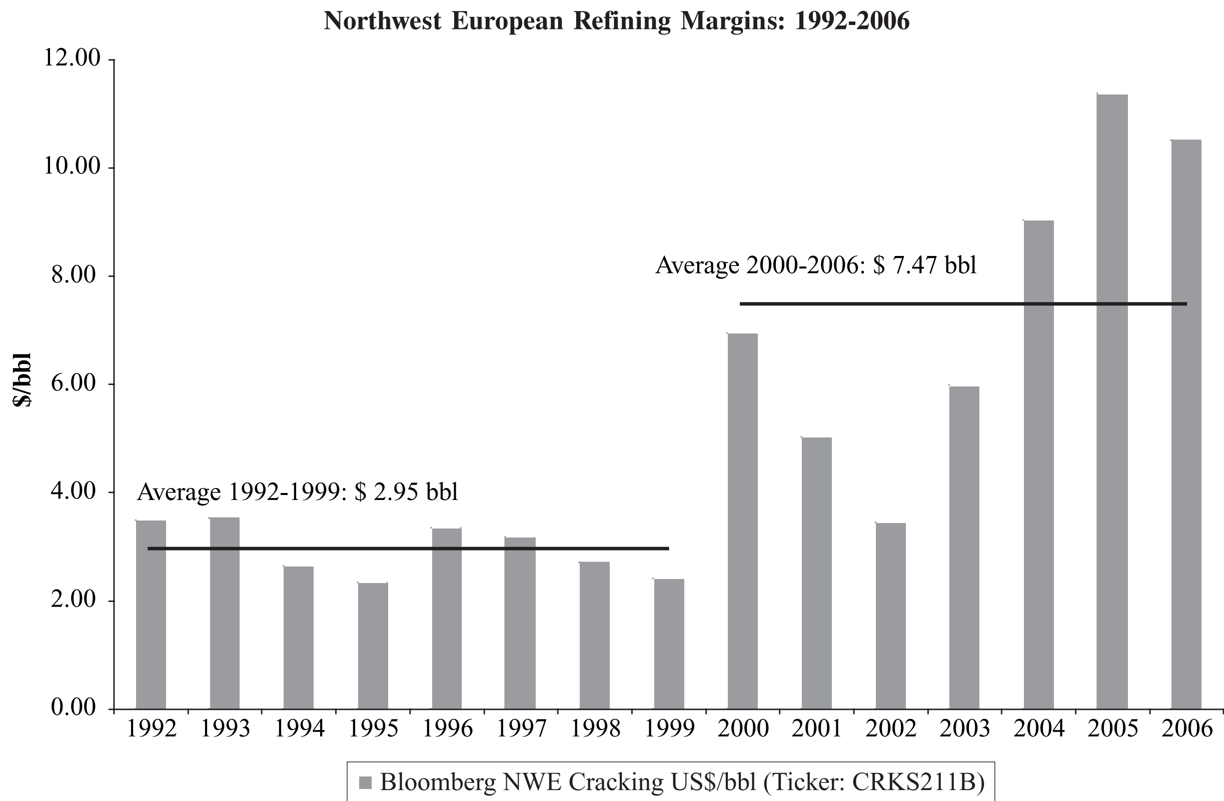
INDUSTRY OVERVIEW

Introduction

Oil refining is the process of separating hydrocarbon molecules present in crude oil and converting them into marketable finished petroleum products, such as diesel fuel, gasoline and home heating oil. Refining is primarily a margin based business where both the feedstocks and refined petroleum products are commodities. Refiners create value by selling refined petroleum products at prices higher than the costs of acquiring crude oil and other feedstocks and converting them into finished petroleum products.

The oil refining industry operates in a global business environment. There is worldwide demand for crude oil, other feedstocks and refined petroleum products, all of which are transported at relatively low costs by sea and by pipeline between geographic regions. There are 658 oil refineries worldwide, with approximately 102 operating in western Europe.

The fundamental drivers of profitability in the refining industry have improved since the late 1990s, which has resulted in a general widening between the prices for finished petroleum products and the cost of crude oil. By way of demonstrating the improved industry environment, the Northwest European crack spread, as an indicator of margins for individual refineries operating in the Antwerp Rotterdam Amsterdam ("**ARA**") region, averaged $2.95 per barrel between 1992 and 1999. As a result of the improvement in underlying industry fundamentals, these spreads averaged $7.47 per barrel from 2000 to 2006. In the first quarter of 2007 these favorable conditions continued. The following chart shows the Northwest European 2/1/1 crack spread per barrel since 1992, together with the average crack spread per barrel for the periods from 1992 to 1999 and from 2000 to 2006:



Source: Bloomberg.

The European oil refining industry is currently characterized by capacity shortages, high utilization rates, increasing demand for specialized refined petroleum products, especially ULSD, and increasing supplies of lower cost sour crude oils. The overview below explains the basics of the refining process and certain factors that influence our industry.

Refining Basics

Refineries are uniquely designed to process specific crude oils into selected products. In general, each of a refinery's different process units performs one of three functions:

- separate through distillation the many types of hydrocarbons present in crude oil into a number of different components, ranging from light to heavy;
- chemically convert the separated hydrocarbons into more desirable products; and
- treat the products by removing unwanted elements and compounds.

Each step in the refining process is designed to maximize the value of the refined petroleum products produced.

Below is a description of refinery conversion units. Not all refineries possess each of these units.

Distillation. The first refinery units to process crude oil are typically the atmospheric and vacuum distillation units. Crude oil is separated by boiling point in the distillation units under high heat and low pressure and recovered as hydrocarbon fractions. The lowest boiling fractions, including gasoline and liquefied petroleum gas ("**LPG**"), vaporize and exit the top part of the atmospheric distillation unit. Medium boiling liquids, including jet fuel, kerosene and distillates such as gasoil, heating oil and diesel fuel, are drawn from the middle of the distillation unit. Higher boiling liquids, such as fuel oils, and the highest boiling liquids, called residuum, are drawn together from the bottom of the atmospheric distillation unit and separated further in the vacuum distillation unit. Vacuum residues can be used for fuel oil or bitumen production. The various fractions are then pumped to the next appropriate unit in the refinery for further processing into higher value products or are sent to storage tanks for sale to customers.

Conversion. The next step in the refining process is to convert the hydrocarbon fractions into distinct products. One of the ways of accomplishing this is through "cracking", a process that breaks, or cracks, higher boiling fractions into more valuable products, such as gasoline, distillates and gasoil. The most important conversion units are the visbreaking unit, the coker, the hydrocracker and the FCC unit. Thermal cracking is accomplished in the visbreaking unit and/or the coker. The visbreaking unit receives heavy residuum feedstock from the crude distillation units and transforms it at high temperature into lighter products such as gasoline, naphtha, kerosene and distillates. The remaining heavy residuum from the visbreaker has a lower viscosity than the heavy residuum from the crude distillation unit, which means that fewer diluents have to be added to be able to use the residuum as fuel oil. The coker upgrades residuum into naphtha, distillate and gasoil and produces coke as a residual. Catalytic cracking is accomplished in the hydrocracker and/or FCC. Hydrocrackers receive feedstocks from cokers, FCCs and crude distillation units and convert lower value intermediate products into gasoline, naphtha, kerosene and distillates under very high pressure in the presence of hydrogen and a catalyst. The FCC unit converts gasoil and some residual from the crude distillation units and coker into LPG, gasoline and distillates by applying heat in the presence of a catalyst. A FCC unit produces a higher percentage of gasoline, whereas a hydrocracker produces a higher percentage of diesel.

Reforming. The production of light distillates is performed in a refinery's continuance catalyst regeneration unit. The reformer converts naphtha, or low-octane gasoline fractions, into higher octane gasoline blendstocks, which are used to increase the overall octane level of the gasoline pool. The alkylation unit reduces the vapor pressure and enhances the octane of gasoline blendstocks produced by the FCC and coker units through the conversion of light olefins to heavier, high-octane paraffins.

Removal of Impurities. Lastly, the intermediate products from the distillation and conversion processes are treated to remove impurities, such as sulfur, nitrogen and heavy metals, and are processed to enhance octane, reduce vapor pressure and to meet other product specifications. Treatment for sulfur, nitrogen and metals is most commonly accomplished in hydrotreating units by heating the intermediates under high pressure in the presence of hydrogen and catalysts.

Crude Oil

The quality of crude oil dictates the level of processing and conversion necessary to achieve the optimal mix of finished products. Crude oils are classified by their density (light to heavy) and sulfur content (sweet to sour):

- *Density.* The less dense the crude, the lighter and thinner it is. Conversely, the more dense the crude, the heavier and thicker it is. Density is technically classified by the American Petroleum Institute in terms of "API degrees". The higher the API degree, the lighter the crude oil. Light crude oils generally exceed 35° API, while heavy crude oils feature densities of 28° API or less. Crude oil varieties within the range of 28° API and 35° API are commonly known as medium crude oils.
- *Sulfur content.* Crude is considered sweet, or low-sulfur, if its sulfur content is less than 1.0% and sour, or high-sulfur, if its sulfur content is 1.0% or more.

The terms light, medium and heavy when used in reference to crude oils refer to their API gravity, and the terms sweet and sour refer to their sulfur content. These terms are often used in conjunction with each other to describe the qualities of crude oil. Light sweet crude oils typically are more expensive than heavy sour crude oils because they require less treatment and, therefore, lower operating costs to produce a slate of products with a greater percentage of higher value, light refined products. Heavy and sour crude oils produce a greater percentage of lower value products with simple distillation and require additional processing and higher operating costs to produce the higher value, light refined products. In seeking to maximize their refining margins, refiners strive to process the optimal mix, or slate, of crude oils through their refineries, depending on each refinery's conversion and treating equipment, the desired product output and the relative price of available crude oils.

Industry Terminology

Crack Spreads

Crack spreads are a proxy for refining margins and refer to the margin that would be derived from the simultaneous purchase of crude oil and the sale of refined petroleum products, in each case at the then prevailing price. The "2/1/1" crack spread assumes two barrels of crude oil will be converted, or "cracked", into one barrel of gasoline and one barrel of diesel fuel. Average 2/1/1 crack spreads vary from region to region depending on the supply and demand balances of crude oils and refined products. In Europe, the crude oil used to calculate crack spreads is Brent blend for northwest Europe, and Urals, also referred to as Russian Export Blend Crude Oil or "REBCO", for the Mediterranean region.

Actual refinery margins vary from the 2/1/1 or other reference crack spread due to the actual crude oils used and products produced, transportation costs, regional differences and the timing of the purchase of the feedstock and sale of light products.

Benchmark Crudes

Oil prices and quality are usually stated by reference to certain benchmarks, including:

- *Dated Brent* is the price of all ready shipments of Brent blend, a light sweet North Sea crude oil. Brent blend has a gravity of approximately 38° API and sulfur content of approximately 0.4%. Most of the Brent blend is refined in northwest Europe, but significant volumes are also shipped to the United States and the Mediterranean region. Oil production from Europe, Africa and the Middle East flowing west tends to be priced off the Dated Brent benchmark. According to the International Petroleum Exchange, this benchmark is currently used for pricing of two-thirds of the world's internationally traded crude oil supplies. Brent blend has a rolling price assessment based on the physical Brent Forties Oseberg crude oil cargoes loading not less than ten days forward and loaded f.o.b. at the named port of shipment.
- *West Texas Intermediate* ("**WTI**"), the benchmark for North American crude oil, is lighter and sweeter than Brent. WTI has a gravity of approximately 40° API and sulfur content of approximately 1.2%.
- *Urals*, the Russian benchmark crude oil, is a medium sour crude oil. Urals is a mixture of several crude oil qualities transported for export and domestic Russian use via the Russian crude oil transportation system. Urals has a gravity of approximately 32° API and sulfur content of approximately 1.2%. The spot price of Russian Export Blend is reported at Augusta, Italy, and Rotterdam, the Netherlands, the two primary delivery points.

Sweet/Sour Differential

The sweet/sour differential is the price differential between sour and light sweet crude oils. In the European context, this term generally refers to the price differential between Urals and the Brent blend. Urals crude oil, being a heavier and more sour crude than Brent blend, typically trades at a discount to Brent blend. The price differential has increased in recent years as a consequence of the increase in the production of sour crude oil, demand for light petroleum products and demand for sweeter crudes due to more stringent sulfur content regulations for gasoline and diesel fuel.

Product Differentials

Because refineries produce many other products that are not reflected in crack spreads, product differentials to the products reflected in the crack spreads are calculated to analyze a given refinery's product mix advantage. Refineries that have an economic advantage are those that produce relatively high volumes of premium products, such as premium and reformulated gasoline, low-sulfur diesel fuel and jet fuel, and relatively low volumes of by-products, such as LPG, residual fuel oil, petroleum coke and sulfur.

Operating Costs

Major operating costs for refineries include employee labor, maintenance and energy. Employee labor and maintenance are relatively fixed costs that generally increase proportional to inflation. By far, the predominant variable cost is energy.

Refinery Products

The main refinery products, not all of which we produce, are as follows:

Petroleum Gases. Petroleum gases are the lightest products of the refining process, primarily consisting of methane, ethane, propane and butane. Their primary uses include heating and use as an intermediary in petrochemical manufacturing processes. Petroleum gases are often liquefied under pressure to create LPG, consisting primarily of propane and butane, for use as a fuel and an intermediate material in the petrochemical manufacturing process.

Petrochemicals. Many products derived from crude oil refining, such as ethylene, propylene, butylene and isobutylene, are primarily intended for use as petrochemical feedstocks in the production of plastics, synthetic fibers, synthetic rubbers and other products. A variety of petrochemicals are produced for use as solvents, including benzene, toluene and xylene.

Gasoline. One of the most significant refinery products is motor gasoline. Various gasoline blendstocks are blended to achieve specifications for regular and premium grades in both summer and winter gasoline formulations. Additives are often used to enhance performance and provide protection against oxidation and rust formation.

Naphtha. Naphtha is a low-octane gasoline product used as a feedstock by the chemicals industry, for catalytic reforming and in the production of hydrogen.

Middle Distillates. Middle distillates are diesel fuels, heating oils and kerosene. Diesel fuels are used for on-road vehicles, construction equipment, locomotives and stationary and marine engines. Heating oil fuels are used for home heating and oil-fired heating plants and boilers. Kerosene is used for jet fuel, cooking and space heating, lighting, solvents and for blending into diesel fuel.

Fuel Oil. Fuel oils are petroleum products that are used as fuels for home heating and industrial and utility boilers.

Residual Fuels. Many marine vessels, power plants, commercial buildings and industrial facilities use residual fuels or combinations of residual and distillate fuels for heating and power generation. Bitumen, a low-value residual product, is used primarily for asphalt coating of roads and roofing materials.

Petroleum Coke. Petroleum coke, a by-product of the coking process, is almost pure carbon and has a variety of uses. Fuel-grade coke is used primarily by power plants as fuel for producing electricity. Premium grades of coke, low in sulfur and metal content, are used as anodes for the manufacture of aluminum.

Niche refined petroleum products. Various refined petroleum products are produced in relatively small quantities such as base oils, biofuels, MTBE, ETBE, TAME and other refined petroleum products. These products are commonly used as blending components for transportation fuels or for lubricants.

Industry Characteristics

Refinery Complexity

Refinery complexity refers to an oil refinery's ability to process feedstocks, such as heavier and higher sulfur content crude oils, into value added products. The configuration of complex oil refineries is typically oriented towards the production of gasoline (catalyst cracking), whereas the configuration of others is oriented towards the production of middle distillates (thermal conversion and/or hydrocracking). Refinery complexity is commonly measured by the Nelson Complexity Index. The Nelson Complexity Index assigns a complexity factor to each major piece of refinery equipment based on its complexity and cost in comparison to crude distillation, which is assigned a complexity factor of 1.0. The complexity of each piece of refinery equipment is then calculated by multiplying its complexity factor by its throughput ratio as a percentage of crude distillation capacity. Adding up the complexity values assigned to each piece of equipment, including crude distillation, determines a refinery's complexity on the Nelson Complexity Index. A refinery with a complexity of 10.0 on the Nelson Complexity Index is considered ten times more complex than crude distillation for the same amount of throughput. The average Nelson Complexity Index rating for refineries in western Europe is approximately 7.2.

Refinery Locations

The location of an oil refinery has an important impact on its refining margin since the location influences its ability to access feedstocks and distribute its products efficiently. The location also dictates whether the feedstocks and products can be transported via sea tanker vessels, pipelines, rail or tank trucks. Refining companies seek to maximize their profits by placing their products in the markets where they receive the highest netbacks. Due to their lower logistics costs, oil refineries located in coastal areas typically have a competitive advantage over oil refineries located inland in sourcing crude oil supplies. Nevertheless, certain inland refineries with niche market positions may also have significant competitive advantages. Oil refiners whose refineries and logistics systems are situated in areas of high petroleum consumption enjoy a competitive advantage over other suppliers in product distribution and satisfying local demand.

Ownership of Refineries

Refineries typically are owned by either integrated oil companies or independent entities. Integrated oil companies have upstream operations, which are concerned with the exploration and production of crude oil, combined with downstream activities, or refining, marketing and other operations, such as gas, petrochemicals, power, and transportation operations.

An independent refiner has no source of proprietary crude oil production; it purchases its feedstocks on the open market under term or spot contracts.

Refiners primarily distribute their products through either wholesale or retail channels. Oil refining companies that operate as wholesalers principally sell their refined petroleum products under term and spot contracts to their customers. Many refiners, both integrated and independent, distribute part of their refined products through retail outlets.

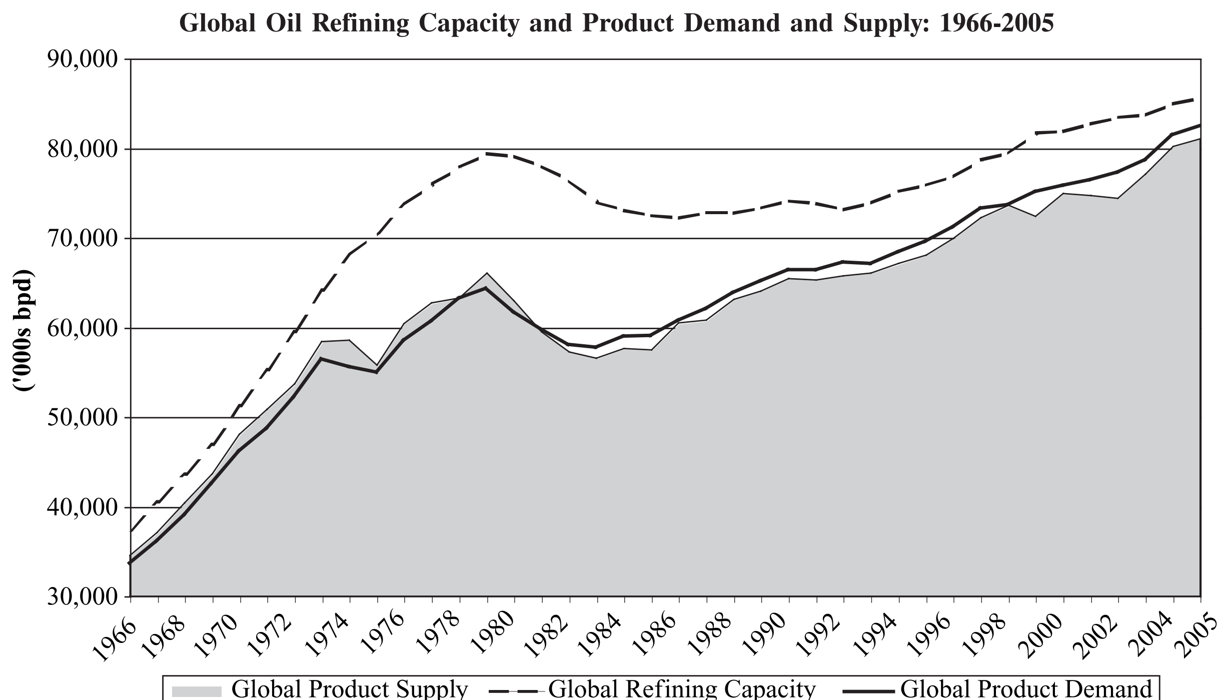
In recent years, integrated oil companies have sought to lower their exposure to the western European refining sector through divestments and rationalization of their refining portfolio. We believe this trend will continue.

Industry Trends

Limited Oil Refining Capacity

The global demand for refined petroleum products has grown faster than refining capacity for those products in recent years. According to the *2006 BP Statistical Review of World Energy*, while refining capacity in the European Union decreased approximately 23% from 19.2 million bpd in 1981 to 14.8 million bpd in 2005, demand for refined fuels increased 11.3% from 4.8 billion barrels to 14.8 million barrels over the same period.

The following chart sets forth global oil refining capacity and global refined petroleum product demand and supply from 1966 through 2005:



Source: 2006 BP Statistical Review of World Energy.

The oil refining industry was characterized by overcapacity throughout the 1980s and much of the 1990s, resulting in lower investment in additional refining and conversion capacity. Although global refining capacity began to rise again during the late 1990s, particularly in Asia, Africa and the Middle East, this was offset by refinery closures in western Europe and the United States. The number of refineries in operation in western Europe declined from 158 in 1981 to 102 in 2006 and in the United States from 303 to 131 during the same period. These closures typically involved inefficient, small scale and technologically weak refinery assets. Since the 1980s, instead of directing investment towards the construction of new refineries, western European and U.S. refiners have been directing investment towards expanding the capacity of existing infrastructure, upgrading and converting existing infrastructure to comply with increasingly stringent environmental regulations and making refineries more competitive through better technology, energy conservation and greater ability to run cheaper crude oil feedstocks. In addition, current U.S. and E.U. environmental legislation, lengthy planning procedures and construction times averaging five to seven years limit the relative attractiveness of "greenfield" refinery investments compared with investments in upgrades of existing facilities. Chinese GDP expansion is expected to absorb much of the planned increase in Asian refining capacity.

From 1981 to 2005, the compound average growth rate in global refining capacity was 0.4% compared to a compound average growth rate of 2.0% for petroleum products consumption during the same period, highlighting the shrinking excess refinery capacity gap and the limited ability for growth in capacity to match the growth in demand. Within our operating markets, the capacity constraints are even more acute.

The following table sets forth the total refining capacity located in certain countries that form part of the operating market for our current refinery activities and the total refining capacity in the

European Union in 1995, 2000 and 2005 and the compound annual growth rate of that capacity from 1995 to 2005:

Total Refining Capacity: 1995, 2000 and 2005

	1995	2000	2005	Compound Annual Growth Rate 1995 to 2005
	(thousands of bpd)			%
United Kingdom	1,884	1,778	1,848	(0.19)%
Belgium	692	770	778	1.18%
Switzerland	132	132	132	0.00%
Germany	2,104	2,262	2,322	0.99%
Total European Union	14,130	14,498	14,901	0.53%

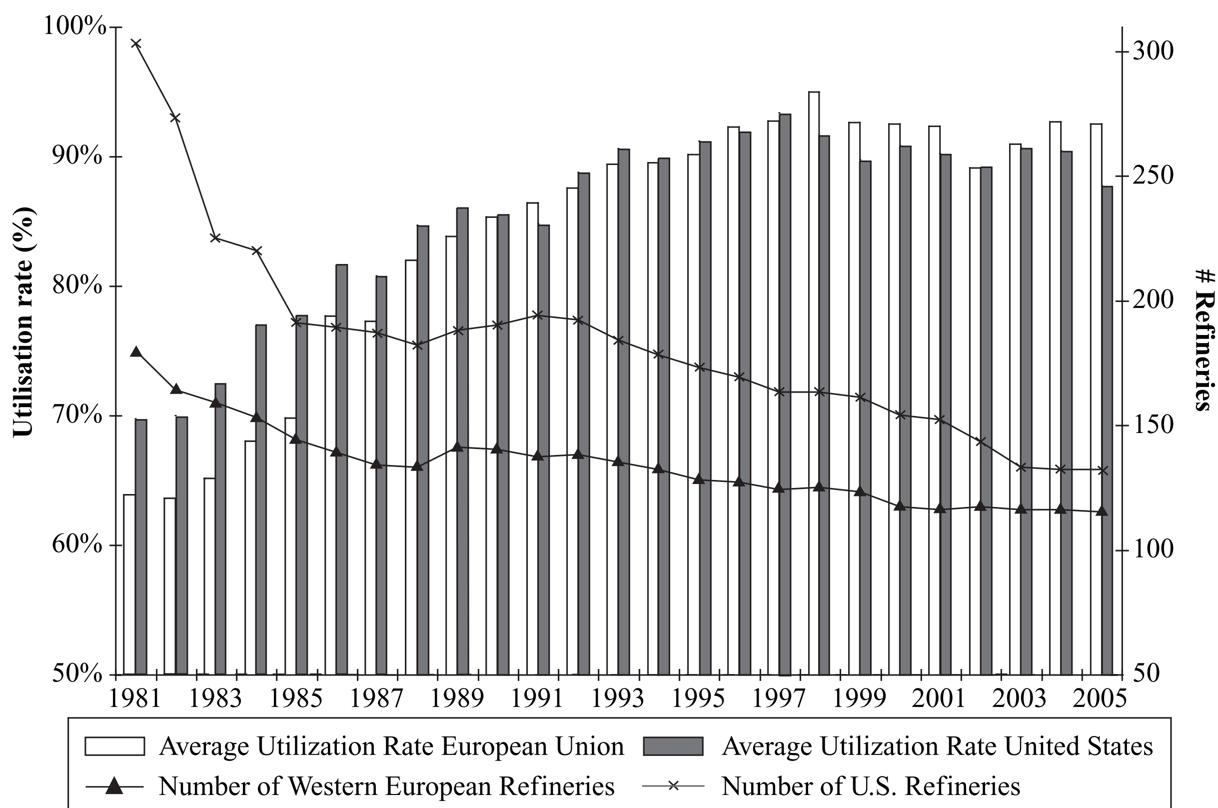
Source: 2006 BP Statistical Review of World Energy and, for Switzerland, Oil & Gas Journal.

High Utilization Rates

Between 1981 and 2005, refinery utilization increased from 63.8% to 92.4% in the European Union and from 69.7% to 87.7% in the United States. The US Energy Information Administration projects that over the next 25 years utilization will remain high relative to historic levels, ranging from 93% to 95% of design capacity in the United States, approaching an effective maximum rate. The trend towards greater capacity utilization has been driven by several factors including those discussed above.

The following chart sets forth the average utilization rates of oil refineries located in the European Union and the United States compared with the number of operable refineries in Western Europe and the United States from 1981 through 2005:

Number of Refineries Versus Utilization in Europe and the United States: 1981-2005



Source: 2006 BP Statistical Review of World Energy and Oil & Gas Journal.

Forecasted Supply and Demand Fundamentals

The structure and development of supply and demand of refined petroleum products, as well as the specifications for refined petroleum products, vary between geographical regions. Europe and North America are expected to show only a limited increase in capacity but continued growth in demand. In North America, this is expected to increase further the net shortage in refining capacity, while in Europe the supply demand situation is expected to remain tight. The table below shows for Europe and North America the total demand for petroleum products and refinery supply for 2005 and the expected development of total demand for petroleum products and refinery supply for 2010 and 2015:

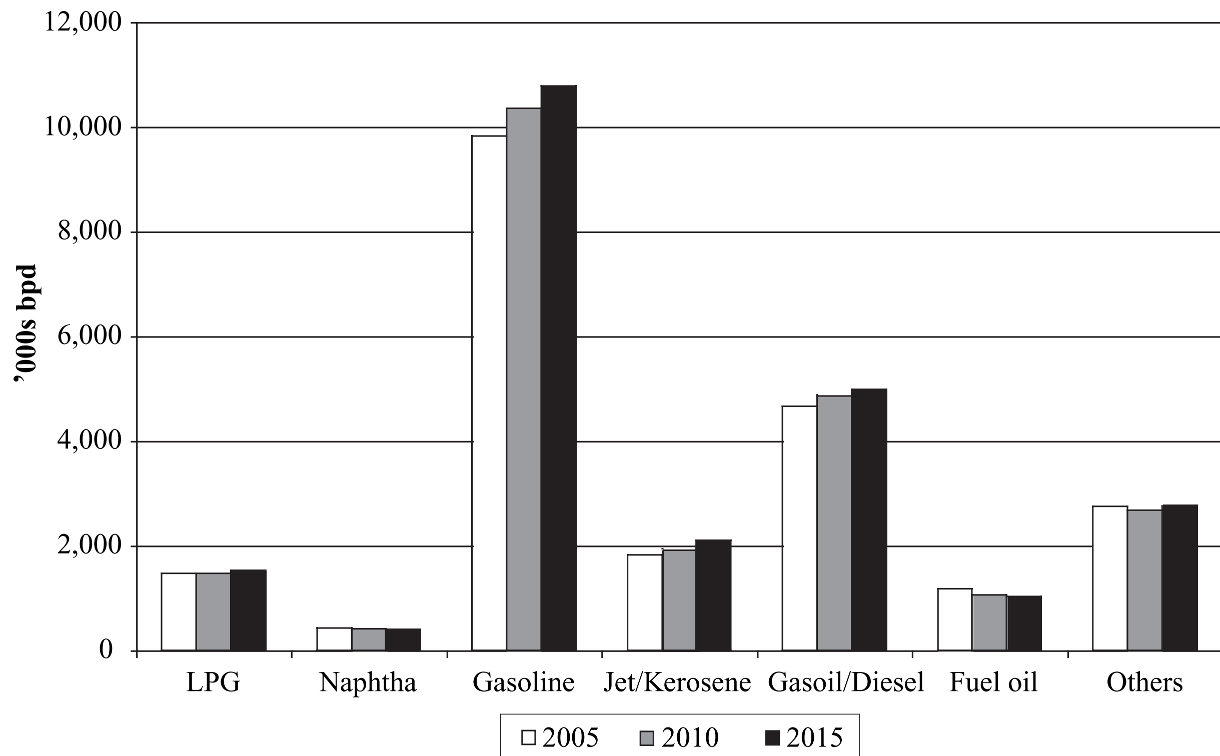
Europe and North America Petroleum Product Demand and Refining Capacity: 2005, 2010 and 2015

	2005	2010	2015
	(thousands of bpd)		
Europe			
Demand	16,825	17,270	17,514
Supply	17,007	17,459	17,667
Surplus	182	189	153
North America			
Demand	22,110	22,758	23,636
Supply	20,992	21,643	22,359
Deficit	(1,118)	(1,115)	(1,277)

Source: Energy Market Consultants (2006).

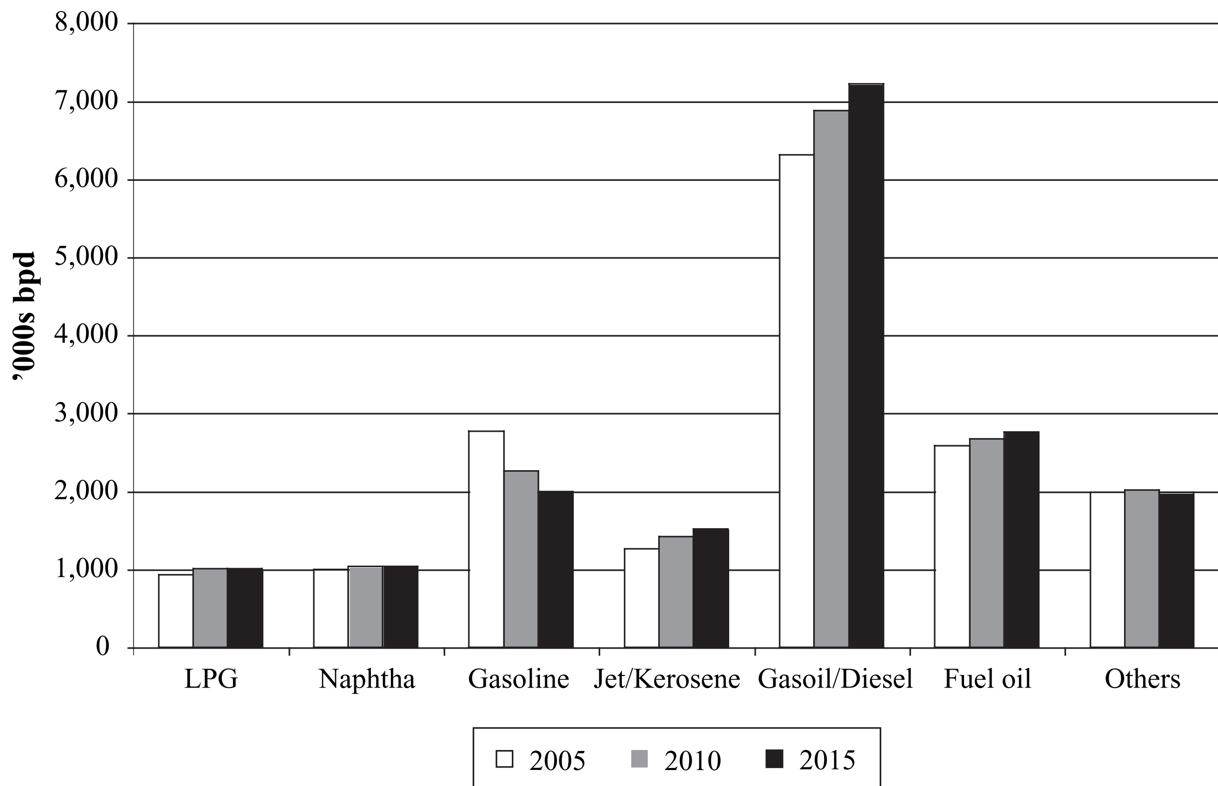
Even though demand is expected to increase in both North America and Europe, the structure of demand is expected to develop differently in the two regions. In Europe, there is expected to be increasing demand for diesel and a decreasing demand for gasoline, as a result of a trend away from gasoline powered cars and towards diesel powered cars. In contrast, demand for gasoline is expected to grow in North America. The graphs below show the aggregate demand for the principal refined petroleum products for 2005, 2010 and 2015 for North America and Europe.

Demand for Petroleum Products in North America: 2005, 2010 and 2015



Source: Energy Market Consultants (2006).

Demand for Petroleum Products in Europe: 2005, 2010 and 2015



Source: Energy Market Consultants (2006).

As a result, significant imbalances between demand and supply of different refined petroleum product qualities have developed. Most importantly, according to Energy Market Consultants, there is currently a shortage of gasoline production capacity in North America of 677,000 bpd, while Europe is facing a shortage of diesel fuel production capacity of 225,000 bpd. The increased European demand for diesel also resulted in a decrease in demand for gasoline and consequently Europe currently has a surplus of 1,047 bpd in gasoline. These imbalances are expected to continue over the next ten years due to increasing demand generated by forecasted population growth in each of these regions, the increasing dieselization in Europe and the capital intensiveness of, and the restrictive nature of the environmental planning consent process for, converting and expanding existing refining capacity. The table below shows the expected development in net supply position in Europe and North America for diesel and gasoline for 2005, 2010 and 2015:

Gasoline and Diesel Surplus/(Deficit): 2005, 2010 and 2015

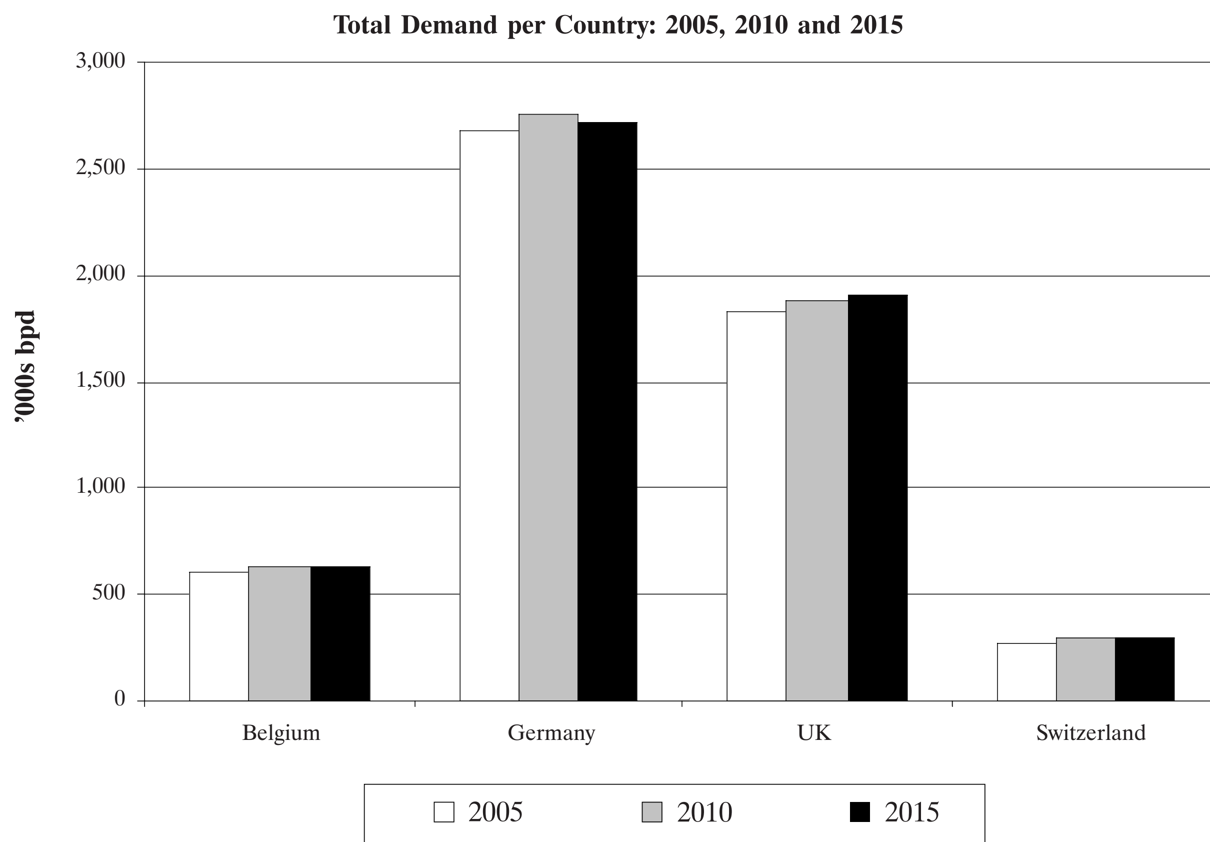
	2005	2010	2015
	(thousands of bpd)		
Europe			
Gasoline	1,047	1,709	2,094
Diesel	(225)	(353)	(568)
North America			
Gasoline	(677)	(541)	(608)
Diesel	(66)	(73)	(4)

Source: Energy Market Consultants (2006).

These product supply-and-demand imbalances within Europe and North America have created attractive opportunities for those oil refiners capable of supplying products complying with the required specifications in each geographical region. Price differentials between Europe and North America that result from the above mentioned product supply and demand imbalances make exporting to North America an attractive opportunity. Refineries in the European Atlantic Basin that are located near, or have pipeline connections to, deep water shipping terminals are expected to benefit from the expected future growth in exports of gasoline from Europe to North America.

The expected demand development in our operating markets is similar to the aggregate demand development for Europe as a whole. The following chart illustrates the demand in the operating markets for various refined petroleum products in 2005 and forecasts for 2010 and 2015:

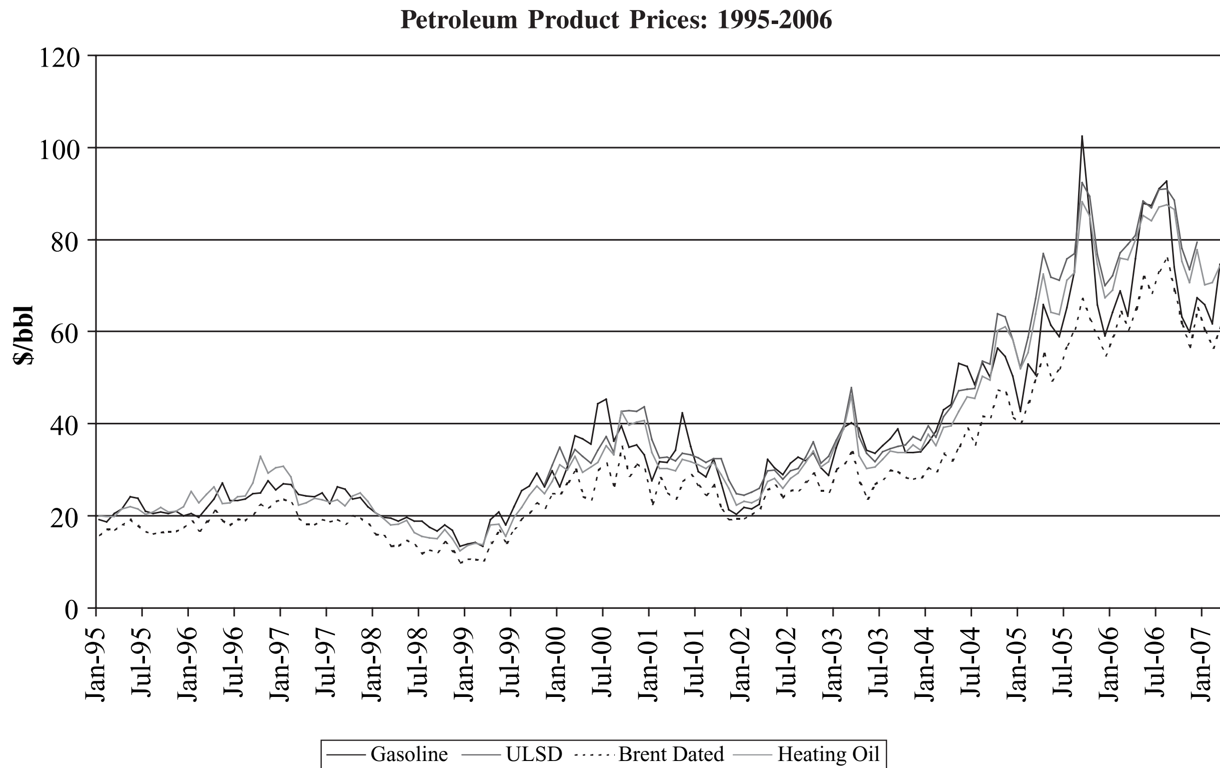
Total Demand per Country: 2005, 2010 and 2015



Source: Energy Markets Consultants (2006).

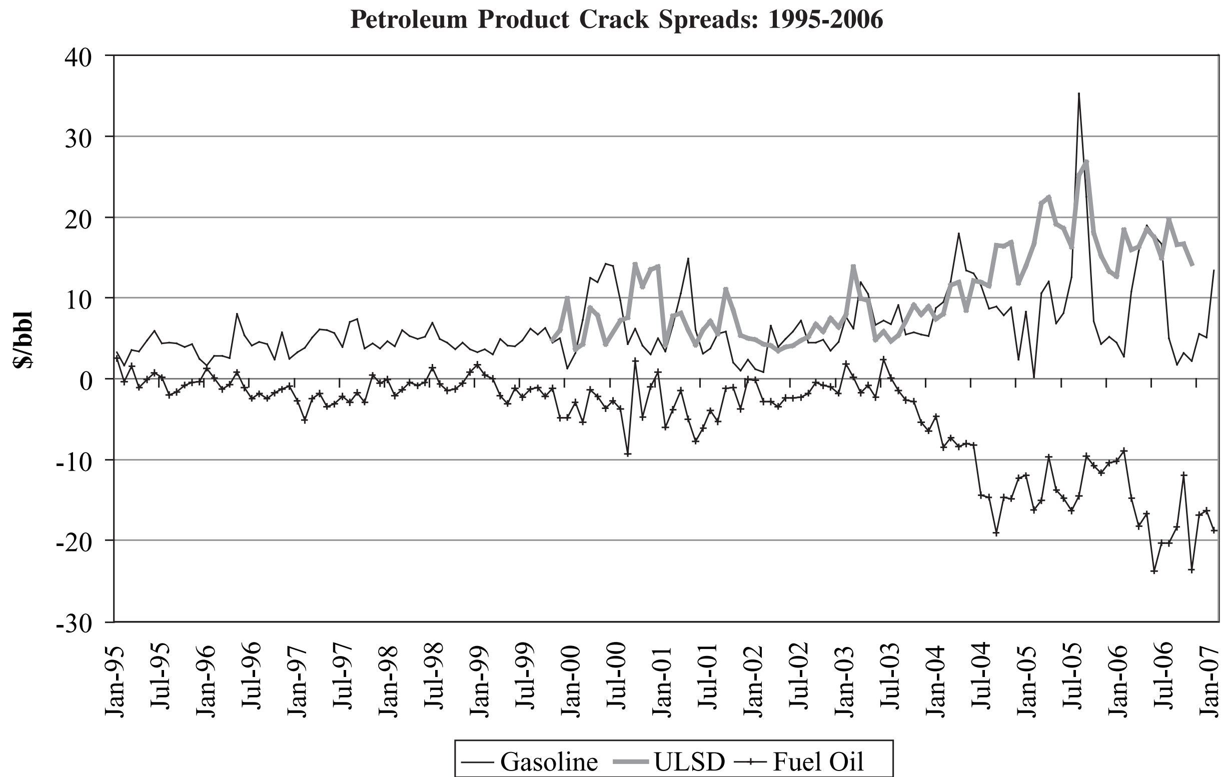
Market Prices

The pricing of refined petroleum products is mainly driven by the prevailing demand-and-supply balance, movements in crude oil prices and changes in inventory levels as well as the price development of standardized transactions made on the major petroleum exchanges. The following chart illustrates market price trends for the principal refined petroleum products and for Dated Brent for 1995 through 2006:



Source: Argus Media Ltd., Bloomberg

Price trends of refined petroleum products do not necessarily track the price trends of crude oil, since product price trends are also affected by inventory levels and by price fluctuations on international oil exchanges. The following chart illustrates the differences between the market prices of the principal refined petroleum products and market price for Dated Brent for 1995 through 2006:

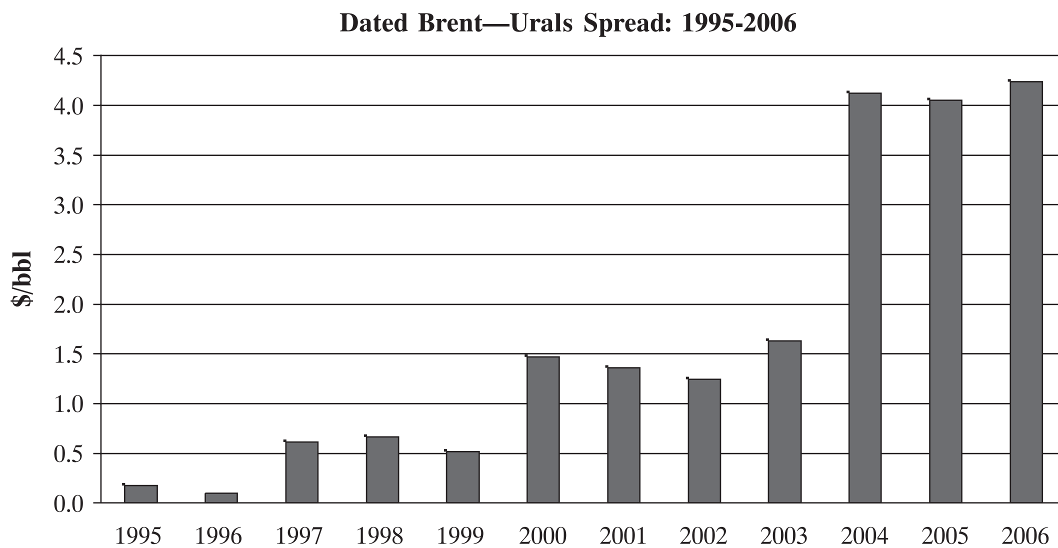


Source: Argus Media Ltd., Bloomberg

Increased Light/Heavy and Sweet/Sour Differentials

With the improvement in the global economy in recent years, worldwide crude oil demand has increased. The incremental production from OPEC and other oil producers to fill this demand has tended to be heavier, sour crude oils. At the same time, many refiners have turned to processing lighter crude oils to maximize yields of light transportation fuels, resulting in increased supplies of heavy and sour crude oils. As a result, the discounts for heavy and sour crude oils relative to the prices of light crude oils have increased. The average price differential between Dated Brent crude oil and Urals crude oil averaged $4.24 per barrel in 2006 compared to $4.05 per barrel in 2005, $4.12 per barrel in 2004 and $1.63 per barrel in 2003. We believe that greater worldwide supplies of lower-cost heavy and sour crude oils and increased demand for light crude oils will continue to provide a cost advantage to refineries with complex configurations that are able to process heavier, sour crude oils.

The following chart shows the price differential between Dated Brent crude oil and Urals crude oil from 1995 through 2006:



Source: Bloomberg.

BUSINESS

Overview

We are one of the largest independent refiners and wholesalers of petroleum products in Europe. We are focused on refining and currently own and operate four refineries across Europe: the BRC refinery in Antwerp, Belgium, the Cressier refinery in the canton of Neuchâtel, Switzerland, the Ingolstadt refinery in Ingolstadt, Germany and the Teesside refinery in Teesside, United Kingdom. We acquired the Ingolstadt refinery from ExxonMobil on March 31, 2007. We have also entered into a BSA with BP to acquire the Coryton refinery and related operations located on the Thames Estuary in the United Kingdom. We also own and operate a bitumen and gasoil processing facility in Antwerp, Belgium. Our existing four refineries have a combined throughput capacity of approximately 405,000 bpd. Based on information provided by the seller, the Coryton refinery has a crude oil throughput capacity of approximately of 172,000 bpd and can process up to an additional 70,000 bpd of other feedstocks. Full capacity of crude reduces the Coryton refinery's capacity of other feedstocks by 20,000 bpd and vice versa. Following our acquisition of the Coryton refinery, we expect our five refineries to have a combined throughput capacity of approximately 625,000 bpd. We sell our refined petroleum products to distributors and end customers, primarily in Germany, Switzerland, the United Kingdom and the Benelux countries as well as on the spot market.

We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchasing based on spot-market pricing gives us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis than long-term contracts. Since our BRC, Cressier and Ingolstadt refineries have access, either directly or through pipeline connections, to deepwater terminals, we have the flexibility to purchase our crude oils from a number of different countries. In addition, the Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk crude oil pipeline. This provides us with a cost advantage as it allows the refinery to receive Ekofisk crude oil at the refinery with minimal transportation costs. Our access to pipelines is accommodated by direct and indirect ownership, together with long-term transportation agreements with third parties.

Our supply and distribution group, which is centrally based in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude oil and other feedstocks for each refinery and the off-take of each refinery's refined petroleum products. This group is also responsible for managing our price exposure and related risks.

Highly refined petroleum products, known as light products and which typically generate higher margins, including diesel fuel, jet fuel and home heating oil among others, accounted for approximately 73% of our total product volume for the year ended December 31, 2006 (this excludes our acquisition of the Ingolstadt refinery on March 31, 2007 and our planned acquisition of the Coryton refinery).

Our History

1993	PPI is founded.
July 1998	PPI is listed on the Amsterdam Stock Exchange.
May 2000	PPI acquires the Cressier refinery and its associated wholesale marketing business from Shell Switzerland, a wholly owned subsidiary of Royal Dutch Shell.
December 2000	PPI acquires the Teesside refinery and its wholesale marketing business from PIP Ltd., a joint venture between Phillips Petroleum Company (now ConocoPhillips) and ICI plc.
March/April 2005	PPI is acquired and taken private by RIVR and delisted from Euronext Amsterdam.
February 2006	Argus is incorporated in Bermuda.
May 2006	We recruit a new management team, including Thomas D. O'Malley as our chairman and chief executive officer.

	We acquire EPH, including the BRC refinery in Antwerp, Belgium, and related supply and distribution assets from Sovereign Holding Limited (Bermuda).
August 2006	We sell or contract to sell Petroplus Tankstorage, a tank storage business; Frisol/Bunkering, a wholesale bunkering and trading business; Oxyde Chemical, a chemicals and plastics trading and distribution business; 4Gas, a liquefied natural gas import terminal and marketing businesses; and other non core assets.
	Argus and RIVR merge and the combined entity is relocated to Switzerland and renamed Petroplus Holdings AG.
November 2006	Petroplus Holdings AG launches its IPO and its shares are traded on the SWX Swiss Exchange for the first time on November 30.
February 2007	We enter into an agreement with BP to purchase the Coryton refinery in the United Kingdom.
March 2007	We complete our acquisition of the Ingolstadt refinery.

Market Trends

We believe that the outlook for the European refining industry is attractive due to the trends set out below. We also believe that we are well positioned to take advantage of these trends.

Favorable Supply and Demand Fundamentals in Europe. We believe that the supply and demand fundamentals for refined petroleum products in Europe have improved since the late 1990s and will remain favorable. According to *Oil & Gas Journal*, the number of refineries in western Europe, decreased from 158 in 1981 to 102 in 2006. Energy Market Consultants projects that capacity additions in western European countries will increase total refining capacity at an annual rate of only 0.2% per year over the next decade, while demand for refined petroleum products is expected to continue to grow steadily at 0.4% per year over the next decade. Most of this growth in demand is expected to come from diesel and jet fuel, partially offset by a decrease in demand for gasoline.

Continued Consolidation of the Refining Sector. We expect the ongoing trend of integrated oil companies seeking to lower their exposure to the western European refining sector will create attractive opportunities to acquire competitive refining capacity. During the period from 1995 to 2006, the percentage of U.S. refining capacity owned by major integrated oil and/or state-owned companies decreased from 76% to 67%. During this same period, the percentage of U.S. refining capacity owned by the top ten owners of refining assets increased from 50% to 71%, and the share held by independent refiners increased from 24% to 33%. We believe similar trends are currently underway in Europe where the market share held by independent refiners increased from 11% to 16% between 1995 to 2006. We believe the western European refining industry will continue to consolidate in the future.

Increasing Supply and Demand Imbalances Between Europe and North America. Significant imbalances between demand and supply of different refined petroleum product qualities have developed in North America and Europe. North America currently is facing an increasing shortage of gasoline production capacity. Europe, on the other hand, is facing an increasing shortage of diesel fuel production capacity while having an excess of gasoline production capacity. These imbalances are expected to continue in the next few years due to increasing demand generated by forecasted population growth in North America and the capital intensiveness of, and the restrictive nature of the environmental planning consent process for, converting and expanding existing refining capacity. The price differentials between Europe and North America that result from these supply and demand imbalances could make long-distance sea transport of refinery products increasingly attractive.

Increasing Demand for Products Meeting Tighter Specifications. We expect that products meeting new and evolving stricter fuel specifications could account for an increasing share of total fuel demand, which may benefit refiners, such as us, possessing the capabilities to blend and process these fuels. Tightened petroleum product specifications and the increased role of renewable raw materials have resulted in increasing demand for new high-quality transportation fuels and other products, such as ULSD and biodiesel. Demand for low-sulfur products in the European Union is expected to increase

further as the E.U. mandatory maximum sulfur limit for gasoline and diesel fuel is lowered in 2009 from the current limit of 50ppm to 10ppm.

Competitive Strengths

We have the following competitive strengths:

Track Record of Highly Experienced and Growth-Oriented Management Team. Our chairman and CEO, Thomas D. O'Malley, and other members of our senior management team have a proven track record in the refining industry. From 2002 to 2005, Mr. O'Malley was the chairman and CEO of Premcor Inc. From 1990 to 2001, he was chairman and CEO of Tosco Corporation. Mr. O'Malley led both Premcor Inc. and Tosco Corporation during periods of significant growth in operations and stakeholder returns through successful refinery asset acquisitions and seamless integration of these acquisitions. At Petroplus, he has assembled an experienced and committed management team consisting of executives who have held key management positions in growth-oriented organizations in the refining sector.

Proven Ability to Identify, Execute and Integrate Acquisitions. The Petroplus organization and our new management team have substantial experience in identifying, executing and integrating acquisitions. We believe we are at the forefront of successfully identifying refinery acquisition opportunities in Europe as demonstrated by our acquisition of the BRC refinery in May 2006 and the Ingolstadt refinery in March 2007 and the announcement of the Coryton refinery acquisition in February 2007. We believe our established track record of operating refineries, combined with the previous experience and reputation of our management team, provides us with the credibility required to be the preferred buyer in divestment processes.

Leading Pure-Play Refiner. We are a "pure play" refiner able to source our crude oil through spot market arrangements and without the obligation to supply retail outlets or the cost of supporting a retail brand. As a result, we are free to supply our products into the distribution channels or markets that we believe will maximize profit. We do not own assets or businesses, such as petroleum exploration and production assets or substantial retail distribution assets that compete for capital or management attention. Therefore, our capital and attention are focused on improving our existing refineries and acquiring additional competitive refining capacity.

Multi-Site Refining System with Geographic and Cash Flow Diversification. We own four refineries and are in the process of acquiring the Coryton refinery. Following our acquisition of the Coryton refinery, we expect our five refineries to have a combined throughput capacity of approximately 625,000 bpd, increasing our total throughput capacity by 54%. Our portfolio of multiple refineries provides us with geographic diversity and reduces our dependence on any single facility or national market.

Strategically Located Refineries with Cost and Supply Advantages. Each of our refineries is located in an area that offers key competitive advantages. For example, the Cressier refinery is one of only two refineries in Switzerland, a country that imports approximately 60% of its refined petroleum products, principally by rail and over the Rhine River. Due to lower transportation costs, the Cressier refinery benefits from a built-in margin premium vis-à-vis imported refined products and is able to stay competitive from a pricing perspective. The Teesside refinery's pipeline connection to the Ekofisk loading terminal at Sea Sands enables it to achieve reduced crude delivery costs and a competitive advantage over other European refineries that process the same crude oil. The BRC refinery's location, adjacent to the Port of Antwerp at the center of the ARA region, provides it with proximity to intermediate and finished product markets in a densely populated region with a heavy industrial presence; favorable logistics and sea-going crude and product transport, including to Africa and North America; and access to sour crude oils that can be purchased on a spot basis for prices below prevailing market prices for Dated Brent.

Ability to Produce Products Complying with the Latest Environmental Requirements. Our refineries produce products complying with the latest environmental requirements, such as the E.U. low-sulfur gasoline and diesel standards. Our refineries are able to comply with the E.U. 2009 and Swiss mandatory-maximum-10ppm sulfur requirements, eliminating the need to divert additional capital to meet these requirements.

Export Channel to North America. There has been a growing product supply-and-demand imbalance between North America and Europe for gasoline. We believe that we are well positioned to take advantage of Atlantic Basin arbitrage due to the BRC refinery's proximity to ports and potentially realize premium margins if current product supply-and-demand trends continue.

Flexibility of Crude Supply. Our refineries have the ability to individually process a variety of crude types, reducing our dependence on any given crude or crude supplier, enhancing our ability to opportunistically purchase crude on the spot market and enabling us to take advantage of the sweet-sour crude differential.

Strong Cash Generation, Balance Sheet and Access to Liquidity and Capital. Our existing refineries are cash generative and are supported by a strong balance sheet and access to long-term liquidity and capital.

Strategy

Our goal is to become the leading independent refiner and supplier of petroleum products in Europe and to be an industry leader in creating value for our stakeholders. We intend to accomplish this goal, grow our business, enhance our earnings and improve our cash flow from operations by executing the following strategies:

Meaningful Growth Through Acquisitions and Disciplined Internal Capital Investment. We intend to pursue acquisitions and discretionary capital expenditure opportunities that we believe will be promptly accretive to earnings and improve our return on capital, assuming historic average margins and crude oil price differentials.

We believe that the continuing consolidation in our industry, the strategic divestitures by major integrated oil companies and the rationalization of specific refinery assets by merging companies will present us with attractive acquisition opportunities. We completed the acquisition of the BRC refinery in May 2006 and the Ingolstadt refinery in March 2007. We also entered into an acquisition agreement for the Coryton refinery in February 2007. We continue to evaluate refinery acquisition opportunities as they arise. In addition, based upon our engineering and financial analysis, we have identified discretionary capital projects at some of our refineries that we believe should, if undertaken, be accretive to earnings and generate an attractive return on capital. We are also looking at our current refineries to evaluate how we can best maximize their production using their current configurations through strategic purchases of alternative feedstocks.

The management team assembled by Thomas D. O'Malley, CEO, has a proven track record of growing businesses through acquisition and has applied this acquisition strategy to Petroplus with the acquisition of the Ingolstadt refinery and the planned acquisition of the Coryton refinery. We believe we are well situated to capitalize on these acquisitions and, where appropriate, will pursue potential future acquisition opportunities.

Optimize Production Through Our North Sea System. Our North Sea System, which currently consists of the BRC and Teesside refineries and the Antwerp processing facility, provides us with a competitive advantage in enabling us to exchange feedstocks and midstream products between these refineries and the Antwerp processing facility and synergistically maximize each refinery's or facility's individual processing abilities to increase our yields of middle distillates while decreasing our production of gasoline and fuel oils. With the BRC refinery and the Antwerp processing facility both located in the Port of Antwerp, we plan to exchange feedstocks and midstream products between the facilities and maximize their individual processing abilities to increase our yields of middle distillates while decreasing our production of gasoline and fuel oils. With its production of straight-run fuel oil, the Teesside refinery is an integral part of our North Sea System as a supplier of feedstocks to the other refineries in the North Sea System. With its back-end processing capabilities, the Antwerp processing facility forms another integral part of our overall North Sea System in allowing us greater flexibility in processing and production yields of middle distillates. Following the acquisition of the Coryton refinery, we plan to send about 7,000 bpd of low-sulfur straight-run fuel-oil produced at the Teesside refinery to the Coryton refinery to be used as a feedstock. This would allow the Coryton refinery to utilize more sour crude oils on about 20% of the refinery's total throughput, which, in turn, would allow the refinery to send about 14,000 bpd of intermediate feedstocks to the BRC refinery and the Antwerp processing facility. In addition, we believe that successfully integrating the Coryton

refinery into our North Sea System will enable our existing refineries in the North Sea System to better take advantage of European demand for higher margin refining products, such as middle distillates.

Maintain Efficient Capital Structure. Our business has strong, recurring cash flow streams. We intend to further improve our capital structure by maintaining financial costs at adequate levels, by optimizing utilization of our refinery asset base, by making focused capital improvements designed to generate incremental profits and by increasing cash flow from operations to deliver maximum value to our stakeholders while maintaining financial costs at adequate levels. To do this, we intend to maximize our cash flows available for debt reduction, less any cash used for acquisitions, by optimizing utilization of our refinery asset base, by making focused capital improvements designed to generate incremental profits and by increasing cash flow from operations. We will continue to maintain our growth strategy and will fund external growth through a balance of equity and debt.

Assets Operated by Highly Experienced Refining Professionals. Our strategy is to employ highly experienced refining-sector professionals and to create a working environment that allows our employees to use best practices to improve the safety and efficiency of our refineries. We believe that it is only by maintaining a strong engineering focus on the performance of our assets that we can deliver sustainable profitability for our stakeholders.

Promote Operational Excellence in Safety and Reliability. We will continue to devote significant time and resources to improving the safety, reliability and environmental compliance of our operations and continue to emphasize safety in all aspects of our operations. We believe that a superior safety record is inherently tied to profitability through reliability and that safety can be measured and managed like all other aspects of our business. We will seek to increase safety performance through a commitment to our preventative maintenance program and to training and development programs.

Commercial Optimization. To optimize our refineries' commercial operations, we will continue to focus on developing processes that allow our central supply and distribution group to react in real time to changes in market prices of crude oil and refined petroleum products. Members of our supply and distribution group work closely with each refinery to determine the optimal amount and type of feedstock to purchase for the refinery as well as optimal throughout rates at which to run the refinery. We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchasing based on spot market pricing gives us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis.

Create an Organization Highly Motivated to Enhance Stakeholder Returns. We intend to create an organization in which employees are highly incentivized to enhance earnings and improve return on capital. We have adopted a new annual incentive program. This program enables eligible employees to earn annual bonus awards if certain predetermined earnings-per-share levels are met. If these levels are exceeded, additional bonus opportunities can be realized.

Oil Refining Operations

General

We currently own and operate four refineries across Europe: the BRC refinery in Antwerp, Belgium, the Cressier refinery in Cressier, Switzerland, the Ingolstadt refinery in Ingolstadt, Germany and the Teesside refinery in Teesside, United Kingdom. In addition, we own and operate a bitumen- and gasoil- processing facility in Antwerp, Belgium. The aggregate crude oil throughput at our refineries is approximately 405,000 bpd. The following table provides a summary of crude capacity,

throughput and production data for our refineries, for the year ended December 31, 2006, as well as their complexity rating:

	BRC Refinery[(1)]	Cressier Refinery	Ingolstadt Refinery[(2)]	Teesside Refinery	Total
	(barrels per day)				
Crude oil throughput capacity	110,000	68,000	110,000	117,000	405,000
Percentage of our total oil throughout capacity	27%	17%	27%	29%	100%
Crude unit throughput:					
Light sweet	1%	74%	16%	100%	57%
Heavy sweet	—	—	2	—	—
Light sour	—	—	64	—	—
Medium sour	62	20	8	—	28
Heavy sour	22	3	7	—	9
Total crude unit throughput	**85%**	**97%**	**97%**	**100%**	**94%**
Other throughputs	15	3	3	—	6
Total throughput	**100%**	**100%**	**100%**	**100%**	**100%**
	(% of total throughput)				
Production:					
Light products:					
Gasoline	10%	25%	26%	—%	9%
Diesel and gasoils[(3)]	62	45	45	33	47
Jet fuel	—	7	3	5	4
Petrochemicals	—	1	2	—	—
Naphtha	4	—	8	25	11
LPG	2	5	10	—	2
Total light products	**78%**	**83%**	**94%**	**63%**	**73%**
Low-sulfur-straight run	—	—	—	36	14
Fuel oil	18	13	7	—	10
Solid by-products/fuel consumed in process/fuel loss	4	4	6	1	3
Total production	**100%**	**100%**	**107%**	**100%**	**100%**
Complexity rating[(4)]	4.5	6.4	7.3	2.1	4.9[(5)]

(1) The information included above for the BRC refinery represents the seven months of operations since our May 2006 acquisition of BRC.

(2) Based on information provided by ExxonMobil regarding the Ingolstadt refinery's throughput and production while under ExxonMobil's management.

(3) Includes VGO produced at the BRC refinery.

(4) Source: Nelson Complexity Index as calculated by Nexidea.

(5) Represents the sum of the complexity ratings of each of the refineries multiplied by its crude oil throughput capacity and divided by the total crude oil throughput capacity.

Our four refineries have benefited in recent years from continuous maintenance and improvement. From 2001 through 2006, total investments in the BRC, Cressier and Teesside refineries amounted to approximately $267.3 million, of which $129.6 million related to the BRC refinery, $58.0 million to the Cressier refinery and $79.7 million to the Teesside refinery. From 2000 through 2005 approximately $111 million was spent on improving the Ingolstadt refinery. Each of our four refineries are generally shut down for major scheduled maintenance every four years, with a shut-down for minor scheduled maintenance two years following each major scheduled maintenance shut-down. The average duration

of our most recent shut-downs at our refineries has been from four to five weeks. The following table provides information about scheduled maintenance shut-downs at our refineries:

Refinery	Date of Most Recent Scheduled Maintenance Shut-Down	Date of Next Planned Scheduled Maintenance Shut-Down	Remediation Cost of Most Recent Scheduled Maintenance Shut-Down	Estimated Outage Duration of Next Planned Shut-down
			(in millions)	(days)
Cressier	Q2 2005[1]	Q2 2007	$9.4	35-45
Ingolstadt	Q1 2005[1]	2010		35-45
Teesside	Q2 2006[2]	Q2 2008	$6.9	25-35
BRC	Q1 2002[2]	Q2 2007	$8.6	40-45

(1) Major scheduled maintenance.

(2) Minor scheduled maintenance.

BRC Refinery

Overview. We acquired EPH, the holding company for the BRC refinery and related supply and distribution assets, from Sovereign Holding Limited (Bermuda) on May 31, 2006. The purchase price was $511.2 million, including net working capital and fees. The BRC refinery was originally commissioned in 1968 and has a crude oil throughput capacity of 110,000 bpd. The refinery is an atmospheric-vacuum distillation, visbreaking refinery.

The BRC refinery is located north of the Port of Antwerp at the center of the ARA region on a 105-hectare site. The refinery's location provides it with several competitive advantages, including access to feedstocks that can be purchased on a spot basis at prices at or below prevailing market benchmark prices and the ability to transport feedstocks and products by sea, including to North America. The refinery's location also gives it close proximity to intermediate and finished product markets in a densely populated region with a heavy industrial presence and to a number of other refineries in the Antwerp area, ensuring an ample supply of technical expertise.

One of the key strengths of the BRC refinery is its extensive hydro-desulfurization capacity that enables the refinery to process a predominantly sour crude slate to produce low-sulfur, light products, including gasoline, naphtha, ULSD, heating oil and vacuum gasoil. The refinery's low-sulfur products meets the E.U. 2009 mandatory maximum sulfur limit of 10ppm for gasoline and diesel. The low-sulfur and low-aromatic qualities of the refinery's gasoline components make them highly marketable in both Northwest European and U.S. markets. The BRC refinery is part of our overall North Sea System, in which we plan to synergistically maximize the combined processing capabilities of our refineries and the Antwerp processing facility. We plan to exchange feedstocks and midstream products between the facilities and maximize their individual processing abilities to increase our yields of middle distillates while decreasing our production of gasoline and fuel oils.

Since acquiring the BRC refinery, we have continued to implement the refinery's on-going improvement plan. The former owner of the BRC refinery invested approximately $124.9 million from 2000 through 2005 in improving the refinery, including a product tank farm refurbishment program, instrumentation modernization and construction of the TIP unit, which became operational in June 2005. The tank farm refurbishment program is one of the conditions agreed with the Belgian authorities in 2001 in connection with the renewal of the refinery's operating permit, which will be up for renewal in 2021. We expect to complete the tank farm refurbishment program in 2008. In connection with the refinery's next scheduled maintenance shut-down in the second quarter of 2007, we plan to implement improvements to the vacuum distillation units to increase vacuum gasoil yields and reduce fuel oil yields. In the medium term, we also intend to construct a modern combined heat and power plant on site at the refinery to replace its existing utilities plant and to provide all of the refinery's steam and electricity needs.

The following table sets forth the main process units of the BRC refinery, their current capacities, start-up years and years of their most recent major modification:

BRC Refinery Main Process Units

Process Units	Current Capacity[(1)]	Start-Up Year	Year of Most Recent Major Modification
Atmospheric Distillation	110,000	1968	2000
Vacuum Distillation	59,000	1973	2000
Naphtha Hydrotreater	26,500	1968	—
Catalytic Reformer	10,200	1968	1999
Isomerization (TIP)	4,300	2005	—
Distillate Hydrotreater	35,500	1975	1993
Visbreaker	24,200	1986	2000
Sulfur Recovery Unit (tons per day)	108	1980	—
LPG Recovery Unit	4,400	1968	—

(1) Barrels per day, except as indicated.

Throughput and Production at the BRC Refinery

	Year Ended December 31, 2006[(1)]	
	thousands of bpd	% of throughput
Throughput:		
Crude unit throughput:		
Light sweet	0.7	1%
Medium sour	49.9	62
Heavy sour	17.9	22
Total crude unit throughput	**68.5**	**85%**
Other throughputs	11.7	15
Total throughput	**80.2**	**100%**
Production:		
Light products:		
Gasoline	7.9	10%
Diesel and gasoils[(2)]	49.9	62
Naphtha	3.0	4
LPG	1.5	2
Total light products	**62.3**	**78%**
Fuel oil	15.1	18
Solid by-products/fuel consumed in process/fuel loss	3.4	4
Total production	**80.8**	**100%**

(1) The information included above for the BRC refinery represents the seven months of operations since our May 31, 2006 acquisition of the refinery.

(2) Includes VGO produced at the BRC refinery.

Feedstocks and Supply Arrangements. The BRC refinery processes predominantly Urals crude oil and sour Russian straight-run fuels and supplements these feedstocks with a variety of other feed and blendstocks purchased on the spot market to optimize its gross refining margins. Since we acquired the BRC refinery, we have integrated its supply operations with those of our supply and distribution group in Zug, Switzerland.

The BRC refinery's feedstocks are shipped, primarily from Baltic Sea ports, to the crude-unloading jetty adjoining the refinery. Ships with a cargo of up to 100,000 tons can be unloaded across the jetties. At the jetty, feedstocks may be unloaded at the rate of 37,700 barrels (6,000 cubic meters) per hour. Feedstocks are stored in the refinery's nine crude tanks with a combined capacity of 2 million barrels (325,000 cubic meters), or approximately 18-days' supply.

Product Off-Take. We sell the BRC refinery's products to a variety of customers, including oil majors, petrochemical companies and wholesalers.

The BRC refinery's facilities for loading products for delivery to customers include two jetties for loading vessels with capacities of 3,000 to 60,000 tons, a barge jetty with four loading spots capable of loading different products simultaneously and an 18-bay truck loading rack. Each of the jetties has a capacity of up to 11,000 barrels (1,800 cubic meters) per hour. The refinery's 86 crude and product storage tanks have a combined capacity of 7.3 million barrels (1.2 million cubic meters).

The bulk of the BRC refinery's products are sold on a f.o.b. basis, with about 70% of the total products being loaded on barges to take advantage of the higher prices generated from local sales in the ARA inland market. For f.o.b. sales, the purchaser bears transportation and insurance costs. Some of the refinery's products are sold on a discharge in delivered basis, for example, into the United States.

The BRC refinery's finished gasoline and components are primarily sold in barge lots. The high quality and low sulfur content of the refinery's gasoline components allows premium grades of gasoline to be blended at the refinery. Since 2005, the refinery has been selling 165,000 barrel cargo lots of gasoline and reformulated gasoline blendstock for oxygenated blending ("**RBOB**") to North America.

A large proportion of the refinery's middle distillates is ULSD, with the majority of this product selling in the local ARA market. Heating oil is either sold locally or exported depending on the best economic outlet.

In addition to being a major supplier of VGO within northwest Europe, the BRC refinery exports cargo lots of VGO to East Coast or Gulf Coast refineries in the United States to be used as FCC or hydrocracker feedstock.

The majority of the BRC refinery's heavy distillates are sold to supply marine bunkering companies in the Antwerp harbor, one of the busiest ports in Europe.

Energy and Other Utilities. The BRC refinery's average electricity consumption is 123 GWh per year, and its average power demand is between 12.5 and 15 MW. Electricity is supplied to the BRC refinery under a one-year contract with Electrabel, a major provider of electricity in Antwerp. Steam for the refinery is produced by two onsite boilers. Due to reliability issues encountered with the onsite electrical generation unit, we currently purchase all of the refinery's electricity needs from the local grid. A project is currently in place to design a new steam and electric system. The refinery purchases hydrogen from Air Liquide to supplement its onsite production.

Cressier Refinery

Overview. We acquired the Cressier refinery and related assets in May 2000 from Shell Switzerland. The Cressier refinery was originally commissioned by Shell Switzerland in 1965 and has a crude oil throughput capacity of 68,000 bpd. The Cressier refinery is an integrated atmospheric-vacuum distillation, visbreaking and thermal-cracking refinery.

The Cressier refinery is located on a 74-hectare site in the canton of Neuchâtel in the western part of Switzerland and is one of only two refineries in Switzerland. During 2006, the Cressier refinery's production accounted for approximately 25.3% (by volume) of all refined product sales in Switzerland. Of Switzerland's total demand for refined products, 60.5% was imported in 2006, principally by rail and by barge on the Rhine River, as well as by pipeline from the Mediterranean Sea. During times of very high or very low water levels, or high demand for refined products along the Rhine River, Rhine transportation costs can increase significantly. As a consequence of these transportation costs, the Cressier refinery benefits from a built-in margin premium relative to Rotterdam and German refineries competing to supply the Swiss market, primarily due to its niche inland location.

Another strength of the Cressier refinery is the ability of its thermal cracker and visbreaking units to upgrade heavy VGOs and heavy fuel oil to higher-value clean products, such as ULSD and home heating oil. The refinery's production of gasoline and diesel meets the E.U. 2009 and Swiss mandatory-maximum-10ppm sulfur limit for gasoline and diesel, and the home heating oil meets 50ppm sulfur standards.

Since acquiring the Cressier refinery in 2000, we have upgraded the refinery to meet the specification requirements under the European Commission's Oil II Program with the start-up at the end of 2004 of an on-site hydrogen facility operated by Air Products Chemicals, Inc. ("**Air Products**").

This facility also has improved the refinery's operational reliability by removing the need for the refinery's other operations to produce hydrogen for the desulfurization units and has increased the refinery's flexibility in the supply of feedstocks.

In the second half of 2005, the Cressier refinery implemented a new improvement program, with the following results:

- The refinery has begun producing ecoCLEAN™, a grade of heating oil with less than 50ppm sulfur and nitrogen.
- The refinery doubled its ULSD production to 3.7 million barrels per year.

The following table sets forth the main process units of Cressier refinery, their current capacities, start-up years and years of their most recent modifications:

Cressier Refinery Main Process Units

Process Units	Current Capacity[(1)]	Start-Up Year	Year of Most Recent Modification
Atmospheric Distillation	68,000	1966	2003
Vacuum Distillation	37,000	1966	2003
Thermal Cracker	12,100	1966	2005
Visbreaker	10,800	1966	2005
Catalytic Reformer	16,400	1966	1986
Naphtha Hydrotreating	27,700	1966	2005
Kerosene Hydrotreating	9,400	1966	2001
Gasoil Hydrotreating	29,800	1993	—
Isomerization (TIP)	7,500	1976	1996
Sulfur Recovery (tons per day)	27	1966	1988
LPG Unit	4,400	1966	1984
Bitumen Blowing	2,700	1966	2002

(1) Barrels per day, except as indicated.

Throughput and Production at the Cressier Refinery

	Year Ended December 31,			
	2006		2005	
	thousands of bpd	% of throughput	thousands of bpd	% of throughput
Throughput:				
Crude unit throughput:				
Light sweet	47.1	74%	42.1	77%
Light sour	—	—	7.9	15
Medium sour	12.9	20	—	—
Heavy sour	2.1	3	3.3	6
Total crude unit throughput	**62.1**	**97%**	**53.3**	**98%**
Other throughputs	1.7	3	1.0	2
Total throughput	**63.8**	**100%**	**54.3**	**100%**
Production:				
Light products:				
Gasoline	15.9	25%	13.2	24%
Diesel and gasoils	28.6	45	23.8	44
Jet fuel	4.9	7	4.6	8
Petrochemicals	0.6	1	0.7	1
LPG	3.3	5	3.2	6
Total light products	**53.3**	**83%**	**45.5**	**83%**
Fuel oil	8.1	13	7.3	13
Solid by-products/fuel consumed in process/fuel loss	2.5	4	2.3	4
Total production	**63.9**	**100%**	**55.1**	**100%**

Feedstocks and Supply Arrangements. The Cressier refinery is able to process sweet crude oil and a smaller amount of sour crude oils. We currently source the Cressier refinery's crude oils through spot-market purchases and, to a lesser extent, short-term purchase contracts.

Crude for the Cressier refinery is shipped to Fos-sur-Mer in southern France and transported first by the SPSE pipeline to our Gennes depot in France, and then by the SFPLJ and OJNSA pipelines to the Cressier refinery. We own 100% of the equity of the SFPLJ pipeline (from our connection with the SPSE pipeline to the French-Swiss border) and 80% of the equity of the OJNSA pipeline (from the Swiss-French border to the Cressier refinery). Our right to use the SPSE pipeline is governed by a 25-year throughput agreement with SPSE. We have also entered into agreements with third parties to obtain operational and maintenance services for the SFPLJ and OJNSA pipelines. These service agreements are generally terminable on 12-months' notice.

The Cressier refinery's aggregate crude storage capacity is 2.1 million barrels (326,000 cubic meters), or approximately 31-days' supply. The refinery's on-site crude storage tanks have a capacity of 480,000 barrels (76,000 cubic meters). The Gennes depot has a capacity of 630,000 barrels (100,000 cubic meters). In addition, the refinery has been allocated 945,000 barrels (150,000 cubic meters) of storage capacity at the SPSE terminal in Fos-sur-Mer.

Product Off-Take. We typically sell the majority of the Cressier refinery's annual production to oil majors, resellers, industrial customers and retail petrol stations. The majority of the refinery's gasoline is sold pursuant to short-or long-term contracts, with the reminder being sold on a spot-market basis.

The Cressier refinery has on-site a 12-bay truck-loading rack and eight railcar-loading positions for loading of products for delivery to customers. The refinery also has four product depots, located in Birsfelden, which supplies the northern Swiss region, including Basel; 32% ownership interest in a Geneva depot that supplies the southwestern Swiss region; Niederhasli, which supplies the northern Swiss region around Zurich; and Rothenburg, which supplies the central Swiss region around Lucerne. The Birsfelden depot also has barge-loading facilities for shipments to the ARA region with a storage capacity of 630,000 barrels (100,000 cubic meters).

The Cressier refinery's 80 on-site product storage tanks have a combined capacity of 2.7 million barrels (431,000 cubic meters).

The Cressier's gasoline and middle distillates are sold primarily in Switzerland, where customers lift these products at the refinery's gates or depots by truck or have them supplied into their depots by train. Heavy distillates are sold surrounding regions, with industrial users in Switzerland and France to supplied via trucks or trains, while industrial customers in Germany and the Benelux countries are supplied by barges or trains.

Energy and Other Utilities. The Cressier refinery's electricity requirements are supplied under a three-year contract with Groupe E, a major provider of electricity in western Switzerland. The refinery's average electricity consumption is 120 GWh per year, and its average power demand is approximately 16 MW.

Hydrogen is supplied to the Cressier refinery under a 15-year contract with Air Products. Air Products owns and operates, on property leased from us, a seven-kiloton-per-year hydrogen purification unit. Under that contract, we provide Air Products with butane feedstock and utilities, and Air Products delivers hydrogen and steam to the refinery.

Additional steam for the Cressier refinery is produced on-site by three boilers fired with fuel gas, two waste-heat boilers and Air Products.

Ingolstadt Refinery

Overview. On March 31, 2007, we completed the acquisition of the holding company for ExxonMobil's refinery located in Ingolstadt, Germany, which we renamed Petroplus Raffinerie Ingolstadt GmbH at closing, together with associated industrial, wholesale and heating-oil marketing operations, for a preliminary purchase price, including working capital and other adjustments, of $627.5 million. The final purchase price is subject to adjustment following the final determination of working capital acquired. We funded the Ingolstadt refinery acquisition by drawing down $562.8 million under our working capital facilities and with $64.7 million of cash on hand.

In addition to the refinery, the acquisition includes ExxonMobil's Bavarian industrial and wholesale business; Esso Bayern, which we renamed Petroplus Bayern GmbH at closing and which operates a

direct home heating-oil business; 6.9 million barrels (1.1 million cubic meters) of crude oil and product tankage; truck and rail-loading facilities and a depot in Passau, Germany. Additionally, a contractual arrangement has been agreed with TAL for transportation via the TAL pipeline system.

We have agreed to release ExxonMobil from environmental liabilities and indemnify it against environmental liabilities and costs to the extent these liabilities and costs are not covered by the ExxonMobil's indemnity. The seller's environmental indemnity decreases over time at the following percentages in the years indicated:

Years Following Completion of Acquisition	Percent Reimbursed
Years 1-2	90%
Years 3-6	50%
Years 7-8	10%
Thereafter	0%

The Ingolstadt refinery is located on a site covering approximately 128 hectares in Ingolstadt, Germany, approximately 80 kilometers north of Munich. The refinery has a rated crude oil throughput capacity of approximately 110,000 bpd and is one of four refineries in southern Germany. ExxonMobil commissioned the Ingolstadt refinery in 1963 as a hydroskimming refinery to provide motor fuels for the growing industrial base of southern Germany. In 1969 a FCC unit was added and the refinery became a "cracking" refinery.

According to information provided by ExxonMobil, approximately $111 million was spent from 2000 to 2005 on improving the Ingolstadt refinery. From 2000 to 2003, the refinery was modified by installing a hydrogen plant, a catalytic naphtha splitter and other improvements to, among other things, reduce fuel sulfur content to meet German product standards for gasoline and ULSD, which were implemented in advance of the 2009 deadline for the European Auto Oil II standards. In addition, the refinery's wastewater treatment plant was upgraded in 2000 and 2001. The refinery's most recent scheduled maintenance shut-down was in the first quarter of 2005. The next major scheduled maintenance shut-down is planned for 2010, with an estimated outage duration of 35 to 45 days. A minor scheduled shut-down is planned for the third quarter of 2007.

The Ingolstadt refinery has large conversion capacity with its 29,000-bpd FCC unit. Hydrogen is provided via the refinery's reformer and hydrogen plant. The following table sets forth the main process units of the Ingolstadt refinery, their current capacities, start-up years and years of their most recent modification:

Ingolstadt Refinery Main Process Units

Process Units	Units	Current Capacity[1]	Start-Up Year	Year of Most Recent Modification
Atmospheric/Vacuum Distillation	2	110,000	1963	—
Diesel Hydrotreater	2	24,400	1977	1989
Heating Oil Hydrotreater	1	18,700	1991	—
Catalytic Reformer	1	19,600	1963	—
Isomerization	1	7,550	1991	—
FCC Unit	1	29,000	1969	2005
Sulfur Recovery (tons per day)	1	75	1963	1983
Hydrogen Plant (tons per day)	1	27	2003	—
Naphtha Hydrotreater	1	36,100	1963	—
Kerosene Hydrotreater	1	18,700	1963	—

(1) Barrels per day, except as indicated.

Throughput and Production at the Ingolstadt Refinery

	Year Ended December 31,			
	2006		2005	
	thousands of bpd	% of throughput	thousands of bpd	% of throughput
Throughput:				
Crude unit throughput:				
Light sweet	16.1	16%	7.5	9%
Heavy sweet	1.8	2	10.4	12
Light sour	63.8	64	49.8	59
Medium sour	8.0	8	5.6	7
Heavy sour	6.7	7	9.9	12
Total crude unit throughput	**96.4**	**97%**	**83.2**	**99%**
Other throughputs	3.3	3	1.9	1
Total throughput	**99.7**	**100%**	**85.1**	**100%**
Production:				
Light products:				
Gasoline	26.4	26%	23.7	28%
Diesel and gasoils	44.5	45	38.6	45
Jet fuel	3.3	3	2.4	3
Petrochemicals	2.0	2	1.6	2
Naphtha	7.7	8	5.0	6
LPG	9.5	10	7.1	8
Total light products	**93.4**	**94%**	**78.4**	**92%**
Fuel oil	7.4	7	6.0	7
Solid by-products/fuel consumed in process/fuel loss	5.5	6	4.6	5
Total production	**106.3**	**107%**	**89.0**	**104%**

Feedstocks and Supply Arrangements. The Ingolstadt refinery can process a range of sweet crude oils. Caspian Pipeline Blend crude oil, a light sour crude oil from the Caspian Sea region, averaged 64% and 59% of the refinery's crude slate in 2006 and 2005, respectively. The refinery also processes Arab heavy and medium crude oils to produce bitumen along with other lighter products, generally during the nine months of the year that correspond to the road-paving season in Germany and Austria.

All crude is delivered to the Ingolstadt refinery directly from the port city of Trieste, Italy, via the 465-kilometer-long portion of the TAL pipeline system. In connection with the acquisition, we entered into a five-year contractual arrangement with TAL for transportation of crude oil via the TAL pipeline system.

Product Off-Take. The Ingolstadt refinery's product slate is focused primarily on the production of higher value middle distillates, including diesel, gasoil jet fuel and, to a lesser extent, various grades of gasoline.

Of the Ingolstadt refinery's total production, approximately 95% (by volume) is currently sold in Germany and Austria, with the remaining 5% being exported, primarily to the ARA region. With its location in a high-demand local market, the Ingolstadt refinery is able to achieve product premiums to ARA reference prices for gasoline, jet fuel and distillates.

Approximately one half of the refinery's total production is delivered to customers by rail, the other half by truck. The refinery's railcar-loading facilities comprise three racks having a capacity of 23.5 million barrels per year. The refinery's truck-loading facilities comprise 21 loading racks with the capacity to load up to 10 million barrels of gasoline per year, 11.2 million barrels of distillates per year and 4.4 million barrels of asphalt and heavy fuel oil per year. In addition, a six-inch fuel oil pipeline allows the refinery to supply fuel oil to a nearby E.ON power station.

Approximately 75% of the Ingolstadt refinery's production of motor gasoline and diesel is currently sold to the retail chain of Esso in Bavaria, with the remainder sold on the spot market to local resellers and local retail chains. In connection with the acquisition, we entered into a five-year off-take agreement with Esso to supply its retail chain in Bavaria with substantial amounts of gasoline

and diesel fuel and to supply ExxonMobil with substantial amounts of jet fuel. This agreement will account for approximately 65% of the Ingolstadt refinery's gasoline production, 59% of its diesel fuel production and 85% of its jet fuel production. The off-take agreement terminates on December 31, 2011. However, Esso may terminate the agreement earlier, with 180-days' notice, as to all the products covered by the agreement except jet fuel if Esso is no longer selling such products through its retail chain.

The Ingolstadt refinery's production of heating oil is sold on the spot market via branded and unbranded resellers. Petroplus Bayern GmbH operates as a branded reseller. It sells a substantial part of its heating oil to more than 64,000 households and small industrial and agricultural customers.

The Ingolstadt refinery's production of liquid petroleum gases, heavy fuel oil and bitumen are mainly sold directly to end consumers in and around Bavaria. The remainder is sold to resellers or exported to Eastern Europe or the ARA region.

Energy and Other Utilities. The Ingolstadt refinery's average electricity consumption is 210 GWh per year, and its average power demand is approximately 24 MW. The Ingolstadt refinery is able to generate most of its electricity requirements as well as all of its steam requirements from refinery fuel gas. The refinery has two turbines with a maximum gross electrical output of 7.5 MW and one let-down turbine with an output of 11 MW. In addition, the refinery purchases energy to meet its remaining electricity needs and can import up to seven MW of electricity from a local electric provider. The refinery also has a FCC-unit carbon monoxide boiler and two fired boilers for steam production. Hydrogen is produced at the onsite hydrogen plant, this production supplements other onsite sources and meets all of the refineries hydrogen requirements.

Tankage Capacity

The Ingolstadt refinery has 94 tanks with storage capacity of approximately 1.1 million cubic meters, or 6.9 million barrels.

	Total Capacity (thousands of cubic meters)	Number of Tanks
Crude oil	167	7
LPG	11	9
Gasoline and distillates	663	47
Fuel oil and residue	199	18
Other	45	13
Total	**1,085**	**94**

Other Agreements. In connection with the acquisition, we entered into a number of other ancillary agreements with ExxonMobil. These agreements include the following:

Technical Assistance Agreement. Under this agreement, ExxonMobil Research and Engineering Company ("**EMRE**") provides us with technical advice and training services in connection with the Ingolstadt refinery, including refinery operations, technical and industry information and technology. We will pay EMRE $300,000 annually for these services. The agreement has a two-year minimum term, which will automatically renew for further one-year terms unless terminated by either party on three months' notice.

Ingolstadt Refinery License Agreement. Under this agreement, EMRE granted us a non-exclusive, non-transferable license to use confidential technical proprietary information developed by EMRE for the purpose of operating certain processes at the Ingolstadt refinery and using and selling refinery products. These rights cover processing and information technologies for FCC catalytic reforming and naphtha, kerosene and distillate hydrorefining. Our rights to use these processes are included in the purchase price for the acquisition, subject to certain agreed usage limits.

Brand Licensing Agreement. Under a brand licensing agreement, ExxonMobil has provided us with a license to use the Esso brand until the end of 2010.

Teesside Refinery

Overview. We acquired the Teesside Refinery in December 2000. The refinery was originally commissioned by Phillips Imperial Petroleum Ltd. in 1966 and has a crude oil throughput capacity of 117,000 bpd. The refinery is an atmospheric distillation refinery with distillate hydrotreating.

The Teesside refinery is located on a 40-hectare site on the northeastern coast of England. Its direct-pipeline access to the Ekofisk offshore oilfields and its Ekofisk crude-processing capabilities give the refinery a cost advantage over other European refineries by virtue of its inherent transportation cost savings. In addition, the Teesside refinery's location enables it to export products by vessel.

The Teesside refinery is a major producer of ULSD for the U.K. commercial diesel market. A key strength of the refinery is its ability to produce low-sulfur diesel that meets the E.U. 2009 mandatory-maximum-10ppm sulfur limit for road fuels. Through agreements with bio-diesel producers, the Teesside refinery is currently one of the major suppliers of bio-diesel blend, branded as Bio-plus, a 95%-5% blend of mineral oil diesel with methyl ester derived from renewable sources, such as rapeseed, soya or used cooking oil. Due to its production of high-quality straight-run fuel oil, Teesside is an integral part of our North Sea System as a supplier of feedstocks to our other locations.

Since acquiring the Teesside refinery, we have completed a number of upgrades and operational improvements at the refinery. More recently, we have invested in the refinery's logistics to enable us to export naphtha by ship and in guard-bed technology to ensure a supply of naphtha with guaranteed trace mercury levels.

The following table sets forth the main process units of Teesside refinery, their current capacities, start-up years and years of their most recent modifications:

Teesside Refinery Main Process Units

Process Units	Current Capacity(1)	Start-Up Year	Year of Most Recent Modification
Atmospheric Distillation	117,000	1966	1996
Gasoil Hydrotreating	32,000	1992	2004
Sulfur Recovery (tons per day)	4	1997	—

(1) Barrels per day, except as indicated.

Throughput and Production at the Teesside Refinery

	Year Ended December 31,			
	2006		2005	
	thousands of bpd	% of throughput	thousands of bpd	% of throughput
Throughput:				
Crude unit throughput:				
Light sweet	89.9	100%	105.4	100%
Total crude unit throughput	**89.9**	**100%**	**105.4**	**100%**
Other throughputs	0.3	—	—	—
Total throughput	**90.2**	**100%**	**105.4**	**100%**
Production:				
Light products:				
Diesel and gasoils	29.5	33%	36.5	35%
Jet Fuel	4.9	5	3.7	3
Naphtha	22.3	25%	25.0	24
Total light products	**56.7**	**63%**	**65.2**	**62%**
Low sulfur straight run	32.3	36	38.6	37
Solid by-products/fuel consumed in process/fuel loss	1.2	1	1.3	1
Total production	**90.2**	**100%**	**105.1**	**100%**

Feedstocks and Supply Arrangements. The Teesside refinery has historically processed light, sweet North Sea Ekofisk crude oil. The refinery receives most of its feedstock via a two-kilometer-long

pipeline, which is owned and operated by us, from the nearby Seal Sands terminal, which is directly linked to the Ekofisk field by pipeline and owned by ConocoPhillips. In addition to Ekofisk crude oil, the refinery also processes a small amount of additional feedstock blended with the crude oil. We currently source North Sea feedstocks for the Teesside refinery on a spot basis.

The aggregate storage capacity for the Teesside refinery's crude is 2.5 million barrels (394,000 cubic meters), or approximately 21-days' supply. Crude is stored in the underground salt caverns at the adjacent SABIC petrochemicals facility, previously owned by Huntsman, which have a total capacity of 1.6 million barrels (250,000 cubic meters), or in the refinery's on-site crude oil tanks, which have a total capacity of 910,000 barrels (144,000 cubic meters).

Product Off-Take. We sell the Teesside refinery's high-quality fuels directly to end users, petrochemical manufacturers, wholesalers and branded and unbranded resellers.

The Teesside refinery has a 13-bay truck-loading rack and railcar-loading facilities for loading of products for delivery to customers. The refinery also uses an off-site jetty owned by us and operated by SABIC with ship-loading facilities of 15,000 barrels per hour (2,800 cubic meters per hour) and can handle vessels up to 80,000 tons. We and SABIC each have the option to terminate this arrangement with 12-months' prior notice.

The Teesside refinery's total crude and product storage capacity is 2.8 million barrels (438,000 cubic meters) excluding the salt caverns. The refinery's 24 on-site crude and product storage tanks have a capacity of 2.6 million barrels (410,000 cubic meters). In addition, 12 product storage tanks with a capacity of 210,000 barrels (28,000 cubic meters) are located at the refinery's truck- and-rail-loading facilities.

The refinery has well-established outlets to deliver its products to customers. The refinery's middle distillates are sold predominantly in the United Kingdom, by truck and train. Heavy and light distillates, including naphtha, are sold in more distant industrial regions of the United Kingdom as well as abroad for industrial use, with delivery in each case occurring by ship. The Teesside refinery's straight-run fuel oil is typically sold f.o.b. at the refinery to various European processing facilities. The quality of Ekofisk straight-run fuels, with their lower sulfur content, consistent properties and lower levels of other impurities, results in a significant premium over other low-sulfur straight-run fuels available in northwest Europe

Energy and Other Utilities. The Teesside refinery requires less power to operate than more complex refineries. The refinery's average electricity consumption is approximately 60 GWh per year, and its average power demand is approximately 7 MW. The Teesside refinery has arrangements with the adjacent SABIC petrochemicals facility for the provision of key utilities to the refinery. These utilities include hydrogen and nitrogen via pipeline, power from the local utilities grid and waste water treatment in SABIC's wastewater treatment plant. We and SABIC may each terminate the agreement covering these services with 12-months' notice.

The Antwerp Processing Facility

The Antwerp processing facility was acquired from the Daewoo Group in 1997. The Antwerp bitumen processing facility was acquired from AB Nynas Petroleum in 2003. The Antwerp processing facility is a hydro-treating processing facility of low complexity. Its major units include two atmospheric distillation units, one vacuum distillation unit, a reformer, naphtha and diesel hydro-treatment facilities, an LPG unit and a sulfur recovery unit. In 2003, one of the processing facility's atmospheric distillation units and the reformer and LPG unit, all for sweet crude processing, were closed down.

One of the Antwerp processing facility's hydro-desulfurization units desulfurizes Russian gasoil to produce ULSD. The facility currently produces approximately 27,200 barrels of ULSD per day. The facility also processes heavy crude oil, primarily Venezuelan crude oil, into bitumen. The facility processes on average approximately 7.0 million barrels of crude oil into 6.3 million barrels of bitumen per year. With its back-end processing capabilities, the Antwerp facility forms another integral part of our overall North Sea System, which allows us greater flexibility in processing and production yields of middle distillates.

The Antwerp processing facility has 5.7 million barrels (900,000 cubic meters) of tank storage capacity. Approximately 50% of this capacity meets current regulatory specifications and is leased to third parties.

One of the Antwerp processing facility's hydro-desulfurization units desulfurizes Russian gasoil to turn it into ULSD pursuant to a long-term tolling agreement with Litasco, a subsidiary of Lukoil. The tolling agreement provides for a fixed processing fee. The facility processes on average approximately 3,200 tons of ULSD per day pursuant to this agreement. The throughput deal may be terminated at any time by either party by serving a notice of termination. Since the closure of its reformer, the Antwerp facility receives the hydrogen needed for desulfurization from Air Liquide pursuant to a supply contract. The second hydro-desulfurization unit at the Antwerp processing facility is currently not in service.

The Antwerp processing facility also processes crude oil into bitumen pursuant to a long-term tolling agreement with Nynas N.V., a joint venture owned by the Venezuelan state-owned petroleum company Petróleos de Venezuela, S.A. and Neste Oil oy. The tolling agreement provides for a fixed processing fee of approximately $1.5 million per month plus the payment of other variable costs. Nynas N.V. buys and arranges for delivery of the crude oil to the Antwerp processing facility and stores the crude in tanks leased from the facility. The facility processes on average approximately 7.0 million barrels of crude oil into 990,000 tons of bitumen per year pursuant to this agreement. Nynas N.V. arranges for the transport of the bitumen and associated by-product production from the Antwerp processing facility. In the event the Antwerp processing facility is unable to process crude oil, such as in the event of an unplanned shut-down, then our liability is limited to any additional freight costs incurred by Nynas N.V. in transporting the crude oil to its refining facility in Sweden. We or Nynas N.V. may terminate the tolling agreement on March 1, 2008 with three-months' prior notice. If we or Nynas N.V. do not terminate the agreement on March 1, 2008, it remains in force until February 28, 2013.

Supply and Distribution

Our supply and distribution group, which is centrally located in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude oil and other feedstocks for each refinery and the off-take of each refinery's refined petroleum products. This group is also responsible for managing our price exposure and related risks.

Members of the supply and distribution group work closely with each refinery to determine the optimal amount and type of feedstock to purchase. The choice of the optimal feedstock is an iterative process that the supply and distribution group perform utilizing market information for crude oil availability, quality and prices and refined petroleum product prices and demands. We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchasing based on spot market pricing has given us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis.

Our supply and distribution group also manages the sale of the products by selecting timing and quality criteria to optimize refinery operations and thereby to maximize revenue. Close monitoring of the refineries on a daily basis ensures that all refinery units are operated at optimum levels. The supply and distribution group is also responsible for managing logistics to ensure the right qualities and quantities of products are available from the refineries.

Our local marketing groups located in Zug, Teesside, Antwerp and Ingolstadt are an important part of our refineries' supply chain. These groups' objectives are to arrange for sales of our refineries' products to customers and to optimize freight premiums and product premiums. To ensure that our refineries run the optimal crude throughput rates, the marketing groups closely monitor and manage inventories at the refineries and their depots.

We also have a small petroleum product sales operation in the Czech Republic that handles sales of third-party petroleum products.

Competition

The oil industry is a global business centered on a commodity. Accordingly, we face wide competition, both internationally and within our local markets. Many of our competitors in each of our target markets are fully integrated national or multinational oil companies engaged in various segments of the petroleum business, including exploration, production, transportation, storage, refining and marketing. Because of their geographic diversity, integrated operations, larger capitalization and greater resources, these competitors may be better able to withstand volatile market conditions, compete more effectively on the basis of price, and obtain crude oil more readily in times of shortage.

Among the principal competitive factors in the refining industry are feedstock supply and product distribution. We compete with other companies for supplies of feedstocks and for outlets for our refined products. Many of our competitors produce their own feedstocks and have extensive retail outlets. We do not produce any of our crude oil. The constant supply of feedstocks and ready market and distribution channels of such competitors places us at a competitive disadvantage in periods of feedstock shortage or unfavorable distribution channel market conditions. In addition, competitors with their own production or retail outlets may be better able to withstand periods of depressed refining margins or feedstock shortages because they may be able to offset refining losses with profits from their production or retail operations.

Safety and Health Matters

We aim to achieve industry-leading safety and health performance. We believe that a superior safety record is inherently tied to productivity and financial success. We seek to implement this goal by:

- training employees in safe work practices;
- encouraging an atmosphere of open communication;
- involving employees in establishing safety standards; and
- recording, reporting and investigating all accidents to avoid reoccurrence.

All of our refineries have safety and health programs that meet or exceed regulatory requirements. We maintain comprehensive safety management systems including policies, procedures, recordkeeping, internal reviews, training, incident reviews and corrective actions. We utilize several methods to track safety performance at the refineries. These methods include monitoring results for field audits, tracking "near miss" events or conditions, equipment malfunctions and first aid and medical treatments. We maintain close communication with the communities where our refineries are located through various organizations and informational materials.

Employees

The following table sets out information on the average number of full-time equivalent employees we employed in the periods indicated.

	December 31,(1)	
	2006	**2005**
Switzerland	339	307
Belgium	346	140
United Kingdom	178	242
The Netherlands	0	191
Other	62	138
Total	925	1,018

(1) Includes employees of our non-core businesses up to the time of the disposal of each of these businesses and excludes employees at the Ingolstadt refinery, which we acquired on March 31, 2007.

A significant portion of the non-management employees at our refineries are represented by labor unions in their home countries under collective bargaining agreements, which are generally renegotiated every three years. Local practices and legislation are observed in labor matters and in negotiating collective bargaining agreements. We believe that our relationship with employees and their representatives is good. However, the BRC refinery, which we acquired in May 2006, experienced a work stoppage in November 2004 that forced it to shut down for a week. Except for such shut-down, there have been no significant strikes or similar disputes in recent years that have materially impacted our operations.

The Ingolstadt refinery employs approximately 270 employees. The refinery has a works council, as required by German law. The majority of the refinery's employees are represented by the German national trade union IG BCE (Industriegewerkschaft Bergbau, Chemie, Energie).

The board of directors has adopted an equity participation plan (the "**Equity Participation Plan**"). Employees, consultants and members of the board of directors of Petroplus Holdings AG and its subsidiaries will be eligible to participate in the Equity Participation Plan. Generally, options granted

under the Equity Participation Plan will provide the holder the right to purchase one share at a price no less than the fair market value at the time of the grant, will become fully vested upon a change of control of Petroplus Holdings AG and will be subject to the terms and conditions of the Equity Participation Plan. Subject to the determination of the Compensation Committee (as described in "Board of Directors and Senior Management"), options generally will vest in equal amounts over three to five years, will be conditioned upon continued employment or service with us, will vest on the disability or death of the recipient, will be forfeited upon a termination for cause and will have a duration of at least ten years.

The shares to be delivered upon exercise of the Equity Participation Plan will either be treasury shares or shares issued out of the conditional share capital of Petroplus Holdings AG as provided for in article 6 of Petroplus Holdings AG's articles of association. For information regarding the conditional share capital and the options granted, see "Description of Share Capital and Shares—Share Capital and Share Capital Changes—Conditional Share Capital" and Notes 22 and 24 to the Consolidated Financial Statements.

Insurance

Our operations are subject to all of the risks normally associated with oil refining and the transportation of crude oil and petroleum products. We insure our assets and operations at levels that management believes reflects their current market values and risk exposure. In addition to several smaller local policies, we carry the following corporate coverage; property damage, third party liability, business interruption, marine and charterer's liability, terrorism, aviation fuel supplier and directors and officers insurance. In addition to these standard business insurances, Petroplus Holdings AG will from time to time take out additional insurance to cover risks not covered under our existing policies. Although there can be no assurance that the amount of insurance carried by Petroplus Holdings AG is sufficient to protect us fully in all events, all insurance is carried at levels of coverage and deductibles that we consider prudent and responsible.

Litigation

We have extensive operations and are both a defendant and a plaintiff in a number of arbitration and legal proceedings in connection with our operations. While we are currently involved in several legal proceedings, we believe that, other than as discussed below, the results of these proceedings will not have a material adverse effect on our business, results of operations or financial condition.

In 2004, BRC cancelled an IT contract with one consulting firm in favor of another firm. Subsequently, an employee of the prior consulting firm also left and jointed the new firm. As a result, the prior consulting firm filed a claim against BRC for $587,000 (€447,000) including interest for wrongful competition and abuse of confidential information. The case is still pending in court and is currently not being pursued by the claimant.

In 1996, the Belgian tax authorities sent BRC a letter seizing the payments due to a contractor as a result of the contractor's non-payment of taxes. Prior to receiving the letter, BRC had transferred the payment to the contractor's account. The Belgian Ministry of Finance has asserted a claim for $4.5 million (€3.4 million) plus interest, which is the entire amount of taxes owed by the contractor or, in the alternative, for $54,000 (€41,067), which is the amount BRC owed the contractor. The lower court found in favor of BRC. On appeal, the court of appeals also found in favor of BRC. The Belgian Ministry of Finance has appealed to the Court of Cassation.

In 1989, Petrotrade and Petrobel, both of which are subsidiaries of EPH, sold products to a customer without collecting excise taxes because the customer had provided documents that the products were to be exported and, therefore, no taxes were due. The customer neither exported the product nor paid the excise tax liability. The Belgium authorities have brought a claim against BRC for the taxes owed. The case has been suspended until the criminal case against the customer is resolved. If a court determines that BRC is liable for the taxes, the amount due including interest is expected to be approximately $2.5 million (€1.9 million).

Intellectual Property Rights

We have registered the name "Petroplus" and the Petroplus logo internationally, which covers 22 countries, including Austria, the Czech Republic, Denmark, France, Germany, Poland, Finland, Greece, Iceland, Ireland, Italy, Kenya, Mozambique, Norway, Portugal, the Russian Federation, Singapore,

Spain, Sweden, Switzerland, the United Kingdom and Zambia. In addition, we have registered the name "Petroplus" and the Petroplus logo in the Benelux countries (covering the Netherlands, Belgium and Luxemburg) and have received national registrations for this name and logo in the United Arab Emirates and Malawi and for the Petroplus name only in Guernsey. We have pending registrations for the name "Petroplus" and the Petroplus logo in Africa (OAPI), Angola, Cyprus, Ghana, Hungary, India, Malta, Latvia, Lithuania, Slovakia, Slovenia and South Africa.

We are dependent on licenses of technical proprietary information to operate certain of our refinery units.

In connection with the acquisition of the Ingolstadt refinery, ExxonMobil provided us with a license to use the Esso brand through the end of 2010.

Properties

Our principal executive office is located at Industriestrasse 24, 6304 Zug, Switzerland. Our principal refining and processing facilities are set forth below:

Location of Facility	Size of Site (hectare)
BRC refinery, Belgium	105
Cressier refinery, Switzerland	74
Ingolstadt refinery, Germany	128
Teesside refinery, United Kingdom	40
Antwerp processing facility, Belgium	33

THE ACQUISITION OF THE CORYTON REFINERY

We do not currently own the Coryton refinery and have not operated this refinery. As a result, the information relating to the Coryton refinery set forth below is based solely on our analysis of information currently available to us, and is therefore subject to a higher level of uncertainty than information produced from our own internal sources.

The information contained in this Offering Memorandum regarding the Coryton refinery is based solely on our analysis of the refinery and has not been reviewed or approved by BP or any of its affiliates.

Overview of the Acquisition

On February 1, 2007, we executed the BSA with BP to acquire the Coryton refinery located in the southeastern United Kingdom and its associated bitumen operations. The purchase price is approximately $1.4 billion, plus the value of net working capital to be determined at closing. Our current estimates, based on current market conditions and information provided by BP, value net working capital at approximately $300 million. We expect to fund the acquisition primarily with the net proceeds of the Offering of the Notes and borrowings under our working capital facilities.

Under the BSA, BP has agreed to retain and indemnify us for losses resulting from contamination existing at the site prior to the closing of the acquisition that must be remediated following either:

- receipt of environmental proceedings relating to contamination;
- an unsolicited direction by an environmental regulator to undertake remedial action in respect of the contamination; or
- an emergency.

Under the BSA, we also have no liability for offsite contamination that is directly caused by contamination that occurred prior to closing of the acquisition. All other environmental liabilities have been assumed by us.

BP's environmental indemnity is subject to the following limitations:

- notice must be given by us to BP of a claim under the environmental indemnity by the sixth anniversary of the closing of the Coryton acquisition. BP shall have no liability under its environmental indemnity for any losses incurred by us after the eight anniversary;
- minimum claims criteria must be met; and
- liability for claims shall be shared between BP and us as follows: We have agreed to release BP from environmental liabilities and to indemnify BP against environmental liabilities and costs to the extent these liabilities and costs are not covered by BP's indemnity. BP's environmental indemnity decreases over time at the following percentages, based on when a notice of claim is provided, in the years indicated:

Years Following Completion of Acquisition	Percent Reimbursed
Years 1-2	100%
Years 3-4	50%
Years 5-6	25%
Thereafter	0%

Completion of the acquisition of the Coryton refinery is subject to the satisfaction of customary conditions, including review and approval from the relevant competition authorities. The acquisition is expected to close in the second quarter of 2007. There is no assurance we will consummate the transaction.

Refinery Overview

The Coryton refinery is located on a 589-hectare site located about 30 miles east of London on the Thames Estuary in the United Kingdom. The Coryton refinery has a total crude oil throughput capacity of approximately 172,000 bpd and up to an additional 70,000 bpd of other feedstocks. Full capacity of crude reduces capacity of other feedstocks by 20,000 bpd and vice versa. According to information provided by BP, the refinery has a Nelson Complexity Index of 12.0. The refinery was originally constructed in 1953 by the Vacuum Oil Company, a subsidiary of Exxon Mobil Corporation.

The refinery has five operational jetties for the supply by sea of all crude and other feedstocks. The refinery supplies the majority of its fuel products to major customers in the southeast of the United Kingdom by a combination of road truck deliveries (from the refinery's adjacent bulk terminal) and oil product pipelines. The refinery also ships other products, such as fuel oil, propylene and jet fuel, by sea to other European markets and bitumen by road and rail.

The following table sets forth the main process units of the Coryton refinery, their current capacities, start-up years and years of their most recent modifications:

Coryton Refinery Main Process Units

Process Units	Units	Current Capacity[1]	Start-Up Year	Year of Most Recent Modification
Atmospheric Distillation	1	172,000	1963	—
Vacuum Distillation	2	39,000	1969	2006
		62,000	1969	2006
Diesel Hydrotreater	1	53,000	1969	2003
Catalytic Reformer	1	38,000	1989	—
Isomerization Penex	1	20,000	1993	—
Isomerization C4	1	32,000	1991	—
Propane Deasphalter	1	6,000	1969	—
FCC Unit	1	68,000	1982	2005
FCC Gasoline Hydrotreater	1	28,000	2003	—
HF Alkylation	1	20,000	1982	1991
Sulfur Recover Unit (tons per day)	2	100	1982	2005
Bitumen Blower (tons per day)	1	3,000	1969	—

(1) Barrels per day, except as indicated.

Throughput and Production at the Coryton Refinery

	Year Ended December 31,					
	Adjusted 2006[1]		Actual 2006		2005	
	thousands of bpd	% of throughput	thousands of bpd	% of throughput	thousands of bpd	% of throughput
Throughput:						
Crude unit throughput:						
Light sweet	120.6	59	93.5	55%	93.0	48%
Medium sweet	—	—	—	—	3.0	2
Light sour	24.7	12	23.0	13	42.1	22
Medium sour	—	—	1.7	1	—	—
Heavy sour	—	—	0.4	—	—	—
Total crude unit throughput	**145.3**	**71%**	**118.6**	**69%**	**138.1**	**72%**
Other throughputs	60.3	29	52.2	31	53.3	28
Total throughput	**205.6**	**100%**	**170.8**	**100%**	**191.4**	**100%**
Production:						
Light products:						
Gasoline	79.5	38%	69.1	40%	67.6	35%
Diesel and gasoils	57.5	28	45.5	27	51.5	27
Jet fuel	22.0	11	16.9	10	18.9	10
LPG	5.5	3	5.5	3	4.5	2
Total light products	**164.5**	**80%**	**137.0**	**80%**	**142.5**	**74%**
Fuel oil	30.1	15	27.2	16	24.7	13
Solid by-products/fuel consumed in process/fuel loss	11.0	5	6.6	4	24.2	13
Total production	**205.6**	**100%**	**170.8**	**100%**	**191.4**	**100%**

(1) Annualized volumes based on actual inputs and production volumes provided by BP for the second half of 2006 following the completion of the turnaround that was completed in March 2006. We have provided this information to show what the Coryton's operations might have been in 2006 had this turnaround and the accompanying shut-down of operations not occurred.

According to information provided by BP, a total of approximately $163 million was spent from 2003 to 2005 on compliance and discretionary capital expenditures at the Coryton refinery.

A number of measures have been recently implemented or are planned to overcome the declining reliability that the refinery experienced in 2004 and 2005, in particular in relation to mechanical and operational availability. For example, as a result of electrical power failures at the refinery in 2004 and 2005, several deficiencies in the primary high-voltage distribution system and the lower-voltage unit substations were identified. The Coryton refinery has also identified upgrades to the refinery's lower-voltage substations, with prioritized replacements planned. In addition, the Coryton refinery's FCC reliability has been improved by replacement of the reactor, regenerator cyclone and regenerator internal cone. The Coryton refinery also intends to improve SHU/SHDS (gasoline sulfur removal) fouling, with projects underway to install parallel heat exchangers to allow cleaning without a complete unit shut-down. In addition, the refinery's Program Management Office initiative is expected to provide a critical management refocus on improving the performance of the refinery's employees and systems in relation to reliability and HSE.

Feedstock and Supply Arrangements

The Coryton refinery's crude is supplied from the Mediterranean, the Baltic region, Latin America and the North Sea. Historically, the refinery has processed specific Arab Gulf crudes, such as Arab Light, to meet the requirements of the refinery's lube plant. The recent closure of the lube processing units in 2005 has allowed the refinery greater flexibility in crude supply and in the optimization of crude and other feedstocks. The Coryton refinery's crude unit allows for the processing of blends of crudes and has twin feed trains with the ability to segregate the atmospheric residues from the two crude feeds by means of a split base within the single crude tower shell. Opportunities exist for both sweet versus sour optimization as well as light versus heavy crude optimization. This includes some processing of condensates.

Product Off-Take

The Coryton refinery owns one of the largest road loading terminals in Europe. The refinery is connected to the United Kingdom Oil Pipeline, a multi-product pipeline operated on behalf of its shareholders by British Pipelines Agency, which runs from the Thames up to the Midlands region of the United Kingdom. This pipeline feeds terminals at Buncefield (north London), Northampton and Kingsbury (Birmingham) and also serves as a key supply route for aviation fuel into Heathrow Airport. We will have access to the pipeline only through BP. The Coryton refinery is also connected to GPSS, a government-owned pipeline system dedicated to jet fuel that is operated by the Oil & Pipelines Agency. This pipeline has traditionally supplied fuel to service Air BP customers and third-party demand at Stansted Airport and the military airbases of East Anglia.

In connection with the acquisition of the Coryton refinery, we will enter into product off-take agreements with BP that will account for approximately 90% of the refinery's gasoline production, 90-100% of its jet fuel production, 90-100% of its ULSD production and 10% of its gasoil production. This agreement will run for approximately five years, with the percentage of products purchased by BP decreasing after the first year.

Energy and Other Utilities

Based on information currently available to us, the Coryton refinery has an electrical demand between 45 and 50 MW. The refinery's natural gas requirements will be purchased primarily through short to medium-term contracts. The natural gas is used to run the on site gas turbine generator that produces about 25 MW of the electricity demand of the refinery. In addition, the refinery has four steam-turbine generators that are able to produce about 10 MW of electrical power in total. The refinery buys about 10 to 15 MW of electricity via the local utility grid.

The Coryton refinery's steam requirements are met by a combination of three steam boilers plus additional steam generation from certain process units. All of the refinery's hydrogen needs are supplied by onsite production at the continuous cyclical reformer.

The refinery has three steam boilers plus additional steam generation from certain process units.

Tankage Capacity

The Coryton refinery has a total of 9.5 million barrels of storage capacity. Tankage at the refinery is approximately 7.9 million barrels, of which 3.9 million barrels are dedicated to crude and other feedstock storage and approximately 4.0 million barrels to intermediate and finished products. In addition, the refinery also has tankage at its bulk terminal with a capacity of 1.6 million barrels.

Employees

The Coryton refinery employs a total workforce of approximately 540 employees at present of which 510 are employed with the refinery and 30 are associated with the bitumen and bulk terminal. The number of staff employed with the refinery is expected to fall from 510 to approximately 480 employees, as the organizational restructuring associated with closure of the lubes plant moves to full implementation. The Coryton refinery is party to a collective agreement with the Transport & General Workers' Union in relation to the employment of the refinery's production operators. We expect that upon our acquisition of the refinery, the refinery will have approximately 175 unionized employees. We expect to retain almost all of the refinery's senior management in connection with the acquisition.

Other Agreements

As a condition to the acquisition of the Coryton refinery, we will enter into a number of other ancillary agreements with BP. These agreements include the following:

Transitional Services Agreement. Under this agreement, BP will provide us with back office services, to assist us with our absorption of the refinery. While there will be no minimum terms of the agreement, both we and BP anticipate the transition should last through the end of 2007.

Brand License Agreement. Under the brand licensing agreement, which is to be finalized, BP will provide us with a license to use the BP brand for bitumen for certain limited purposes.

REGULATION

General

Our business is subject to a wide range of increasingly stringent environmental and other laws and regulations in the jurisdictions in which we operate. Our business involves the production, use, storage, disposal, transport and sale of materials that may cause contamination when released into the environment. In addition, our operations involve emissions into air, soil and water and result in waste products requiring disposal. We are subject to permit requirements and other regulatory limits and controls designed to prevent hazards and environmental pollution.

In the event that our operations result in the unlawful or unauthorized release of contaminants into the environment, we may be required to pursue remedial and compensatory actions and could face criminal, civil and administrative sanctions. Several of our products are subject to mandatory chemical composition requirements for environmental reasons.

We have set up environmental management and auditing systems aimed at monitoring and improving the environmental performance of our operations. We have in place environmental management systems that are certified in accordance with the ISO 14001 (environmental management), OHSAS 18001 (safety management) and ISO 9001 (quality) standards at several of our sites and, specifically, have implemented environmental management systems complying with the ISO 14001 standard at our Cressier, Teesside, Ingolstadt and BRC refineries and at one of the two sites at the Antwerp processing facility. The Coryton refinery also has an ISO 14001 certification.

We have incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures for compliance with environmental, health and safety laws and regulations. To the extent these expenditures are not ultimately reflected in the prices of the products we offer, our operating results will be adversely affected. We believe that substantially all of our competitors are subject to similar laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the local regulatory requirements, location of its operating facilities, production processes and whether or not its business includes marine and other transportation of crude oil or refined products.

E.U. Member States

Permitting Regime

The Integrated Pollution Prevention and Control Directive (1996/61/EC) (the "**IPPC Directive**") adopted in 1996, requires each E.U. Member State to adopt an integrated approach to environmental permitting that takes into account emissions to air, water and land with an overall aim of utilizing the best available techniques for minimizing pollution from various sources. The IPPC Directive applies to various types of new and existing industrial installations, including oil refineries. From October 2007, in accordance with the IPPC Directive, all such installations in the European Union will be required to be regulated so as to comply with the IPPC Directive.

In accordance with the timetable set out by the relevant U.K. legislation, we are in the process of obtaining a new IPPC permit for the Teesside refinery. An application for an IPPC permit has also been made for the Coryton refinery, but the application has not yet been approved.

In Belgium, we obtained a renewal of the permit for the BRC refinery in 2001. The renewal is subject to the completion of various refurbishment and upgrading programs. In addition, we are currently in the process of obtaining a renewal of the permit for the Antwerp processing facility, which expired on December 4, 2006. This renewal will likely require various improvements and upgrades as a result of the implementation of the IPPC Directive.

SO_2 and NO_x Emission Control

The Large Combustion Plants Directive (2001/80/EC) (the "**LCP Directive**") provides emission limits for sulfur dioxide (SO_2), nitrogen oxides (NO_x) and particulate matter (dust or PM_{10}) from "large combustion plants" with a thermal output of 50MW or greater, which include combustion plants in petroleum refineries. Each large combustion plant for which a license was granted after July 1, 1987 is required to comply by January 1, 2008 with the emission level values set out in the LCP Directive. For plants that were licensed prior to July 1, 1987, so-called existing plants, each Member State has the option of either applying the maximum emission levels to those plants or implementing a national

emission reduction plan aimed at reducing the total annual emissions of NO_x, SO_2 and PM_{10} from existing plants to the levels that would have been achieved by applying the maximum emission level to the existing plants in operation during 2000.

As a complementary piece of legislation to the LCP Directive, the National Emissions Ceilings Directive (2001/81/EC) introduces legally binding limits on national emissions of NO_x, SO_2, ammonia and volatile organic compounds from 2010 onwards. The methods by which the emissions reductions are to be achieved are not prescribed in the legislation, but E.U. Member States must submit their national plans for emissions reductions to the European Commission. The Teesside refinery and the Coryton refinery are included in the draft U.K. national emission reduction plan. We are currently in consultation with the Environment Agency in England with a view to resolving technical problems concerning controlling NO_x emissions in 2008 or 2010. We do not expect to have to make any material capital expenditures in relation to this project at Teesside. The amount of potential expenditures that may be needed to address NO_x and SO_2 reductions at Coryton refinery will depend on the outcome of the U.K. Environmental Agency's assessment of the IPPC permit application for that installation.

We expect to achieve the required NOx reduction at the BRC refinery through the upgrade of its central heat plant. We are still in the process of negotiating the schedule for this project with the authorities. The crude heater at the Antwerp processing facility will also require an upgrade to meet the new NOx standards.

Emissions Trading Directive

To help meet the greenhouse gas emissions reduction targets identified in the Kyoto Protocol, the European Union adopted the E.U. Emissions Trading Directive (2003/87/EC) in 2003 which establishes a scheme for trading greenhouse gas emissions allowances (the "**EU-ETS**"). Oil refineries are included within the mandatory scope of application of the EU-ETS. The EU-ETS requires E.U. Member States to set a cap on the amount of greenhouse gas emissions certain facilities across the European Union may release into the atmosphere. Mandatory caps on carbon dioxide emissions from combustion plants and certain specific industry sectors became effective on January 1, 2005. Based on these caps, facilities are allocated allowances in the form of credits to an electronic account held at the central registry of each E.U. Member State. Once credited to the electronic account, participants are free to buy, sell or trade allowances among themselves with the provision that each participant must have sufficient allowances in its account at the end of each compliance period to cover its emissions during that period. At a later stage, five additional climate gases (methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride) referred to in the E.U. Emissions Trading Directive may become subject to the EU-ETS.

Participants that operate facilities included in the EU-ETS are required to keep track of their emissions and produce a report on annual emissions at the end of each calendar year that is verified by a third party. If there are insufficient allowances in a participant's account at the end of the year to cover the total emissions produced, then the participant must pay financial penalties as set out in the E.U. Emissions Trading Directive. In addition, any emissions not covered by allowances allocated for a particular year are carried forward and must be included as emissions against allowances allocated for the following year.

The Teesside refinery, BRC refinery, Ingolstadt refinery, the Antwerp processing facility and the Coryton refinery hold permits as required by the EU-ETS. The BRC and Teesside refineries and the Antwerp processing facility operated within their CO_2 emission allowances for the 2006 and 2005 compliance periods. The Ingolstadt refinery slightly exceeded its CO_2 emission allowance for the 2005 compliance period, but we will be able to transfer surplus allowances from our sites in the United Kingdom and Belgium to Ingolstadt to rectify the excess.

Fuel Quality Regulation

As a result of the Auto Oil I and Auto Oil II programs, the Council of the European Union and the European Parliament adopted the Fuel Quality Directive (2003/17/EC) with a view to achieving a phased reduction of the sulfur content in gasoline and diesel fuels. The directive requires that fuels with maximum sulfur levels of 10ppm be marketed and made available on a balanced geographic basis beginning on January 1, 2005. Full conversion to these sulfur-free fuels is required by January 1, 2009, which date is subject to review by the European Commission in relation to diesel fuel. E.U. Member States are obliged to determine sanctions applicable to breaches of the national provisions adopted

pursuant to this directive and also to establish a fuel-quality monitoring system in accordance with the requirements of the relevant European standard.

With a view to meeting climate change commitments and promoting renewable energy sources, the Council of the European Union and the European Parliament adopted the Directive on the Promotion of the Use of Biofuels and Other Renewable Fuels for Transport (2003/30/EC) on May 8, 2003 to promote the use of biofuels and other renewable fuels as alternative diesel fuel and gasoline for transportation purposes in the E.U. Member States. E.U. Member States must ensure that a minimum proportion of total supply of biofuels and other renewable fuels relative to conventional fuels is placed on their markets and, to meet this goal, are required to establish national indicative targets. A reference value for these targets is 2.0%, calculated on the basis of energy content, of all gasoline and diesel fuel placed on their markets by December 31, 2005 and 5.75% by December 31, 2010.

The above mentioned fuel-quality directives impact our business, together with other players in the industry, by requiring us to produce fuels that comply with the requirements in the directives. Currently, we have contracts with a biofuel additive producer to blend bio-diesel at the Teesside refinery. We are also looking into contracts with bio-additive producers for the BRC refinery.

We have purchased capital equipment to meet guidelines. The ULSD being produced is in accordance with regulation. We only sell compliant products into the market. Additional process changes may be required post 2011 to meet the proposed changes to the other fuel parameters.

Chemicals Regulation: REACH

In 2003, the European Commission issued a legislative proposal for a new regulatory framework for chemicals called REACH (registration, evaluation and authorization of chemicals). REACH will cover virtually all chemicals manufactured in, or imported into, the European Union. The European Council adopted the final text of Regulation (EC) No 1907/2006) ("**REACH Regulation**") on December 18, 2006. The REACH Regulation will come into force on July 1, 2007. The first REACH obligation, pre-registration, will take place from June 1 to November 30, 2008. Following pre-registration, registration deadlines apply in November 2010, June 2013 and June 2018, depending on the volume band or level of concern of the substance.

In summary, the principal components of REACH are as follows:

- *Registration:* REACH will require manufacturers and importers of chemicals to prepare "registration dossiers" for submission to a new European Chemicals Agency for each chemical they manufacture or import. Chemicals that are not registered may no longer be sold.
- *Evaluation:* Registration dossiers will be evaluated by the regulatory authorities of the relevant E.U. Member States, acting in conjunction with the European Chemicals Agency.
- *Authorization:* Chemicals that are named in an annex to the regulation will require pre-marketing authorization for their continued supply.

We will be impacted by REACH, both as a high-volume manufacturer of petroleum products as well as a downstream user of other chemicals. We believe the potential impact of REACH to our business could include substantial efforts and expenditures to ensure compliance with the registration, document management and other obligations of REACH; heightened product liability, health and safety and environmental exposure; and increased insurance costs. In addition, our products or third party substances used in our production processes may become subject to authorization or restriction, potentially be removed from the market or need to be substituted for commercial or other reasons.

Minimum Oil Stocks Regulation

E.U. legislation provides for an intervention system designed to ensure a minimum level of regional oil supply. The legislation provides for the maintenance of minimum oil stocks and for measures to be taken in the event of an oil supply crisis. The current stockholding systems in the European Union are regulated by Directive 68/414/EEC imposing minimum requirements for stocks of crude oil and petroleum products (the "**1968 Oil Stock Directive**"). The directive initially required E.U. Member States to maintain oil stocks for each of the main petroleum product categories (gasolines, middle distillates and fuel oils) at a minimum level equivalent to at least 65 days of consumption. This was increased in 1972 to 90 days. Individual E.U. Member States have discretion to organize their own internal stockholding regimes as they see fit.

The 1968 Oil Stock Directive was amended in 1998 to increase the efficiency, transparency and fairness of stockholding arrangements in E.U. Member States. The amendment requires the E.U. Member States to ensure that stocks are available and accessible at all times, and that the costs resulting from maintenance of stocks are identified by transparent arrangements allowing E.U. Member States to make such information available to interested parties. E.U. Member States are encouraged to set up a stockholding body that would be responsible for holding all or part of the stocks. The required stocks may be maintained in the form of crude oil and intermediate products, as well as in the form of finished products. E.U. Member States would also be allowed to hold stocks in other E.U. Member States. E.U. Member States are required to verify the stocks and to establish a system of sanctions to ensure the effective application of the provisions of the directive.

The Oil Stock Directive affects our operations in as much as we are required to have in place systems to facilitate compliance with the directive.

Oil-Storage Regulation

In order to implement the European Commission Directives on pollution caused by certain dangerous substances discharged into the aquatic environment (2006/11/EC) and on a framework for community action in the field of water policy (2000/60/EC), each E.U. Member State is required to take appropriate measures, including minimum design standards for above ground oil storage facilities, to prevent pollution of the water environment from toxic substances. The key requirement is the provision of secondary containment aimed at preventing any leaking or spilt oil from entering controlled waters.

At the Teesside refinery, we are in the process of increasing the secondary containment for our storage tanks. In addition, in connection with the renewal of our operating permit for the Antwerp processing facility, Belgian regulatory authorities may require us to install impermeable linings to the secondary containment. At the Coryton refinery the storage tanks are undergoing a programme of inspection and repair in connection with the IPPC permit application.

Requirements to Remediate Soil and Groundwater Contamination

Legislation in E.U. Member States may require the remediation of soil and groundwater contamination in certain circumstances. The scope of events and circumstances that would trigger such remediation requirements and the level of remediation required vary from Member State to Member State. In addition, Environmental Liability Directive 2004/35/EC ("**ELD**") covers environmental damage (i.e., significant damage to biodiversity and water quality, and land contamination that creates a risk to human health) and must be implemented by the E.U. Member States by April 30, 2007. Under the ELD, biodiversity and water damage is required to be remedied by returning the environment to its baseline condition. In the case of damage to land, the risk to human health must be removed. If the harm to biodiversity or protected waters cannot be reversed, then so-called complementary remediation by improvement of a similar resource or service may be required to be undertaken to the extent the original resource cannot be fully restored. So-called compensatory remediation may also be required to compensate society for the loss of the use or enjoyment of the resource or service. However, the ELD does not apply to environmental damage caused by an emission, event or incident that took place before the implementation date of the ELD.

We are subject to liability for soil and groundwater contamination at our E.U. facilities. The Teesside refinery has historic soil and groundwater contamination that has been the subject of investigations by the authorities involving us and the former owners of the site. Our liability for such contamination is expected to be limited by contractual protections negotiated with the former owners of the Teesside refinery. In respect of historic soil and groundwater contamination at the Antwerp processing facility, we have submitted various orientation and action reports in respect of one site at the facility to the regulatory authorities, who have in principle accepted the proposed measures to address the contamination. We are in the process of submitting reports in respect of the other site at this facility. The BRC refinery has historic soil and groundwater contamination. We have provided the authorities with an initial orienting report regarding this contamination but have not yet received a response to the report. An ongoing mitigation operation is in place at the refinery in Ingolstadt, Germany, to address historic hydrocarbon contamination at the site and to prevent off-site migration. Historic soil and groundwater contamination at the Coryton refinery could potentially require

remediation in the future. However, there is no current requirement to undertake soil and groundwater clean-up at the site.

Switzerland

While Switzerland is outside the European Union and therefore not subject to the Auto Oil I and II regulations, competing imports from neighboring countries are required to comply with E.U. regulations. In addition, Swiss products standards have historically been similar or more stringent than those adopted in E.U. Member States.

Oil companies operating in Switzerland are subject to a variety of environmental laws and regulations. Swiss air pollution laws mandate specific emission standards and reporting requirements to which refineries and oil depots are subject. Discharges of wastewater are also regulated and specific permits are required to discharge polluted water. Compliance with such permits is strictly monitored by the authorities. Non-compliance with such air and water pollution regulations may lead to the authorities requiring remedial measures to be implemented and, in certain cases, may lead to the suspension of operations or the imposition of fines against the relevant company and, potentially, its directors.

We do not expect to be required to make any significant upgrades for NO_x and SO_x control at the Cressier refinery.

Remediation of contaminated sites in Switzerland is governed by the Swiss Ordinance on Restoration of Contaminated Sites. This law establishes the mechanisms and procedures for identifying contaminated sites and monitoring sites for potential remediation. The relevant property owner is, in the first instance, liable for the costs, but may be able to claim reimbursement from the polluter if the latter can be identified. Intentional failure to comply with such orders could result in imprisonment and/or fines. Persons who negligently fail a remediation order can be liable to pay fines.

We have limited indemnity obligations to Shell Switzerland for environmental contamination at the Cressier refinery and for environmental damage at the related Swiss depot facilities, and we do not expect to incur material expenditures in connection with these obligations.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Members of the Board of Directors

Petroplus Holdings AG's Articles of Association stipulate that its board of directors consists of a minimum of three members. As of the date of this Offering Memorandum, the board of directors has seven members:

Name	Nationality	Position	Date of first appointment	Term expires(1)
Thomas D. O'Malley	U.S.	Chairman and CEO	February 2006(2)	2009
Patrick Monteiro de Barros	Portuguese	Vice Chairman, non-executive	November 2006(3)	2009
Markus Dennler	Swiss	Non-executive member	November 2006	2009
Walter Grüebler	Swiss	Non-executive member	November 2006	2008
Maria Livanos Cattaui	Swiss	Non-executive member	November 2006	2008
Eija Malmivirta	Finn	Non-executive member	November 2006	2009
Patrick Power	Irish	Non-executive member	November 2006	2008

(1) The duration of the term expressed in years was determined at the extraordinary shareholders' meeting held on November 29, 2006. The term will expire on the day of the ordinary shareholders' meeting held in the respective year set forth in this column.

(2) Includes Thomas D. O'Malley's term as chairman of Argus.

(3) Patrick Monteiro de Barros was a member of the board of directors of Argus from February 2006 to August 2006.

Peter Backhouse, N. John Lancaster and Baran Tekkora resigned from the board of directors as of February 12, 2007, upon the sale of RIVR Holding B.V.'s remaining shares in Petroplus Holdings AG. Petroplus Holdings AG will nominate new members to be elected at the annual shareholders meeting, which will be held on May 9, 2007.

Education, Professional Background, Other Activities and Functions

Thomas D. O'Malley (Chairman and CEO)

Education—Bachelor of Science in Economics from Manhattan College, United States.

Professional background—Thomas D. O'Malley has served as our CEO since the incorporation of Argus in February 2006. Prior to that, he served as the chairman of the board of directors of Premcor Inc. from February 2002 to September 2005, a Senior Executive Employee of Premcor Inc. from January 2005 to September 2005, CEO of Premcor Inc. from February 2002 to December 2004 and president of Premcor Inc. from February 2002 to January 2003. Mr. O'Malley served as Vice Chairman of the Board of Phillips Petroleum Company from the consummation of that company's acquisition of Tosco Corporation in September 2001 to January 2002. He served as Chairman and CEO of Tosco from January 1990 to September 2001 and President of Tosco from May 1993 to May 1997 and from October 1989 to May 1990.

Activities in governing and supervisory bodies—None.

Permanent management and consultancy functions for Swiss and foreign interest groups—None.

Patrick Monteiro de Barros (Vice Chairman and Chairperson of the Compensation Committee, Non-Executive Member).

Education—BA from the University of Paris and Ecole Supérieur de Commerce de Paris, France.

Professional background—Patrick Monteiro de Barros has served as Chairman and CEO of Argus Resources Ltd. (U.K.) since 1988 and serves as a member of the board of Espirito Santo Financial Group. He was president and CEO of Sigmoil Resources from 1987 to 1988 and Senior Vice President of Philipp Brothers from 1975 to 1987.

Activities in governing and supervisory bodies—Patrick Monteiro de Barros serves as a Chairman of the Monteiro de Barros Foundation, Lisbon, Portugal, Chairman of Protea Holdings, NY, United States, and is a Non-executive Member of the Board of the Espirito Santo Group.

Permanent management and consultancy functions for Swiss and foreign interest groups—Chairman of Argus Resources Ltd. (UK).

Markus Dennler, Dr. (Non-Executive Member and Chairperson of the Audit Committee)

Education—Juris Doctor University of Zurich, doctorate degree and member of the Bar of Zurich. Further he attended the International Bankers School in New York and the Harvard Business School (AMP), United States.

Professional background—Markus Dennler served in a series of positions within the Credit Suisse Group, most recently as a Member of the Executive Board of Credit Suisse Financial Services and as CEO responsible for the global operational life and pensions business. Prior to that, he was a Member of the Corporate Executive Board of Winterthur Insurance, at that time a subsidiary of Credit Suisse Group.

Activities in governing and supervisory bodies—Markus Dennler currently serves as Chairman of Converium Holding, Vice Chairman of Implenia AG and as a Member of the Board of Allianz Suisse and Swissquote Group.

Permanent management and consultancy functions for Swiss and foreign interest groups—Council member of the British Swiss Chamber of Commerce.

Walter Grüebler, Dr. (Non-Executive Member)

Education—Dr. oec. HSG and Master of Business Administration (lic. oec. HSG) from the University of St. Gallen, Switzerland.

Professional background—Walter Grüebler served as CEO of Sika AG from 2000 to 2004. From 1990 to 1999, Mr. Grüebler was a Member of Group Management of Airex AG and from 1974 to 1990 as CEO and Vice Chairman of the board of directors of Airex AG.

Activities in governing and supervisory bodies—Walter Grüebler serves as Chairman of the board of directors of Sika AG, Chairman of Adval Tech AG, Member of the board of directors of Alu Menziken and National Versicherungen as well as Quadrant AG. Further Walter Grüebler is a Member of the Board of Swiss Society of Chemical Industries, Zürich, Switzerland.

Permanent management and consultancy functions for Swiss and foreign interest groups—None.

Maria Livanos Cattaui (Non-Executive Member)

Education—BA with Honors from Harvard University, United States.

Professional background—Maria Livanos Cattaui was Secretary-General of the International Chamber of Commerce from 1996 through June 2005. Prior to this position, Mrs. Cattaui was with the World Economic Forum in Geneva for nearly two decades, rising to become Managing Director, responsible for the forum's annual meeting in Davos.

Activities in governing and supervisory bodies—Mrs. Maria Livanos Cattaui serves on various non-profit boards around the world: Vice Chairman of the International Crisis Group (Brussels), Member of the Board and advisory board of ICT for Peace Foundation (Geneva), EastWest Institute (New York), the World Life Sciences (Geneva), the Institute of International Education (New York), the National Bureau of Asian Research (NBR), the International Youth Foundation (Baltimore), the Schulich School of Business (York University, Toronto) and the Elliott School of International Affairs (George Washington University, Washington D.C.).

Permanent management and consultancy functions for Swiss and foreign interest groups—None.

Eija Malmivirta (Non-Executive Member and Chairperson of the Nominating and Corporate Governance Committee).

Education—Master of Sciences from Helsinki University of Technology in Finland.

Professional background—Ms. Malmivirta served as Chairman and principal owner of Merei Oy Ltd from 1996 to 2002. From 1969 to 1996, she served in various positions with Neste Oil Oy, most recently as Executive Vice President, Head of Neste Oil Trading and Supply.

Activities in governing and supervisory bodies—Eija Malmivirta presently serves as Vice Chairman of the board of directors of Kemira Oy, Helsinki, Finland and as a Member of the Board of the Directors of National Emergency Supply Administration, Helsinki, Kotimaa Yhtiöt Oy, Helsinki, Miinan Hoitolat Oy, Helsinki, and Kansallisteatteri Oy, Helsinki.

Permanent management and consultancy functions for Swiss and foreign interest groups—None.

Patrick Power (Non-Executive Member)

Education—Bachelor of Sciences in Experimental Physics from University College Dublin, Ireland, Master of Sciences in Geophysics from Imperial College London, United Kingdom, MBA from the University College Cork, Ireland. Patrick Power is also a chartered Engineer and a fellow of the Institution of Engineers of Ireland.

Professional background—Patrick Power has served as founder and Managing Director of Shannon LNG Limited since 2003. Prior to that, he served as director and CEO of the Irish National Petroleum Corporation from 1998 to 2001 and the Irish Petroleum Company from 2001 to 2002. From 1973 to 1993, Patrick Power held various positions with Marathon Oil Company, including President of Marathon International Petroleum—Worldwide Business Development.

Activities in governing and supervisory bodies—Patrick Power serves as a Managing Director and Member of the board of directors of Shannon LNG Ltd., Ireland and Member of the Board of the Multiple Sclerosis Society of Ireland.

Permanent management and consultancy functions for Swiss and foreign interest groups—None.

With the exception of Mr. O'Malley and Mr. De Barros, none of the members of the board of directors has or have had any management responsibility within Petroplus. Excluding their individual ownership interest in Petroplus Holdings AG, none of the members of the board of directors except for Mr. O'Malley and Mr. de Barros has or have had any significant business connection with Petroplus or its affiliated companies.

Elections and Terms of Office

The members of the board of directors are generally elected for the period of a maximum of three years at the General Meeting of Shareholders. A year is defined as the period between two ordinary shareholders' meetings. The individual terms of office of the members are coordinated in such a way that every year approximately one third of the members are subject to reelection or election.

The board of directors appoints its own Chairman and Vice Chairman.

Internal Organizational Structure

The board of directors is the supreme management body of Petroplus Holdings AG and consists of the Chairman who is also the CEO, the Vice-Chairman and the other members. In accordance with the ROO, our board of directors has established three subcommittees: the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. Each committee advises the board of directors on the matters specified below, often with the assistance of the Senior Management and others involved in the management of Petroplus Holdings AG. The chairperson of each of the subcommittees will inform the board of directors of all significant issues discussed at the subcommittee meetings and provide recommendations for decisions required to be made by the board of directors. Members of the committees are generally independent, non-executive members of the board of directors. For purposes of committee membership, independent means a non-executive member of the board of directors who was not a member of executive management during the past three years and who has had no or comparatively minor business relations with Petroplus Holdings AG. No member of any committee may have any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the relevant committee.

Seven meetings of the board of directors were held during 2006, with the meetings lasting approximately three hours or the time necessary required to fulfill its purpose.

The board of directors and the committees will invite members of executive management and external consultants to deal with specific issues as deemed necessary.

Audit Committee

Members: Markus Dennler (Chairperson) and Walter Grüebler. The board of directors intends to appoint a third member following the upcoming annual shareholders meeting, which will be held on May 9, 2007.

The Audit Committee supports the board of directors as a consulting, controlling and initiating body in the areas of communicating with internal and external auditors, supervising the independence and objectivity of the internal audit function, reviewing and assessing the independence of external auditors, financial reporting as well as assessing the adequacy and effectiveness of internal control systems. The Audit Committee encourages continuous improvement of, and adherence to the Petroplus Holdings AG's policies, procedures and practices at all levels.

The Audit Committee is composed of at least two members of the board of directors as determined by the board of directors. Each member of the Audit Committee must be a non-executive and independent director. The committee will meet at least four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. The committee did not hold any meetings in 2006.

Nominating and Corporate Governance Committee

Members: Eija Malmivirta (Chairperson) and Maria Livanos Cattaui. The board of directors intends to appoint a third member following the upcoming annual shareholders meeting, which will be held on May 9, 2007.

The Nominating and Corporate Governance Committee establishes principles for the selection of nominees for election or reelection to the board of directors, suggests nominees for election to the board of directors and makes recommendations to the board of directors concerning corporate governance matters and practices.

The Nominating and Corporate Governance Committee is composed of at least two members of the board of directors as determined by the board of directors. The majority of the members of the Nominating and Corporate Governance Committee must be non-executive and independent directors. The committee will meet at least four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. The committee did not hold any meeting in 2006.

Compensation Committee

Members: Patrick Monteiro de Barros (Chairperson) and Patrick Power. The board of directors intends to appoint a third member following the upcoming annual shareholders meeting, which will be held on May 9, 2007.

The Compensation Committee supports the board of directors to assure that the executive officers and the members of the board of directors are compensated in a manner consistent with our stated compensation strategy, internal equity considerations, competitive practice and regulatory requirements.

The Compensation Committee is composed of at least two members of the board of directors as determined by the board of directors. The majority of them must be non-executive and independent directors. The committee will meet at least four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. The committee did not hold any meetings in 2006.

Definition of Areas of Responsibility

While the board of directors has delegated the executive management of Petroplus Holdings AG to the CEO and the other members of the Senior Management, the following responsibilities remain with the board:

- election of the Chairman, the Vice Chairman, the Chairperson and members of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee;
- definition of the ultimate direction and the handing out of the necessary instructions;
- definition and modification of the strategy of the Petroplus Holdings AG as well as the passing of resolutions about the taking up or suspension of business activities;
- establishment of the organization;
- appointment and dismissal of members of the Senior Management and of other signatories of the Petroplus Holdings AG;
- approval of the annual budget and any deviations from it;
- approval of the financial planning and establishment of principles of accounting and financial control;
- determination of the fiscal year of Petroplus Holdings AG;
- supervision and control of the members of the Senior Management, especially with respect to compliance with laws, the Articles, internal directives and instructions;
- preparation of the annual report and general meetings, as well as the execution of its decisions;
- judicial notification in the case of over-indebtedness or bankruptcy based on Article 725 of the CO;
- decisions about contributions on shares not fully paid and in connection with the increase of share capital out of the authorized capital including decisions to delete outdated provision;
- approval of mass redundancies as set out in Article 335d of the CO or similar foreign prescriptions; and
- purchases and sales of real estate, subsidiaries or businesses if the costs exceed CHF 100 million, any borrowings of more than CHF 100 million, petroleum contracts that exceed 1.5 million barrels per month and extend more than one year or other contracts of more than CHF 500 million a year and all transactions between Petroplus Holdings AG and the CEO or the other members of the management or persons closely related to those.

Information and Control Instruments vis-à-vis the Senior Management

Our reporting system uses professional reporting and consolidation software. Income statements and full balance sheets are reported and consolidated on a monthly basis, including other information pertinent to an up-to-date controlling system, such as sales and margin details. Specific treasury information is reported on a weekly and monthly basis, and for the management and reporting of the commodity price risk exposures and results, there is a sophisticated daily position and results reporting system. While a budget is established and approved in the last quarter of the prior year, updated year-end projections are reported several times a year. Refinery and other business unit managers report trends and developments in the business, throughputs, margin analysis and other relevant information on a monthly basis.

Certain members of Senior Management are regularly involved in the meetings of the board of directors and the Audit Committee. The Chief Financial Officer presents the financial information of Petroplus Holdings AG to the Audit Committee on a quarterly and annual basis.

An Internal Audit function was established in the last quarter of 2006. The Internal Audit function assists the board of directors in the discharge of its oversight responsibilities by providing independent and objective assessments of the effectiveness of the risk management, internal control and governance processes. Internal Audit activities are based on an annual audit plan developed using an appropriate risk-based methodology that covers all operations of Petroplus. This audit plan will be approved by the

board of directors after review by the Audit Committee. The results of internal audits are communicated directly to the Chief Financial Officer, the Audit Committee, and the Chairman of the board as well as to the external auditors through formal Internal Audit reports. Regular follow-up will be performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

The director of Internal Audit reports directly to the Audit Committee to ensure independence from management.

The Internal Audit function is committed to abiding by the Standards for Professional Practice of Internal Auditing set out by the Institute of Internal Auditors.

Senior Management

Members of the Senior Management

As of the date of this Offering Memorandum, the five members of the senior management ("**Senior Management**", and each such member, a "**Senior Manager**") are as follows:

Name	Nationality	Position
Thomas D. O'Malley	U.S.	CEO and Chairman
Michael D. Gayda	U.S.	Executive Vice President and General Counsel
Bruce A. Jones	U.S.	Executive Vice President and Chief Operating Officer
Chester J. Kuchta	U.S.	Executive Vice President and Chief Commercial Officer
Karyn F. Ovelmen	U.S.	Executive Vice President and Chief Financial Officer

Education, Professional Background, Other Activities and Functions

Thomas D. O'Malley (CEO and Chairman)

You can find information about Thomas D. O'Malley under "—Board of Directors" above.

Michael D. Gayda (Executive Vice President and General Counsel)

Education—Bachelor of Sciences in Economics from the Wharton School, University of Pennsylvania, United States, and Juris Doctor from Boston University, School of Law, United States.

Professional background—Michael Gayda has served as our Executive Vice President, General Counsel and Secretary since the incorporation of Argus in February 2006. He served as Executive Vice President, General Counsel and Secretary at Premcor Inc. from January 2005 until September 2005 and Senior Vice President, General Counsel and Secretary from October 2002 to December 2004. Prior to this position, he served as General Counsel-Refining for Phillips 66 Company, a division of Phillips Petroleum Company, following Phillips Petroleum's acquisition of Tosco Corporation in September 2001. Prior to joining Phillips Petroleum, Mr. Gayda served in various positions at Tosco Corporation from 1990 to 2001, most recently serving as Vice President and Associate General Counsel at Tosco Refining Company, a division of Tosco Corporation, from 1996 to 2001.

Bruce A. Jones (Executive Vice President and Chief Operating Officer)

Education—Bachelor of Science from Juniata College, United States, and Masters of Sciences from Rutgers University, United States.

Professional background—Bruce Jones has served as our Chief Operating Officer since May 2006. He served as vice president of safety, health and environment for The Premcor Refining Group Inc. from August 2002 to September 2005 when Premcor was acquired by Valero Energy. Prior to joining Premcor, Mr. Jones served in various corporate and refining positions at Tosco Corporation and Phillips Petroleum from 1993 to 2002. Prior to joining Tosco, Mr. Jones spent two years at Exxon Corporation and 12 years with Public Service Electric and Gas in various corporate and operational positions.

Chester J. Kuchta (Executive Vice President and Chief Commercial Officer)

Education—Bachelor of Sciences in Chemical Engineering from Brown University, United States.

Professional background—Chester Kuchta has served as our Chief Commercial Officer since June 2006. He served as vice president of crude oil supply and trading at The Premcor Refining Group Inc. from April 2002 until September 2005. Prior to joining Premcor, Mr. Kuchta served as the Crude Oil Supply Manager for Phillips 66 Company's East Coast and Gulf Coast Systems, following Phillips' acquisition of Tosco Corporation in 2001. Prior to joining Phillips, Mr. Kuchta served in various commercial and refining positions at Tosco from 1996 to 2001. Prior to joining Tosco, Mr. Kuchta spent six years at the Exxon Corporation in various refining, economic and environmental engineering positions.

Karyn F. Ovelmen (Executive Vice President and Chief Financial Officer)

Education—Bachelor of Arts from the University of Connecticut, United States, and Certified Public Accountant ("**CPA**") in the United States.

Professional background—Karyn Ovelmen has served as Executive Vice President and Chief Financial Officer since the incorporation of Argus in February 2006. She served as Executive Vice President and Chief Financial Officer of Argus Resources Inc. in 2006. Prior to joining Argus, Ms. Ovelmen served as Vice President of External Reporting and Investor Relations for The Premcor Refining Group Inc. from November 2003 to September 2005, when Premcor was acquired by Valero Energy. Prior to joining Premcor, Ms. Ovelmen spent 12 years with PricewaterhouseCoopers, primarily in the energy industry, including a lead role on PricewaterhouseCoopers' engagement for Tosco Corporation.

None of the members of the Senior Management is a member of governing and supervisory bodies of Swiss or foreign organizations outside of the Petroplus group. None of the members hold permanent management or consultancy functions for Swiss or foreign interest groups, and none of the members have official functions or hold political posts.

Compensation, Shareholdings and Loans

Content and Method of Determining the Compensation and the Share-Ownership Programs

Non-Executive Members of the Board

For the board of directors, the following forms of compensation apply:

- board of directors fees—Each non-executive member of the board of directors is paid an annual compensation of CHF 100,000 for services provided. In addition, the chairperson of the Audit Committee receives additional annual compensation of CHF 100,000, and the committee chairpersons of the Compensation Committee and the Nominating and Corporate Governance Committee each receives additional annual compensation of CHF 20,000.
- Other cash compensation—Each non-executive member of the board of directors receives compensation of CHF 2,500 for each board or committee meeting attended.
- Equity Participation Plan—The non-executive members of the board of directors are eligible to participate in our Equity Participation Plan. The options granted were approved by the board of directors.

Senior Management (Including Executive Members of the Board)

Petroplus Holdings AG has entered into employment agreements with our Senior Management. The agreements became effective beginning May 1, 2006. These agreements have an initial term of three years and are subject to an automatic one-year extension thereafter, unless either party gives 60-days' prior written notice of such party's intention not to extend the term of the agreement. The agreements provide for annual base salaries (with increases, if any, to be determined by our board of directors) in the following amounts as of December 31, 2006: CHF 620,000 for Thomas D. O'Malley and CHF 500,000 for each of Michael D. Gayda, Chester J. Kuchta, Bruce A. Jones and Karyn F. Ovelmen. Under the employment agreements, each of the members of the Senior Management were eligible to earn an annual bonus for 2006, as determined by the board of directors, based on the growth and the achievement of the goals set for this year. For 2007 and thereafter the bonus payment under the agreements is dependent on certain predetermined earnings-per-share levels being met. If these levels are exceeded, additional bonus opportunities can be realized. In addition, the members of the Senior Management are eligible to participate in our Equity Participation Plan.

The Compensation Committee of the board of directors has established a policy for the Company that compensation should ensure that the management and employees are rewarded appropriately for their contributions to the Group's growth and profitability, that the executive compensation strategy supports organizational objectives and shareholder interests and that the remuneration is demonstrably contingent upon sustainable company success and the individual contribution by the person in question. In determining the long-term incentive component the board of directors considers, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards for executive officers at comparable companies and the awards given to the respective persons in past years.

Each of the Senior Management employment agreements, which includes their incentive compensation and their eligibility for long-term equity compensation, has been approved by the board of directors. The board of directors has approved the Equity Participation Plan, which establishes a plan for the Board to grant stock options and other equity awards. The board of directors approves individual awards to directors, Senior Management and employees.

Compensation for Acting Members of Governing Bodies

Compensation 2006 for Non-Executive Directors of the Board

	Board of Directors Fees[1]	Total Compensation
	(in thousands of CHF)	
Patrick Monteiro de Barros	10	10
Peter Backhouse	8	8
Markus Dennler	17	17
Walter Grüebler	8	8
N. John Lancaster	8	8
Maria Livanos Cattaui	8	8
Eija Malmivirta	10	10
Patrick Power	8	8
Baran Tekkora	8	8
Total	**85**	**85**

(1) The Non-Executive Members of the board of directors earned one month of the annual fees for the period beginning November 29, 2006, these fees were paid in 2007.

The highest compensation earned by a Member of the board of directors, including the fair value of the 2,500 options granted, was CHF 87,000 for the year ending December 31, 2006. The highest compensation earned by an Executive Member of the board of directors was CHF 1,173,000.

Compensation 2006 for Executive Directors and the Senior Management

	Salary	Bonuses[1]	Various payments[2]	Total compensation
		(in thousands of CHF)		
Thomas D. O'Malley	413	760	—	1,173
Michael D. Gayda	393	620	5	1,018
Bruce A. Jones	393	620	5	1,018
Chester J. Kuchta	292	620	4	916
Karyn F. Ovelmen	393	620	4	1,017
Total	**1,884**	**3,240**	**18**	**5,142**

(1) Paid in 2007.

(2) Includes the employer pension contribution for all members of the Senior Management that have not reached the age of 65.

The highest compensation earned, relating to the year ending December 31, 2006, by a member of the Senior Management is CHF 1,173,000.

Compensation for Former Members of Governing Bodies

In 2006, CHF 9.0 million in total compensation was earned by the former four executive directors of RIVR who resigned from the board of directors in 2006. The highest compensation paid to a single individual was CHF 4.3 million. Total compensation paid to the seven non-executive members of the supervisory board of RIVR in 2006 was CHF 134 thousand, in total of which the highest single compensation amounted to CHF 31 thousand.

Share Allotments in 2006

No shares were allotted as compensation to the members of the board of directors or the Senior Management in 2006.

Share Ownership

Shares Owned by Senior Management

The total number of shares of Petroplus Holdings AG owned by the five executives (including Thomas D. O'Malley) who belonged to Senior Management as of March 31, 2007, including persons closely linked to them, was 2,176,856. "Persons closely linked to them" are close family members, any legal entities that they own or otherwise control and any legal or natural person who is acting as their fiduciary. No member of the Senior Management owned 5% or more of the outstanding shares as of March 31, 2007.

Shares Owned by the Non-Executive Members of the Board of Directors

The total number of Petroplus shares owned by the nine Non-Executive Members of the board of directors as of March 31, 2007, including persons closely linked to them was 264,150.

Options

Options Owned by Senior Management

The total number of options owned by the five executives who belonged to Senior Management as of March 31, 2007, including persons closely linked to them, was 2,586,586.

Grant date	Options held (number)	Exercise price	Life term (years)	Ratio
2006[(1)]	2,326,586	$15.80	10	1:1
2007[(2)]	260,000	CHF 73.95	10	1:1

(1) Options purchased by executives in their capacities as investors.

(2) Options granted by board of directors on January 3, 2007.

Options Owned by the Non-Executive Members of the Board

The total number of Share options owned by the nine Non-Executive Members of the board of directors as of March 31, 2007, including persons closely linked to them was 103,140.

Grant date	Options held (number)	Exercise price	Life term (years)	Ratio
2006[(1)]	22,500	CHF 63.00	10	1:1
2006[(2)]	80,640	$15.80	10	1:1

(1) Options granted in the course of the IPO on November 29, 2006.

(2) Options purchased by a non-executive director in his capacity as an investor.

Additional Fees and Remunerations and Loans to Members of the Governing Bodies

No additional fees or remuneration was paid to governing bodies of the Petroplus Holdings AG.

No loans were granted by the Petroplus Holdings AG to Senior Management or to members of the board of directors or were outstanding as of March 31, 2007.

PRINCIPAL SHAREHOLDERS OF PETROPLUS HOLDINGS AG

The following table sets forth certain information with respect to the direct and indirect, legal and beneficial ownership and control of our ordinary shares with a nominal value of CHF 9.18 each, as of March 31, 2007 (unless otherwise indicated) by (1) our board of directors, (2) our Senior Management and (3) each person known by us to own beneficially 5% or more of our ordinary shares:

	Number	%
Directors		
Thomas D. O'Malley[1] and affiliated parties[2]	1,981,626	3.2%
Members of the Board of Directors in total, excluding Thomas D. O'Malley	264,150	<0.5%
Senior Management		
Members of Senior Management in total, excluding Thomas D. O'Malley[3]	195,230	<0.5%
Principal Shareholders		
FMR Corp[4]	7,163,788[4]	11.7%
Deutsche Bank AG[5]	3,126,026[5]	5.1%

(1) The address of this shareholder is Greenwich, Connecticut (United States).

(2) In addition to 1,619,509 directly held shares, Mr. O'Malley controls Horse Island Partners, LLC, the address of which is Greenwich, Connecticut (United States). Horse Island Partners, LLC holds 359,122 shares. Mr. O'Malley is also the trustee of T.D. & M.A. O'Malley Foundation Inc., a charitable organization, the address of which is Greenwich, Connecticut (United States). The T.D. & M.A. O'Malley Foundation Inc. holds 2,995 shares.

(3) The members of the Senior Management (excluding Thomas D. O'Malley) are Michael D. Gayda, Basking Ridge, New Jersey (United States); Bruce A. Jones, Steinhausen, Switzerland; Chester J. Kuchta, London (United Kingdom); and Karyn F. Ovelmen, Zug, Switzerland. No member of the Senior Management individually owns 5% or more of our ordinary shares.

(4) FMR Corp., a company located at 82 Devonshire Street, Boston, Massachusetts 02109, United States, and its direct and indirect subsidiaries increased their total holdings in Petroplus Holdings AG to 7,163,788 registered shares. This represents a total shareholding of 11.74%. FMR Corp. is the parent company of Fidelity Management & Research Company, an investment manager for U.S. mutual funds, and Fidelity Management Trust Company, a U.S. state chartered bank, which acts as a trustee or investment manager of various pension and trust accounts. The shares of Petroplus Holdings AG are directly held by various managed accounts. The notification by FMR Corp. of its shareholdings is dated February 20, 2007.

(5) Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Germany, has acquired, through its London Branch, located at Winchester House, 1 Great Winchester Street, EC2N 2DB, London, United Kingdom and its Zurich Branch, Uraniastrasse 9, 8023 Zurich, Switzerland, 3,126,026 registered shares of Petroplus Holdings AG. This represents a total shareholding of 5.122%. The notification of Deutsche Bank AG of its shareholdings is dated March 12, 2007.

Petroplus Holdings AG is not aware of any arrangement that would result in a change of control of the company.

CERTAIN RELATED PARTY TRANSACTIONS

You can find information about our transactions with related parties in note 29 to the Consolidated Financial Statements.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a description of our material indebtedness. The description does not purport to be complete and is qualified in its entirety by reference to the agreements which set forth the principal terms and conditions of our credit facilities and other indebtedness.

Working Capital Facilities

Working Capital Acquisition Facility

During March 2007, we, through certain of our subsidiaries, secured financing commitments for a new $400 million working capital bridge acquisition facility (the "**Working Capital Acquisition Facility**") for the purpose of providing additional resources to fund the working capital element of the acquisitions of the Ingolstadt refinery and potentially the Coryton refinery. The borrowings under the Working Capital Acquisition Facility bear interest at LIBOR (or, in relation to any loan in euro, EURIBOR) plus the applicable margin and any mandatory costs. The Working Capital Acquisition Facility has a maturity of the earlier of (i) December 31, 2007 or (ii) three months after the closing date of our acquisition of the Ingolstadt refinery or, if we have requested and it has been agreed, three months from the closing date of our acquisition of the Coryton refinery. Funds can be drawn on the Working Capital Acquisition Facility in U.S. dollars, euro, pounds sterling and Swiss francs. The borrowings under this facility will be jointly and severally guaranteed by certain of our subsidiaries.

The Working Capital Acquisition Facility contains covenants that restrict certain of our activities, including restrictions on creating or permitting to subsist certain security, engaging in certain sales or intra-group transfers of assets or incurring certain additional indebtedness.

The Working Capital Acquisition Facility also contains a financial covenant requiring us to maintain a minimum ratio of EBITDA to net interest expense of 2.20:1.

Compliance with the covenants, including the calculation of EBITDA, is determined in the manner specified in the documentation governing the Working Capital Acquisition Facility.

On March 28, 2007, we drew down $228.3 million under the Working Capital Acquisition Facility to fund the working capital element of the purchase price of the Ingolstadt refinery acquisition.

Inventory Revolving Credit Facility

Certain of our subsidiaries are party to a $1.2 billion multicurrency secured revolving credit facility agreement dated December 23, 2005 (as amended most recently on December 20, 2006, the "**RCF**"), with an option to increase the facility amount to up to $2.0 billion on a pre-approved but uncommitted basis in connection primarily with increased working capital needs as a result of future acquisitions. Moreover, we can obtain additional availability on an uncommitted basis under this facility.

The RCF is available, subject to a working capital borrowing base, in the form of revolving loan advances, bank overdraft advances and certain payment instruments, including documentary letters of credit, standby letters of credit, letters of indemnity and bank guarantees. Bank overdrafts and revolving loans together may not be more than 60% of the total amount of the RCF. Bank overdrafts are limited to $100 million. Revolving loans and bank overdrafts under the RCF bear interest at a rate that is the aggregate of the current margin of 1.0% per year and LIBOR (or, in relation to any revolving loan in euro, EURIBOR) and any mandatory costs. This margin is subject to increase based on the value of our consolidated net worth and the ratio of total term borrowings to consolidated tangible net worth is more than 1. Commissions on payment instruments vary depending upon the instrument type. The borrowings under the RCF are jointly and severally guaranteed by certain of our subsidiaries and the purchaser under our RPF and such borrowings are secured by certain assets of the borrowers and of the guarantors, the form of such security including certain pledges of bank accounts, inventory, insurance and other assets. The RCF terminates on December 21, 2009.

The RCF contains covenants that restrict certain of our activities, including restrictions on creating or permitting to subsist certain security, engaging in certain mergers, sales, certain intra-group transfers or other disposals of certain assets, giving certain guarantees, making certain loans, incurring certain additional indebtedness, engaging in different businesses and amending or waiving certain material agreements.

The RCF Agreement also contains certain financial covenants, including covenants requiring us to maintain:

- a minimum consolidated tangible net worth of $650 million (€500 million) plus 25% of our net income starting with 2007 net income, up to a maximum of $975 million (€750 million); and
- a minimum ratio of EBITDA to net interest expense of 2.20:1, with such ratio increasing on December 31, 2007 to 2.5:1 until maturity.

Compliance with these covenants, including the calculation of EBITDA, is determined in the manner specified in the documentation governing the amended RCF.

At December 31, 2006, there were no drawings under the RCF.

At March 31, 2007, drawings under the RCF amounted to $96.1 million.

Receivables Purchase Facility

Certain of our subsidiaries are party to a $400 million master trade receivables purchase facility agreement dated February 23, 2006 (as amended, the "**RPF**"). The RPF is guaranteed by certain of our subsidiaries and is secured by certain assets of the sellers or receivables under the facility, certain of our other subsidiaries and the purchaser under the facility. The form of such security includes certain pledges of bank accounts, inventory, insurance and other assets. The facility is available for five years less two weeks from the date all the relevant condition precedents to utilization of the facility were satisfied.

The RPF contains covenants that restrict certain of our activities, including restrictions on creating or permitting to subsist certain security, engaging in certain mergers, making capital expenditures, sales or other disposal of certain assets, engaging in different businesses, and amending or waiving certain material agreements.

The RPF also contains certain financial covenants, including covenants requiring us to maintain:

- a minimum ratio of EBITDA to net interest expense of 2.20:1 with such ratio increasing on March 31, 2008, and increasing periodically thereafter to 2.70:1 until maturity; and
- a maximum ratio of total term borrowing to EBITDA of 3.45:1 with such ratio decreasing on June 30, 2007, and decreasing periodically thereafter to 1.85:1 until maturity.

Compliance with these covenants, including the calculation of EBITDA, is determined in the manner specified in the documentation governing the RPF.

At December 31, 2006, there were no drawings under this facility.

At March 31, 2007, drawings under the RPF amounted to $196.6 million.

Other Working Capital Facilities

Some of our subsidiaries have smaller working capital facilities available.

Term Loan Facility

We, through certain of our subsidiaries, are party to €500 million senior secured credit facility dated February 6, 2007 (the "**Senior Secured Facility**"). The borrowings under the Senior Secured Facility bear interest at LIBOR (or, in relation at any loan in Euro, EURIBOR) plus the applicable margin and any mandatory costs. The margin range is 1.25% to 2.75% pending certain leverage ratio and duration of the facility.

At April 1, 2007, there were no drawings under the Senior Secured Facility. We currently intend to cancel the Senior Secured Facility prior to the completion of the Offering of the Notes.

DESCRIPTION OF THE NOTES

Petroplus Finance Limited will issue the Notes under an Indenture (the "**Indenture**") among itself, the Company, the several Subsidiary Guarantors, Deutsche Bank Trust Company Americas, as Trustee, Security Agent, registrar, paying agent and transfer agent, Deutsche International Corporate Services (Ireland) Limited, as Irish paying agent, and Deutsche Bank Luxembourg S.A., as registrar, transfer agent and Irish listing agent. Unless the context otherwise requires, in this description, references to the "Notes" include the 6.75% Senior Notes due 2014 (the "**2014 Notes**") and the 7% Senior Notes due 2017 (the "**2017 Notes**"). The terms of the Notes include those stated in the Indenture.

Certain terms used in this description are defined under the subheading "—Certain Definitions". In this description, the word "**Issuer**" refers only to Petroplus Finance Limited and the word "**Company**" refers only to Petroplus Holdings AG and not to any of its subsidiaries.

The following description is only a summary of the material provisions of the Indenture. We urge you to read the Indenture because it, not this description, defines your rights as holders of the Notes. You may request copies of the Indenture at our address set forth under the heading "Where You Can Find More Information".

Brief Description of the Notes, the Funding Loan, the Guarantees and the Security

The Issuer will use the gross proceeds from the issuance of the Notes to lend $1,200 million of the proceeds to PPI pursuant to the PPI Funding Loan. The Notes are initially guaranteed on a senior basis by the Company, PRML, PPI, RIVR and Petroplus Bermuda. In certain circumstances, the Notes, in the future, may be guaranteed by additional Restricted Subsidiaries of the Company.

The Notes

The Notes:

- are senior obligations of the Issuer;
- are senior in right of payment to any future Subordinated Indebtedness of the Issuer;
- are unconditionally guaranteed on a senior basis by the Company, PRML, PPI, RIVR and Petroplus Bermuda; and
- have the benefit of security (as described under "—Security") in the form of a first-priority pledge of 100% of the Capital Stock of the Issuer and a first-priority security interest in the PMAG Loans.

The Issuer will have no other Indebtedness as of the date of the Indenture and will not be allowed to incur additional Indebtedness under the Indenture and any intercompany Indebtedness, except any Additional Notes and any additional Public Debt to be issued in compliance with the Indenture. Upon the completion of the Offering, the Issuer's only material asset will be the obligations of PPI to make payments on the PPI Funding Loan. See "Risk Factors—Risks Relating to Our Structure, the Guarantees, the Collateral and the Notes—The Issuer is a finance subsidiary that has no revenue-generating operations and will depend on payments received under the PPI Funding Loan to make payments on the Notes".

The Funding Loan

The Issuer will use the gross proceeds from the issuance of the Notes to lend $1,200 million of the proceeds to PPI pursuant to the PPI Funding Loan. Unless the context otherwise requires, in this description, the word "Funding Loan Borrower" refers to PPI, any Funding Loan Borrower in respect of an Additional Funding Loan and, if a Permitted Funding Loan Transfer is consummated, any such transferee of a Funding Loan. The obligations of PPI under the PPI Funding Loan are senior unsecured obligations. However, the ranking of the obligations under the PPI Funding Loan may be subject to claims that the obligations should be limited or subordinated under applicable law.

PPI is an intermediate holding company and owns the Capital Stock of a number of other intermediate holding companies in the Petroplus group. PPI does not have any revenue-generating operations of its own, and is dependent on payments from its subsidiaries in order to make payments under the PPI Funding Loan.

The Funding Loan will require the Funding Loan Borrower to make appropriate payments under the Funding Loan to enable the Issuer to fulfil its obligations under the Indenture. Interest will accrue on the Funding Loan at a rate at least equal to the interest rate payable on the Notes, with such increases as may be agreed between the parties or necessary to match any Additional Amounts due thereunder, or any default interest payable with respect to the Notes. The Funding Loan is repayable at the same time as the repayment in full or in part of amounts due under the Notes, whether at maturity, on early redemption or mandatory repurchase or upon acceleration.

The Funding Loan may only be released upon legal defeasance or covenant defeasance as described under "—Defeasance" or if the obligations under the Indenture are discharged in accordance with the terms of the Indenture.

In the event that Additional Notes are issued, the Issuer will loan the gross proceeds from the issuance of the Additional Notes to PPI or another Funding Loan Borrower under one or more Additional Funding Loans.

The Indenture will provide that PPI or any other Funding Loan Borrower will be able to novate, assign, subdivide or otherwise transfer its obligations under its Funding Loan, in whole or in part, to the Company or another Restricted Subsidiary or Restricted Subsidiaries, upon the satisfaction of the requirements described under the definition of "Permitted Funding Loan Transfer". The Indenture does not impose any significant limitations as to the identity of the transferee of the Funding Loan that becomes a Funding Loan Borrower. Unless the context otherwise requires, in this description, the term "Funding Loan" refers to the initial PPI Funding Loan, any Additional Funding Loan and any Funding Loan transferred in accordance with the requirements described under the definition of "Permitted Funding Loan Transfer".

The PMAG Loans

The Notes, as of the Issue Date, will have the benefit of a first-priority security interest in the PMAG Loans. The PMAG Loans are comprised of certain existing intercompany loans in a total aggregate principal amount of not less than $1,000 million from PPI and Petroplus Bermuda, as lenders, to PMAG, as borrower. The terms of the existing PMAG Loans vary with respect to principal amount, interest rate, interest periods and rights of prepayment, and the Company will have, subject to certain exceptions, the right to modify the terms of the PMAG Loans from time to time, *provided* that at all times there shall not be less than $1,000 million aggregate principal amount of the PMAG Loans outstanding (or, if less, the aggregate principal of the Notes then outstanding), PMAG shall be the borrower under the PMAG Loans and the PMAG Loan Lenders shall be Senior Guarantors of the Notes. The initial PMAG Loans have a term of ten years and include a cross-default provision with respect to certain Indebtedness (and guarantees of Indebtedness) of certain Guarantors of the Notes with the right for the PMAG Loan Lender to declare amounts under the PMAG Loan due and payable upon a cross-default. PMAG is an intermediate holding company of certain of our finance and trading companies. PMAG is not a Guarantor of the Notes. PPI and Petroplus Bermuda are each a Senior Guarantor of the Notes.

The obligations of PMAG under the PMAG Loans will be Senior Subordinated Indebtedness of PMAG, will be equal in right of payment to all existing and future Pari Passu Indebtedness of PMAG and will be subordinated in right of payment to all existing and future Designated Senior Indebtedness of PMAG. The terms of the PMAG Loans, or the terms of a subordination agreement entered into by the PMAG Loan Lenders, will provide for the subordination of the obligations under the PMAG Loans to PMAG's obligations under Designated Senior Indebtedness, including provisions relating to payment blockage, limitations on enforcement, turnover, subordination in the event of insolvency and the application of recoveries generally to the same extent as any Senior Subordinated Guarantees are subordinated to Designated Senior Indebtedness of Senior Subordinated Guarantors. See "—The Guarantees of the Notes—The Senior Subordinated Guarantees". The Indenture will provide that the PMAG Loan Borrowers may only release the PMAG Loans in connection with the release of the security interests on the PMAG Loans as described under "—Security—Release of Security", upon legal defeasance or covenant defeasance as described under "—Defeasance", if the obligations under the Indenture are discharged in accordance with the terms of the Indenture or as described in the next paragraph, in connection with a Permitted PMAG Loan Substitution.

Upon the satisfaction of the requirements described under the definition of "Permitted PMAG Loan Substitution", among other things, (a) an existing PMAG Loan can be substituted for, replaced

by or refinanced with (in whole or in part) another PMAG Loan and (b) a Senior Guarantor can be substituted as a lender under all or a portion of the PMAG Loans for one or more existing PMAG Loan Lenders. Following such substitution of a PMAG Loan Lender, the Senior Guarantee of the former PMAG Loan Lender will be automatically released, *provided* that such Person is not otherwise required under the Indenture to be a Guarantor of the Notes. The new lender under the PMAG Loan will be required to enter into an amendment to or otherwise accede to the PMAG Loans Security Assignment. See "Risk Factors—Risks Relating to Our Structure, the Guarantees, the Collateral and the Notes—Recoveries under the PMAG Loans may be limited due to subordination provisions and legal restrictions on enforcement and other limitations".

The Guarantees of the Notes

The Notes are initially guaranteed on a senior basis by the Company, PRML, PPI, RIVR and Petroplus Bermuda as of the date of the Indenture. In the future, under certain circumstances, certain subsidiaries of the Company may guarantee the Notes on a senior subordinated basis as described under "—The Senior Subordinated Guarantees".

All of the Company's operations are conducted through subsidiaries. Most of its subsidiaries are not Guaranteeing the Notes, and, as described below under "—Merger and Consolidation of Guarantors; Release of the Guarantees", Subsidiary Guarantees may be released under certain circumstances. In addition, other Subsidiaries of the Company will be required to Guarantee the Notes only under limited circumstances, as described below under "—Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness". Claims of creditors of such non-Guarantor subsidiaries, including trade creditors and creditors holding Indebtedness or guarantees issued by such non-Guarantor subsidiaries, and claims of preferred stockholders of such non-Guarantor subsidiaries generally will have priority with respect to the assets and earnings of such non-Guarantor subsidiaries over the claims of other creditors, including holders of the Notes. Accordingly, the Notes will be effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of such non-Guarantor subsidiaries.

Although the Indenture limits the incurrence of Indebtedness and Preferred Stock by certain of the Company's subsidiaries, such limitation is subject to a number of significant qualifications. Moreover, the Indenture does not impose any limitation on the incurrence by such Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "—Certain Covenants—Limitation on Indebtedness".

The Senior Guarantees

The Company, PRML, PPI, RIVR and Petroplus Bermuda will jointly and severally guarantee, on a senior secured basis, the Issuer's obligations under the Notes. In addition, in the future, under certain circumstance, certain additional Subsidiaries of the Company may provide Senior Guarantees of the Notes. The Senior Guarantees of the Company and the other Senior Guarantors will:

- be senior obligations of such Senior Guarantor;
- rank *pari passu* in right of payment with all existing and future Senior Indebtedness of such Senior Guarantor;
- be effectively subordinated to all of such Senior Guarantor's Indebtedness that is secured, to the extent of the value of the assets securing such obligations; and
- rank senior in right of payment to all existing and future Subordinated Indebtedness of such Senior Guarantor.

As of the Issue Date, the Senior Guarantors consist of the Company, PRML, PPI, RIVR and Petroplus Bermuda. The Company is the parent company of the Petroplus group and holds the Capital Stock of all of our Restricted Subsidiaries and does not conduct any revenue-generating operations. PPI and RIVR are each intermediate holding companies. PRML directly owns the Capital Stock of Petroplus Refining Teesside Limited and Petroplus Marketing Limited, which own and operate, and engage in trading activities with respect to, our existing Teesside refinery in the United Kingdom. In addition, following the completion of our planned acquisition of the Coryton refinery in the United Kingdom, PRML will directly own and operate the Coryton refinery. Petroplus Bermuda is a finance company and does not engage in, or generate any revenues from, refinery operations.

The Senior Subordinated Guarantees

In the future, under certain circumstances, certain Subsidiaries of the Company may provide Senior Subordinated Guarantees of the Notes. Unless the context requires otherwise, in this description, the word "Senior Subordinated Guarantors" refers to any Restricted Subsidiary that may provide a Senior Subordinated Guarantee of the Notes in the future, and the word "Senior Subordinated Guarantees" refers to the Senior Subordinated Guarantees by such Senior Subordinated Guarantors. The Senior Subordinated Guarantees of a Senior Subordinated Guarantor will:

- be subordinated in right of payment to all existing and future Designated Senior Indebtedness of such Senior Subordinated Guarantor;
- rank equally in right of payment with payment with all existing and future Senior Subordinated Indebtedness of such Senior Subordinated Guarantor; and
- rank senior in right of payment to all existing and future Subordinated Indebtedness of such Senior Subordinated Guarantor.

Subordination of the Senior Subordinated Guarantees

The Senior Subordinated Guarantees will be subordinated in right of payment to all existing and future Designated Senior Indebtedness of each such Senior Subordinated Guarantor. The Senior Subordinated Guarantees will provide that no Enforcement Action may be taken in respect of the Senior Subordinated Guarantees, unless and until:

(a) an Event of Default on the Notes (the date on which written notice has been given by the Trustee to the Senior Agent of such event of default, the "**Default Date**") has occurred and such Event of Default is continuing; and

(b) the Standstill Period (as defined below) has expired.

The "**Standstill Period**", with respect to each Senior Subordinated Guarantor, will be the period commencing on the Default Date and ending on the first to occur of:

- the expiration of 179 days after the Default Date;
- the date upon which an Insolvency Event (other than an Insolvency Event that is the result of the actions of any holder of the Notes not in compliance with the Indenture) in respect of such Senior Subordinated Guarantor occurs; and
- the date upon which the holders of any Designated Senior Indebtedness have taken Enforcement Action thereunder in respect of any security provided by such Senior Subordinated Guarantor.

Because the obligations of each Senior Subordinated Guarantor under its Senior Subordinated Guarantee can only be enforced under the circumstances described above, the Trustee and holders of the Notes may only make a demand under or bring any enforcement action on the Senior Subordinated Guarantees while such circumstances exist without the prior written consent of the Senior Agent (acting on behalf of the holders of Designated Senior Indebtedness).

Payment Blockage Provisions Relating to the Senior Subordinated Guarantees

The Indenture will provide that the Senior Subordinated Guarantors may not make any payment in respect of the Notes pursuant to the Senior Subordinated Guarantees (except in Permitted Junior Securities or from the trust, if any, described under "—Defeasance") if:

(a) a payment default on Designated Senior Indebtedness has occurred and is continuing beyond any applicable grace period; or

(b) any other default occurs and is continuing on any Designated Senior Indebtedness that permits the holders or lenders of such Designated Senior Indebtedness to accelerate its maturity and the Trustee receives notice of such default (a "**Payment Blockage Notice**") from the Senior Agent or the holders or lenders of such Designated Senior Indebtedness within 45 days of the Senior Agent, holder or lender of such Designated Senior Indebtedness receiving written notice of such default or notifying the Issuer or the relevant Guarantor of such default.

Payments on the Notes by the Senior Subordinated Guarantors pursuant to the Senior Subordinated Guarantees may and will be resumed (including making any missed payments):

(a) in the case of a payment default, when such default is cured or waived; or

(b) in the case of a non-payment default when one of the following occurs (whichever is the earliest):

(i) 179 days have elapsed since the date of issuance of the Payment Blockage Notice;

(ii) where a Standstill Period is in effect at any time after receipt of a Payment Blockage Notice, the expiration of that Standstill Period and the relevant Event of Default to which the Standstill Period relates has not been cured or waived;

(iii) such non-payment default is cured or waived in writing or has ceased to exist;

(iv) the Senior Agent cancels the Payment Blockage Notice; or

(v) the Senior Discharge Date occurs.

No new Payment Blockage Notice may be delivered to the Senior Subordinated Guarantors unless and until (x) 365 days have elapsed since the delivery of the immediately prior Payment Blockage Notice and (y) all scheduled payments of interest on the Notes that have come due have been paid in full in cash or in Permitted Junior Securities. Not more than one Payment Blockage Notice may be served with respect to the same event or set of circumstances.

No non-payment default on any Designated Senior Indebtedness that existed or was continuing on the date of delivery of a Payment Blockage Notice to the Trustee will be, or be made, the basis for a subsequent Payment Blockage Notice.

Any failure to make a payment due under the Notes as a result of a Payment Blockage Notice shall not prevent any commencement of any Enforcement Action permitted under "—Subordination of the Senior Subordinated Guarantees."

Limitation of the Guarantees

The Guarantees of the Notes by the Guarantors provide the Holders of the Notes with a direct claim against the assets of the Guarantors. Each of the Guarantees, however, will be limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering the Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective under applicable law. In addition, enforcement of any of these Guarantees against any Guarantor will be subject to certain defenses available to Guarantors generally. These laws and defenses include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its Guarantee.

Merger and Consolidation of Guarantors; Release of the Guarantees

Pursuant to the Indenture, (A) a Subsidiary Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to any other Person to the extent described below under "—Certain Covenants—Merger and Consolidation" and (B) the Capital Stock of a Subsidiary Guarantor may be sold or otherwise disposed of to another Person to the extent described below under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock." In the case of the consolidation, merger or transfer of all or substantially all the assets of a Subsidiary Guarantor, if such other Person is not a Guarantor, such Subsidiary Guarantor's obligations under its Subsidiary Guarantee (and any Funding Loan under which it is a borrower) must be expressly assumed by such other Person and upon such assumption, the Subsidiary Guarantor will be released from its obligations under its Guarantee. Notwithstanding the foregoing, so long as no Default or Event of Default shall have occurred and be continuing, the assumption such Guarantor's obligations under its Guarantee will not be required in the case of:

(1) the sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor, including the sale or disposition of Capital Stock of a Subsidiary Guarantor following which such Subsidiary Guarantor is no longer a Subsidiary; or

(2) the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor,

in each case other than to a Subsidiary of the Company that is not a Guarantor. Such assumption of a Guarantee will also not be required in the case of a Permitted Dutch Holding Company Reorganization. In connection with any sale or disposition described in clauses (1) and (2) above, the Company shall provide an Officers' Certificate to the Trustee to the effect that the Issuer will comply with its obligations under the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" in respect of such sale or disposition. Upon any sale or disposition described in clause (1) or (2) above and in the case of a Permitted Dutch Holding Company Reorganization, the obligor on the related Subsidiary Guarantee automatically and unconditionally will be released from its obligations thereunder.

The Subsidiary Guarantee of a Subsidiary Guarantor also automatically and unconditionally will be released:

(1) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary;

(2) upon legal defeasance or covenant defeasance as described under "—Defeasance" or if the obligations under the Indenture are discharged in accordance with the terms of the Indenture;

(3) in the case of a PMAG Loan Lender, upon the satisfaction of the requirements described under the definition of "Permitted PMAG Loan Substitution"; *provided* that such person is not otherwise required under the Indenture to be a Guarantor of the Notes; and

(4) so long as no Event of Default has occurred and is continuing, such Subsidiary Guarantor is unconditionally released and discharged from its liability with respect to Indebtedness in connection with which such Subsidiary Guarantee was executed pursuant to the covenant described under the caption "—Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness".

The Senior Subordinated Guarantee of a Subsidiary Guarantor also will be automatically and unconditionally released if:

in the event that the Capital Stock (or the shares of any holding company of such Guarantor) or the assets of such Guarantor are sold or otherwise disposed of by the Senior Security Agent or any receiver or administrator pursuant to an Enforcement Action in respect of such Guarantor, or are sold by the Guarantor at the request of the Senior Security Agent after a default under Designated Senior Indebtedness of such Guarantor, immediately upon such sale, *provided* that:

(i) the Trustee acting on the instructions of the Holders of more than 50% in aggregate principal amount of the Notes then outstanding has approved the release, or

(ii) the assets or Capital Stock of such Senior Subordinated Guarantor (or any holding company of such Guarantor) are sold or otherwise disposed of by the Senior Security Agent after a default under Designated Senior Indebtedness of such Guarantor or such receiver or administrator or by the Guarantor at the request of the Senior Security Agent, and:

(A) all or substantially all of the consideration for such sale is in the form of cash or Temporary Cash Investments;

(B) concurrently with the completion of any such sale or disposal, the claims and security interests of the holders of all Designated Senior Indebtedness, the holders of all Subordinated Indebtedness and the holders of all Pari Passu Indebtedness of such Guarantor and its Subsidiaries are discharged or released (and not assumed by the relevant purchaser or any affiliate thereof);

(C) either (x) the sale is either made pursuant to a Public Auction or (y) an internationally recognized investment bank or an internationally recognized accounting firm selected by the Senior Security Agent has delivered in respect of the sale or disposal an opinion to the Trustee that the amount received in connection with such sale is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement;

(D) the sale is made in compliance with all applicable laws; and

(E) the proceeds of such sale are concurrently with the completion of such sale delivered to the Senior Security Agent for application in accordance with the provisions described under "—Turnover".

Turnover

Except to the extent prohibited by law, if at any time on or before the Senior Discharge Date, the Trustee receives or recovers a payment or distribution of, or on account of:

(a) a Senior Subordinated Guarantee which is prohibited by the Indenture;

(b) any Enforcement Action against a Senior Subordinated Guarantor or with respect to the Collateral in contravention of the Indenture;

(c) the Notes as a result of the Issuer receiving or recovering an amount from a Senior Subordinated Guarantor or under the PMAG Loans in contravention of the Indenture;

(d) any set-off in respect of the Senior Subordinated Guarantees which is prohibited by the Indenture; or

(e) any distribution in cash or in kind in respect of the Senior Subordinated Guarantees that is made as a result of the occurrence of an Insolvency Event of a Restricted Subsidiary of a Senior Subordinated Guarantor;

provided that if at the time the Trustee receives or recovers such payment a Responsible Officer of the Trustee had actual knowledge that such receipt or recovery was required to be turned over, then the Trustee will hold the payment in trust for the benefit of the lenders or creditors under the relevant Designated Senior Indebtedness and will be required to turn over such amounts to the Senior Security Agent to be applied in the following order:

(a) *first*, in discharging any sums owing to the Senior Security Agent, any receiver or administrator acting in accordance with the Indenture or the Trustee or Security Agent in their capacities as such on a *pari passu* basis;

(b) *second*, in payment of all costs and expenses incurred by or on behalf of the holders of Designated Senior Indebtedness in connection with enforcement of any security document or any exercise of their rights as creditors;

(c) *third*, in payment to be made pro rata to discharge the outstanding Designated Senior Indebtedness;

(d) *fourth*, in payment to the Trustee on behalf of the holders of the Notes for application towards the discharge of the Notes and the Senior Subordinated Guarantees;

(e) *fifth*, if none of the Restricted Subsidiaries is under any further actual or contingent liability in respect of any Designated Senior Indebtedness or the Notes or Senior Subordinated Guarantees, in payment to any Person to whom the Senior Security Agent or the Trustee is obliged to pay in priority to any Restricted Subsidiary; and

(f) *sixth*, the balance, if any, in payment to any Restricted Subsidiary, as applicable.

Security

The obligations of the Issuer under the Notes and the Indenture and the Guarantors under the Indenture will be secured by liens in the form of (a) a first-priority pledge of 100% of the Capital Stock of the Issuer and (b) a first-priority security interest created by an assignment by way of security of the PMAG Loans under the PMAG Loans Security Assignment. The Capital Stock of the Issuer, the PMAG Loans and any future collateral securing the Notes and the Guarantees are referred to as the "Collateral". The agreements creating security interests in respect of the Capital Stock of the Issuer and the PMAG Loans are referred to as the "Security Documents". The security interests that secure obligations under the Notes and the Guarantees created by the Security Documents are sometimes referred to in this description as the "Security Interests".

Subject to certain conditions, including compliance with the covenant described under "—Certain Covenants—Impairment of Security Interest", the Collateral is permitted to be pledged in connection with certain future incurrences of Indebtedness, including any Additional Notes and other Public Debt permitted under the Indenture, on terms consistent with the relative priority of such Indebtedness. In addition, the Indenture also will permit the issuance of Indebtedness secured by Liens on the Collateral, which Liens may, under certain circumstances, rank ahead of the security interests on the Collateral that secure the Notes. In particular, under certain circumstances, the existing first-priority security interest in respect of the PMAG Loans that secure the Notes could in the future rank junior to security interests in the PMAG Loan that secure Designated Senior Indebtedness of PMAG.

Under certain circumstances, the Notes and the Guarantees may have the benefit of additional collateral, including pursuant to the covenant described under "—Certain Covenants—Limitation on Liens".

Each holder of the Notes, by accepting a Note, shall be deemed (i) to have authorized the Trustee and the Security Agent to enter into the Security Documents and, subject to compliance with the covenant described under "—Certain Covenants—Intercreditor Agreements", to enter into one or more Intercreditor Agreements, and (ii) to be bound thereby. Each holder of the Notes, by accepting a Note, appoints the Trustee and the Security Agent, as the case may be, as its agent under the Security Documents and authorizes it to act as such.

The Indenture will provide that, subject to the terms thereof and of the Security Documents, the Notes, the Guarantees and the Indenture, as applicable, will be secured by the Security Interests in the Collateral until all obligations under the Notes and the Indenture have been discharged.

Enforcement of Security

The Security Documents provide the rights of the holders of the Notes with respect to the pledge of the Collateral must be exercised by the Trustee or the Security Agent or a Person appointed to act for or on behalf of the Trustee or the Security Agent. Because the holders of the Notes are not a party to the Security Documents, holders may not, individually or collectively, take any direct actions to enforce any rights in their favor under the Security Documents. The holders may only act through the Trustee or Security Agent. The affirmative vote of the holders of more than 50% in aggregate principal amount of the Notes then outstanding will be required in order to direct any action to enforce any rights in their favor under the Security Documents.

In the event that any Collateral is pledged to secure Designated Senior Indebtedness and such security interest (the "**Priority Security Interest**") ranks prior to the Security Interest on such Collateral that secures the Notes, the Trustee or Security Agent will not be entitled to take any Enforcement Action under the Security Documents after the occurrence of a Default or any other event which would cause the Notes to become due and payable unless:

(a) the Senior Discharge Date has occurred;

(b) the Collateral Enforcement Standstill Period has expired; or

(c) the Trustee is otherwise entitled by the terms of the Indenture to take Enforcement Action under the Security Documents.

Any instruction to the Trustee or Security Agent by holders of the Notes in respect of enforcement of the Collateral must be given by the holders of more than 50% of aggregate principal amount of the Notes then outstanding.

If the Trustee or Security Agent receives proceeds of any enforcement of the Security Documents over Collateral subject to a Priority Security Interest, then the Trustee or Security Agent will hold the payment in trust for the benefit of the holders of the relevant Indebtedness and will be required to turn over such amounts to the Senior Security Agent to be applied in the order described under "—Turnover"; *provided*, *however*, that the Trustee shall only be required to turn over any amount if (x) a Trust Officer of the Trustee has actual knowledge that such amount is required to be turned over and (y) it has not distributed any amounts so received to holders in accordance with the Indenture.

Release of Security

The Liens on the Collateral will be released without any action by the Trustee, Security Agent or the holders of the Notes upon legal defeasance or covenant defeasance as described under

"—Defeasance", if the obligations under the Indenture are discharged in accordance with the Indenture and, in the case of the PMAG Loans, upon and to the extent of a Permitted PMAG Loan Substitution that is not a transfer of the PMAG Loans Lender.

Prior to such time, the Liens on the Collateral may not be released, other than as described below.

In the event that Collateral subject to a Priority Security Interest is sold or otherwise disposed of by the Senior Security Agent or any receiver or administrator acting in accordance with the Indenture pursuant to an Enforcement Action, or is sold at the request of a Senior Agent after a default under any Designated Senior Indebtedness secured by such Priority Security Interest has occurred that permits the holders thereunder to accelerate its maturity, then the Security Interests granted over such Collateral in favor of the Notes (but not any Collateral not subject to a Priority Security Interest) will be unconditionally released immediately upon such sale or disposition, *provided* that:

(i) the Trustee or Security Agent, acting on the instructions of the Holders of more than 50% in aggregate principal amount of the Notes then outstanding has approved the release; or

(ii) such Collateral is sold or otherwise disposed of by the Senior Security Agent, after a default under the Designated Senior Indebtedness or such receiver or administrator or at the request of the Senior Security Agent and:

(A) all or substantially all the consideration for such sale is in the form of cash or Temporary Cash Investments;

(B) concurrently with the completion of any such sale or disposal of the Collateral, the security interests of the holders of Designated Senior Indebtedness, Pari Passu Indebtedness and Subordinated Indebtedness over such Collateral are discharged or released (and not assumed by the relevant purchaser or any affiliate thereof);

(C) either (x) the sale is either made pursuant to a Public Auction or (y) an internationally recognized investment bank or an internationally recognized accounting firm selected by the Senior Security Agent has delivered in respect of the sale or disposal an opinion to the Trustee that the amount received in connection with such sale is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement;

(D) the sale is made in compliance with all applicable laws; and

(E) the proceeds of such sale are concurrently with the completion of such sale delivered to the Senior Security Agent for application in accordance with the provisions described under "—Turnover".

Principal, Maturity and Interest

The 2014 Notes initially will be issued in the aggregate principal amount of $600 million and will mature on May 1, 2014, unless redeemed prior thereto as described herein. The 2017 Notes initially will be issued in the aggregate principal amount of $600 million and will mature on May 1, 2017, unless redeemed prior thereto as described herein. The 2014 Notes and the 2017 Notes constitute a separate series of Notes but will be treated as a single class of securities for all purposes of the Indenture, including for purposes of voting and taking all other actions by holders of the Notes, except as otherwise specified in the Indenture. The Issuer will issue the Notes on the Issue Date in the form of global notes in registered form in minimum denominations of $75,000 and any integral multiple of $1,000. Subject to our compliance with the covenant described under the subheading "—Certain Covenants—Limitation on Indebtedness", the Issuer is permitted to issue more Notes from time to time under the Indenture (the "**Additional Notes**"). The Notes and the Additional Notes, if any, will be treated as a single class for all purposes of the Indenture, including waivers, amendments, voting, redemptions and offers to purchase, except as otherwise specified with respect to each series of Notes. Unless the context otherwise requires, for all purposes of the Indenture and this description, references to the Notes include any Additional Notes actually issued.

Each Note will bear interest at the rate set forth on the cover page of this Offering Memorandum from and including May 2, 2007, or from and including the most recent interest payment date to which interest has been paid, and will be payable semiannually in arrears on May 1 and November 1, commencing on November 1, 2007. We will make each interest payment to the holders of record of

these Notes on the immediately preceding April 15 and October 15. We will pay interest on overdue principal at 1% per annum in excess of the above rate and will pay interest on overdue installments of interest at such higher rate to the extent lawful.

Interest on these Notes will accrue from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

The Issuer will pay principal, interest, premium and Additional Amounts, if any, in money of the United States of America that at the time of payment is legal tender for payment or public and private debt. Principal, interest, premium, and Additional Amounts, if any, on the Global Notes (as defined under "Book Entry, Delivery and Form—General") will be payable by the Trustee or at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of DTC or its nominee will be made by wire transfer of immediately available funds to an account specified by the holder or holders thereof.

Payments of principal of, and premium, if any, on each note in definitive registered form ("**Definitive Registered Notes**") will be made by transfer on the due date to an account maintained by the payee pursuant to details provided by the holder or, if requested by the holder, by check, in each case against presentation and surrender (or, in the case of partial payment only, endorsement) of the relevant Definitive Registered Note at the office of any Paying Agent. Payments of interest in respect of each Definitive Registered Note will be made by transfer on the due date to an account maintained by the payee (the holder and account details of which appear on the register of holders at the close of business on the relevant record date) or, if requested by the holder, by check mailed on the relevant due date (or if that is not a business day, the immediately succeeding business day) to the holder (or to the first named of joint holders) of the Definitive Registered Note appearing on the register of holders at the close of business at the address shown on the register of holders on such record date. Payments in respect of principal of, premium, if any, and interest on Definitive Registered Notes are subject in all cases to any tax or other laws and regulations applicable in the place of payment but without prejudice to the provisions under the headings "—Redemption for Changes in Withholding Tax" and "—Additional Amounts." The Paying Agent may require payment of a sum sufficient to cover any transfer tax or similar governmental charge in connection with any payment transfer instructions received by the Paying Agent. Definitive Registered Notes, if issued, will only be issued in registered form.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents for the notes (i) in Dublin, Ireland (the "**Irish Paying Agent**") for as long as the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market and its guidelines so require, and (ii) the Borough of Manhattan, the City of New York (the "**New York Paying Agent**" and, together with the Irish Paying Agent, the "**Paying Agents**"). The Paying Agents for the Notes will be Deutsche Bank Trust Company Americas in New York, and Deutsche International Corporate Services (Ireland) Limited in Dublin.

In addition, the Issuer undertakes that it will ensure that it maintains a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the European Council of Economics and Finance Ministers ("**ECOFIN**") meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

The Issuer will also maintain one or more registrars (each, a "**Registrar**") and a transfer agent in each of (i) for so long as the Notes as listed on Irish Stock Exchange and admitted to trading on the Alternative Securities Market thereof and its guidelines so require, Dublin, and (ii) the Borough of Manhattan, City of New York. The initial Registrars and transfer agents will be Deutsche Bank Trust Company Americas in New York and Deutsche Bank Luxembourg S.A. in Dublin.

The Issuer may change the Paying Agents, the Transfer Agents or the Registrars without prior notice to the holders. For so long as the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market and its guidelines so require, the Issuer will deliver a

notice of any change of Paying Agent, Transfer Agent or Registrar to the Companies Announcement Office in Dublin.

Optional Redemption

Except as set forth below or under "—Redemption for Changes in Withholding Taxes", we will not be entitled to redeem the Notes at our option.

On and after May 1, 2011, we will be entitled at our option to redeem all or a portion of the 2014 Notes upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on any interest payment date occurring on or before the redemption date), if redeemed during the 12-month period commencing on May 1 of the years set forth below:

Period	2014 Notes Redemption Price
2011	103.375%
2012	101.688%
2013 and thereafter	100.00%

On and after May 1, 2012, we will be entitled at our option to redeem all or a portion of the 2017 Notes upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of the principal amount), plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on any interest payment date occurring on or before the redemption date), if redeemed during the 12-month period commencing on May 1 of the years set forth below:

Period	2017 Notes Redemption Price
2012	103.500%
2013	102.333%
2014	101.167%
2015 and thereafter	100.00%

Prior to May 1, 2010, we will be entitled at our option on one or more occasions to redeem, 2014 Notes and 2017 Notes and additional 2014 Notes and 2017 Notes in an amount up to an aggregate of 35% of the sum of the initial aggregate principal amount of each of the 2014 Notes and the 2017 Notes originally issued under the Indenture and the aggregate principal amount of any additional 2014 Notes and 2017 Notes issued under the Indenture after the initial issue date at a redemption price equal to 106.750% of the aggregate principal amount of the 2014 Notes and 107.000% of the aggregate principal amount of the 2017 Notes, in each case, plus accrued and unpaid interest to the redemption date, with the net cash proceeds from one or more Equity Offerings; *provided*, *however*, that:

(1) 2014 Notes and 2017 Notes and additional 2014 Notes and 2017 Notes in an amount equal to at least 65% of the sum of the initial aggregate principal amount of 2014 Notes and 2017 Notes initially issued under the Indenture and the aggregate principal amount of any additional 2014 Notes and 2017 Notes issued under the Indenture after the date of the Indenture remain outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly, by the Company or its Affiliates); and

(2) each such redemption occurs within 90 days after the date of closing of the related Equity Offering.

Prior to May 1, 2011, we will be entitled at our option to redeem the 2014 Notes and prior to May 1, 2012, we will be entitled at our option to redeem the 2017 Notes, in each case, in whole or in part, at our option, at a redemption price equal to 100% of the principal amount thereof plus the relevant Applicable Premium as of, and accrued and unpaid interest to, the applicable redemption date (subject to the right of Holders on the relevant record date to receive interest due on any interest payment date occurring on or before the redemption date).

Selection and Notice of Redemption

If less than all of any series of the Notes are to be redeemed at any time, the Trustee will select the Notes for redemption in compliance with the requirements of the Irish Stock Exchange or any other principal securities exchange, if any, on which the Notes are then listed or admitted to trading, and in compliance with the requirements of DTC, Euroclear or Clearstream, as applicable, or if the Notes are not so listed or admitted or such exchange prescribes no method of selection and the Notes are not held through DTC, Euroclear or Clearstream, as applicable, or DTC, Euroclear or Clearstream, as applicable, prescribes no method of selection, on a pro rata basis, to the extent practicable; *provided*, *however*, that no Note of $75,000 in aggregate principal amount or less, or other than in an aggregate multiple of $1,000 in excess thereof, shall be redeemed in part.

Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Any redemption and notice of redemption made pursuant to the final paragraph under the caption "—Optional Redemption" may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. Otherwise, redemptions and notices of redemption may not be conditional.

In addition, so long as the Notes are listed on the Irish Stock Exchange and admitted for trading on the Alternative Securities Market thereof and the guidelines of the Irish Stock Exchange so require, the Issuer will deliver notices of redemption to the Companies Announcement Office in Dublin.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including, in the case of a redemption made pursuant to the final paragraph under the caption "—Optional Redemption", any conditions therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of seven years, in the case of principal, or five years, in the case of interest, premium or Additional Amounts, if any, from the applicable original payment date therefor.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase Notes as described under the captions "—Change of Control" and "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock". We may at any time and from time to time purchase Notes in the open market or otherwise.

Additional Amounts

All payments made by the Issuer, any Guarantor or a successor of any of them (each, a "**Payor**") under or with respect to the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (hereinafter "**Taxes**") imposed or levied by or on behalf of the government of Bermuda, Switzerland, the United Kingdom or the Kingdom of The Netherlands or any political subdivision or any authority or agency therein or thereof having power to tax, or any other jurisdiction in which a Payor is organized or are otherwise resident for tax purposes or any jurisdiction from or through which payment on the Notes or a Guarantee is

made (each a "**Relevant Taxing Jurisdiction**"), unless a Payor is required to withhold or deduct Taxes by law or by the interpretation or administration thereof.

If a Payor is so required to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or a Guarantee, the Payor will be required to pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by each holder of the Notes or the Guarantee (including Additional Amounts) after such withholding or deduction will not be less than the amount each holder would have received if such Taxes had not been withheld or deducted; *provided*, *however*, that the foregoing obligation to pay Additional Amounts does not apply to:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust or corporation) and the Relevant Taxing Jurisdiction (other than the mere receipt of such payment or the ownership or holding outside of the Relevant Taxing Jurisdiction of such Note);

(2) any estate, inheritance, gift, sales, excise, transfer, personal property tax or similar tax, assessment or governmental charge;

(3) any Taxes that are imposed or levied by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request), to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of withholding or deduction of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(4) any Tax that is payable otherwise than by withholding or deduction from payments made under or with respect to the Notes;

(5) any withholding or deduction in respect of any Taxes where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

(6) any Tax that is imposed on or with respect to a payment made to a Holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another paying agent in a Member State of the European Union; or

(7) any combination of the above.

Nor will a Payor pay Additional Amounts (a) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment within 30 days after the date on which such payment or such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period), or (b) with respect to any payment of principal of (or premium, if any, on) or interest on such Note to any holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note.

Upon request, the Payor will furnish to the Trustee or a holder of the Notes copies of tax receipts evidencing the payment of any Taxes by the Payor in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to the Payor. If, notwithstanding the reasonable efforts of the Payor to obtain such receipts the same are not obtainable, the Payor will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or the holder of such payments by the Payor.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Payor will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Payor will deliver to the Trustee an Officers' Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders on the payment date. The Payor will promptly publish a notice in accordance with the notice provisions set forth in the Indenture stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

Whenever in the Indenture, the Notes, any Guarantee or this description there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, issue, registration, court or documentary taxes or any other excise or property taxes, charges or similar levies, including interest and penalties with respect thereto, that arise in any jurisdiction from the execution, issuance, delivery, enforcement or registration of the Notes, the Indenture or any other document or instrument in relation thereof, or the receipt of any payments with respect to the Notes or any Guarantee, excluding any such taxes, changes or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and each Payor will agree to indemnify the Holders for any such taxes paid by such Holders.

The obligations described under this heading will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized or any political subdivision or taxing authority or agency thereof or therein.

Redemption for Changes in Withholding Taxes

The Issuer may redeem the notes in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "**Tax Redemption Date**") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations, protocols or rulings (including a holding, judgment or order by a court of competent jurisdiction) (each of the foregoing in clauses (1) and (2), a "**Change in Tax Law**"),

the Issuer, with respect to the Notes or a Guarantor, with respect to a Guarantee, as the case may be, is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new Paying Agent in accordance with the second paragraph under "—Paying Agent and Registrar for the Notes" or, where such payment method would be reasonable under the circumstances, payment through another Guarantor or the Issuer). In the case of the Issuer or any Guarantor as of the Issue Date, the Change in Tax Law must become effective on or after the date of this Offering Memorandum. In the case of any Person becoming a Guarantor after the Issue Date, a successor of the Issuer or a successor of a Guarantor, the Change in Tax Law must become effective on or after the date that such Person became a Guarantor or such a

successor. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice of Redemption." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment or withholding if a payment in respect of the Notes or the relevant Guarantee were then due and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officers' Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel reasonably satisfactory to the Trustee to the effect that the circumstances referred to above exist and the Issuer or the Guarantor cannot avoid such obligation by taking reasonable measures available to it.

Change of Control

Upon the occurrence of any of the following events (each a "**Change of Control**"), each Holder shall have the right to require that the Issuer purchase such Holder's Notes at a purchase price in cash (the "**Change of Control Payment**") equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date):

(1) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company (for the purposes of this clause (1), such person shall be deemed to beneficially own any Voting Stock of a Person held by any other Person (the "**parent entity**"), if such person is the beneficial owner (as defined above in this clause (1)), directly or indirectly, of more than 50% of the voting power of the Voting Stock of such parent entity;

(2) individuals who on the Issue Date constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors of the Company then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office;

(3) the adoption of a plan relating to the liquidation or dissolution of the Company or the Issuer;

(4) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, or the sale of all or substantially all the assets of the Company (determined on a consolidated basis) to another Person other than a transaction following which (A) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and in substantially the same proportion as before the transaction and (B) in the case of a sale of assets transaction, each transferee becomes an obligor in respect of the Notes and a Subsidiary of the transferor of such assets; or

(5) the first day on which the Company (or any successor entity thereof) ceases to own, directly or indirectly, 100% of the Capital Stock of the Issuer.

Within 30 days following any Change of Control, we will mail (and otherwise deliver in accordance with applicable DTC, Euroclear and Clearstream procedures) a notice to each Holder with a copy to the Trustee (the "**Change of Control Offer**") stating:

(1) that a Change of Control has occurred and that such Holder has the right to require us to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest on any relevant interest payment date occurring on or before the purchase date);

(2) the purchase date, which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "**Change of Control Payment Date**"); and

(3) the instructions, as determined by us, consistent with the covenant described hereunder, that a Holder must follow in order to have its Notes purchased.

We will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the relevant Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The relevant Paying Agent will promptly mail (or otherwise deliver in accordance with applicable DTC, Euroclear and Clearstream procedures) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of $75,000 or, if greater, an integral multiple of $1,000.

For so long as the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market thereof and the guidelines of such exchange so require, the Issuer will deliver notice with respect to the results of the Change of Control Offer to the Companies Announcement Office in Dublin.

We will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, we will comply with the applicable securities laws and regulations and shall not be deemed to have breached our obligations under the covenant described hereunder by virtue of our compliance with such securities laws or regulations.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Issuer and the Initial Purchasers. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness are contained in the covenants described under "—Certain Covenants—Limitation on Indebtedness" and "—Limitation on Liens". Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford holders of the Notes protection in the event of a highly leveraged transaction.

The ability of the Issuer to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute a mandatory prepayment event under the Inventory Revolving Credit Facility and the Receivables Purchase Facility. In addition, certain events that may constitute a change of control under the Inventory Revolving Credit Facility and the Receivables Purchase Facility would not constitute a Change of Control under the Indenture. Future indebtedness that we may incur may

contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the Holders of their right to require us to repurchase their Notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on us. Finally, our ability to pay cash to the holders of Notes following the occurrence of a Change of Control may be limited by our then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

Even if sufficient funds were otherwise available, the terms of the Inventory Revolving Credit Facility will (and other Indebtedness may) prohibit or limit the prepayment of the Notes by Senior Subordinated Guarantors. Consequently, if such Guarantors are not able to prepay the Inventory Revolving Credit Facility and any such Indebtedness containing similar restrictions or obtain requisite consents, the Issuer will be unable to fulfill its repurchase obligations if holders of the Notes exercise their repurchase rights following a Change of Control, thereby resulting in a default under the Indenture. A default under the Indenture may result in a cross-default under the Inventory Revolving Credit Facility and other Indebtedness.

The definition of "Change of Control" includes a disposition of all or substantially all of the assets of the Company to any Person. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Company to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relative to our obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes.

Certain Covenants

The Indenture contains covenants including, among others, the following:

Limitation on Indebtedness

(a) The Company will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided, however*, that the Company and its Restricted Subsidiaries will be entitled to Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto on a *pro forma* basis, the Consolidated Coverage Ratio exceeds 2.0 to 1.0.

(b) Notwithstanding the foregoing paragraph (a), the Company and the Restricted Subsidiaries will be entitled to Incur any or all of the following Indebtedness:

(1) Indebtedness Incurred pursuant to any Credit Facilities; *provided*, *however*, that, immediately after giving effect to any such Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (1) and then outstanding does not exceed the Borrowing Base;

(2) Indebtedness owed to and held by the Company or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon; *provided further* that (i) except in respect of intercompany current liabilities Incurred in the ordinary course of business in connection with the cash management operations of the Company and its Restricted Subsidiaries and (ii) only to the extent legally permitted (the Company and its Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness) (A) if the Issuer is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, (B) if a Guarantor is the obligor on such Indebtedness, such Indebtedness (other than a Permitted Proceeds Loan) is expressly

subordinated to the prior payment in full in cash of all obligations of such Guarantor with respect to its Guarantee and (C) if a Funding Loan Borrower or PMAG is the obligor on such Indebtedness, such Indebtedness (other than a Permitted Proceeds Loan) is expressly subordinated to the prior payment in full in cash of all obligations of the Funding Loan Borrower with respect to its Funding Loan and PMAG with respect to the PMAG Loans;

(3) the Notes (other than any Additional Notes), any Funding Loan and the PMAG Loans;

(4) Indebtedness outstanding on the Issue Date (other than Indebtedness described in clause (1), (2) or (3) of this covenant);

(5) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Subsidiary was acquired by the Company (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Subsidiary became a Subsidiary or was acquired by the Company); *provided*, *however*, that on the date of such acquisition and after giving *pro forma* effect thereto, the Company would have been entitled to Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) or pursuant to clause (3), (4) or (5) or this clause (6); *provided*, *however*, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Subsidiary Incurred pursuant to clause (5), such Refinancing Indebtedness shall be Incurred only by such Subsidiary;

(7) Hedging Obligations directly related to Indebtedness permitted to be Incurred by the Company and the Restricted Subsidiaries pursuant to the Indenture and not for speculative purposes;

(8) obligations in respect of performance, bid and surety bonds and completion guarantees provided by the Company or any Restricted Subsidiary;

(9) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(10) Indebtedness consisting of the Guarantee of a Guarantor and any guarantee by a Guarantor or another Restricted Subsidiary of Indebtedness Incurred pursuant to paragraph (a) or pursuant to clause (1), (2), (3) or (4) or pursuant to clause (6) to the extent the Refinancing Indebtedness Incurred thereunder directly or indirectly Refinances Indebtedness Incurred pursuant to paragraph (a) or pursuant to clause (3) or (4); *provided*, *however*, that if such guarantee is Incurred by another Restricted Subsidiary, such guarantee is Incurred in accordance with the covenant described under "—Limitation on Guarantees of Indebtedness" (to the extent that such covenant is applicable);

(11) Purchase Money Indebtedness Incurred to finance the acquisition by the Company or a Restricted Subsidiary of assets (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) used in connection with the refining of petroleum or petroleum by-products, and any Refinancing Indebtedness Incurred to Refinance such Indebtedness, in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this clause (11) and then outstanding, does not exceed the greater of (A) $50 million and (B) 1.0% of Total Assets;

(12) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn out or similar obligations, in each case, incurred in connection with the acquisition or the disposition of any business, assets or Subsidiary in accordance with the terms of the Indenture, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(13) the incurrence by the Company or any Restricted Subsidiary of Indebtedness under Commodity Hedging Agreements entered into for the purpose of hedging commodity price risk and not for speculative purposes;

(14) Indebtedness of the Company and its Restricted Subsidiaries in respect of (A) letters of credit, performance bonds and guarantees issued with respect to trade payables, (B) other letters of credit, surety, performance or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance and workers' compensation obligations and (C) any customary cash management, cash pooling or netting or setting-off arrangements; *provided, however*, that to the extent that such letters of credit or other instruments referred to in clauses (A), (B) or (C) are drawn, such drawings are reimbursed within 30 days following such drawing;

(15) Indebtedness of the Company and its Restricted Subsidiaries pursuant to any Permitted Receivables Financing;

(16) the guarantee by the Company or any Restricted Subsidiary of Indebtedness of a Permitted Joint Venture in respect of performance, bid or surety bonds issued by or on behalf of any such Person in the ordinary course of business in an aggregate amount, together with all other guarantees of the Company outstanding pursuant to this clause (16) on the date of such Incurrence, not to exceed $10 million;

(17) Indebtedness arising solely as a result of implementing composite accounting or other cash pooling arrangements in the ordinary course of business involving solely the Company and it Restricted Subsidiaries or solely among the Restricted Subsidiaries;

(18) Indebtedness of the Company and its Restricted Subsidiaries consisting of the financing of (A) insurance premiums or (B) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business; and

(19) Indebtedness in an aggregate principal amount which, when taken together with all other Indebtedness outstanding on the date of such Incurrence (other than Indebtedness permitted by clauses (1) through (18) above or paragraph (a)) does not exceed $150 million.

(c) Notwithstanding the foregoing, the Guarantors, the Funding Loan Borrower and PMAG will not Incur any Indebtedness pursuant to the foregoing paragraph (b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of any of them unless such Indebtedness shall be subordinated to the applicable Guarantee, Funding Loan or PMAG Loans to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this covenant:

(1) any Indebtedness remaining outstanding under the Inventory Revolving Credit Facility or the Receivables Purchase Facility on the Issue Date will be treated as Incurred on the Issue Date under clause (1) of paragraph (b) above;

(2) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Company, in its sole discretion, will classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness (or any portion thereof) (in each case, other than Indebtedness Incurred under clause (1) of paragraph (b) above) from time to time in any manner that complies with this covenant and will only be required to include the amount and type of such Indebtedness in one of the above clauses;

(3) the Company will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above; and

(4) the outstanding principal amount of any particular Indebtedness shall be counted only once and any obligations arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness permitted to be incurred under this covenant shall not be double counted.

(e) Solely for purposes of determining compliance with this covenant:

(1) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(2) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(3) the obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness,

will not be deemed to be the Incurrence of Indebtedness.

(f) Notwithstanding paragraphs (a) and (b) above, the Senior Subordinated Guarantors and PMAG will not Incur any Indebtedness if such Indebtedness is subordinate or junior in ranking in right of payment to any Senior Indebtedness of such Person, unless such Indebtedness is Senior Subordinated Indebtedness or is expressly subordinated in right of payment to Senior Subordinated Indebtedness of such Person. For purposes of the foregoing, (1) unsecured Indebtedness will not be treated as subordinated or junior to Secured Indebtedness merely because it is unsecured, (2) Senior Indebtedness will not be treated as subordinated or junior to any other Senior Indebtedness merely because it has junior priority with respect to the same collateral, (3) Indebtedness of such Person which is not guaranteed will not be treated as subordinated or junior to Indebtedness that is guaranteed merely because of such guarantee and (4) Indebtedness under Credit Facilities will not be deemed to be subordinated because of the application of waterfall or other payment-ordering provisions affecting different tranches of Indebtedness thereunder.

(g) For purposes of determining compliance with any dollar-denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the Dollar Equivalent determined on the date of the Incurrence of such Indebtedness; *provided, however*, that if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in dollars will be determined after giving effect to such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the Dollar Equivalent of the Indebtedness Refinanced, except to the extent that (1) such Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence, and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the Dollar Equivalent of such excess, as appropriate, will be determined on the date such Refinancing Indebtedness is Incurred.

Limitation on Restricted Payments

(a) The Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Company is not entitled to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Limitation on Indebtedness"; or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the fiscal quarter during which the Issue Date occurs to the end of the most recent fiscal quarter ending at least 45 days prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); *plus*

(B) 100% of the aggregate Net Cash Proceeds received by the Company from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to the Issue Date (but excluding the Net Cash Proceeds from the Concurrent Equity Offering), including upon the exercise of options, warrants or rights (other than an issuance or sale to a Subsidiary of the Company and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) and 100% of any cash capital contribution received by the Company from its shareholders subsequent to the Issue Date; *plus*

(C) the amount by which Indebtedness of the Company is reduced on the Company's balance sheet upon the conversion or exchange subsequent to the Issue Date of any Indebtedness of the Company convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the fair value of any other property, distributed by the Company upon such conversion or exchange); *provided, however*, that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company or any Restricted Subsidiary from the sale of such Indebtedness (excluding Net Cash Proceeds from sales to a Subsidiary of the Company or to an employee stock ownership plan or a trust established by the Company or any of its Subsidiaries for the benefit of their employees); *plus*

(D) an amount equal to the sum of (x) the net reduction in the Investments (other than Permitted Investments) made by the Company or any Restricted Subsidiary in any Person resulting from repurchases, repayments or redemptions of such Investments by such Person, proceeds realized on the sale of all such Investment and proceeds representing the return of capital (excluding interest, dividends and distributions), in each case received by the Company or any Restricted Subsidiary, and (y) to the extent such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; *provided, however*, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made by the Company or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(b) The preceding provisions will not prohibit:

(1) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Company from its shareholders (other than through the issuance of Disqualified Stock); *provided, however*, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Issuer or a Guarantor made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Indebtedness of such Person which is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness"; *provided, however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(3) dividends paid within 60 days after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; *provided, however*, that such dividend shall be included in the calculation of the amount of Restricted Payments;

(4) so long as no Default has occurred and is continuing, the purchase, redemption or other acquisition of shares of Capital Stock of the Company or any of its Subsidiaries from

employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors) approved by the Board of Directors; *provided, however,* that the aggregate amount of such Restricted Payments (excluding amounts representing cancellation of Indebtedness) shall not exceed $2.5 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over for the two succeeding calendar years subject to a maximum payment of $7.5 million in any calendar year); *provided further, however*, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments;

(5) the declaration and payments of dividends on Disqualified Stock issued pursuant to the covenant described under "—Limitation on Indebtedness"; *provided, however*, that, at the time of payment of such dividend, no Default shall have occurred and be continuing (or result therefrom); *provided, further, however*, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;

(6) repurchases of Capital Stock deemed to occur upon exercise of stock options if such Capital Stock represents a portion of the exercise price of such options; *provided, however*, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments;

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Company; *provided*, *however*, that any such cash payment shall not be for the purpose of evading the limitation of this covenant (as determined in good faith by the Board of Directors); *provided further, however*, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(8) in the event of a Change of Control, and if no Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Guarantor, in each case, at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness, plus any accrued and unpaid interest thereon; *provided, however*, that prior to such payment, purchase, redemption, defeasance or other acquisition or retirement, the Company (or a third party to the extent permitted by the Indenture) has made a Change of Control Offer with respect to the Notes as a result of such Change of Control and has repurchased all Notes validly tendered and not withdrawn in connection with such Change of Control Offer; *provided further, however*, that such payments, purchases, redemptions, defeasances or other acquisitions or retirements shall be included in the calculation of the amount of Restricted Payments;

(9) any purchase or redemption of Subordinated Indebtedness from Net Available Cash to the extent permitted by the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock" after the Company (or a Restricted Subsidiary, as the case may be) has made an offer to the Holders of the Notes to purchase the Notes pursuant to clause (a)(3)(C) of such covenant; *provided, however*, that such purchase or redemption shall be excluded in the calculation of the amount of Restricted Payments.

(10) in the event of an Asset Disposition that requires the Company to offer to repurchase Notes pursuant to the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock," and if no Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Guarantor, in each case, at a purchase price not greater than 100% of the principal amount (or, if such Subordinated Indebtedness were issued with original issue discount, 100% of the accreted value) of such Subordinated Indebtedness, plus any accrued and unpaid interest thereon; *provided, however*, that (A) prior to such payment, purchase, redemption, defeasance or other acquisition or retirement, the Company has made an offer with respect to the Notes pursuant to the provisions of the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and has repurchased all Notes validly tendered and not withdrawn in connection with such offer and (B) the aggregate amount of all such payments, purchases, redemptions, defeasances or other acquisitions or

retirements of all such Subordinated Indebtedness may not exceed (x) the amount by which Net Available Cash was reduced as a result of the offer with respect to the Notes less (y) the Net Available Cash actually used to consummate the offer with respect to the Notes (and any other Senior Indebtedness included in such offer); *provided further, however*, that such Restricted Payments shall be included in the calculation of the amount of Restricted Payments;

(11) payments of intercompany subordinated Indebtedness*; provided, however*, that no Default has occurred and is continuing or would otherwise result therefrom; *provided further, however*, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(12) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Permitted Receivables Financing; *provided, however*, that such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments;

(13) so long as no Default has occurred and is continuing (or results therefrom), the declaration and payment by the Company of dividends or distributions on, or return of capital in respect of, the registered shares of the Company in an amount not to exceed in any fiscal year 7.0% of Market Capitalization; *provided, however*, that after giving effect to such dividends, distributions or return of capital, the Company is entitled to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Limitation on Indebtedness"; *provided, further*, *however*, that such dividends, distributions or return of capital shall be included in the calculation of the amount of Restricted Payments; and

(14) Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (14), does not exceed $50 million; *provided, however*, that (A) at the time of each such Restricted Payment, no Default shall have occurred and be continuing (or result therefrom) and (B) such Restricted Payments shall not be included in the calculation of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively by the Board of Directors acting in good faith, such determination to be based upon an opinion or appraisal issued by an Independent Qualified Party if such fair market value is estimated in good faith by the Board of Directors to exceed $20 million.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on its Capital Stock to the Company or a Restricted Subsidiary or pay any Indebtedness (including any Funding Loan and the PMAG Loans) owed to the Company or a Restricted Subsidiary, (b) make any loans or advances to the Company or a Restricted Subsidiary or (c) transfer any of its property or assets to the Company or a Restricted Subsidiary, except:

(1) with respect to clauses (a), (b) and (c),

(A) existing under (i) the Indenture, the Notes, the Guarantees, the Security Documents, any Intercreditor Agreement permitted to be entered into under the Indenture and (ii) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date;

(B) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to any agreement or other instrument of a Person acquired by the Company or any Restricted Subsidiary that was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not

applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired;

(C) any encumbrance or restriction contained in the terms of any Indebtedness Incurred pursuant to clause (b) of the covenant described under "—Limitation on Indebtedness" or any agreement pursuant to which such Indebtedness was issued if (i) the Board of Directors determines in good faith at the time any such Indebtedness is Incurred (and at the time of any modification of the terms of any such encumbrance or restriction) that any such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the Notes and any other Indebtedness that is an obligation of the Issuer and (ii) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings or agreements (as determined by the Board of Directors in good faith);

(D) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets or any of the Company's Subsidiaries by another Person;

(E) encumbrances or restrictions imposed by applicable law or regulation or by governmental licenses, concessions or permits;

(F) encumbrances or restrictions on cash or other deposits or net worth imposed by customers and suppliers under contracts entered into the ordinary course of business;

(G) customary limitations on the distribution or disposition of assets or property of a Restricted Subsidiary contained in joint venture agreements, similar agreements relating to such joint venture and other similar agreements entered into in the ordinary course of business; *provided* that such encumbrance or restriction is applicable only to such Restricted Subsidiary; *provided further* that:

(i) the encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable agreements (as determined by the Company in good faith); and

(ii) the Company determines in good faith that any such encumbrance or restriction will not materially affect the ability of the Issuer or any Guarantor to make any anticipated principal or interest payments on the Notes;

(H) customary encumbrances or restrictions in connection with purchase money obligations and Capital Lease Obligations for property acquired in the ordinary course of business;

(I) restrictions effected in connection with a Permitted Receivables Financing that, in the good faith determination of the Board of Directors, are necessary or advisable to effect such Permitted Receivables Financing; and

(J) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (A) through (I) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Board of Directors, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(2) with respect to clause (c) only,

(A) any encumbrance or restriction consisting of customary nonassignment provisions in leases governing leasehold interests to the extent such provisions restrict the subletting, assignment or transfer of the lease or the property leased thereunder; and

(B) any encumbrance or restriction contained in security agreements or mortgages or other Permitted Liens securing to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements, mortgages or Liens.

Limitation on Sales of Assets and Subsidiary Stock

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the fair market value (including as to the value of all non-cash consideration), as determined in good faith by the Board of Directors, of the shares and assets subject to such Asset Disposition;

(2) at least 75% of the consideration thereof received by the Company or such Restricted Subsidiary is in the form of cash or cash equivalents; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Restricted Subsidiary, as the case may be),

(A) to the extent the Company elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Secured Indebtedness, Indebtedness of a Restricted Subsidiary that is not Pari Passu Indebtedness or Subordinated Indebtedness or Indebtedness under Credit Facilities within one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

(B) to the extent of the balance of such Net Available Cash after application in accordance with clause (A), to the extent the Company elects, to acquire Additional Assets within one year from the later of the date of such Asset Disposition and the receipt of such Net Available Cash; and

(C) to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an offer to the Holders of the Notes (and to holders of other Pari Passu Indebtedness of the Company (or such Restricted Subsidiary, as the case may be) containing similar asset sale provisions that requires such an offer to be made) to purchase Notes (and such other Pari Passu Indebtedness) pursuant to and subject to the conditions contained in the Indenture;

provided, however, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A) or (C) above, the Company or such Restricted Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased.

Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant except to the extent that the aggregate Net Available Cash from all Asset Dispositions which is not applied in accordance with this covenant exceeds $30 million. Pending application of Net Available Cash pursuant to this covenant, such Net Available Cash may be used for any purpose not prohibited by the Indenture.

For the purposes of this covenant, the following are deemed to be cash or cash equivalents:

(1) the assumption or discharge of Indebtedness or other liabilities of the Company or any Restricted Subsidiary (other than Indebtedness or other liabilities that are by their terms subordinated to the Notes, the Guarantees, any Funding Loan or any PMAG Loan), and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness or other liabilities in connection with such Asset Disposition;

(2) Indebtedness or other liabilities of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and its Restricted Subsidiaries following such Asset Disposition are released from any guarantee of such Indebtedness or other liabilities in connection with such Asset Disposition;

(3) securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are within 180 days converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(4) assets used or useful in a Related Business received in exchange for assets (other than the Ingolstadt Refinery and the Coryton Refinery) designated by the Issuer as received under this clause, *provided* that if any such exchange of assets has a fair market value in excess of $20 million, an opinion or report is obtained from an Independent Qualified Party confirming that the assets received in such exchange have a fair market value at least equal to the assets so exchanged.

(b) In the event of an Asset Disposition that requires the purchase of Notes (and other Pari Passu Indebtedness) pursuant to clause (a)(3)(C) above, the Issuer will purchase Notes tendered pursuant to an offer by the Issuer for the Notes (and such other Pari Passu Indebtedness) at a purchase price of 100% of their principal amount (or, in the event such other Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof) without premium, plus accrued but unpaid interest (or, in respect of such other Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. If the aggregate purchase price of the Notes tendered exceeds the Net Available Cash allotted to their purchase, the Issuer will select the Notes to be purchased on a *pro rata* basis but in round denominations, which in the case of the Notes will be denominations of $75,000 principal amount and any integral multiple of $1,000. The Issuer shall not be required to make such an offer to purchase Notes (and other Pari Passu Indebtedness) pursuant to this covenant if the Net Available Cash available therefor is less than $30 million (which lesser amount shall be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). Upon completion of such an offer to purchase, any Net Available Cash not applied to such purchase may be used for any other purpose permitted by the other provisions of the Indenture and the amount of Net Available Cash will be deemed to be reset to zero.

(c) The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

Limitation on Affiliate Transactions

(a) The Company will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (an "**Affiliate Transaction**") unless:

(1) the terms of the Affiliate Transaction are no less favorable to the Company or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's-length dealings with a Person who is not an Affiliate;

(2) if such Affiliate Transaction involves an amount in excess of $15 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the Board of Directors disinterested with respect to such Affiliate Transaction have determined in good faith that the criteria set forth in clause (1) are satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors; and

(3) if such Affiliate Transaction involves an amount in excess of $20 million, the Board of Directors shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or is not less favorable to the Company and its

Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm's-length transaction with a Person who was not an Affiliate.

(b) The provisions of the preceding paragraph (a) will not prohibit:

(1) any Permitted Investment or other Restricted Payment permitted to be made pursuant to the covenant described under "—Limitation on Restricted Payments";

(2) any issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors;

(3) loans or advances to employees, officers and directors in the ordinary course of business in accordance with the past practices of the Company or its Restricted Subsidiaries not to exceed $15 million in the aggregate outstanding at any one time;

(4) the payment of reasonable fees to directors of the Company and its Restricted Subsidiaries and directors and officers insurance premiums and indemnification arrangements;

(5) the granting and performance of customary registration rights for the Company's securities;

(6) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Company or capital contributions received by the Company;

(7) transactions between or among the Company and its Restricted Subsidiaries or among Restricted Subsidiaries;

(8) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any joint venture or similar Person that would otherwise be subject to this covenant solely because the Company or a Restricted Subsidiary owns any of the Capital Stock of or otherwise controls such joint venture or other Person;

(9) any transaction effected as part of a Permitted Receivables Financing; and

(10) the performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any agreement to which the Company or any of its Restricted Subsidiaries is a party as of or on the Issue Date and described in the Offering Memorandum, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however*, that any future amendment, modification, supplement, extension or renewal entered into after the Issue Date will be permitted to the extent that its terms are not more disadvantageous in any material respect to the Holders than the terms of the agreements in effect on the Issue Date.

Limitation on Line of Business

The Company will not, and will not permit any Restricted Subsidiary, to engage in any business other than a Related Business.

Limitation on Issuer

Notwithstanding anything contained in the Indenture to the contrary, the Issuer will not engage in any business activity or undertake any other activity, except any activity (i) relating to the offering, sale or issuance of the Notes, any Additional Notes and other Public Debt issued by the Issuer, the incurrence of Indebtedness represented by the Notes, the Additional Notes and other Public Debt issued by the Issuer, lending or otherwise advancing the proceeds thereof to a Funding Loan Borrower pursuant to a Funding Loan or an Additional Funding Loan or to a Permitted Proceeds Loan Borrower pursuant to a Permitted Proceeds Loan, and any other activities in connection therewith, (ii) undertaken with the purpose of fulfilling any other obligations under the Notes, the Additional Notes, the Indenture, other Public Debt of the Issuer or the Security Documents or (iii) directly related to the establishment and maintenance of the Issuer's corporate existence.

The Issuer will not (i) Incur any Indebtedness other than the Indebtedness represented by the Notes and, subject to compliance with the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness," Additional Notes and other Public Debt, (ii) issue any

Capital Stock other than ordinary shares to a Person of which the Issuer is a Wholly Owned Subsidiary or (iii) make any Restricted Payment or any Investment other than Investments pursuant to one or more Funding Loans, Additional Funding Loans or Permitted Proceeds Loans.

The Issuer will not, create, Incur, assume or suffer to exist any Lien over any of its property or assets, or any proceeds therefrom including, without limitation, any Funding Loan, except for (i) Liens to secure the Notes and any other Permitted Collateral Liens and (ii) Liens on Permitted Proceeds Loans to secure Public Debt (other than the Notes issued by the Issuer).

The Issuer will at all times remain a Wholly Owned Subsidiary of the Company.

The Issuer will not directly or indirectly merge, consolidate, amalgamate or otherwise combine with or into another Person or sell convey, transfer, lease or otherwise dispose of any material property or assets to any Person other than in a transaction with an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction where to do so (A) is required to avoid the payment of Additional Amounts and (B) would not adversely affect (including by recommencing preference or hardening periods) the security created by the Security Documents (any such conclusion to be set out in an Opinion of Counsel reasonably acceptable to the Trustee).

For so long as any Notes are outstanding, neither the Company nor any Restricted Subsidiary will (i) commence or take any action to facilitate a winding up, liquidation or other analogous proceeding in respect of the Issuer (other than as permitted in the preceding paragraph) or (ii) create, Incur, assume or suffer to exist any Lien over the Capital Stock of the Issuer, except for Liens to secure the Notes and any other Permitted Collateral Liens.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien (the "**Initial Lien**") of any nature whatsoever on any of its properties (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, securing any Indebtedness, other than Permitted Liens, unless such Indebtedness is Incurred in accordance with the Indenture, and the Notes and the Guarantees are directly secured equally and ratably with the obligation or liability secured by such Lien (or in the case of Subordinated Indebtedness, prior or senior thereto, with the same relative priority as the Notes and the Guarantees shall have with respect to such Subordinated Indebtedness).

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged (a) upon the release and discharge of the Initial Lien, (b) upon the sale or other disposition of the assets subject to such Initial Lien (or the sale or other disposition of the Person that owns such assets) in compliance with the terms of the Indenture, (c) upon the designation of a Restricted Subsidiary whose property or assets secure such Initial Lien as an Unrestricted Subsidiary in accordance with the terms of the Indenture or (d) upon the effectiveness of any defeasance or satisfaction and discharge of the Notes in accordance with the Indenture.

Merger and Consolidation

(a) The Company will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "**Successor Company**") will be a corporation or limited liability company organized and existing under the laws of Switzerland, Bermuda, any member state of the European Union as of December 31, 2003, or the United States of America, any State of the United States or the District of Columbia and the Successor Company (if not the Company) will expressly assume, by supplemental indenture and supplemental Security Documents, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Guarantee, the Indenture and the Security Documents;

(2) immediately after giving *pro forma* effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by such Successor Company or

such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving *pro forma* effect to such transaction, the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Limitation on Indebtedness"; and

(4) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture;

provided, however, that clause (3) will not be applicable to (A) a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Company (so long as no Capital Stock of the Company is distributed to any Person) or (B) the Company engaging in a transaction with an Affiliate of the Company solely for the purpose and with the sole effect of reincorporating the Company in another jurisdiction.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Company will be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture, and the predecessor Company, except in the case of a lease, shall be released from all obligations under the Guarantee, the Indenture and the Security Documents.

(b) Except in the case of (x) the disposition of a Subsidiary Guarantor in its entirety to another Person (other than to the Company or an Affiliate of the Company), whether through a merger, consolidation or sale of Capital Stock, (y) the sale of all or substantially all the assets of a Subsidiary Guarantor to another Person (other than to the Company or an Affiliate of the Company) or (z) the disposition of all or a portion of the Capital Stock of a Subsidiary Guarantor that, ceases to be a Subsidiary, each of which is permitted, if in connection therewith the Company provides an Officers' Certificate to the Trustee to the effect that the Company will comply with its obligations under the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock" in respect of such sale or disposition, the Company will not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

(1) the resulting, surviving or transferee Person will be a corporation or limited liability company organized and existing under the laws of Switzerland, Bermuda, any member State of the European Union or the United States of America, any State of the United States or the District of Columbia and such Person (if not such Subsidiary Guarantor) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor under its Guarantee, the Funding Loan (if applicable) and the Security Documents;

(2) immediately after giving effect to such transaction or transactions on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been Incurred by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(3) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture and Guarantee Agreement, if any, complies with the Indenture.

The Company and its Restricted Subsidiaries may consummate a Permitted Dutch Holding Company Reorganization and PPI may transfer its ownership interests in the Capital Stock of PRML to PMAG without complying with paragraphs (a) and (b) of this covenant.

Limitation on Issuance of Guarantees of Indebtedness

(a) The Company shall not cause or permit any Restricted Subsidiary (that is not a Guarantor), directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any (i) any Indebtedness of the Company or any Indebtedness of another Restricted Subsidiary pursuant to any Credit Facilities, (ii) any Indebtedness secured by a Lien pursuant to clause (22) of the definition of "Permitted Liens" or (iii) Public Debt (including any funding loans or other intercompany loans in respect thereof) of the Company or any Restricted Subsidiary, unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of the Notes on the same terms as the other Guarantees of the Notes except that:

(1) no Guarantee will be required as a result of any guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(2) no Guarantee will be required under clause (a)(i) of this covenant by a Restricted Subsidiary solely as a result of such Restricted Subsidiary's guarantee of the Inventory Revolving Credit Facility Agreement as of the Issue Date;

(3) no Guarantee will be required under clause (a)(i) of this covenant by a Restricted Subsidiary that is a borrower under Credit Facilities permitted by clause (b)(1) of "—Limitation on Indebtedness" to the extent that such Credit Facilities (A) are used to finance working capital requirements in the ordinary course of business and (B) are secured only by the inventory, trade receivables and assets of a similar nature financed by such Credit Facilities;

(4) such Guarantee need not be secured unless required pursuant to the "—Limitation on Liens" covenant;

(5) if the Indebtedness guaranteed is by its terms Designated Senior Indebtedness or Public Debt of the Restricted Subsidiary and ranks senior to any Senior Subordinated Guarantee, any Funding Loan or any PMAG Loan, any such Guarantee of such Restricted Subsidiary shall be a Senior Subordinated Guarantee;

(6) if the Indebtedness guaranteed is by its terms expressly subordinated to the Notes or any Guarantee, any such guarantee of such Restricted Subsidiary shall be subordinated at least to the same extent as such Indebtedness is subordinated to the Notes or any other Guarantee;

(7) no Guarantee shall be required as a result of any guarantee given to a bank or trust company incorporated in any member state of the European Union as of the Issue Date or Switzerland or any commercial banking institution that is a member of the U.S. Federal Reserve System (or any branch, Subsidiary or Affiliate thereof) in each case having combined capital and surplus and undivided profits of not less than €500 million, whose debt has a rating, at the time such guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the Company's benefit or that of any Restricted Subsidiary;

(8) no Guarantee shall be required if such Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary or (C) any significant cost, expense, liability or obligation (including with respect of any taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Guarantee, which cannot be avoided through measures reasonably available to the Company or the Restricted Subsidiary; and

(9) each such Guarantee shall be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or

similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

(b) Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Notes created pursuant to the provisions in paragraph (a) may provide by its terms that it shall be automatically and unconditionally released and discharged upon:

(1) the satisfaction of the conditions described under the caption "—The Guarantees of the Notes—Merger and Consolidation of Guarantors; Release of the Guarantees"; and

(2) (with respect to any Guarantees created after the date of the Indenture) the release by the holders of the Indebtedness of the Company or the Restricted Subsidiary described in paragraph (a) of their security interest or their guarantee by such Restricted Subsidiary at such time as (A) no other Indebtedness of the Company or any other Restricted Subsidiary has been secured or guaranteed by such Restricted Subsidiary, as the case may be, or (B) the holders of all such other Indebtedness which is secured or guaranteed by such Restricted Subsidiary also release their security interest in or guarantee by such Restricted Subsidiary.

Suspension of Covenants on Achievement of Investment Grade Status

Following the first day (the "**Suspension Date**") that:

(a) the Notes have an Investment Grade Rating from both of Moody's and S&P, and

(b) no Default has occurred and is continuing under the Indenture,

the Company and its Restricted Subsidiaries will not be subject to the provisions of the Indenture described under the captions (and the related default provisions):

(1) "—Limitation on Indebtedness",

(2) "—Limitation on Restricted Payments",

(3) "—Limitation on Restrictions on Distributions from Restricted Subsidiaries",

(4) "—Limitation on Sales of Assets and Subsidiary Stock",

(5) clause (3) of paragraph (a) under "—Merger and Consolidation" and

(6) "—Limitation on Affiliate Transactions",

(collectively, the "**Suspended Covenants**"). In the event that the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "**Reversion Date**") one or both of Moody's and S&P withdraws its Investment Grade Rating or downgrades the rating assigned to the Notes below an Investment Grade Rating, then the Company and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants (and the related default provisions) with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the "**Suspension Period**". Notwithstanding that the Suspended Covenants may be reinstated, no Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period.

On the Reversion Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to paragraph (a) of "—Limitation on Indebtedness" or clauses (1) through (18) set forth in paragraph (b) of "—Limitation on Indebtedness" (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to paragraph (a) of "—Limitation on Indebtedness", such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4) of paragraph (b) of "—Limitation of Indebtedness". Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under "—Limitation on Restricted Payments" to the extent required to be so deducted under paragraph (a) or (b) thereof will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will

reduce the amount available to be made as Restricted Payments under paragraph (a) of "—Limitation on Restricted Payments" and the items specified in subclauses (3)(A) through (3)(D) of paragraph (a) of "—Limitation on Restricted Payments" will increase the amount available to be made under paragraph (a) thereof. For purposes of determining compliance with paragraph (a) of the "—Limitation of Sales of Assets and Subsidiary Stock", the amount of Net Available Cash from all Asset Dispositions not applied in accordance with the covenant will be deemed to be reset to zero.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that might or would have the result of materially impairing the Security Interest with respect to the Collateral for the benefit of the Trustee, the Security Agent and the holders of the Notes (it being understood that the Incurrence of Permitted Collateral Liens and the consummation of a Permitted Intercompany Loan Substitution shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral), and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes (including any Additional Notes) and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral, except that the Company, the Issuer and the Restricted Subsidiaries may incur Permitted Collateral Liens; *provided*, *however*, that, except with respect to any discharge or release in accordance with the Indenture or any Intercreditor Agreement, the Incurrence of Permitted Collateral Liens, the consummation of a Permitted Intercompany Loan Substitution or any action expressly permitted by the Indenture or any Intercreditor Agreement, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, unless contemporaneously with any such action, the Company delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an Independent Qualified Party confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (2) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Security Documents so amended, extended, renewed, restated, supplemented, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that the Company complies with the requirements of this covenant, the Trustee shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders. Neither the consent of Trustee or the Security Agent nor instructions from Holders shall be required in connection with any Permitted Intercompany Loan Substitution.

The Indenture will provide that, at the direction of the Company and without the consent of the holders of the Notes, the Trustee and the Security Agent may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, or reflect changes of a minor, technical or administrative nature, (ii) provide for Permitted Collateral Liens and any Permitted Intercompany Loan Substitution, (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the holders of the Notes in any material respect; *provided*, *however*, that no Security Document may be amended and no waiver of any of the requirements of, or granting of any consent under, any Security Document may be made unless any such amendment, waiver or consent applies equally to the holders of all security granted under the Security Document.

Intercreditor Agreements

The Indenture will provide that the Issuer, the Company and any Restricted Subsidiary and the Trustee and the Security Agent are authorized (without any further consent of the holders of the Notes) to enter into one or more Intercreditor Agreements in favor of the holders of Designated Senior Indebtedness in order to confirm to the holders of any Designated Senior Indebtedness (and the relevant Senior Agent and Senior Security Agent), and give effect to the subordination of the Senior Subordinated Guarantees, any Funding Loan that is Senior Subordinated Indebtedness and the PMAG Loans to such Designated Senior Indebtedness, the priority of Liens and the release of Senior

Subordinated Guarantees and Collateral on the terms provided herein (or terms more favorable to holders of the Notes).

The Indenture will also provide that, at the direction of the Company or the Issuer and without the consent of the holders of the Notes, the Trustee and any Security Agent shall upon direction of the Company or Issuer from time to time enter into one or more amendments to any Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) increase the amount of Indebtedness or the types covered thereby that may be incurred by the Company or a Restricted Subsidiary that is subject thereto and to provide for Permitted Liens, (iii) add Guarantors or other parties (such as representatives of new issuances of Indebtedness) thereto, (iv) permit payments to be made to the Issuer that would not otherwise have been permitted pursuant to the terms thereof, (v) further secure the Notes (including Additional Notes), (vi) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens or (vii) make any other such change thereto that does not adversely affect the rights of the holders of the Notes in any material respect.

The Company and the Issuer shall not otherwise direct the Trustee or Security Agent to enter into any Intercreditor Agreement or any amendment to any Intercreditor Agreement without the consent of the holders representing a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under the caption "—Amendments and Waivers," and the Company and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as the case may be, adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent under the Indenture or any Intercreditor Agreement. The Trustee and the Security Agent shall be entitled to rely upon an Officers' Certificate and Opinion of Counsel for the purposes of entering into any intercreditor arrangements described above.

Each holder of a Note, by accepting such Note, shall be deemed to have: (i) appointed and authorized the Trustee and the Security Agent to give effect to such provisions; (ii) authorized each of the Trustee and the Security Agent to become a party to any future intercreditor arrangements described above; (iii) agreed to be bound by such provisions and the provisions of any future intercreditor arrangements described above; and (iv) irrevocably appointed the Trustee and the Security Agent to act on its behalf to enter into and comply with such provisions and the provisions of any future intercreditor arrangements described above.

A copy of any Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at the offices of the Trustee and, for so long as any Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market thereof at the offices of the Paying Agent in Dublin.

Admission to Trading

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Irish Stock Exchange and admission to trading on the Alternative Securities Market thereof; *provided*, *however*, that if the Issuer is unable to obtain such listing and admission or if maintenance of such listing becomes unduly onerous, it will maintain a listing of such Notes on another recognized Western European stock exchange.

Reports

The Company will provide the Trustee and Holders the following reports:

(1) within 120 days after the end of the Company's fiscal year, annual reports containing a level of detail that is comparable in all material respects to this Offering Memorandum with respect to the following: (a) audited combined or consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited combined or consolidated income statements and statements of cash flow of the Company for the three most recent fiscal years, including appropriate footnotes to such financial statements and a report of the three most recent fiscal years, including appropriate footnotes to such financial statements and a report of the independent auditors on the financial statements, in each case, prepared in accordance with GAAP and presented in a form substantially the same as that presented in this Offering

Memorandum; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions, dispositions of businesses or recapitalizations that have occurred since the beginning of the most recently completed fiscal year (but only to the extent that such financial information has been required to be disclosed for such acquisitions, dispositions or recapitalizations by the SWX Swiss Exchange or any other regulatory authority); (c) to the extent relating to annual periods, an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; (e) a description of material risk factors and material recent developments; (f) earnings before interest, taxes, depreciation and amortization ("**Company EBITDA**"); (g) capital expenditures; and (h) depreciation and amortization.

(2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending March 31, 2007, quarterly financial statements containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter and year-to-date period ending on the unaudited combined or condensed consolidated balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure, in each case, prepared in accordance with GAAP; (b) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions or dispositions of business or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter (but only to the extent that such financial information has been required to be disclosed for such acquisitions, dispositions or recapitalizations by the SWX Swiss Exchange or any other regulatory authority); (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; (e) Company EBITDA; (f) capital expenditures; and (g) depreciation and amortization; and

(3) promptly after the occurrence of a material acquisition, disposition or restructuring, senior management or Board of Director changes at the Company, change in auditors or any other material event, a report containing a description of such event.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries (other than a Subsidiary established solely for purposes of a Permitted Receivables Financing), then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the operating and financial review of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In addition, so long as the Notes remain outstanding and during any period during which the Issuer, the Company and the Subsidiary Guarantors are not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer, the Company and the Subsidiary Guarantors will each furnish to the Holders, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Contemporaneously with the furnishing of each such report described above, the Company will also (a) file a press release with the appropriate internationally recognized wire services in connection with such report and (b) post such report on the Company's website such that they are reasonably accessible to investors and prospective investors.

The Company will also make all of the foregoing information available during normal business hours at the offices of the Paying Agent in Dublin if and so long as the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market thereof and the guidelines of the Irish Stock Exchange so require.

Defaults

Each of the following is an Event of Default:

(1) a default in the payment of interest or any Additional Amounts on the Notes when due, continued for 30 days;

(2) a default in the payment of principal of any Note when due at its Stated Maturity, upon optional redemption, upon required purchase, upon declaration of acceleration or otherwise;

(3) the failure by the Company to comply with its obligations under "—Certain Covenants—Merger and Consolidation" above;

(4) the failure by the Issuer or the Company to comply for 30 days after notice with any of its obligations in the covenants described above under "—Change of Control" (other than a failure to purchase Notes) or under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" (other than a failure to purchase Notes);

(5) the failure by the Issuer, the Company or any Subsidiary Guarantor to comply for 60 days after notice with its other agreements contained in the Indenture or in the Security Documents;

(6) Indebtedness of the Issuer, any Guarantor or any Significant Subsidiary is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $30 million (the "**cross-acceleration provision**");

(7) certain events of bankruptcy, insolvency or reorganization of the Issuer, any Guarantor or any Significant Subsidiary (the "**bankruptcy provisions**"); or

(8) any judgment or decree for the payment of money in excess of $30 million is entered against the Issuer, any Guarantor or any Significant Subsidiary, remains outstanding for a period of 60 consecutive days following the entry of such judgment or decree and is not discharged, waived or the execution thereof stayed (the "**judgment default provision**");

(9) any Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Guarantees or as permitted by the Indenture) or any Guarantor denies or disaffirms its obligations under its Guarantee; or

(10) the Liens created under the Security Documents shall, at any time, cease to be in full force and effect for any reason other than as permitted by the Indenture or the satisfaction in full of all obligations under the Indenture and discharge of the Indenture or any Lien created thereunder shall be declared invalid or unenforceable or the Issuer, PMAG or any Guarantor shall assert, in any pleading in any court of competent jurisdiction, that any such Lien is invalid or unenforceable (the "**security default provision**").

However, a default under clauses (4), (5) or (8) will not constitute an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes notify the Issuer of the Default and the Issuer does not cure such Default within the time specified after receipt of such notice.

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer, the Company or any Subsidiary Guarantor occurs and is continuing, the principal of and interest on all the Notes will *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders of the Notes. Under certain circumstances, the Holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders of the Notes unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when

due, no holder of a Note may pursue any remedy with respect to the Indenture, the Notes or the Guarantee unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder of a Note or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

If a Default occurs, is continuing and is known to the Trustee, the Trustee must mail to each holder of the Notes notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of or interest on any Note, the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is not opposed to the interest of the holders of the Notes. In addition, the Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture, the Notes and the Security Documents may be amended with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a tender offer or exchange for the Notes) and any past default or compliance with any provisions may also be waived with the written consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a tender offer or exchange for the Notes). However, without the consent of each holder of an outstanding Note affected thereby, an amendment or waiver may not, among other things:

(1) reduce the amount of Notes whose Holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Note;

(3) reduce the principal of or change the Stated Maturity of any Note;

(4) change the provisions applicable to the redemption of any Note as described above under "—Optional Redemption", or, once an obligation to repurchase has arisen thereunder, the repurchase of any Note as described above under "—Change of Control" or "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock", whether through an amendment or waiver of provisions of the covenants, definitions or otherwise;

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any holder of the Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(7) make any change in the amendment provisions which require each Holder's consent or in the waiver provisions;

(8) make any changes in the ranking or priority of any Note that would adversely affect the Noteholders; or

(9) make any change in the provisions of the Indenture described under "—Additional Amounts" that adversely affects the rights of any Noteholder or amend the terms of the Notes or the Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder unless the Issuer and the Guarantors agree to pay Additional Amounts (if any) in respect thereof.

Notwithstanding the preceding, without the consent of any holder of the Notes, the Issuer, the Guarantors and Trustee may amend the Indenture or the Security Documents**:**

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to provide for the assumption by a successor corporation of the obligations of the Issuer or any Guarantor under the Indenture;

(3) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) to add Guarantees with respect to the Notes, or to secure the Notes, or to limit or terminate the benefits available to holders of Designated Senior Indebtedness;

(5) to add to the covenants of the Company or any Restricted Subsidiary for the benefit of the holders of the Notes or to surrender any right or power conferred upon the Company or any Restricted Subsidiary;

(6) to make any change that does not adversely affect the rights of any holder of the Notes;

(7) release a Subsidiary Guarantor from its obligations under its Subsidiary Guarantee or the Indenture in accordance with the applicable provisions of the Indenture;

(8) provide for the appointment of a successor trustee; *provided* that the successor trustee is otherwise qualified and eligible to act as such under the terms of the Indenture;

(9) conform the text of the Indenture, the Notes, any Guarantees or the Security Documents to any provision of this "Description of the Notes" to the extent such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Guarantees or the Security Documents; or

(10) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes; *provided, however*, that (a) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any other applicable securities law and (b) such amendment does not materially and adversely affect the rights of Holders to transfer Notes.

The consent of the holders of the Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Indenture becomes effective, we are required to mail (or otherwise deliver in accordance with applicable DTC, Euroclear and Clearstream procedures) to holders of the Notes a notice briefly describing such amendment. However, the failure to give such notice to all holders of the Notes, or any defect therein, will not impair or affect the validity of the amendment.

The Issuer will, for so long as the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market thereof, to the extent required by the guidelines of the Irish Stock Exchange, (i) inform the Irish Stock Exchange of any of the foregoing amendments, supplements and waivers and provide, if necessary, a supplement to this Offering Memorandum setting forth reasonable details in connection with any such amendments, supplements or waivers and (ii) deliver notice of any such amendment, supplement and waiver to the Companies Announcement Office in Dublin.

Neither the Issuer nor any Affiliate of the Issuer may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

Transfer

The Notes will be issued in registered form and will be transferable only upon the surrender of the Notes being transferred for registration of transfer. The Issuer may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection with certain transfers and exchanges.

Satisfaction and Discharge

When the Issuer (1) delivers to the Trustee all outstanding Notes for cancellation or (2) all outstanding Notes have become due and payable, whether at maturity or on a redemption date as a result of the mailing of notice of redemption, and, in the case of clause (2), the Issuer irrevocably deposits with the Trustee funds sufficient to pay at maturity or upon redemption all outstanding Notes, including interest thereon to maturity or such redemption date, and if in either case the Issuer pays all other sums payable under the Indenture by it, then the Indenture shall, subject to certain exceptions, cease to be of further effect.

Defeasance

The Issuer at any time may terminate all its obligations under the Notes and the Indenture ("**legal defeasance**"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. If the Issuer exercises its legal defeasance option, the Subsidiary Guarantees in effect at such time will terminate.

In addition, the Issuer at any time may terminate its obligations described under "—Change of Control" and under covenants described under "—Certain Covenants" (other than "—Merger and Consolidation"), the operation of the cross-default upon a payment default, cross-acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision and the security default provision described under "—Events of Default" above and the limitations contained in clause (3) of the first paragraph under "—Certain Covenants—Merger and Consolidation" above ("**covenant defeasance**").

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6), (7) (with respect only to Significant Subsidiaries), (8), (9) or (10) under "—Defaults" above or because of the failure of the Company to comply with clause (3) of paragraph (a) under "—Certain Covenants—Merger and Consolidation" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "**defeasance trust**") with the cash in dollars or U.S. Government Obligations, or a combination thereof, for the payment of principal, premium, if any, interest and Additional Amounts, if any, on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of (x) an Opinion of Counsel in the United States to the effect that holders of the Notes will not recognize income, gain or loss for U.S. federal and U.K. income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal and U.K. income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred and (y) an Opinion of Counsel in the jurisdiction of incorporation of the Issuer reasonably acceptable to such Trustee to the effect that (A) the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes in such jurisdiction as a result of such defeasance and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such defeasance has not occurred and (B) payments from the defeasance trust will be free and exempt from any and all

withholding and other income taxes of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having the power to tax. In the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law.

Concerning the Trustee

Deutsche Bank Trust Company Americas is to be the Trustee under the Indenture.

The Holders of a majority in principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. If an Event of Default occurs (and is not cured), the Trustee will be required, in the exercise of its powers, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense and then only to the extent required by the terms of the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder (as such) of the Issuer or any Guarantor will have any liability for any obligations of the Issuer or any Guarantor under the Notes, any Guarantee, any Security Document or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws, and it is the view of the SEC that such a waiver is against public policy.

Notices

All notices to holders of the Notes will be validly given if mailed to them at their respective addresses in the register of the holders of the Notes, if any, maintained by the Registrar (or otherwise delivered in accordance with applicable DTC, Euroclear and Clearstream procedures). In addition, for so long as any of the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market thereof and the guidelines of the Irish Stock Exchange so require, notices with respect to the Notes listed on the Irish Stock Exchange will be published by delivery to the Companies Announcement Office in Dublin. In addition, for so long as any Notes are represented by Global Notes, all notices to holders of the Notes will be delivered to DTC, Euroclear and Clearstream, each of which will give such notices to the holders of book-entry interests therein.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made, *provided* that, if notices are mailed (or otherwise delivered in accordance with applicable DTC, Euroclear and Clearstream procedures), such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed or delivered. Any notice or communication mailed to a holder of the Notes shall be mailed to such Person by first-class mail or other equivalent means (or otherwise delivered in accordance with applicable DTC, Euroclear and Clearstream procedures) and shall be sufficiently given to such Person if so mailed or delivered within the time prescribed. Failure to mail (or otherwise deliver in accordance with applicable DTC, Euroclear and Clearstream procedures) a notice or communication to a Holder of the Notes or any defect in it shall not affect its sufficiency with respect to other Holders of the Notes. If a notice or communication is mailed or delivered in the manner provided above, it is duly given, whether or not the addressee receives it.

Governing Law

The Indenture, the Guarantees and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Consent to Jurisdiction and Service

Each of the Issuer, the Company and the Subsidiary Guarantors will irrevocably and unconditionally: (1) submit itself and its property in any legal action or proceeding relating to the Indenture to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the general jurisdiction of the Courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, the courts of the United States of America for the Southern District of New York, appellate courts from any thereof, with respect to actions brought against it as defendant; (2) consent that any such action or proceeding may be brought in such courts and waive any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and (3) appoint Corporation Service Company, currently having an office at 1133 Avenue of the Americas, Suite 3100, New York, New York 10036, as its agent to receive on its behalf service of all process in any such action or proceeding, such service being hereby acknowledged by each of the Issuer, the Company and the Subsidiary Guarantors to be effective and binding in every respect.

Certain Definitions

"**Additional Assets**" means:

(1) any property or assets (other than Capital Stock or Indebtedness) used or useful in a Related Business;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, however, that any such Restricted Subsidiary described in clause (2) or (3) above is primarily engaged in a Related Business.

"**Additional Funding Loan**" means a loan agreement or agreements (i) substantially in the form of the Funding Loan executed and delivered on the Issue Date and (ii) entered into after the Issue Date between the Issuer and one or more Funding Loan Borrowers in an aggregate amount equal to the principal amount of any Additional Notes issued from time to time.

"**Additional Funding Loan Security Assignment**" means the pledge substantially in the form of the Funding Loan Security Assignment entered into with respect to an Additional Funding Loan.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of the covenants described under "—Certain Covenants—Limitation on Restricted Payments", "—Certain Covenants—Limitation on Affiliate Transactions" and "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" only, "Affiliate" shall also mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Company or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

"**Applicable Premium**" means with respect to a Note at any redemption date, the greater of:

(i) 1.0% of the principal amount of such Note, and

(ii) with respect to any 2014 Note, the excess of (A) the present value at such redemption date of (1) the redemption price of such 2014 Note on May 1, 2011 (such redemption price being described in the second paragraph under the heading "—Optional Redemption" exclusive of any accrued interest) plus (2) all required remaining scheduled interest payments due on such 2014 Note through May 1, 2011 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the principal amount of such 2014 Note on such redemption date, and, with respect to any 2017 Note, the excess of (A) the present value at

such redemption date of (1) the redemption price of such 2017 Note on May 1, 2012 (such redemption price being described in the third paragraph under the heading "—Optional Redemption" exclusive of any accrued interest) plus (2) all required remaining scheduled interest payments due on such 2017 Note through May 1, 2012 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the principal amount of such 2017 Note on such redemption date.

"**Asset Disposition**" means any sale, issuance, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Company or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "**disposition**"), of:

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary);

(2) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary; or

(3) any other assets of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary,

other than, in the case of clauses (1), (2) and (3) above,

(A) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(B) for purposes of the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" only, (x) a disposition that constitutes a Restricted Payment (or would constitute a Restricted Payment but for the exclusions from the definition thereof) and that is not prohibited by the covenant described under "—Certain Covenants—Limitation on Restricted Payments" and (y) a disposition of all or substantially all the assets of the Company in accordance with the covenant described under "—Certain Covenants—Merger and Consolidation";

(C) a disposition of assets with a fair market value of less than $10 million;

(D) a disposition of cash or Temporary Cash Investments;

(E) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien);

(F) a disposition of inventory, trading stock or other assets in the ordinary course of business;

(G) a disposition of obsolete equipment in the ordinary course of business that is no longer useful in the conduct of the business of the Company or any Restricted Subsidiary;

(H) a sale or disposition of receivables in connection with any Permitted Receivables Financing, the Receivables Purchase Facility or in the ordinary course of business or the conversion or exchange of accounts receivable for notes receivable; and

(I) a foreclosure, condemnation or any similar action with respect to any property or other assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind.

"**Attributable Debt**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate reasonably determined in good faith by a responsible financial or accounting officer of the Company to be the interest rate implicit in the lease in accordance with GAAP) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided, however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capital Lease Obligation".

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(2) the sum of all such payments.

"**Board of Directors**" means the Board of Directors of the Company or any committee thereof duly authorized to act on behalf of such Board.

"**Borrowing Base**" means the sum (determined from time to time in good faith by a responsible financial or accounting officer of the Company) of (a) 85% of the book value of the inventory of the Company and its Restricted Subsidiaries, (b) 90% of the trade receivables (net of bad debt reserves) of the Company and its Restricted Subsidiaries less the net value of trade receivables subject to a Permitted Receivables Financing or similar arrangements and (c) 100% of the cash and short-term deposits of the Company and its Restricted Subsidiaries; *provided, however*, that for the purposes of determining the book value of inventory and trade receivables (net of bad debt reserves) in clause (a) and (b) of this definition, *pro forma* effect may be given to the inventory and trade receivables reasonably expected to be acquired in any pending acquisition that is reasonably expected to be consummated by the Company or its Restricted Subsidiaries within 10 Business Days of the date of determination (but such amounts shall be deducted if such acquisition is not subsequently consummated within such period).

"**Business Day**" means each day which is not a Legal Holiday.

"**Capital Lease Obligation**" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of the covenant described under "—Certain Covenants—Limitation on Liens", a Capital Lease Obligation will be deemed to be secured by a Lien on the property being leased.

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Collateral**" means the collateral described in the Security Documents, including, as of the Issue Date (a) the PMAG Loans and (b) the Capital Stock of the Issuer.

"**Commodity Hedging Agreements**" means any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements).

"**Concurrent Equity Offering**" means the offering by the Company of registered shares of the Company by way of an underwritten offering as described in the Offering Memorandum under the caption "Summary—Financing Transactions".

"**Consolidated Coverage Ratio**" as of any date of determination means the ratio of (x) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters for which financial statements are available prior to the date of such determination to (y) Consolidated Interest Expense for such four fiscal quarters; *provided, however*, that:

(1) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a *pro forma* basis to such Indebtedness and the use of proceeds therefrom as if such Indebtedness had been Incurred on the first day of such period; *provided, however*, that the

pro forma calculation of Consolidated Interest Expense shall not give effect to any Indebtedness Incurred on the date of determination pursuant to the provision described in clause (b) under "—Certain Covenants—Limitation on Indebtedness";

(2) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness; *provided, however*, that the *pro forma* calculation of Consolidated Interest Expense shall not give effect to the discharge on the date of determination of any Indebtedness to the extent such discharge results from the proceeds of Indebtedness Incurred pursuant to the provision described in clause (b) under "—Certain Covenants—Limitation on Indebtedness";

(3) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(4) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(5) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Company or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Company based on reasonable operating assumptions and estimates taking into account the operating history of the acquired business or assets. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness is incurred under a revolving credit facility and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated based on the average daily

balance of such Indebtedness for the four fiscal quarters subject to the *pro forma* calculation to the extent that such Indebtedness was incurred solely for working capital purposes.

"**Consolidated Interest Expense**" means, for any period, the sum, without duplication, of:

(1) the total interest expense of the Company and its consolidated Restricted Subsidiaries for such period; *plus*

(2) interest expense attributable to Capital Lease Obligations of the Company and its Restricted Subsidiaries; *plus*

(3) amortization of debt discount and debt issuance cost of the Company and its Restricted Subsidiaries; *plus*

(4) capitalized interest of the Company and its Restricted Subsidiaries; *plus*

(5) non-cash interest expense of the Company and its Restricted Subsidiaries; *plus*

(6) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing of the Company and its Restricted Subsidiaries; *plus*

(7) net payments and receipts (if any) pursuant to interest rate Hedging Obligations (*provided, however*, that if Hedging Obligations result in net benefits received by the Company and its Restricted Subsidiaries, such benefits shall be credited to reduce Consolidated Interest Expense to the extent paid in cash unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income of the Company and its Restricted Subsidiaries); *plus*

(8) dividends accrued in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, in each case, held by Persons other than the Company or a Wholly Owned Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Company); *provided, however*, that such dividends will be multiplied by a fraction of the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the issuer of such Preferred Stock (expressed as a decimal) for such period (as estimated by a responsible financial or accounting officer of the Company in good faith); *plus*

(9) interest incurred in connection with Investments in discontinued operations of the Company and its Restricted Subsidiaries; *plus*

(10) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is guaranteed by (or secured by the assets of) the Company or any Restricted Subsidiary; *plus*

(11) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust; *plus*

(12) commissions, discounts, yield and other fees and charges Incurred in connection with any Permitted Receivables Financing which are payable to Persons other than the Company and its Restricted Subsidiaries.

"**Consolidated Net Income**" means, for any period, the net income of the Company and its consolidated Subsidiaries; *provided, however*, that there shall not be included in such Consolidated Net Income:

(1) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that:

  (A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

  (B) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent the loss has been funded with cash from the Company or any Restricted Subsidiary;

(2) any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction (or any transaction accounted for in a manner similar to a pooling of interests) for any period prior to the date of such acquisition;

(3) any net income of any Restricted Subsidiary if such Restricted Subsidiary is subject to consensual restrictions or encumbrances, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company (other than any restrictions or encumbrances permitted under the covenant described under "—Certain Covenants—Limitations on Restrictions on Distributions from Restricted Subsidiaries") except that:

(A) subject to the exclusion contained in clause (4) below, the Company's equity in the net income of any such Restricted Subsidiary (other than a Subsidiary Guarantor) for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(B) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(4) any gain (or loss) realized upon the sale or other disposition of any assets of the Company, its consolidated Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which are not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(5) extraordinary gains or losses;

(6) the cumulative effect of a change in accounting principles; and

(7) any unrealized gains or losses in respect of hedging transactions,

in each case for such period. Notwithstanding the foregoing, for the purposes of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Company or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"**Consolidated Secured Indebtedness Leverage Ratio**" as of any date of determination means the ratio of (x) the aggregate amount of Secured Indebtedness of the Company and its Restricted Subsidiaries as of such date of determination (less the amount of Secured Indebtedness secured by a Lien permitted pursuant to clauses (7), (8), (9), (10), (11), (14) (to the extent relating to one of the other enumerated clauses), (16), (17), (18), (19), (23), (24), (25), and (26) of the definition of "Permitted Liens") to (y) EBITDA for the most recent four consecutive fiscal quarters for which financial statements are available prior to such date of determination; *provided, however*, that:

(1) if the transaction giving rise to the need to calculate the Consolidated Secured Indebtedness Leverage Ratio is an Incurrence of Secured Indebtedness, the amount of such Secured Indebtedness shall be calculated after giving effect on a *pro forma* basis to such Secured Indebtedness;

(2) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Secured Indebtedness that was outstanding as of the end of such fiscal quarter or if any Secured Indebtedness is to be repaid, repurchased, defeased or otherwise discharged on the date of the transaction giving rise to the need to calculate the Consolidated Secured Indebtedness Leverage Ratio (other than, in each case, Secured Indebtedness Incurred under any revolving credit agreement unless such Secured Indebtedness has been permanently repaid and has not been replaced), the aggregate amount of Secured Indebtedness shall be calculated on a *pro forma* basis and EBITDA shall be calculated as if the Company or such Restricted Subsidiary had not earned the interest income, if any, actually earned during the Reference

Period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Secured Indebtedness;

(3) if since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Disposition, the EBITDA for the Reference Period shall be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period or increased by an amount equal to the EBITDA (if negative) directly attributable thereto for such period;

(4) if since the beginning of such period the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, EBITDA for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Secured Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(5) if since the beginning of the Reference Period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Company or a Restricted Subsidiary during such period, EBITDA for the Reference Period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Secured Indebtedness Incurred in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Company based on reasonable operating assumptions and estimates taking into account the operating history of the acquired business or assets. If any Secured Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Secured Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Secured Indebtedness is incurred under a revolving credit facility and is being given *pro forma* effect, the interest on such Secured Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four fiscal quarters subject to the *pro forma* calculation to the extent such Secured Indebtedness was incurred solely for working capital purposes.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(A) for the purchase or payment of any such primary obligation, or

(B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facilities**" means one or more debt facilities (including, without limitation, debt facilities made available under, or in accordance with, the Inventory Revolving Credit Facility and the Receivables Purchase Facility) or commercial paper facilities, agreements, credit facility documentation or arrangements with banks, insurance companies or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale or factoring of receivables to such lenders or to special purpose entities formed to borrow from or issue securities to such lenders

against such receivables), letters of credit or other forms of guarantees and assurances or other indebtedness, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced, refinanced, increased or extended in whole or in part from time to time, and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or other institutional lenders and whether provided under the original Inventory Revolving Credit Facility or the original Receivables Purchase Facility, or one or more other credit agreements or financing agreements and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents); *provided, however*, that "Credit Facilities" will not mean (i) any Indebtedness that expressly provides that it is subordinated in right of payment to any other Indebtedness (for the avoidance of doubt, exclusive of any provisions relating to different tranches provided under any Credit Facilities) or (ii) any Public Debt. Without limiting the generality of the foregoing, the term "Credit Facilities" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Designated Senior Indebtedness**" means (a) any Senior Indebtedness of a Senior Subordinated Guarantor or PMAG under the Inventory Revolving Credit Facility and (b) any other Senior Indebtedness of a Senior Subordinated Guarantor, a Funding Loan Borrower (if such Funding Loan is Senior Subordinated Indebtedness) or PMAG that has, at the time of designation, an aggregate principal amount outstanding of at least $50 million (including the amount of all undrawn commitments and matured and contingent reimbursement obligations pursuant to letters of credit thereunder), in each case that is designated in an Officer's Certificate as Designated Senior Indebtedness.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(3) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary after the Stated Maturity of the Notes shall not constitute Disqualified Stock if:

(1) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Notes and described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and "—Change of Control"; and

(2) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such

Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; *provided, however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**Dollar Equivalent**" means with respect to any monetary amount in a currency other than Dollars, at any time of determination thereof, the amount of Dollars obtained by converting such foreign currency involved in such computation into Dollars at the spot rate for the purchase of Dollars with the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" on the date two Business Days prior to such determination.

Except as described under "—Certain Covenants—Limitation on Indebtedness", whenever it is necessary to determine whether the Company has complied with any covenant in the Indenture or a Default has occurred and an amount is expressed in a currency other than U.S. dollars, such amount will be treated as the Dollar Equivalent determined as of the date such amount is initially determined in such currency.

"**EBITDA**" for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) all income tax expense of the Company and its consolidated Restricted Subsidiaries;

(2) Consolidated Interest Expense;

(3) depreciation and amortization expense of the Company and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid item that was paid in cash in a prior period); and

(4) all other non-cash charges of the Company and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period) less all non-cash items of income of the Company and its consolidated Restricted Subsidiaries (other than accruals of revenue by the Company and its consolidated Restricted Subsidiaries in the ordinary course of business);

in each case for such period. Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary shall be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income or loss of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary.

"**Enforcement Action**" in relation to any Indebtedness of a Person means:

(1) the acceleration of any Indebtedness or any declaration that any Indebtedness is prematurely due and payable or the making of demand for any Indebtedness after such Indebtedness has been made payable on demand;

(2) the designation by a hedge counterparty of an Early Termination Date (as such term is customarily defined in ISDA master agreements) under any hedging agreement of such Person or the making of a demand by a hedge counterparty for payment of all or any amount which would become payable in connection with the occurrence of an Early Termination Date;

(3) the making of any demand against the person in relation to any guarantee in respect of any Indebtedness which is due and payable but unpaid or exercising any right to require the Person to acquire any Indebtedness (including exercising any put or call option against the Person redemption or purchase of any Indebtedness);

(4) the enforcement of any security document or any other security interest granted by the Person (including taking any action to crystallize any floating charge forming part of any security document);

(5) the exercise of any right of set-off against the Person in respect of any Indebtedness due and payable but unpaid;

(6) the suing for, commencing or joining of any legal or arbitration proceedings against the Person to recover any Indebtedness; or

(7) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) that could reasonably be expected to lead to an Insolvency Event in relation to the Person;

provided that the following shall not constitute Enforcement Action:

(i) the taking of any action falling within clause (6) above necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

(ii) to the extent entitled by law, the taking of any actions against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation;

(iii) bringing legal proceedings against any person in connection with any securities violation or common law fraud or to restrain any actual or putative breach of the Notes or the Indenture or for specific performance with no claim for damages; or

(iv) demand being made for payment of any Indebtedness as a result of it being unlawful for any creditor under such Indebtedness to perform any obligation thereunder;

unless, in the case of any of the actions listed in clauses (i) to (iv) above such action shall result in an Insolvency Event.

"**Equity Offering**" means any public or private sale of Capital Stock or Preferred Stock of the Company (other than Disqualified Stock) whereby the Company receives gross proceeds of not less than $100 million.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Finance Subsidiary**" means a Wholly Owned Subsidiary that is formed for the purpose of borrowing funds or issuing securities and lending the proceeds to the Company or a Restricted Subsidiary and that conducts no business other than as may be reasonably incidental to the foregoing.

"**Funding Loan Borrowers**" means, on the Issue Date, PPI, and, thereafter, any Permitted Funding Loan Transferee and any obligor in respect of any Additional Funding Loans.

"**Funding Loans**" means the intercompany loans made by the Issuer pursuant to the PPI Funding Loan on the Issue Date, any Additional Funding Loans and any Funding Loans transferred in accordance with the requirements described under "Permitted Funding Loan Transfer".

"**Funding Loan Security Assignment**" means the assignment by way of security, granted by the Issuer in favor of the Trustee, the Security Agent and the Holders of the Notes over the rights under a Funding Loan in order to secure the obligations under the Indenture and any Additional Funding Loan Security Assignment.

"**GAAP**" means International Financing Reporting Standards ("IFRS") promulgated from time to time by the International Accounting Standards Board (or any successor board or agency).

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person; *provided, however*, that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"**Guarantee Agreement**" means a supplemental indenture, in a form reasonably satisfactory to the Trustee, pursuant to which a Guarantor guarantees the Issuer's obligations with respect to the Notes on the terms provided for in the Indenture.

"**Guarantees**" means the guarantees on the terms set forth in the Indenture and the Guarantee Agreement by the Guarantors of the Issuer's obligations with respect to the Notes and the Indenture.

"**Guarantors**" means, as of the Issue Date, the Company and the Subsidiary Guarantors.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

"**Holder**" or "**Noteholder**" means the Person in whose name a Note is registered on the Registrar's books.

"**Incur**" means issue, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "**Incurrence**" when used as a noun shall have a correlative meaning.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(2) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(3) all obligations of such Person issued or assumed as the deferred and unpaid purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding any accounts payable or other liabilities to trade creditors arising in the ordinary course of business that are not overdue by more than 90 days from the invoice date or is being contested in good faith);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, bankers' acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following payment on the letter of credit);

(5) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with the Indenture (but excluding, in each case, any accrued dividends);

(6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee;

(7) all obligations of the type referred to in clauses (1) through (6) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the fair market value of such property or assets and the amount of the obligation so secured; and

(8) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term "Indebtedness" shall be deemed not to include (1) post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; (2) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed money; (3) deferred or prepaid revenues or marketing fees; (4) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; or (5) Obligations under or in respect of Permitted Receivables Financing.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above; *provided, however*, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

"**Independent Qualified Party**" means an investment banking firm, accounting firm or appraisal firm of national standing; *provided, however*, that such firm is not an Affiliate of the Company.

"**Insolvency Event**" means, in relation to a Person:

(1) any resolution is passed or order made for the winding up, dissolution or administration of the Person;

(2) any composition, assignment or compulsory or voluntary arrangement is made with any of the creditors of the Person or there is any marshalling of the assets and liabilities of any of the Person;

(3) the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Person or any material part of their assets;

(4) a petition for insolvency proceedings is filed in respect of the Person (other than a frivolous or vexatious petition or any petition which is stayed or discharged within 21 days of the Person becoming aware of such petition); or

(5) any analogous procedure or step is taken in any jurisdiction.

"**Intercreditor Agreement**" means any intercreditor agreement entered into by the Company and its Restricted Subsidiaries after the Issue Date pursuant to the covenant described under "—Certain Covenants—Intercreditor Agreements".

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

"**Inventory Revolving Credit Facility**" means the Amended and Restated Facility Agreement dated as of December 20, 2006, among Petroplus International B.V., the several Borrowers and Guarantors named therein, the several Mandated Lead Arrangers, ING Bank N.V. as Agent and Security Agent, and the several Fronting Banks named therein.

"**Investment**" in any Person means any direct or indirect advance, loan (other than accounts receivable, trade credit and advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender and travel and similar advances to employees made in the ordinary course of business) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its fair market value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and the covenant described under "—Certain Covenants—Limitation on Restricted Payments", "Investment" shall include:

(1) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Company at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Company's "Investment" in such Subsidiary at the time of such

redesignation less (B) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"**Investment Grade Rating**" means a rating equal to or higher than Baa3 (or equivalent) by Moody's and BBB- (or the equivalent) by S&P, or the equivalent of such rating by either rating organization or, if no rating or Moody's or S&P then exists, the equivalent of such rating by another "nationally recognized statistical ratings organization" (within the meaning of Rule 436 under the Securities Act).

"**Issue Date**" means May 2, 2007.

"**Legal Holiday**" means a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York, Switzerland, Bermuda or London, England.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Market Capitalization" means an amount equal to (a) the total number of issued and outstanding registered shares of the Company on the date of the declaration of the relevant dividend *multiplied* by (b) the arithmetic mean of the closing prices per share of the registered shares as reported by the SWX Swiss Exchange or any other stock exchange that is the primary exchange on which the registered shares are listed for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Moody's**" means Moody's Investors Service, Inc.

"**Net Available Cash**" from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other non-cash form), in each case net of:

(1) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all national, regional, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries or joint ventures as a result of such Asset Disposition;

(4) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the property or other assets disposed in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition; and

(5) any portion of the purchase price from an Asset Disposition placed in escrow, whether as a reserve for adjustment of the purchase price, for satisfaction of indemnities in respect of such Asset Disposition or otherwise in connection with that Asset Disposition; *provided, however,* that upon the termination of that escrow, Net Available Cash will be increased by any portion of funds in the escrow that are released to the Company or any Restricted Subsidiary.

"**Net Cash Proceeds**", with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Obligations**" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

"**Officer**" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer or any other Director of the Company or the Issuer, as the case may be.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or the Trustee.

"**Pari Passu Indebtedness**" means (a) any Indebtedness of the Issuer that is *pari passu* in right of payment with the Notes and (b) with respect to any Guarantee, any Funding Loan or any PMAG Loan, any Indebtedness which ranks *pari passu* in right of payment to such Guarantee, Funding Loan or PMAG Loan, as the case may be.

"**Permitted Collateral Liens**" means any of the following Liens:

(1) Liens on the Collateral (other than any Funding Loan and the PMAG Loans) to secure the Notes, any Additional Notes and any other Public Debt issued by the Issuer;

(2) Liens on a Funding Loan, the PMAG Loans and any Additional Funding Loan to secure the Notes and any Additional Notes, *provided* that upon completion of the offering of any such Additional Notes:

(A) the Issuer will have made a loan to one or more Funding Loan Borrowers pursuant to an Additional Funding Loan in an amount equal to the aggregate principal amount of such Additional Notes;

(B) if the Funding Loan has been pledged, such Additional Funding Loan will have been pledged to the Security Agent (i) on the same terms (including with respect to priority) as the pledge of such Funding Loan and (ii) pursuant to an Additional Funding Loan Security Assignment; and

(C) the Issuer will have delivered to the Trustee an Opinion of Counsel with respect to such Additional Funding Loan and Additional Funding Loan Security Assignment, in form and substance reasonably satisfactory to the Trustee, substantially to the effect or in the form of the relevant opinions delivered to the Trustee on the Issue Date with respect to the PMAG Loan and the PMAG Loan Security Assignment;

(3) Liens on the Funding Loans, the PMAG Loans and any Additional Funding Loan to secure any Public Debt issued by the Issuer (other than the Notes and any Additional Notes), *provided* that upon completion of the offering of any such Public Debt:

(A) the Issuer will have made a loan to one or more Permitted Proceeds Loan Borrowers pursuant to a Permitted Proceeds Loan in an amount equal to the aggregate principal amount of such Public Debt;

(B) such Permitted Proceeds Loan will have been pledged to the Security Agent to secure such Public Debt, the Notes and any Additional Notes, on an equal and ratable basis, (i) on the same terms (including with respect to priority) as the pledge of the Funding Loan and (ii) on the same terms as the Funding Loan Security Assignment; and

(C) the Issuer will have delivered to the Trustee an Opinion of Counsel with respect to such Public Debt and Permitted Proceeds Loan (and the Lien in respect thereof), in form and substance reasonably satisfactory to the Trustee, confirming the matters set forth in clauses (A) and (B) above; and

(4) Liens on any Funding Loan, the PMAG Loans and any Additional Funding Loan to secure any Designated Senior Indebtedness of the relevant Funding Loan Borrower or PMAG in priority to the Liens securing the Notes and any Additional Notes; *provided, however*, that (A) such Lien ranks equal to all other Liens on such Collateral securing Senior Indebtedness of the relevant Funding Loan Borrower or PMAG (except that holders of Designated Senior Indebtedness may provide for an ordering of payments under the various tranches of Designated Senior Indebtedness) and (B) the Liens on the relevant Funding Loan, the PMAG

Loans and any Additional Funding Loan securing the Notes shall rank immediately junior to such Liens securing Designated Senior Indebtedness.

"**Permitted Dutch Holding Company Reorganization**" means the merger, demerger, consolidation, reorganization, corporate reconstruction, transfer or disposition of assets or similar transaction or transactions on a solvent basis of RIVR and PPI that meets all of the following requirements:

(1) immediately after giving effect to such transaction, PMAG is a Wholly Owned Subsidiary of the Company and all of the business and other assets of RIVR and PPI have been transferred to the Company or another Restricted Subsidiary (other than as provided in clause (3));

(2) all of the obligations (if any) of PPI under the PPI Funding Loan have been assumed by a Permitted Funding Loan Transferee;

(3) the PMAG Loans that remain outstanding meet the requirements of clauses (3) and (6) of the definition of "Permitted PMAG Loan Substitution" and the PMAG Loans Security Assignment has been assumed by Permitted PMAG Loan Lenders;

(4) immediately after giving effect to such transaction on a *pro forma* basis, no Default shall have occurred and be continuing; and

(5) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such transaction complies with the Indenture.

"**Permitted Funding Loan Transfer**" means the substitution of a Funding Loan Borrower under all or some of a Funding Loan, whether through novation, assignment or any other transfer that satisfies all of the following requirements:

(1) the obligations under the Funding Loan of the transferor Funding Loan Borrower (the "**Transferor**") being transferred are assumed by a transferee (a "**Transferee**") (which Transferee shall be the Company or any Restricted Subsidiary) that expressly assumes by an amendment, deed of accession or other instrument, executed by the parties thereto and the Issuer, and delivered to the Trustee, all of the obligations of the Transferor under the Funding Loan being transferred and the Security Documents (if any) to which such Transferor is a party;

(2) if, and to the extent that such Funding Loan is subject to a Funding Loan Security Assignment at such time, the Issuer shall have entered into an amendment or other instrument necessary in order to grant for the benefit of the Trustee and the Security Agent a Lien on the Funding Loan on the same terms as the existing Funding Loan Security Assignment;

(3) immediately after giving *pro forma* effect to such transfer, no Default or Event of Default shall have occurred and be continuing;

(4) immediately after giving *pro forma* effect to such transfer, the Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Indebtedness"; and

(5) the Company shall have delivered to the Trustee an (A) Officers' Certificate stating such transfer complies with the Indenture and (B) an Opinion of Counsel stating that (i) such transfer complies with the Indenture and (ii) the obligations under the Funding Loan represent a legal, valid and binding and enforceable obligation of the Transferee (subject to customary limitations, including with respect to the validity and the enforceability of intercompany obligations in the relevant jurisdiction of the Transferee).

"**Permitted Funding Loan Transferee**" means the Person that becomes a Funding Loan Borrower upon the consummation of a Permitted Funding Loan Transfer.

"**Permitted Intercompany Loan Substitution**" means (a) any Permitted Funding Loan Transfer or (b) any Permitted PMAG Loan Substitution.

"**Permitted Investment**" means an Investment by the Company or any Restricted Subsidiary in:

(1) the Company, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; *provided, however,* that the primary business of such Restricted Subsidiary is a Related Business;

(2) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary; *provided, however,* that such Person's primary business is a Related Business;

(3) cash and Temporary Cash Investments;

(4) receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however,* that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) loans, advances or guarantees of loans or advances to directors, officers or employees made in the ordinary course of business of the Company or such Restricted Subsidiary, taken together with all other advances made pursuant to this clause (6), not to exceed $5 million;

(7) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments or as a result of the settlement compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(8) any Person to the extent such Investment represents the non-cash portion of the consideration received for (a) an Asset Disposition as permitted pursuant to the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" or (b) a disposition of assets not constituting an Asset Disposition;

(9) any Person where such Investment was acquired by the Company or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, recapitalization of or compromise with the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(10) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Company or any Restricted Subsidiary;

(11) any Person to the extent such Investments consist of Hedging Obligations or obligations under Commodity Hedging Agreements otherwise permitted under the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(12) any Person to the extent such Investment exists on, or is made pursuant to binding commitments existing on, the Issue Date, and any extension, modification, renewal or refinancing of any such Investments existing on the Issue Date, but only to the extent not involving increased advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the Issue Date) or required by the terms of such Investment as in effect on the Issue Date;

(13) Investments in the Notes and the Guarantees;

(14) Investments required to be entered into by the Company or any of its Restricted Subsidiaries in accordance with a Permitted Receivables Financing;

(15) Permitted Joint Ventures; *provided, however*, that the aggregate principal amount of all Investments permitted in Permitted Joint Ventures described in clause (2) of such definition pursuant to this clause (15) shall not exceed in the aggregate $20 million;

(16) Investments the payment for which consists of Capital Stock of the Company (other than Disqualified Stock) (or the Net Cash Proceeds therefrom); *provided, however*, that such Capital Stock will not increase the amount available for Restricted Payments under clause (a)(3)(B) of the covenant described under "—Certain Covenants—Limitation on Restricted Payments"; and

(17) Persons to the extent such Investments, when taken together with all other Investments made pursuant to this clause (17) and outstanding on the date such Investment is made, do not exceed $50 million.

"**Permitted Joint Venture**" means (1) each of Pflichtlagergesellschaft für Mineralöle, SOGEP Société Genevoise des Petroles and Sempachtank AG and (2) any Person that is not a Restricted Subsidiary and that is engaged in a Related Business and of which at least 20% of the total Capital Stock and total Voting Stock is at the time of determination owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof.

"**Permitted Junior Securities**" means (a) Capital Stock of any Guarantor or (b) debt securities of any Guarantor that are subordinated to Designated Senior Indebtedness of such Guarantor to substantially the same extent as or a greater extent than, the Guarantee of such Guarantor is subordinated to such Indebtedness pursuant to the Indenture.

"**Permitted Liens**" means, with respect to any Person:

(1) pledges or deposits by such Person under workers' compensation laws, social security, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or Temporary Cash Investments to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens arising solely by virtue of any statutory or common law provision (or under an agreement reflecting the standard terms and policies of a bank or other credit institution) relating to banker's Liens, rights of set-off, netting or similar rights and remedies as to deposit accounts or other funds or over-draft facilities maintained with a creditor depository institution; *provided, however*, that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by applicable banking regulatory authorities and (B) such deposit account is not intended by the Company or any Restricted Subsidiary to provide collateral to the depository institution;

(4) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;

(5) Liens in favor of issuers of surety bonds, performance guarantees or letters of credit issued pursuant for the account of such Person in the ordinary course of its business; *provided, however*, that such instruments do not constitute Indebtedness;

(6) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(7) Liens to secure Purchase Money Indebtedness permitted under the provision described in clause (b)(11) under "—Certain Covenants—Limitation on Indebtedness";

(8) Liens to secure Indebtedness permitted under the provision described in clause (b)(1) under "—Certain Covenants—Limitation on Indebtedness";

(9) Liens existing on the Issue Date;

(10) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however*, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(11) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided, however*, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(12) Liens securing Indebtedness or other obligations of a Subsidiary of such Person owing to such Person or a Subsidiary of such Person;

(13) Liens securing Hedging Obligations and Commodity Hedging Agreements so long as such Hedging Obligations or Commodity Hedging Agreements are permitted to be Incurred under the Indenture;

(14) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (7), (9), (10) or (11); *provided, however*, that:

  (A) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

  (B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (7), (9), (10) or (11) at the time the original Lien became a Permitted Lien and (y) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;

(15) any interest or title of a lessor or other Lien arising under any Capital Lease Obligations or operating lease;

(16) Liens on Receivables Assets Incurred in connection with a Permitted Receivables Financing;

(17) Liens on assets of a Receivables Subsidiary to secure Indebtedness or other obligations incurred in connection with one or more Permitted Receivables Financings;

(18) Liens securing the Notes, the Guarantees, the Funding Loans and the PMAG Loans;

(19) Permitted Collateral Liens;

(20) Liens on Permitted Proceeds Loans securing Public Debt (other than the Notes) of the Issuer or Designated Senior Indebtedness;

(21) Liens on the Capital Stock of any Finance Subsidiary (other than the Issuer) and any proceeds loan made by a Finance Subsidiary (other than the Issuer) in connection with any future Incurrence of Indebtedness (other than Additional Notes) permitted under the Indenture and securing that Indebtedness;

(22) to the extent that the Consolidated Secured Indebtedness Leverage Ratio on the date of Incurrence of such Lien and after giving effect thereto on a *pro forma* basis would have been no more than 2.0 to 1.0, Liens securing Indebtedness of the Company or any of its Restricted Subsidiaries permitted to be Incurred under the Indenture;

(23) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(24) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(25) deposits made in the ordinary course of business to secure liability to insurance carriers;

(26) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business; and

(27) Liens of the Company or any Restricted Subsidiary that is a Guarantor with respect to Obligations (other than Public Debt) that do not exceed $20 million.

"**Permitted PMAG Loan Lender**" means a Person that becomes a borrower under a PMAG Loan upon the consummation of a Permitted PMAG Loan Substitution.

"**Permitted PMAG Loan Substitution**" means (a) the substitution, replacement, repayment, amendment or refinancing (in whole or in part) of a PMAG Loan or (b) the substitution of a PMAG Loan Lender as a lender under all or a portion of a PMAG Loan, whether through novation, assignment, transfer, refinancing or replacement and whether or not it includes an amendment (a "**Substitution**") that, in the case of (a) or (b), satisfies the following requirements:

(1) the new or transferree PMAG Loan Lender is a Senior Guarantor;

(2) the new or transferree PMAG Loan Lender shall have entered into an amendment or other instrument necessary in order to grant for the benefit of the Trustee, the Security Agent and the Holders of the Notes a Lien on the PMAG Loans on the same terms as the existing PMAG Loans Security Assignment;

(3) the terms of the PMAG Loan with respect to events of default and rights to declare the Loan due and payable upon such events of default are identical to such terms in the former PMAG Loan;

(4) immediately after giving *pro forma* effect to such Substitution, no Default or Event of Default shall have occurred and be continuing;

(5) immediately after giving *pro forma* effect to such Substitution, the Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(6) immediately after giving *pro forma* effect to such Substitution, the principal amount of PMAG Loans outstanding is not less than the lesser of $1,000 million and the outstanding principal amount of the Notes; and

(7) the Company shall have delivered to the Trustee an (A) Officers' Certificate stating such Transfer complies with the Indenture and (B) an Opinion of Counsel stating that (i) such Substitution complies with the Indenture, (ii) the obligations under the PMAG Loans represent a legal, valid and binding and enforceable obligation of PMAG (subject to customary limitations, including with respect to the validity and enforceability of intercompany obligations in Switzerland) and (iii) the PMAG Loans Security Assignment represents a legal, valid and binding and enforceable obligation of the Transferee and creates the Lien that it purports to create on the basis stated therein (subject, with respect to perfection, any new hardening period).

"**Permitted Proceeds Loan**" means the loan made by the Issuer, as lender, and any Permitted Proceeds Loan Borrower, as borrower, in the amount of the gross proceeds received by the Issuer from the issuance of Public Debt (other than the Notes) that complies with the requirements of clause (3) of the definition of "Permitted Collateral Liens".

"**Permitted Proceeds Loan Borrower**" means any Funding Loan Borrower, Guarantor or PMAG.

"**Permitted Receivables Financing**" means any financing pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the fair market value of such accounts receivable (and related asset) of the Company and its Restricted Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Company's Board of Directors) at the time such financing is entered into, (b) the interest

rate applicable to such financing shall be a market interest rate (as determined in good faith by the Company's Board of Directors) at time such financing is entered into and (c) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries, except for representations, warranties, undertakings, covenants and indemnities entered into by the Company or any Restricted Subsidiary which are customary for such transactions (as determined in good faith by the Company's Board of Directors).

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Petroplus Bermuda**" means Petroplus Finance 2 Limited.

"**PMAG**" means Petroplus Marketing AG.

"**PMAG Loan Lender**" means (a) as of the Issue Date, PPI and Petroplus Bermuda and (b) thereafter, any Permitted PMAG Loan Lender.

"**PMAG Loans**" means the loans made on a senior subordinated basis between the PMAG Loan Lenders, and PMAG, as borrower, and designated by the Company as PMAG Loans in the aggregate principal amount, as of the Issue Date, of not less than $1,000 million.

"**PMAG Loans Security Assignment**" means the assignment by way of security, dated the Issue Date, granted by the PMAG Loan Lenders in favor of the Trustee, the Security Agent and the Holders of the Notes over the rights under the PMAG Loans.

"**PPI**" means Petroplus International B.V.

"**PPI Funding Loan**" means the loan made on a senior basis, dated on the date of the Indenture, between the Issuer, as obligee, and PPI, as obligor, in the amount of $1,200 million of gross proceeds received by the Issuer from the offering of the Notes.

"**Preferred Stock**", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**principal**" of a Note means the principal of the Note plus the premium, if any, payable on the Note which is due or overdue or is to become due at the relevant time.

"**PRML**" means Petroplus Refining and Marketing Limited.

"**Public Auction**" means an auction in which more than one bidder participates or is invited to participate, which is conducted with the advice of an internationally recognized investment bank and in which, if the sale is undertaken by or at the request of the agent of any Designated Senior Indebtedness that is secured by the Collateral, the holders of the Notes shall have a right to participate in such auction.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities (or any guarantees or intercompany loans in respect thereof) or Preferred Stock issued in (a) a public offering registered under the Securities Act, (b) listed on a recognized stock exchange or (c) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities or Preferred Stock to registration thereof with the SEC for public resale.

"**Purchase Money Indebtedness**" means Indebtedness (including Capital Lease Obligations) consisting of the deferred purchase price of property, conditional sale obligations, obligations under any title retention agreement, other purchase money obligations and obligations in respect of industrial revenue bonds or other Indebtedness to finance the purchase price of assets (or Capital Stock of a Person owning such assets), including additions and improvements, in the ordinary course of business; *provided*, *however*, that any Lien arising in connection with any such Indebtedness shall be limited to the assets (or Capital Stock of the Person owing such assets) being acquired (including the assets of any Person whose Capital Stock is being acquired and the Capital Stock and assets of any Subsidiary of such Person) or, in the case of real property or fixtures, including additions and improvements, the real

property on which such asset is attached; *provided further, however*, that such Indebtedness is Incurred within 270 days after such acquisition of such assets.

"**Receivables Assets**" means any assets that are or will be the subject of a Permitted Receivables Financing.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Permitted Receivables Financing.

"**Receivables Purchase Facility**" means the $400,000,000 Master Trade Receivables Purchase Facility dated as of February 23, 2006, among P Finance Limited, as Purchaser, Petroplus Refining Teesside Limited, Petroplus Marketing Limited, Petroplus Marketing AG, Petroplus Refining Cressier S.A., Petroplus International B.V., and Barclays Bank PLC, as Security Agent, Agent and Receivable Agent.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Permitted Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that Refinances any Indebtedness of the Company or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that Refinances Refinancing Indebtedness; *provided, however*, that:

(1) such Refinancing Indebtedness has a Stated Maturity no earlier than the earlier of (A) the Stated Maturity of the Indebtedness being Refinanced and (B) 91 days following latest Stated Maturity Date of the Notes;

(2) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is no earlier than the earlier of (A) the remaining Average Life of the Indebtedness being Refinanced and (B) the Average Life that would result if the Indebtedness being refinanced was due one year after the latest Stated Maturity of the Notes;

(3) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus all accrued interest and fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; and

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or Guarantees, such Refinancing Indebtedness is subordinated in right of payment to the Notes or Guarantees at least to the same extent as the Indebtedness being Refinanced;

provided further, however, that Refinancing Indebtedness shall not include (A) Indebtedness of a non-Guarantor Subsidiary (other than a Finance Subsidiary (including the Issuer)) that Refinances Indebtedness of the Issuer, the Company or a Subsidiary Guarantor or (B) Indebtedness of the Company or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"**Related Business**" means any business in which the Company or any of the Restricted Subsidiaries was engaged on the Issue Date and any business related, ancillary or complementary to such business.

"**Restricted Payment**" with respect to any Person means:

(1) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than (A) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock), (B) dividends or distributions payable solely to the Company or a Restricted Subsidiary and (C) *pro rata* dividends or other distributions made by a Subsidiary

that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));

(2) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Company held by any Person (other than by a Restricted Subsidiary) or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Company (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Company that is not Disqualified Stock);

(3) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Issuer or any Guarantor (other than (A) from the Company or a Restricted Subsidiary or (B) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement); or

(4) the making of any Investment (other than a Permitted Investment) in any Person.

"**Restricted Subsidiary**" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"**RIVR**" means RIVR Acquisition B.V.

"**Sale/Leaseback Transaction**" means an arrangement relating to property owned by the Company or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Company or a Restricted Subsidiary whereby the Company or a Restricted Subsidiary transfers such property to a Person and the Company or a Restricted Subsidiary leases it from such Person.

"**S&P**" means Standard and Poor's Investors Ratings services.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Secured Indebtedness**" means any Indebtedness of the Company or a Restricted Subsidiary secured by a Lien.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Security Agent**" means Deutsche Bank Trust Company Americas.

"**Security Documents**" means (i) any Funding Loan Security Assignment between the Issuer and the Security Agent, relating to a Funding Loan, (ii) the PMAG Loans Security Assignment, (iii) the pledge over the Capital Stock of the Issuer, (iv) the Intercreditor Agreement and (v) any other agreement or instrument from time to time governing a grant of a Security Interest to secure Obligations under the Notes, the Guarantees and the Indenture.

"**Senior Agent**" means a trustee, facility agent or similar representative in respect of the Designated Senior Indebtedness designated by the Company and the holders of Designated Senior Indebtedness.

"**Senior Discharge Date**" means the date on which all moneys and liabilities outstanding in respect of Designated Senior Indebtedness have been discharged or paid in full.

"**Senior Security Agent**" means a security agent or trustee in respect of the Designated Senior Indebtedness designated by the Company and the holders of Designated Senior Indebtedness.

"**Senior Guarantees**" means the Guarantees of the Obligations under the Notes and the Indenture on a senior basis pursuant to the Indenture and the Guarantee Agreement.

"**Senior Guarantors**" means (a) as of the Issue Date, the Company, PRML, PPI, RIVR and Petroplus Bermuda and (b) thereafter, any Restricted Subsidiary that grants a Senior Guarantee.

"**Senior Indebtedness**" means with respect to any Person:

(1) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred; and

(2) all other Obligations of such Person (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of Indebtedness described in clause (1) above,

unless, in the case of clauses (1) and (2), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such Indebtedness or other Obligations are subordinate in right of payment to the Notes or the Guarantee of such Person, as the case may be; *provided, however*, that Senior Indebtedness shall not include:

(1) any obligation of such Person to the Company or any Subsidiary;

(2) any liability for national, regional, state, local or other taxes owed or owing by such Person;

(3) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(4) any Indebtedness or other Obligation of such Person which is subordinate or junior in any respect to any other Indebtedness or other Obligation of such Person; or

(5) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of the Indenture.

"**Senior Subordinated Guarantee**" means the Guarantees of the Obligations under the Notes and the Indenture on a senior subordinated basis pursuant to the Indenture and the Guarantee Agreement.

"**Senior Subordinated Guarantor**" means any Restricted Subsidiary that grants a Senior Subordinated Guarantee.

"**Senior Subordinated Indebtedness**" means, with respect to (1) a Senior Subordinated Guarantor, a Senior Subordinated Guarantee and any other Indebtedness of such Person that specifically provides that such Indebtedness is to rank *pari passu* with such Senior Subordinated Guarantee in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of such Person which is not Senior Indebtedness of such Person, and (2) PMAG, the PMAG Loans and any other Indebtedness of such Person that specifically provides that such Indebtedness is to rank *pari passu* with the PMAG Loans in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of such Person which is not Senior Indebtedness of such Person.

"**Significant Subsidiary**" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"**Subordinated Indebtedness**" or "**Subordinated Obligation**" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the Notes or Guarantees of the Notes, as the case may be, pursuant to a written agreement to that effect.

"**Subsidiary**" means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Voting Stock is at the time owned or controlled, directly or indirectly, by:

(1) such Person;

(2) such Person and one or more Subsidiaries of such Person; or

(3) one or more Subsidiaries of such Person.

"**Subsidiary Guarantee**" means a Guarantee by a Subsidiary Guarantor of the Issuer's obligations with respect to the Notes.

"**Subsidiary Guarantor**" means each Subsidiary of the Company that executes the Indenture as a Guarantor and each other Subsidiary of the Company that thereafter Guarantees the Notes pursuant to the terms of the Indenture.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in:

(A) direct obligations of, or obligations guaranteed by, (i) the United States of America or Switzerland, (ii) any European Union member state or (iii) any agency or instrumentality of such country or member state (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized rating organization); or

(B) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's;

(2) overnight bank deposits, and investments in current accounts, time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by,

(A) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1) above; or

(B) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's at the time such Investment is made (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized rating organization);

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) and (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper or promissory notes, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized rating organization); and

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully guaranteed by any state, commonwealth or territory in the United States of America, Switzerland or any European Union member state, or by any political subdivision or taxing authority of any such state, commonwealth or territory, country or member state, and rated at "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any internationally recognized rating organization).

"**Total Assets"** means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of the Company.

"**Treasury Rate**" means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities", for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after May 1, 2011 (in the case of the 2014 Notes), or May 1, 2012 (in the case of the 2017 Notes), yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or

extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date, where:

(1) "**Comparable Treasury Issue**" means the United States Treasury security selected by any Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes from the redemption date to May 1, 2011 (in the case of the 2014 Notes), or May 1, 2012 (in the case of the 2017 Notes), that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to May 1, 2011 (in the case of the 2014 Notes), or May 1, 2012 (in the case of the 2017 Notes);

(2) "**Comparable Treasury Price**" means, with respect to any redemption date, if clause (ii) of the definition of "Treasury Rate" is applicable, the average of all Reference Treasury Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference Treasury Dealer Quotations, of if the Company obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations;

(3) "**Reference Treasury Dealer**" means any primary U.S. government securities dealer appointed by the Company in consultation with the Trustee; and

(4) "**Reference Treasury Dealer Quotations**" means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such redemption date.

"**Trustee**" means Deutsche Bank Trust Company Americas, until a successor replaces it and, thereafter, means the successor.

"**Trust Officer**" means the Chairman of the Board, the President or any other officer or assistant officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated; *provided, however*, that either (A) the Subsidiary to be so designated has total assets of $1,000 or less or (B) if such Subsidiary has assets greater than $1,000, such designation would be permitted under the covenant described under "—Certain Covenants—Limitation on Restricted Payments".

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that immediately after giving effect to such designation (A) the Company could Incur $1.00 of additional Indebtedness under paragraph (a) of the covenant described under "—Certain Covenants—Limitation on Indebtedness" and (B) no Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"**U.S. Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer's option.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"**Wholly Owned Subsidiary**" means a Restricted Subsidiary all the Capital Stock of which (other than directors' or other legally required qualifying shares) is owned by the Company or one or more other Wholly Owned Subsidiaries.

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes are being offered and sold only:

- to QIBs in reliance on Rule 144A ("**Rule 144A Notes**"); or
- to persons other than "U.S. persons" (as defined in Regulation S) in offshore transactions in reliance on Regulation S ("**Regulation S Notes**").

The Notes will be issued in fully registered global form in minimum denominations of $75,000 and integral multiples of $1,000 in excess thereof. The Notes will be issued on the issue date therefor only against payment in immediately available funds.

The Rule 144A Notes initially will be represented by a single permanent global note (which may be subdivided) without interest coupons (the "**Rule 144A Global Note**"). The Regulation S Notes initially will be represented by a single permanent global note (which may be subdivided) without interest coupons (the "**Regulation S Global Note**" and together with the Rule 144A Global Note, the "**Global Notes**").

The Global Notes will be deposited upon issuance with the trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC (including the Euroclear System ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream**"), as described below under "—Depositary Procedures".

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below under "—Exchange of Book-Entry Notes for Certificated Notes".

The Notes will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Transfer Restrictions—Important Information About the Offering". In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urges investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "**Participants**") and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "**Indirect Participants**"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC's records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and

- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream) that are Participants or Indirect Participants in such system. Euroclear and Clearstream will hold interests in the Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank, S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. The depositaries, in turn, will hold interests in the Notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in a Global Note, including those held through Euroclear or Clearstream, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream will also be subject to the procedures and requirements of these systems. The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. You can find information about certain other restrictions on the transferability of the Notes under "—Exchange of Book-Entry Notes for Certificated Notes".

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or holders thereof under the Indenture for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the Trustee (or the Paying Agent if other than the Trustee) to DTC in its capacity as the registered holder under the Indenture. The Issuers and the Trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Guarantors, the Trustee or any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Issuers. Neither we nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and we and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Subject to the transfer restrictions described under "Transfer Restrictions", transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to the transfer restrictions described under "Transfer Restrictions", cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream participant during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

DTC has advised us that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither we nor the Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream and their book-entry systems has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Exchange of Book-Entry Notes for Certificated Notes

The Global Notes are exchangeable for certificated Notes in definitive, fully registered form without interest coupons ("**Certificated Notes**") only in the following limited circumstances:

- DTC notifies us that it is unwilling or unable to continue as depositary for the Global Note or DTC ceases to be a clearing agency registered under the U.S. Exchange Act at a time when DTC is required to be so registered in order to act as depositary, and in each case we fail to appoint a successor depositary within 90 days of such notice;
- we notify the trustee in writing that the Global Note shall be so exchangeable; or
- if there shall have occurred and be continuing an Event of Default with respect to the Notes.

In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions—Important Information About the Offering", unless we determine otherwise in accordance with the Indenture and in compliance with applicable law.

Transfers Within and Between Global Notes

Through and including the 40th day after the later of the commencement of the Offering of the Notes and the closing of the Offering (the "**40-day Period**"), beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

After the expiration of the 40-day Period, beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note without compliance with these certification requirements.

Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note only upon receipt by the trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act (if available).

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or the transferee. Transfers of beneficial interests in the Regulation S Global Note for beneficial interests in the Rule 144A Global Note or vice versa will be effected by DTC by means of an instruction originated by the trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

TAXATION CONSIDERATIONS

The following discussion is a general summary of the certain income tax consequences of an investment in the Notes under U.S. federal income tax laws, under Swiss law and under Bermuda law. This discussion is intended only as a summary and does not address all potential tax considerations relating to an investment in the Notes. In particular, this discussion does not address the tax consequences of an investment in the Notes under state, local or other tax laws.

Bermuda Tax Considerations

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by holders in respect of the Notes. Furthermore, Petroplus Finance Limited has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act of 1966 of Bermuda that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 28, 2016, be applicable to it or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by it in respect of real property owned or leased by it in Bermuda.

Pursuant to the Payroll Tax Act 1995 and the Payroll Tax Rates Act 1995 of Bermuda, an employer is subject to tax on an employee's annual actual remuneration up to a maximum of $235,000 at a rate of 13.5% of which a maximum of 4.75% may be deducted from an employee's remuneration.

United States Federal Income Tax Considerations

The following discussion is a summary based on present law of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes. This discussion addresses only Holders who purchase Notes in the original Offering at the original offering price, hold the Notes as capital assets and use the U.S. dollar as their functional currency. This discussion is not a complete description of all U.S. tax considerations relating to the Notes. It does not address the tax treatment of prospective purchasers that will hold the Notes in connection with a permanent establishment or fixed base outside the United States. It also does not address the tax treatment of prospective purchasers subject to special rules, such as banks, dealers, traders that elect to mark to market, insurance companies, investors liable for the alternative minimum tax, U.S. expatriates, tax-exempt entities or persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction. It also does not address U.S. state and local tax considerations. This summary assumes that the Notes will be treated as debt for U.S. federal income tax purposes.

THE STATEMENTS ABOUT U.S. FEDERAL INCOME TAX ISSUES ARE MADE TO SUPPORT MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID U.S. FEDERAL TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE LAWS OF THE CAYMAN ISLANDS, THE UNITED KINGDOM, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTIONS WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, a "**Holder**" is a beneficial owner of a Note. A "**U.S. Holder**" is a Holder that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation, partnership or other entity organized in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or a trust that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source. A "**Non-U.S. Holder**" is any Holder other than a U.S. Holder.

If a partnership acquires or holds the Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership that acquires or holds the Notes should consult its own tax advisors.

U.S. Holders

Interest

Interest paid on the Notes will be included in the gross income of a U.S. Holder as ordinary income in accordance with the Holder's regular method of tax accounting.

Interest on the Notes will be generally from sources outside the United States.

Dispositions

A U.S. Holder will recognize gain or loss on the sale, redemption or other disposition of a Note in an amount equal to the difference between the amount realized (other than accrued but unpaid qualified stated interest) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be the amount paid for the Note less any principal payments previously received by the U.S. Holder.

Gain or loss on disposition of a Note will be U.S. source capital gain or loss. Any capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of disposition. A non-corporate U.S. Holder's long-term capital gain may be taxed at preferential rates. Deductions for capital losses are subject to limitations.

Non-U.S. Holders

Payments to a Non-U.S. Holder on the Notes will not be subject to U.S. tax unless the income is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Gain realized by a Non-U.S. Holder on the sale or other disposition of the Notes will not be subject to U.S. tax unless (i) the gain is effectively connected with the holder's conduct of a U.S. trade or business or (ii) the holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met.

U.S. Information Reporting and Backup Withholding

Payments of interest and proceeds from the sale, redemption or other disposition of a Note that are made within the United States or through certain U.S.-related financial intermediaries may be reported to the U.S. Internal Revenue Service ("**IRS**") unless the holder is a corporation or otherwise establishes a basis for exemption. Payments to Non-U.S. Holders that provide certification of foreign status generally are exempt from information reporting. U.S. Backup withholding tax may apply to amounts subject to reporting if the Holder fails to provide an accurate taxpayer identification number or otherwise establish a basis for exemption or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. A Holder can claim a credit against U.S. federal income tax liability for amounts withheld under the backup withholding rules, and it can claim a refund of amounts in excess of its liability by providing required information to the IRS. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Swiss Tax Considerations

The following summary contains a description of certain aspects of the Swiss federal tax consequences with respect to the purchase, ownership, disposition, redemption and repurchase of the Notes. This summary is based on Swiss laws, regulations and the practice of the Swiss Federal Tax Administration now in effect, all of which are subject to change. **Prospective purchasers of the Notes should consult with their own tax advisors in determining the Swiss tax consequences to them of holding Notes, including the application to their particular situation of the tax considerations discussed below.**

Income Taxation on Gains on Sale, Interest Payments, Redemption and Repurchase

According to the published practice, for Swiss Federal income tax purposes, the Notes will be classified "Common Notes".

Notes held by Private Swiss Investors. Notes held by private investors tax resident in Switzerland holding them as private (as opposed to business) property will be subject to Swiss federal, Cantonal

and Communal income taxation on the interest payments of the Notes as set forth in this Offering Memorandum.

In case of redemption and/or repurchase of some or all of the Notes as set forth in this Offering Memorandum, the redemption and/or repurchase price (including accrued interest, "make-whole" premium and any further payments rendered by the issuer to the holders of Notes in connection with the Notes) exceeding the principal amount thereof is subject to Swiss income taxation.

Notes held by Other Swiss and Non-Swiss Resident Investors. Swiss resident individuals holding Notes as business assets, Swiss resident entities and any non-Swiss resident individual or corporate investors holding Notes through a permanent business establishment situated in Switzerland (as defined in the tax laws and international conventions) have to include in their net profit for Swiss tax purposes any interest, capital gains or proceeds of redemption and/or repurchase of the Notes exceeding the tax book value in connection with the Notes.

Under present Swiss law, a holder of Notes who is a non-resident of Switzerland and who during the taxable year has not engaged in trade or business through a permanent establishment within Switzerland and who is not subject to taxation in Switzerland for any other reason will not be subject to any Swiss Federal, Cantonal or Communal income or other taxation on gains, interest payments, proceeds of redemption and/or repurchase of the Notes.

Swiss Withholding Tax

According to the present practice of the Swiss Federal Tax Administration, the Notes as set forth in this Offering Memorandum are considered to be non-Swiss Notes. Therefore any payments deriving from the Notes are not subject to Swiss Withholding taxation provided that the net proceeds from the issue of the Notes are used outside Switzerland.

Issue and Transfer Stamp Tax

According to the present practice of the Swiss Federal Tax Administration, the Notes as set forth in this Offering Memorandum are considered to be non-Swiss Notes. Therefore, the issuance of the Notes as set forth in this Offering Memorandum is not subject to Swiss Stamp taxes provided that the net proceeds from the issue of the Notes are used outside Switzerland.

A transfer or sale of Notes is subject to the Swiss Transfer Stamp Tax, currently at the rate of 0.3 per cent of the consideration paid, if such transfer or sale is made by or through a bank or securities dealer (as defined in the Swiss Federal Stamp Tax Act) resident in Switzerland or Liechtenstein, unless an exemption from the Swiss Transfer Stamp Tax applies.

Swiss Savings Tax Agreement

Under European Council Directive 2003/48/EC on the taxation of savings income (the "**E.U. Savings Tax Directive**"), Member States of the European Union (the "**E.U.**") are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to residual entities within the meaning of the E.U. Savings Tax Directive.

Switzerland has agreed to adopt similar measures. On October 26, 2004, the European Community and Switzerland entered into an agreement (the "**Swiss Savings Tax Agreement**") on the taxation of savings income by way of a withholding tax system (or a voluntary declaration). On the basis of such agreement, Switzerland has introduced a withholding tax on interest payments or other similar income paid by any paying agent within Switzerland to E.U. resident individuals as of July 1, 2005 (and as of January 1, 2007 in case of transactions with Romania and Bulgaria). The tax is currently applied at a rate of 15 per cent (July 1, 2005 to June 30, 2008), and will be applied at a rate of 20 per cent (July 1, 2008 to June 30, 2011) and 35 per cent (from July 1, 2011 onwards), respectively. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding if certain conditions are met.

Prospective purchasers of the Notes should consult their advisors concerning the impact of the Swiss Savings Tax Agreement or any law or other governmental regulation implementing or complying with, or introduced in order to conform to such agreement. Notwithstanding the above, for the avoidance of doubt, should the Issuer, any Swiss paying agent or any institution where the Notes are

deposited be required to withhold any amount as a direct or indirect consequence of the Swiss Savings Tax Agreement, then, there is no requirement for the Issuer (or the Guarantees, as the case may be) to pay any additional amounts relating to such withholding.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

PLAN OF DISTRIBUTION

Under the terms and conditions contained in a purchase agreement dated April 25, 2007, the Issuer has agreed to sell to the Initial Purchasers, and subject to certain conditions contained therein, the Initial Purchasers have agreed to purchase $600 million aggregate principal amount of the 2014 Notes and $600 million aggregate principal amount of the 2017 Notes.

The obligations of the Initial Purchasers under the purchase agreement, including their agreement to purchase the Notes from the Issuer, are several and not joint. The purchase agreement provides that the Initial Purchasers are obligated to purchase all of the Notes if any of them are purchased. The purchase agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the Offering may be terminated.

The Initial Purchasers propose to offer the Notes initially at the offering price set forth on the cover page of this Offering Memorandum and may include selling group members who might be granted a selling concession. After the initial offering, the offering price may be changed. The Initial Purchasers may make offers and sales in the United States through their respective U.S. broker-dealer affiliates.

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and to persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. The Initial Purchasers have agreed that, except as permitted by the purchase agreement, they will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each broker/dealer to which they sell Notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given them by Regulation S under the U.S. Securities Act. Resales of the Notes are restricted as described under "Transfer Restrictions".

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Notes within the United States by a broker-dealer (whether or not it is participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A under the U.S. Securities Act.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page of this Offering Memorandum.

The Issuer and the Guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the U.S. Securities Act or the safe harbor of Rule 144A and Regulation S under the U.S. Securities Act to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. Application has been made to the Irish Stock Exchange for listing and admission of the Notes to trading on the Alternative Securities Market thereof and the Notes are expected to be eligible for trading in PORTAL. However, the Issuer cannot assure you that the Notes will be admitted to trading or that such admission to trading will be maintained. The Initial Purchasers have advised the Issuer that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at their sole discretion without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, the Issuer cannot assure you that any market for the Notes will develop, or that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you.

The Issuer expects that delivery of the Notes will be made against payment therefor on or about the date specified on the cover page of this Offering Memorandum, which will be the fifth business day following the date of pricing of the Notes (this settlement cycle being referred to as "T+5 "). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of this Offering Memorandum or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisor.

Morgan Stanley & Co. International plc (or persons acting on behalf of Morgan Stanley & Co. International plc) may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by that broker-dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Each Initial Purchaser has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any guarantor; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Issuer has agreed to indemnify and hold harmless the Initial Purchasers against certain liabilities or to contribute to payments that they may be required to make in that respect.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with this offering and to reimburse them for certain out-of-pocket expenses.

Other Relationships

From time to time, the Initial Purchasers and their affiliates have provided, and may in the future provide, investment banking and commercial banking services to us and our affiliates for which they have received or may receive customary fees and commissions. Credit Suisse, Morgan Stanley Bank AG and UBS AG, acting through its division UBS Investment Bank (or their affiliates) were joint book runners for the initial public offering of Petroplus Holdings AG and are joint bookrunners for the Equity Offering. Barclays Capital acted as a joint mandated lead arranger and bookrunner in our RCF, a mandated lead arranger and bookrunner in our RPF and a mandated lead arranger and bookrunner in our Senior Secured Facility. Barclays Bank PLC acts as facility agent and receivables agent under our RPF and as facility agent and security agent under our Senior Secured Facility.

TRANSFER RESTRICTIONS

General

The Issuer has not registered the Notes under the U.S. Securities Act or any state securities laws and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes are only to be offered and sold to:

- QIBs in compliance with Rule 144A; and
- in offers and sales that occur outside the United States to foreign purchasers, that is, purchasers who are not U.S. persons in reliance upon Regulation S.

The term "foreign purchasers" includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust, in offshore transactions meeting the requirements of Rule 903 of Regulation S. We use the terms "**offshore transaction**," "**U.S. person**" and "**United States**" with the meanings given to them in Regulation S.

Important Information About the Offering

If you purchase Notes, you will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the Notes have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities laws, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You are not our "affiliate" (as defined in Rule 144 under the U.S. Securities Act), you are not acting on our behalf and you are either:

(a) a QIB and are aware that any sale of the Notes to you will be made in reliance on Rule 144A, and such acquisition will be for your own account or for the account of another QIB; or

(b) not a "U.S. person" or purchasing for the account or benefit of a U.S. person (other than a distributor), and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither the Issuer, the Initial Purchasers nor any other person has made any representation to you with respect to the Issuer or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that no person other than the Issuer makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning us and the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

(4) You are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the U.S. Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to (x) the date which is two years (or such

shorter period of time as permitted by Rule 144(k) under the U.S. Securities Act or any successor provision thereunder) after the later of the date of the original issue of the Notes and the last date on which the Issuer or any of its affiliates were the owner of such Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "**Resale Restriction Termination Date**") only:

(a) to us;

(b) pursuant to a registration statement which has been declared effective under the U.S. Securities Act;

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of another QIB to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S; or

(e) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act;

subject, in each of the foregoing cases, to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller's or account's control, and in compliance with any applicable state securities laws.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that the Issuer, the trustee, the registrar and the transfer agent reserve the right prior to any offer, sale or other transfer of the Notes pursuant to clause (d) above prior to the end of the 40-day distribution compliance period within the meaning of Regulation S or pursuant to clause (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the trustee, the registrar and the transfer agent.

Each purchaser acknowledges that each note will contain a legend substantially in the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES THAT IT WILL NOT PRIOR TO (X) THE DATE WHICH IS TWO YEARS (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(k) UNDER THE U.S. SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS NOTE) OR THE LAST DAY ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WERE THE OWNERS OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL

BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT THE ISSUER, THE TRUSTEE AND THE REGISTRAR SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER, THE TRUSTEE AND THE REGISTRAR IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT."

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Notes as well as to holders of the Notes.

(1) You acknowledge that the registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.

(2) You acknowledge that:

   (a) the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein, and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and

   (b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

      (i) you have sole investment discretion; and

      (ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(3) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of the Notes.

(4) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the "distribution compliance period" (as defined below), you shall not make any offer or sale of the Notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the U.S. Securities Act. The "distribution compliance period" means the 40-day period following the issue date for the Notes.

(5) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth in this section of the Offering Memorandum and/or in the front of the Offering Memorandum under "Notice to Investors," "Notice to Investors in the United States," "Notice to New Hampshire Residents Only," "Notice to Investors in the United Kingdom," "Notice to Investors in Canada" and "Plan of Distribution."

Each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes constitutes assets of any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any plan, individual retirement account or other arrangement subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder (the "**Code**") or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Law**"), or any entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement or (ii) the purchase and holding of the Notes by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

Transfer and Offering Restrictions

United States

The Notes have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, each Initial Purchaser has acknowledged and agreed that it will not offer or sell the Notes in this Offering within the United States, except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act. Transfers of the Notes will be restricted and each purchaser will be deemed to have made acknowledgments, representations and agreements, as described under "Important Information About the Offering".

Australia

This Offering Memorandum has not been and will not be lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange, and is not a disclosure document for the purposes of Australian law. This Offering Memorandum (whether in preliminary or definitive form) may not be issued or distributed in Australia and no offer or invitation may be made in relation to the issue, sale or purchase of Notes in Australia (including an offer or invitation received by a person in Australia) and no Notes may be sold in Australia, unless the offer or invitation does not need disclosure to investors under Part 6D. 2 or Division 2 of Part 7.9 of the Corporations Act 2001 (Cth). Restrictions on the resale of the Notes in Australia may also apply under Australia's Corporations Act and, as such, professional advice should be obtained in such a situation.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan, as amended, (the "**SEL**") and, accordingly, each Initial Purchaser has undertaken that it has not offered or sold, or will not offer or sell, any Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, or to others for reoffering or resale directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, except under circumstances which will result in the compliance with the SEL and any other applicable laws and regulations promulgated by the relevant Japanese governmental and regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan. Any acquirer of Notes who was solicited to buy Notes in Japan is prohibited from assigning any of the Notes to another person in any way other than as a whole to one transferee.

United Kingdom

Each Initial Purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

No prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Notes that has been approved by the Autorité des marchés financiers or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the Offering Memorandum or any other offering material relating to the Notes has not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; such offers, sales and distributions have been and shall only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties, qualified investors (*investisseurs qualifiés*) and /or a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in Articles L. 411-2, D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the *Code monétaire et financier*. The direct or indirect distribution to the public in France of any so acquired Notes may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

Italy

No prospectus has been nor will be published in Italy in connection with the offering of the Notes and that such offering has not been cleared by the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa*), or (the "**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Notes may not and will not be offered, sold or delivered, nor may or will copies of the Offering Memorandum or any other documents relating to the Notes be distributed in Italy, except (i) to professional investors (*operatoriqualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of July 1, 1998, as amended, (the "**Regulation No. 11522**"), or (ii) in other circumstances which are exempted from the rules on investment solicitation pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the "**Italian Finance Law**") and Article 33, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Memorandum or any other document relating to the Notes in Italy may and will be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be: (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Italian Finance Law, Legislative Decree No. 385 of September 1, 1993, as amended (the "**Italian Banking Law**"), Regulation No. 11522, and any other applicable laws and regulations; and (ii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Any investor purchasing the Notes in the Offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the Offering occurs in compliance with applicable laws and regulations.

The Offering Memorandum and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules on investment solicitation pursuant to Article 100 of the Italian Finance Law and Article 33, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended, is not to be distributed, for any reason, to any third party resident or located in Italy. No person resident or located in Italy other than the original recipients of this document may rely on it or its content.

Italy has only partially implemented the Prospectus Directive; the provisions under the Prospectus Directive shall apply with respect to Italy only to the extent that the relevant provisions of the Prospectus Directive have already been implemented in Italy.

Insofar as the requirements above are based on laws that are superseded at any time pursuant to the implementation of the Prospectus Directive in Italy, such requirements shall be replaced by the applicable requirements under the relevant implementing measures of the Prospectus Directive in Italy.

Spain

The offer of Notes has not been registered with the *Comisión Nacional del Mercado de Valores* in Spain. Accordingly, no Notes will be offered or sold in Spain nor may this Offering Memorandum or any other offer material be distributed or targeted at Spanish resident investors save in compliance and in accordance with the requirements of the Spanish Securities Market Law 24/1998, as amended, and any regulation issued thereunder.

Ireland

Each Initial Purchaser has agreed that:

(a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity than with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9 and 23 thereof and any codes of conduct rules made under Section 37 thereof and the provisions of the Investor Compensation Act 1998;

(b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-1999 (as amended) and any codes of conduct rules made under Section 117(1) thereof; and

(c) it will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by IFRSA pursuant thereto.

United Arab Emirates

This Offering Memorandum is not intended to constitute an offer, sale or delivery of Notes or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Notes have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange.

The Notes have not been approved by the UAE Central Bank or any other relevant licensing authorities in the United Arab Emirates, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The Notes may not be offered or sold directly or indirectly to the public in the UAE.

Bahrain

This Offering Memorandum has not been reviewed by the Bahrain Monetary Agency ("**BMA**"). This Offering Memorandum may not be circulated within the Kingdom of Bahrain nor may any of the Notes be offered for subscription or sold, directly or indirectly, nor may any invitation or offer to subscribe for any notes be made to persons in the Kingdom of Bahrain. The BMA is not responsible for our performance.

Canada

This document is not, and under no circumstances is it to be construed as, a prospectus, an advertisement or a public offering of the securities described herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offense.

Representations and Agreements by Purchasers

The Offering is being made in Canada only in the Canadian provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Prince Edward Island, New Brunswick, Nova

Scotia and Newfoundland & Labrador (the "**Canadian Jurisdictions**") by way of a private placement of Notes. The Offering in the Canadian Jurisdictions is being made pursuant to this document through the Initial Purchasers named in this document or through their selling agents who are permitted under applicable law to distribute such securities in Canada. Each Canadian investor who purchases the Notes will be deemed to have represented to the Issuer and the Initial Purchasers that: (1) the offer and sale was made exclusively through this document and was not made through an advertisement of the Notes in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada; (2) such investor has read and understood the terms referred to below under "—Canadian Resale Restrictions"; (3) where required by law, such investor is, or is deemed to be, acquiring the Notes as principal for its own account in accordance with the laws of the Canadian Jurisdiction in which the investor is resident and not as agent or trustee; and (4) such investor or any ultimate investor for which such investor is acting as agent is entitled under applicable Canadian securities laws to acquire the Notes without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing: (i) in the case of an investor resident in a province or territory other than Ontario and Newfoundland & Labrador, without the Initial Purchaser having to be registered; (ii) in the case of an investor resident in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia or Prince Edward Island such investor is an "accredited investor" as defined in section 1.1 of National Instrument 45-106—*Prospectus and Registration Exemptions* ("**NI 45-106**"); (iii) in the case of an investor resident in Ontario or Newfoundland & Labrador, such investor, or any ultimate investor for which such investor is acting as agent (a) is an "accredited investor", other than an individual, as defined in NI 45-106 and is a person to which a dealer registered as an international dealer within the meaning of section 98 of the Regulation to the *Securities Act* (Ontario) (the **"OSA**") or section 86 of the Regulation under the *Securities Act* (Newfoundland & Labrador) (the "**NLSA**") may sell the Notes or (b) is an "accredited investor", including an individual, as defined in NI 45-106 who is purchasing the Notes from a fully registered dealer within the meaning of section 204 of the Regulation to the OSA or section 169 of the Regulation under the NLSA; and (5) such investor, if not an individual or an investment fund, has a pre-existing purpose and was not established solely or primarily for the purpose of acquiring the Notes in reliance on an exemption from applicable prospectus requirements in the Canadian Jurisdictions.

Each resident of Ontario who purchases the Notes will be deemed to have represented to the Issuer and the Initial Purchasers that such investor: (a) has been notified by the Issuer (i) that the Issuer is required to provide information ("**personal information**") pertaining to the investor as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including its name, address, telephone number and the number and value of any notes purchased), which Form 45-106F1 is required to be filed by the Issuer under NI 45-106; (ii) that such personal information will be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45-106; (iii) that such personal information is being collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario; (iv) that such personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (v) that the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administration Assistant to the Director of Corporate Finance at the OSC, Suite 1903, Box 5520 Queen Street West, Toronto, Ontario M5H 3S8, telephone: +1 (416) 593-8086; and (b) has authorized the indirect collection of the personal information by the OSC. Further, the investor acknowledges that its name, address, telephone number and other specified information, including the number of Notes it has purchased and the aggregate purchase price to the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. Each resident of a Canadian Jurisdiction other than Ontario who purchases the Notes hereby acknowledges to the Issuer and the Initial Purchasers that its name and other specific information, including the number of Notes it has purchased and the aggregate purchase price to the investor, may be disclosed to Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable Canadian securities laws. By purchasing the Notes, each Canadian investor consents to the disclosure of such information.

Selling Restrictions

Each Initial Purchaser has agreed that (a) no prospectus has been issued or will be issued in respect of the Notes for distribution to the public under applicable Canadian securities laws, and

(b) the Notes may not be offered or sold, directly or indirectly, in Canada except with the consent of the Initial Purchasers and in compliance with applicable Canadian securities laws and accordingly, any sales of Notes will be made (i) through an appropriately registered securities dealer or in accordance with an available exemption from the registered securities dealer requirements of applicable Canadian securities laws and (ii) pursuant to an exemption from the prospectus requirements of such laws.

Language of Document

Each purchaser of Notes in Canada that receives a purchase confirmation hereby agrees that it is such purchaser's express wish that all documents evidencing or relating in any way to the sale of such Notes be drafted in the English language only. *Chaque acheteur au Canada des valeurs mobilières recevant un avis de confirmation à l'égard de son acquisition reconnaît que c'est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des valeurs mobilières soient rédigés uniquement en anglais.*

Canadian Resale Restrictions

The distribution of the Notes in the Canadian Jurisdictions is being made on a private placement basis. Accordingly, any resale of the Notes must be made (i) through an appropriately registered dealer or in accordance with an available exemption from the dealer registration requirements of applicable provincial securities laws and (ii) in accordance with, or pursuant to an exemption from, the prospectus requirements of such laws. Such resale restrictions may not apply to resales made outside of Canada, depending on the circumstances. Purchasers of Notes are advised to seek legal advice prior to any resale of Notes.

Petroplus Finance Limited is not, and may never be, a "reporting issuer", as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the Notes will be offered and there currently is no public market for any of the securities of Petroplus Finance Limited in Canada, including the Notes, and one may never develop. Under no circumstances will Petroplus Finance Limited be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Notes to the public in any province or territory of Canada. Canadian investors are advised that Petroplus Finance Limited currently has no intention to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Notes to the public in any province or territory in Canada.

Rights of Action for Damages or Rescission

Securities legislation in some of the Canadian Jurisdictions provides some purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages or both where an offering memorandum and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. Those remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation. ***Prospective purchasers should refer to the applicable provisions of the relevant securities legislation and are advised to consult their own legal advisers as to which, or whether any, of such rights may be available to them***. The enforceability of these rights may be limited as described below under "—Enforcement of Legal Rights".

The rights of action discussed below will be granted to the purchasers to whom such rights are conferred upon acceptance by the relevant Initial Purchaser of the purchase price for the Notes. The rights discussed above are in addition to and without derogation from any other right or remedy which purchasers may have at law. Similar rights may be available to investors resident in other Canadian Jurisdictions under local provincial securities laws.

Rights for Purchasers in Ontario

Securities legislation in Ontario provides investors in Notes pursuant to this Offering Memorandum with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where this Offering Memorandum or any amendment to it, contains a "Misrepresentation". Where used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation.

Section 130.1 of the OSA provides that every purchaser of securities pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the Issuer in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the Issuer provided that:

(a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the Issuer;

(b) the Issuer will not be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;

(c) the Issuer will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Subject to the paragraph below, all or any one or more of the Issuer are jointly and severally liable, and every person or company who becomes liable to make any payment for a Misrepresentation may recover a contribution from any person or company who, if sued separately, would have been liable to make the same payment, unless the court rules that, in all the circumstances of the case, to permit recovery of the contribution would not be just and equitable.

Despite the paragraph above, the Issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the Misrepresentation was not based on information provided by the Issuer, unless the Misrepresentation (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a Misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities.

Section 138 of the OSA provides that no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action; or

(b) in the case of an action for damages, the earlier of:

  (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action; or

  (ii) three years from the day of the transaction that gave rise to the cause of action.

The rights referred to in section 130.1 of the OSA do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the exemption from the prospectus requirement in section 2.3 of NI 45-106 (the "**accredited investor exemption**") if the prospective purchaser is:

(a) a Canadian financial institution (as defined in NI 45-106) or a Schedule III bank,

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada), or

(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The foregoing summary is subject to the express provisions of the OSA and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. Such provisions may contain limitations and statutory defenses on which the Issuer may rely.

Rights for Purchasers in New Brunswick

Pursuant to section 150 of the *Securities Act* (New Brunswick), if an offering memorandum (such as this Offering Memorandum), together with any amendment thereto or any information relating to the offer, delivered to a New Brunswick purchaser in connection with a distribution of securities, contains a misrepresentation and it was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Issuer for damages, or for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that among other limitations:

(a) no person is liable in an action for damages or rescission, if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in an action for damages, the defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on;

(c) the Issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer unless the misrepresentation (i) was based on information that was previously publicly disclosed by the Issuer, (ii) was a misrepresentation at the time of its previous public disclosure, and (iii) was not subsequently publicly corrected or superseded by the Issuer before the completion of the distribution of the securities being distributed; and

(d) in no case shall the amount recoverable under these rights of action exceed the price at which the securities were offered.

In case of an action for rescission, no action shall be commenced more than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, no action shall be commenced more than the earlier of (a) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (b) six years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Nova Scotia

In the event that an offering memorandum (such as this Offering Memorandum), together with any amendments thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) is delivered to a Nova Scotia purchaser and contains a misrepresentation, the purchaser will be deemed to have relied upon such misrepresentation, if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defenses, a statutory right of action for damages against the seller and every director of the seller at the date of the offering memorandum or, alternatively, a right of rescission against the seller (in which case the purchaser shall have no right of action for damages) against the seller and the directors of the seller at the date of the offering memorandum, provided that, among other limitations:

(a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in the case of an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;

(c) in no case will the amount recoverable exceed the price at which the securities were offered. In addition, no person or company (other than a seller if the seller is also the Issuer) will be liable if such person or company proves that: (i) the offering memorandum or the amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after delivery of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum, or amendment to the offering memorandum, the person or company withdrew the person's or company consent to the offering memorandum, or amendment to the offering memorandum,

and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting (A) to be made on the authority of an expert, or (B) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (1) there had been a misrepresentation, or (2) the relevant part of the offering memorandum or amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement or the expert.

Furthermore, no person or company (other than the seller if the seller is also the Issuer) will be liable under section 138 of the Securities Act (Nova Scotia) with respect to any part of the offering memorandum or amendment to the offering memorandum not purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (B) believed that there had been a misrepresentation. If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, the offering memorandum or amendment to the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum or amendment to the offering memorandum.

No action may be commenced to enforce the right of action as described above more than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the **"Saskatchewan Act"**) provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the Issuer on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer on whose behalf the distribution is made;

(b) every promoter and director of the Issuer, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer, it shall have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer, will be liable if the person or company proves that (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered or (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any other action, other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Enforcement of Legal Rights

All of the directors and officers (or their equivalents) of the Issuer, as well as any experts named herein, may be located outside of Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Issuer or such experts. All or a substantial portion of the assets of the Issuer and such experts may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer or such experts in Canada or to enforce a judgment obtained in Canadian courts against the Issuer or such experts outside of Canada.

Canadian Tax Considerations and Eligibility for Investment

This document does not address the Canadian tax consequences of ownership of the Notes. Prospective purchasers of Notes should consult their own tax advisers with respect to the Canadian and other tax considerations applicable to their individual circumstances and with respect to the eligibility of the Notes for investment by purchasers under relevant Canadian legislation.

LEGAL MATTERS

Certain legal matters in connection with this Offering of the Notes will be passed upon for the Issuer by Freshfields Bruckhaus Deringer, counsel to the Issuer as to matters of U.S., Dutch and English law, Bär and Karrer, counsel to the Issuer as to matters of Swiss law, and Conyers Dill and Pearman, counsel to the Issuer as to matters of Bermuda law. Certain legal matters in connection with this Offering of the Notes will be passed upon for the Initial Purchasers by Cravath, Swaine & Moore LLP as to matters of U.S. law, Homburger as to matters of Swiss law and Appleby as to matters of Bermuda law.

INDEPENDENT AUDITORS OF PETROPLUS HOLDINGS AG

Duration of the Mandate and Term of Office of the Lead Auditor

Ernst & Young Ltd, Zurich, were appointed as auditors of Petroplus Holdings AG on August 22, 2006.

Prior to the relocation of the Petroplus Holdings AG's headquarters to Switzerland, its consolidated financial statements had been audited by Ernst & Young, Rotterdam, Netherlands.

Audit Report

The report, dated March 7, 2007, of the group auditors of Petroplus Holdings AG for the year ended December 31, 2006 included on page F-67 of this Offering Memorandum also covers the comparative 2005 amounts and results in accordance with International Accounting Standards.

Auditing Fees

Total auditing fees charged to us by Ernst & Young worldwide for the financial year 2006 amounted to $2.6 million. Ernst & Young, Ltd., Zurich is a member of the Swiss Chamber of Certified Accountants and Tax Consultants.

Additional Fees

Additional fees charged by Ernst & Young in respect of non-audit work performed during the financial year 2006 amounted to $3.3 million.

WHERE YOU CAN FIND MORE INFORMATION

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

Each purchaser of the Notes from the Initial Purchaser will be furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchaser by us for such purpose, any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to the Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchaser or any person affiliated with the Initial Purchaser in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchaser.

For so long as any of the Notes remain outstanding and are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a note, or to any prospective purchaser of a note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any request should be directed to us at Petroplus Holdings AG, Industriestrasse 24, 6304 Zug, Switzerland.

We have also agreed, pursuant to the Indenture, to provide to the holders of the Notes copies of documents concerning the Issuer and the Guarantors and other information relating to the issuance of the Notes. All of the above information, including copies of this Offering Memorandum, will be available at the offices of the Irish Paying Agent if and for so long as the Notes are listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market and its guidelines so require.

LISTING AND GENERAL INFORMATION FOR THE ISSUER AND GUARANTORS

Listing

Application has been made to the Irish Stock Exchange for listing and admission of the Notes to trading on the Alternative Securities Market thereof in accordance with the rules of that exchange. Pursuant to the rules of the Irish Stock Exchange, we accept responsibility for the information contained in this document. To the best of our knowledge and belief, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of Petroplus, RIVR, PPI and Petroplus Bermuda provided the information relating to it. The estimated expenses associated with the admission to trading of the Notes are expected to be around €4,783.

For so long as the Notes are listed on the Alternative Securities Market of the Irish Stock Exchange and the rules of that exchange require, copies of the following documents may be inspected and obtained at the specified office of the paying agent in Ireland during normal business hours on any weekday:

- our organizational documents, including our Memorandum of Association;
- our most recent audited financial statements, and any interim quarterly financial statements published by us;
- the most recent audited financial statements of the Guarantors, and any interim quarterly financial statements published by them;
- the purchase agreement relating to the Notes; and
- the Indenture relating to the Notes (which includes the form of the Notes).

Copies of the foregoing documents will be made available both in hard-copy form and in electronic form.

We will maintain a paying and transfer agent in Ireland for as long as any of the Notes are listed on the Irish Stock Exchange and so long as the rules of such stock exchange require. We have appointed Deutsche International Corporate Services (Ireland) Limited as paying agent in Ireland, Deutsche Bank Trust Company Americas as registrar, principal paying agent and transfer agent Deutsche Bank Luxembourg S.A. as registrar and Irish Listing Agent to make payments on, and transfers of, the Notes. We reserve the right to vary such appointment and will publish notice of such change of appointment in a leading newspaper having a general circulation in Ireland or on our website.

As of the date of this Offering Memorandum, the most recent audited financial statements available for the Issuer were as of and for the year ended December 31, 2006.

Other than as disclosed in this Offering Memorandum, there has been no change in our consolidated indebtedness or capitalization since December 31, 2006.

Except as disclosed in this Offering Memorandum, since the date of the last audited financial statements, (i) there has been no material adverse change in the prospects of Petroplus Holdings AG or its subsidiaries (including the Issuer) and (ii) there has been no significant change in the financial or trading position of Petroplus Holdings AG or its subsidiaries (including the Issuer).

Application may be made to the Irish Stock Exchange to have the Notes removed from listing on the Alternative Securities Market of the Irish Stock Exchange, including if necessary to avoid any new withholding taxes in connection with the listing.

For so long as the Notes are listed on the Irish Stock Exchange for trading on the Alternative Securities Market thereof, the Notes will be freely transferable and negotiable in accordance with the rules of the Irish Stock Exchange.

Clearing Information

The Notes have been accepted for clearance through the facilities of DTC Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below:

	CUSIP	Common Codes	ISIN
Restricted Rule 144A Global 2014 Note	716745AA2	029849099	US716745AA25
Reg S Global 2014 Note	G7053RAA2	029849137	USG7053RAA26
Restricted 144A Global 2017 Note	716745AB0	029849161	US716745AB08
Reg S Global 2017 Note	G7053RAB0	029849170	USG7053RAB09

Legal information

Issuer

Incorporation, Name, Registered Seat, Duration and Fiscal Year

Petroplus Finance Limited is a company limited by shares and was incorporated under the laws of Bermuda on March 16, 2007 under Registration Number 39760. Its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and its telephone number is +1 (441) 295 5950.

Petroplus Finance Limited has been incorporated for an unlimited duration.

Petroplus Finance Limited's financial year-end is December 31.

Except as disclosed in this Offering Memorandum, there have been no significant changes to Petroplus Finance Limited since its date of incorporation.

Bye-laws

Petroplus Finance Limited's bye-laws are dated March 21, 2007.

Business Purpose

No specific business purpose is provided in the Memorandum of Association of Petroplus Finance Limited.

Share Capital and Shares

As of the date of this Offering Memorandum, Petroplus Finance Limited's authorized and issued share capital amounts to US$10,000 and is divided into 10,000 common shares of par value US$1.00. Petroplus Finance Limited's shares are registered shares. There are no other classes of shares of Petroplus Finance Limited. The shares are fully paid-up.

Petroplus Finance Limited has no conditional share capital.

The bye-laws of Petroplus Finance Limited do not contain any restrictions on the transfer of shares of Petroplus Finance Limited, although any proposed transfer of shares needs to be approved by the board of directors of Petroplus Finance Limited. The consent of the Bermuda Monetary Authority is required in connection with any proposed transfer of shares of Petroplus Finance Limited.

Profit Sharing Certificates

Petroplus Finance Limited has not issued any profit sharing certificates.

Dividends

Petroplus Finance Limited has not paid any dividends since it was incorporated in March 2007.

Contributions In Kind and Acquisitions of Assets

To date, there have been no contributions in kind made to Petroplus Finance Limited, and Petroplus Finance Limited has not acquired any assets.

Special Benefits

There were no special benefits given to the founders or other persons in connection with the incorporation of Petroplus Finance Limited.

Board of Directors

According to the Issuer's bye-laws, the Issuer's board of directors has the exclusive power and authority to manage the affairs of the Issuer. No individual member of the board of directors is authorized to represent Petroplus Finance Limited without authorization from the board of directors. As of the date of this Offering Memorandum, the board of directors has five members:

Name	Nationality	Place of Residence
David W.J. Astwood	U.K.	Hamilton, Bermuda
Julie E. McLean	U.K.	Hamilton, Bermuda
Brian K. Holdipp	U.K.	Hamilton, Bermuda
Karyn F. Ovelmen	U.S.	Zug, Switzerland
Ivan Guez	French	Zug, Switzerland

The business address of members of the board of directors of Petroplus Finance Limited, in their capacity as directors of such company, is the same as the address of the registered office of Petroplus Finance Limited.

Except as disclosed in this Offering Memorandum, the directors of Petroplus Finance Limited do not have any potential conflicts of interest between any duties to Petroplus Finance Limited and their private interests.

Authorization

The creation and issuance of the Notes has been authorized by unanimous written resolution of the Issuer's board of directors on April 20, 2007.

Auditors

Petroplus Finance Limited's auditors are Ernst & Young, Hamilton, Bermuda.

Publication of Notices

To the extent that Petroplus Finance Limited needs to publish any notices, such notices will be published in the *Official Gazette* in Bermuda.

Solvency

There have been no recent events that could have a material adverse effect on the solvency of Petroplus Finance Limited.

Dependency on Other Companies in the Petroplus Group

You can find a discussion of Petroplus Finance Limited's dependency on other companies in the Petroplus group under "Risk Factors—Risks Relating to Our Structure, the Guarantees, the Collateral and the Notes—The Issuer is a finance subsidiary that has no revenue-generating operations and will depend on payments under the PPI Funding Loan to make payments on the Notes", "Description of the Notes—Brief Description of the Notes, the Funding Loan, the Guarantees and the Security—The Notes" and "Description of the Notes—Brief Description of the Notes, the Funding Loan, the Guarantees and the Security—The Funding Loan".

Control of Petroplus Finance Limited and Directors' Duties

The Issuer is a wholly owned subsidiary of Petroplus Holdings AG. Petroplus Holdings AG's power in is capacity as the sole shareholder of the Issuer is limited to electing the Issuer's board of directors. The board of directors, in turn, owes a fiduciary duty under Bermuda law to act in the best interests of the Issuer, not its shareholder.

Guarantors

Petroplus Holdings AG

Petroplus Holdings AG was initially incorporated on February 20, 2006 under the name Argus Atlantic Energy Limited by Thomas D. O'Malley, our CEO and the Chairman of our board of directors, acting in his own name and through an entity controlled by him called Horse Island Partners, LLC, T.D.&M.A. O'Malley Foundation Inc. and Patrick Monteiro de Barros, a member of our board of directors, through Darsy II Ltd., a legal entity in which he has a beneficial interest, as a stock corporation established under the laws of Bermuda. In August 2006, Argus Atlantic Energy Limited combined its business with PPI's refining and wholesale marketing operations by exchanging shares of Argus Atlantic Energy Limited for shares of RIVR, which was the direct parent of PPI at the time. On August 21, 2006, the shareholders of Argus Atlantic Energy Limited resolved to transfer its registered office from Bermuda to Zug, Switzerland, and to change its name from Argus Atlantic Energy Limited to Petroplus Holdings AG, with Petroplus Holdings AG being entered on August 22, 2006, as a Swiss stock corporation (*Aktiengesellschaft*) pursuant to Articles 620 et seq. of the Swiss Code of Obligations (*Schweizerisches Obligationenrecht*) in the Commercial Register of the Canton of Zug under registration number CH-170.3.029.779-9. For further information, see "Board of Directors and Senior Management" and "Principal Shareholders" of Petroplus Holdings AG.

Our registered office is Industriestrasse 24, 6304 Zug, Switzerland. Our registered office is our head office, and our telephone number is +41(0) 58 580 1100.

The business address of members of the board of directors of Petroplus Holdings AG, in their capacity as directors of such company, is the same as the address of the registered office of Petroplus Holdings AG.

Except as disclosed in this Offering Memorandum, the directors of Petroplus Holdings AG do not have any potential conflicts of interest between any duties to Petroplus Finance Limited and their private interests.

Petroplus Holdings AG has been incorporated for an unlimited duration.

Petroplus Holdings AG's financial year-end is December 31.

Petroplus Holdings AG's principal purpose, as set out in article two of its articles of association, is the following: the direct or indirect acquisition, management and sale of participations in domestic and primarily foreign companies, particularly in the energy industry; the acquisition, management and sale of securities and other similar assets; and the execution and financing of financial and fiduciary businesses. Petroplus Holdings AG is empowered to open and maintain domestic and foreign branch offices, to take over agencies, to engage in any business and to enter into any agreements that are appropriate to promoting its purpose or that are directly or indirectly within the scope of its activities. Petroplus Holdings AG's may also undertake financing for itself or on behalf of other parties, in particular the financing of holding companies as well as issuing guarantees and suretyships for associated companies and third parties.

There have been no recent events that could have a material adverse effect on the solvency of Petroplus Holdings AG.

Petroplus Finance 2 Limited

Petroplus Finance 2 Limited is a company limited by shares and was incorporated under the laws of Bermuda on March 16, 2007 under Registration Number 39761. Petroplus Finance 2 Limited has made no changes to its name since the date of its incorporation. Petroplus Finance 2 Limited's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and its telephone number is +1 (441) 295 1422.

As of the date of this Offering Memorandum, Petroplus Finance 2 Limited's board of directors has five members:

Name	Nationality	Place of Residence
David W.J. Astwood	U.K.	Hamilton, Bermuda
Brian K. Holdipp	U.K.	Hamilton, Bermuda
Julie E. McLean	U.K.	Hamilton, Bermuda
Ivan Guez	French	Zug, Switzerland
Karyn F. Ovelmen	U.S.	Zug, Switzerland

The business address of members of the board of directors of Petroplus Finance 2 Limited, in their capacity as directors of such company, is the same as the address of the registered office of Petroplus Finance 2 Limited.

Except as disclosed in this Offering Memorandum, the directors of Petroplus Finance 2 Limited do not have any potential conflicts of interest between any duties to Petroplus Finance Limited and their private interests.

Petroplus Finance 2 Limited has been incorporated for an unlimited duration and its financial year end is December 31.

No specific business purpose is provided in the Memorandum of Association of Petroplus Finance 2 Limited.

There have been no recent events that could have a material adverse effect on the solvency of Petroplus Finance 2 Limited.

PPI

PPI is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on August 25, 1994. PPI was converted in a public company, Petroplus International N.V., on July 13, 1998. From July, 1998 until April, 2005, the shares in Petroplus International N.V. were listed on the Amsterdam Stock Exchange. On April 20, 2005, Petroplus International N.V. was converted to PPI, a private company with limited liability. PPI is registered at the trade register of the Chamber of Commerce for Rotterdam under file number 24250124. Its registered office is Max Euwelaan 21, 3062 MA Rotterdam, the Netherlands, and its telephone number is +41(0) 58 580 1100.

As of the date of this Offering Memorandum, PPI's board of directors has four members:

Name	Nationality	Place of Residence
Thomas D. O'Malley	U.S.	Greenwich, CT, U.S.
Michael D. Gayda	U.S.	Basking Ridge, NJ U.S.
Karyn F. Ovelmen	U.S.	Zug, Switzerland
Bruce A. Jones	U.S.	Steinhausen, Switzerland

The business address of members of the board of directors of PPI, in their capacity as directors of such company, is the same as the address of the registered office of PPI.

Except as disclosed in this Offering Memorandum, the directors of PPI do not have any potential conflicts of interest between any duties to Petroplus Finance Limited and their private interests.

PPI has been incorporated for an unlimited duration.

PPI's financial year-end is December 31.

PPI's principal purpose, as set out in its articles of association, is the following: the direct or indirect acquisition, management and sale of participations in domestic and primarily foreign companies, particularly in the energy industry; the acquisition, management and sale of securities and other similar assets; and the execution and financing of financial and fiduciary businesses. PPI is empowered to open and maintain domestic and foreign branch offices, to take over agencies, to engage in any business and to enter into any agreements that are appropriate to promoting its purpose or that are directly or indirectly within the scope of its activities. PPI may also undertake financing for itself or

on behalf of other parties, in particular the financing of holding companies as well as issuing guarantees and suretyships for associated companies and third parties.

There have been no recent events that could have a material adverse effect on the solvency of PPI.

RIVR

RIVR is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on May 14, 2004 and registered at the trade register of the Chamber of Commerce for Rotterdam under file number 27267372. Its registered office is Max Euwelaan 21, 3062 MA Rotterdam, the Netherlands, and its telephone number is +41(0) 58 580 1100.

As of the date of this Offering Memorandum, RIVR's board of directors has four members:

Name	Nationality	Place of Residence
Thomas D. O'Malley	U.S.	Greenwich, CT, U.S.
Michael D. Gayda	U.S.	Basking Ridge, NJ, U.S.
Karyn F. Ovelmen	U.S.	Zug, Switzerland
Bruce A. Jones	U.S.	Steinhausen, Switzerland

The business address of members of the board of directors of RIVR, in their capacity as directors of such company, is the same as the address of the registered office of RIVR.

Except as disclosed in this Offering Memorandum, the directors of RIVR do not have any potential conflicts of interest between any duties to Petroplus Finance Limited and their private interests.

RIVR has been incorporated for an unlimited duration.

RIVR's financial year-end is December 31.

RIVR's principal purpose, as set out in its articles of association, is the following: the establishment or participation in, management of or supervision of companies and entities; the financing of companies and entities; borrowing, lending, collecting of monies including bond issuances, debt instruments or other similar assets, included the entry into agreements in relation thereto; the providing of advice and services to companies and entities in its group or to third companies; the providing of guarantees, the entering into obligations by the company and the providing of security in relation to the assets of the company for the benefit of companies and entities within its group or third companies; the obtaining, managing, exploiting or disposal of registered property and assets in general; trading in currency, securities and assets in general; exploiting and trade in patents, trademarks, licences, know how and other intellectual property or industrial rights; industrial, financial or commercial activities; and all that is related to the above or can be beneficial to the above activities in the broadest sense. RIVR may also undertake financing for itself or on behalf of other parties, in particular the financing of holding companies as well as issuing guarantees and suretyships for associated companies and third parties.

There have been no recent events that could have a material adverse effect on the solvency of RIVR.

PRML

PRML was initially incorporated on November 15, 2000 under the name Callwell Limited under the Companies Act 1985 as a private company limited by shares with Company Number 4107875. On December 7, 2000, the company issued a special resolution to change the name of the company to Petroplus Refining Teesside Limited and this change was registered with the Companies House on December 11, 2000. In a written resolution dated December 29, 2000, the company resolved to change its name to Petroplus United Kingdom Limited, to be effective January 1, 2001. This change was registered with the Companies House on January 2, 2001. In a written resolution, dated September 13, 2001, the company changed its name to Petroplus Refining & Marketing Limited. This change was registered with the Companies House on September 20, 2001. PMRL's registered office and business address is Adelaide House, London Bridge, London EC4R 9HA, United Kingdom, and its telephone number is +44 1642 736000.

As of the date of this Offering Memorandum, PRML's board of directors has three members:

Name	Nationality	Place of Residence
Chester J. Kuchta	U.S.	London, United Kingdom
Karyn F. Ovelmen	U.S.	Zug, Switzerland
Bruce A. Jones	U.S.	Steinhausen, Switzerland

The business address of members of the board of directors of PRML, in their capacity as directors of such company, is the same as the address of the registered office of PRML.

Except as disclosed in this Offering Memorandum, the directors of PRML do not have any potential conflicts of interest between any duties to Petroplus Finance Limited and their private interests.

PMRL has been incorporated for an unlimited duration.

PMRL's financial year-end is December 31.

PMRL's business purpose is to carry on business as a general commercial company.

There have been no recent events that could have a material averse effect on the solvency of PRML.

Authorizations

The Guarantees have been authorized by resolution of the board of directors of each of the Guarantors.

Litigation

Except as disclosed in this Offering Memorandum, Petroplus Holdings AG and its subsidiaries (including the Issuer) have not been involved in any litigation, administrative proceeding or arbitration relating to the claims or amounts which are material in the context of the issue of the Notes and, so far as it is aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

Geographical Information

You can find information about our revenues by geographic market area in Note 4 to the Consolidated Financial Statements.

Subsidiaries and Associated Company

You can find information about our subsidiaries and our investments in associates in accordance with IFRS in Note 32 to the Consolidated Financial Statements.

Information Regarding the Notes for Swiss Legal Purposes

The Indenture includes (1) customary provisions relating to issuance, delivery, transfer and exchange of the Notes, (2) provisions relating to redemption of the Notes, (3) customary provisions relating to rights, duties and liabilities of the Trustee, (4) customary provisions relating to defeasance and discharge of the Indenture and the Notes and (5) customary provisions relating to amendments to and waivers with respect to the terms of the Indenture and the Notes. The Indenture does not include provisions for Holders of the Notes to be represented other than as set forth above.

GLOSSARY

The following explanations are not intended as technical definitions, but to assist the general reader to understand certain terms as used in this Offering Memorandum.

"API gravity"	The API gravity illustrates the density of crude oil classified by the American Petroleum Institute. The API gravity is defined as: $$\frac{141.5}{\text{Gravity of specific crude oil at 15.6°C}} - 131.5$$ Thus, the higher the API gravity is, the lighter is the crude oil.
"ARA"	Antwerp-Rotterdam-Amsterdam.
"Atmospheric distillation"	The first step in the refining process in which crude oil is heated and separated into various intermediate products, each having a different boiling point.
"Barrel" or "bbl"	Barrel of crude oil, 159 liters by volume.
"Biodiesel"	Diesel fuel that contains components derived from renewable raw materials, such as vegetable oils and animal fat.
"Biofuel"	Gasoline or diesel fuel that contains components derived from plants, such as sugar cane, sugar beet, rapeseed and soya.
"Bitumen"	The low-value residual product of crude-oil vacuum distillation, which is primarily used for asphalt coating of roads and roofing materials.
"Bonny Light"	Nigerian crude oil with API gravity of 36° and sulfur content of 0.2%.
"bpd"	Barrels per day.
"Brass River"	West African crude oil with API gravity of approximately 43° and sulfur content of 0.08%.
"Brent"	A light North Sea crude oil with API gravity of approximately 38° and a sulfur content of 0.4%.
"c.i.f."	Cost, insurance and freight. A delivery term that includes the costs as well as freight and insurance charges of the delivery of goods to a named destination as defined in the ICC Incoterms 2000.
"CO_2"	Carbon dioxide, a significant greenhouse gas.
"Complexity"	A key industry measure referring to an oil refinery's ability to process feedstocks, such as heavier and higher sulfur content crude oils, into value-added products. Generally, the higher the complexity and more flexible the feedstock slate, the better positioned the refinery is to take advantage of the more cost effective crude oils, resulting in incremental gross margin opportunities for the refinery.
"Condensates"	Natural gas liquids used as feedstocks in oil refining.
"CPC Blend"	Kazakhstan crude oil with API gravity of approximately 43° and sulfur content of 0.59%.

"Cracking"	The conversion of large hydrocarbon molecules into smaller ones. Cracking is carried out either at high temperatures (thermal cracking), or with the aid of a catalyst and high pressure (catalytic cracking and hydrocracking). The cracking process enables greater quantities of saturated hydrocarbons suitable for gasoline and other light fractions to be recovered from crude oil.
"Crack Spread"	A proxy, or a benchmark, for refining margins and refer to the margin that would accrue from the simultaneous purchase of crude oil and the sale of refined petroleum products, in each case at the then prevailing price. For example, 3/2/1 crack spread is often referenced and represents the approximate gross margin resulting from processing one barrel of crude oil, assuming that three barrels of a benchmark crude oil are converted, or cracked, into two barrels of gasoline and one barrel of diesel.
"Dated Brent"	The price for prompt shipments of Brent crude as reported by price agencies. It is the price benchmark for the vast majority of crude oils sold in Europe, Africa and the Middle East, and one of the most important benchmarks for spot market prices.
"Desulfurization" or "Hydrotreating" .	A process to remove sulfur from petroleum products.
"Distillates"	Any of wide range petroleum products produced generally by distillation, the primary refining step in which crude oil is separated into fractions or components. These commonly include diesel, heating oil and jet kerosene but exclude gasoline and naphthas.
"ETBE"	Ethyl tertiary butyl ether, a high-octane ethanol based gasoline component reducing the overall environmental impact of gasoline.
"Feedstocks"	Crude oil and other hydrocarbons used as basic materials in a refining or manufacturing process.
"Fluid catalytic cracking" or "FCC" . .	The refining process of breaking down the larger, heavier, and more complex hydrocarbon molecules into simpler and lighter molecules. Fluid catalytic cracking is accomplished by the use of a catalytic agent, which is continuously regenerated and is an effective process for increasing the yield of gasoline from crude oil. Catalytic cracking processes fresh feedstocks as well as recycled feedstocks.
"f.o.b."	Free on board. A delivery term denoting that the seller is responsible for delivery goods on board a ship or other conveyance for carriage to the consignee at a specified loading port as defined in the ICC Incoterms 2000.
"fouling"	A process that reduces heat exchange capability of equipment.
"Gasoil"	A liquid petroleum product with a boiling range temperature of 200°-370°C and an ignition temperature over 55°C that is typically used as a fuel for boilers, furnaces and internal combustion engines. The type of gasoil suitable for use in oil-fired heating plants and boilers is called heating oil, while the type suitable for internal combustion engines is called diesel.
"Gasoline"	A light liquid petroleum product that is typically used as a fuel for internal combustion engines.
"GWh"	Gigawatt hour, which equals 1,000 megawatt hours or one million kilowatt hours.

"Heating oil"	A gasoil with properties that generally make it suitable as a fuel for oil-fired heating and boilers.
"Heavy fuel oil"	Fuel oil with a distillation range of over 350°C. Heavy fuel oil is used in heat plants, power stations and industrial furnaces.
"Heavy sour"	Crude oils with a sulfur content greater than 2.0% and density greater than 30%.
"Heavy sweet"	Crude oils with a sulfur content less than 0.5% and density greater than 30%.
"Hectare"	10,000 square meters.
"Hydrocracking"	The conversion and desulfurization process (typically of vacuum gasoil) into lighter products such as diesel that takes place at high pressure and temperature in the presence of hydrogen and a fixed catalyst.
"ICC Incoterms 2000"	Standardized delivery terms for goods issued by the International Chamber of Commerce, which allocate the costs and liabilities of deliveries between sellers and purchasers of goods.
"ISO"	The International Organization for Standardization.
"ISO 9001"	An international standard established by the ISO to certify quality management systems.
"ISO 14001"	An international standard established by the ISO to certify environmental management systems.
"Light sour"	Crude oils with a sulfur content between 0.5% and 1.0% and density less than 30%.
"Light sweet"	Crude oils with a sulfur content less than 0.5% and density greater than 30%.
"LPG"	Liquefied petroleum gas. A gas mixture used for fuel purposes, containing propane, propene, butane, or butene as its main components, that has been liquefied to enable it to be transported and stored under pressure.
"Lubricants"	Fluids used to reduce friction and wear between solid surfaces (typically metals) in relative motion. Lubricants are generally derived from petroleum.
"Medium sour"	Crude oils with a sulfur content between 1.0% and 2.0% and density between 30% to 35%.
"MTBE"	Methyl tertiary butyl ether, a high-octane component, and oxygenate, used in the production of low-emission gasoline.
"MW"	Megawatts.
"Naphtha"	A liquid petroleum product that is typically used as a feedstock for other petrochemical processes, generally in a reformer, producing high octane gasoline and hydrogen or other petrochemical products. Naphtha is also used as a chemical feedstock.
"Natural gas"	Any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at normal operating conditions is in a gaseous state.

"Nelson Complexity Index"	The Nelson Complexity Index assigns a complexity factor to each major piece of refinery equipment based on its complexity and cost in comparison to crude distillation, which is assigned a complexity factor of 1.0. The complexity of each piece of refinery equipment is then calculated by multiplying its complexity factor by its throughput ratio as a percentage of crude distillation capacity. Adding up the complexity values assigned to each piece of equipment, including crude distillation, determines a refinery's complexity on the Nelson Complexity Index.
"Netback"	Sales price less all per unit costs.
"Northwest European crack spread"	The crack spread, defined above, using crude and product prices specifically in the Rotterdam refining region. It can be calculated using different methodologies, but theoretically represents the gross margin of a refinery operating in this region. Actual refinery margins will differ based on factors, including actual crudes and refined products processed at a specific refinery. Sometimes referred to as "NWE Margin".
"NO_x"	Nitrogen oxides, which are compounds that are produced in the combustion process and contribute to ground-level air pollution such as smog.
"OHSAS 18001"	International standards used to certify occupational health and safety management systems.
"Petrochemicals"	Many products derived from crude oil refining, such as ethylene, propylene, butylenes and isobutylene, primarily intended for use as petrochemical feedstock in the production of plastics, synthetic fibers, synthetic rubbers and other products. A variety of products are produced for use as solvents, including benzene, toluene and xylene.
"ppm"	Parts per million.
"Refinery"	A facility used to process crude oil. The basic process unit in a refinery is a crude oil distillation unit, which splits crude oil into various fractions through a process of heating and condensing. Simple, or hydroskimming, refineries normally have crude oil distillation, catalytic reforming, and hydrotreating units. The demand for lighter petroleum products, such as motor gasoline and diesel fuel, has increased the need for more sophisticated processing. Complex refineries have vacuum distillation, catalytic cracking, or hydrocracking units. Cracking units process vacuum oil into gasoline, gasoil, and heavy fuel oil.
"Refining margin"	The difference, for any particular quantity of crude oil, between the value of all the refined petroleum products a refinery is able to produce from such crude oil minus the cost of the crude oil (including associated costs such as transport, insurance, etc.).
"RBOB"	Specially produced reformulated gasoline blendstock intended for blending with oxygenates downstream of the refinery where it was produced. Includes RBOB used to meet requirements of the U.S. reformulated gasoline program.
"Reformulated gasoline"	An advanced type of motor gasoline formulated to produce lower environmental emissions than conventional gasoline.

"Saharan Light" . . . . Algerian crude oil with API gravity of approximately 45° and sulfur content of 0.1%.

"SO_2" . . . . Sulfur dioxide, the combustion product of sulfur, which is formed from the use of fuels containing sulfur.

"Solvent" . . . . A liquid that is used for diluting or thinning a solution. A liquid that absorbs another liquid, gas, or solid in order to form a homogeneous mixture.

"Spot market" . . . . A term used to describe the international trade in one-off cargoes or shipments of commodities, such as crude oil, in which prices closely follow demand and availability.

"Sulfur-free fuel" . . . . Fuel with a sulfur content less than 10 mg/kg (ppm).

"TAME" . . . . Tertiary amyl methyl ether.

"Thermal conversion" . . . . A chemical transformation resulting from an increase in temperature.

"TIP" . . . . Total isomerization.

"Ton" . . . . One ton represents 1,000 kilograms or approximately 2,205 pounds.

"ULSD" . . . . Ultra low sulfur diesel.

"Urals" . . . . The Russian benchmark crude oil which is a medium sour crude oil.

"Vacuum distillation" . . . . A process that follows atmospheric distillation (when the latter is no longer feasible because of the high temperatures) that takes place in vacuum-conditions, made to obtain vacuum gasoil and a heavy vacuum residues.

"Vacuum gasoil" or "VGO" . . . . Also known as cat feed. Feedstock for fluid catalytic cracker used to make gasoline, No.2 oil and other byproducts.

"Visbreaking" . . . . A process by which the heavy intermediates oils derived from the two serial crude distillation process (primary and vacuum distillation) are subjected to thermal conversion to improve fuel oil viscosity.

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Consolidated Income Statements
for the years 2006 and 2005

(in millions of USD)	Notes	2006[1]	2005[2]
Continuing operations			
Revenue	3, 4	6,923.0	4,188.3
Materials cost	3	(6,376.8)	(3,977.3)
Gross margin		546.2	211.0
Personnel expenses	5	(115.5)	(56.1)
Refinery operating expenses	5	(139.8)	(66.5)
Depreciation and amortization	12, 13	(74.9)	(39.0)
Other administrative expenses		(36.5)	(13.0)
Operating profit		179.5	36.4
Financial income	5	42.1	3.3
Financial expenses	5	(127.6)	(54.5)
Foreign currency exchange gain/(loss)		4.9	(3.0)
Share of income from associates	14	0.3	—
Profit/(loss) before income taxes		99.2	(17.8)
Income taxes	6	(25.1)	(10.3)
Net income/(loss) from continuing operations		74.1	(28.1)
Discontinued operations			
Gain from discontinued operations, net of tax	7	369.5	26.5
Net income/(loss)		443.6	(1.6)
Net income/(loss) attributable to:			
Shareholders of the parent		443.4	(2.7)
Minority interest		0.2	1.1
Net income/(loss)		443.6	(1.6)
Earnings per share (in USD)			
Earnings per share—basic	23	10.90	(0.09)
Earnings per share—diluted	23	10.51	(0.09)
calculated on continuing operations			
Earnings per share—basic	23	1.82	(1.01)
Earnings per share—diluted	23	1.75	(1.01)

(1) Petroplus acquired European Petroleum Holdings N.V., Curaçao, and its subsidiaries (“EPH”) on May 31, 2006. Therefore, the figures for 2006 include only seven month consolidated results for EPH.

(2) In March 2005, RIVR Acquisition B.V. (“RIVR”) purchased Petroplus International B.V. (“PPI”). Therefore, the period ended December 31, 2005 includes the operations for PPI only for the nine months ended December 31, 2005.

Consolidated Balance Sheets
at December 31, 2006 and 2005

(in millions of USD)	Notes	2006	2005
Current assets			
Cash and short-term deposits	9	91.6	65.9
Trade receivables, net	11	546.9	436.9
Derivative financial instruments	28	239.0	257.1
Other receivables and prepayments	11	193.9	111.4
Inventories	10	741.0	479.9
Current tax assets	6	0.8	0.8
Assets classified as held for sale	8	81.2	580.8
Total current assets		1,894.4	1,932.8
Non-current assets			
Intangible assets	12	1.0	—
Property, plant and equipment	13	1,092.5	509.5
Investments in associates	14	0.4	0.3
Financial assets available for sale	15	2.2	1.8
Other financial assets	16	19.1	—
Deferred tax assets	6	5.2	7.8
Total non-current assets		1,120.4	519.4
Total assets		3,014.8	2,452.2
Current liabilities			
Interest-bearing loans and borrowings	17	—	143.7
Finance lease commitments	25	3.3	1.4
Trade payables	18	567.9	649.0
Current tax liabilities	6	17.5	5.5
Derivative financial instruments	28	260.1	456.0
Other payables and accrued expenses	18	316.0	321.9
Liabilities classified as held for sale	8	39.4	345.5
Total current liabilities		1,204.2	1,923.0
Non-current liabilities			
Interest-bearing loans and borrowings	17	—	411.6
Finance lease commitments	25	30.0	27.8
Retirement benefit obligation	19	28.2	22.5
Deferred tax liabilities	6	158.5	35.3
Provisions	20	38.8	2.2
Total non-current liabilities		255.5	499.4
Total liabilities		1,459.7	2,422.4
Shareholders' equity			
Share capital	22	459.7	3.1
Share premium		684.4	28.3
Translation reserve		9.2	0.2
Retained earnings/(deficit)		401.4	(2.7)
Equity attributable to shareholders' of the parent		1,554.7	28.9
Minority interest	21	0.4	0.9
Total shareholders' equity		1,555.1	29.8
Total liabilities and shareholders' equity		3,014.8	2,452.2

Consolidated Cash Flow Statements

for the years 2006 and 2005

(in millions of USD)	Notes	2006	2005
Cash flows from continuing operating activities			
Net income/(loss) from continuing operations		74.1	(28.1)
Net reversal of non-cash items:			
Depreciation and amortization	12, 13	74.9	39.0
Share-based payments	24	0.3	—
Changes in working capital and provisons from continuing operations:			
Change in provisions		9.4	(17.1)
Change in trade and other receivables		28.5	(89.9)
Change in inventories		91.5	(230.5)
Change in derivative financial instruments		(201.0)	134.7
Change in trade payables, other payables and accrued expenses		(354.6)	266.3
Change in income tax position		26.2	3.5
Cash flows from continuing operating activities		(250.7)	77.9
Cash flows from continuing investing activities			
Investment in property, plant and equipment	13	(68.5)	(87.4)
Acquisition of subsidiaries, net of cash acquired	30	(398.1)	(255.1)
Disposal of associated companies		—	2.4
Cash flows from continuing investing activities		(466.6)	(340.1)
Cash flows from continuing financing activities			
Proceeds from issue of share capital	22	1,081.6	31.5
Repurchase of share options		—	(3.4)
Increase in long-term liabilities		854.6	870.9
Transaction costs		(64.0)	(37.7)
Repayment of long-term liabilities		(1,549.7)	(572.4)
Net interest on financing activities		(15.1)	—
Decrease on bank overdrafts		(151.3)	(5.7)
Cash flows from continuing financing activities		156.1	283.2
Cash flows from discontinued operations	31	598.7	38.5
Net cash flow		37.5	59.5
Net foreign exchange differences		(11.8)	6.4
Movement in cash and short-term deposits		25.7	65.9
Cash and cash equivalents from continuing operations as per January 1,		65.9	—
Cash and cash equivalents from continuing operations as per December 31,		91.6	65.9
Additional cash flow information included in cash flows from continuing operating activities (in millions of USD)			
Income taxes paid		(6.7)	—
Income taxes received		2.5	2.5
Interest paid		(60.2)	(11.6)
Interest received		5.3	2.7

Consolidated Statements of Changes in Shareholders' Equity
for the years 2006 and 2005

(in millions of USD)	Notes	Attributable to equity holders of the parent — Share capital	Share premium	Translation reserve	Retained earnings	Total	Minority Interest	Total Equity
Balance as per January 1, 2005		—	—	—	—	—	—	—
Exchange difference on translation of foreign entities		—	—	0.2	—	0.2	(0.2)	—
Net income recognized directly into equity		—	—	0.2	—	0.2	(0.2)	—
Net loss for the period		—	—	—	(2.7)	(2.7)	1.1	(1.6)
Total recognized income and expense for the period		—	—	0.2	(2.7)	(2.5)	0.9	(1.6)
Issuance of share capital	22	3.1	28.3	—	—	31.4	—	31.4
Balance as per December 31, 2005		3.1	28.3	0.2	(2.7)	28.9	0.9	29.8
Exchange difference on translation of foreign entities		—	—	9.0	—	9.0	0.2	9.2
Net income recognized directly into equity		—	—	9.0	—	9.0	0.2	9.2
Net income for the period		—	—	—	443.4	443.4	0.2	443.6
Total recognized income and expense for the period		—	—	9.0	443.4	452.4	0.4	452.8
Effect of reverse acquisition		299.0	(267.9)	—	—	31.1	—	31.1
Issuance of share capital	22	157.6	924.0	—	—	1,081.6	—	1,081.6
Share issue costs (IPO costs)	22	—	—	—	(42.9)	(42.9)	—	(42.9)
Share-based payments	24	—	—	—	0.4	0.4	—	0.4
Related income tax (IPO & Share-based payments)		—	—	—	3.2	3.2	—	3.2
Changes in minority interests		—	—	—	—	—	(0.9)	(0.9)
Balance as per December 31, 2006		459.7	684.4	9.2	401.4	1,554.7	0.4	1,555.1

Notes to the Consolidated Financial Statements for the years 2006 and 2005

1 General Information

General

Petroplus Holdings AG and its subsidiaries (the "Company", "we", "us" or "Petroplus") is a publicly traded company listed in the main segment of the Swiss Stock Exchange ("SWX"). The initial listing of the Company took place on November 30, 2006. Petroplus Holdings AG was incorporated on February 20, 2006 under the name of Argus Atlantic Energy Limited ("Argus") in Bermuda. On August 22, 2006, the shareholders of Argus Atlantic Energy Limited resolved to transfer its registered office to Zug, Switzerland and to change its name to Petroplus Holdings AG. The address of its registered office is Petroplus Holdings AG, Industriestrasse 24, 6300 Zug, Switzerland.

Petroplus is a crude oil refiner and supplier of petroleum products in Europe, primarily through wholesale marketing. The Company owns and operates three refineries in Cressier (Switzerland), Antwerp (Belgium) and Teesside (United Kingdom). The Company also owns and operates a bitumen- and gasoil-processing facility in Antwerp (Belgium). The Company sells its petroleum products on an unbranded basis to distributors and end-use customers, primarily in Switzerland, Germany, the United Kingdom and the Benelux countries, as well as on the global spot market.

Development of the Company

2005

In March/April 2005, RIVR Acquisition B.V. Netherlands ("RIVR") acquired all the shares of Petroplus International B.V. and its subsidiaries ("PPI"). At that time PPI was a quoted company on the Euronext Exchange in the Netherlands. During the tender and post-tender acceptance period of the public offer, the majority of the shares of PPI were acquired (for further information on the acquisition see Note 30).

During 2005, the 80% ownership in Dragon LNG, a Liquefied Natural Gas ("LNG") import terminal, was sold to BG Group and Petronas. In December 2005, Petroplus International B.V. sold the fuel card business in the United Kingdom. Details of these disposals are outlined in Note 31.

2006

On January 13, 2006, RIVR entered into an agreement with SEM Group L.P. for the sale of Petroplus Milford Haven Limited. For further details see Note 31.

On May 31, 2006, the Company acquired 100% of the voting shares of European Petroleum Holdings N.V. and its subsidiaries ("EPH"), an oil refining and distribution limited liability company incorporated in the Netherlands Antilles. For further details see Note 30.

On August 21, 2006, Argus and RIVR Holding B.V., Netherlands, the 100% shareholder of RIVR, signed an agreement whereby RIVR Holding transferred all of its shares in RIVR to Argus in return for shares in Argus, resulting in a reverse acquisition in which Argus became the ultimate parent of RIVR. After the contribution, RIVR Holding B.V. held 94.5% of the total issued shares of Argus. Immediately after the contribution of the shares, Argus transferred its corporate domicile from Bermuda to Switzerland and was renamed Petroplus Holdings AG.

Pursuant to a share sale and purchase agreement dated August 21, 2006, Petroplus sold substantially all of its remaining non-core assets, including the remaining Petroplus Tankstorage group assets, the Bunkering group and the Oxyde group to RIVR Divestment B.V. The 4Gas Group was sold in another sales and purchase agreement to RIVR Holding B.V.

The disposal of these non-core entities are described in detail in Note 31.

On November 30, 2006, the shares of Petroplus Holdings AG are traded on the SWX Swiss Exchange for the first time. During 2006 the company fully repaid all outstanding debt with the proceeds received from the IPO and the sale of non-core assets.

1 General Information (Continued)

As a result of the forgoing developments, the consolidated financial information includes only nine months of PPI operations in 2005 and seven months of EPH operations in 2006.

2 Accounting Policies

Basis of Preparation

Statement of Compliance

The Consolidated Financial Statements of Petroplus have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with Swiss Law. These are the Company's first Consolidated Financial Statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Reporting Standards* has been applied. The transition is explained in Note 33.

All amounts included in the consolidated financial information and notes are presented in USD and rounded to the nearest USD in millions except where otherwise indicated.

Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following balance sheet positions that are measured at fair value:

- financial assets available for sale;
- derivative financial instruments; and
- financial instruments at fair value through profit and loss.

The methods used to measure fair values are further discussed below.

Summary of Significant Accounting Policies

Scope of Consolidation

These Financial Statements are the Consolidated Financial Statements of Petroplus Holdings AG, Zug and its subsidiaries. Subsidiaries are those companies directly or indirectly controlled by Petroplus Holdings AG (generally over 50% of voting interest, or potential voting rights, of the relevant company's share capital). Control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Special purpose entities, irrespective of their legal structure, are consolidated in instances where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in associated companies (where Petroplus generally holds between 20% and 50% of a company's voting shares, or over which it otherwise has significant influence) and joint ventures are accounted for by using the equity method as described below in the paragraph "Investments in associates".

Other investments, where the Company holds less than 20% and does not have significant influence, are valued at their fair value and classified as financial assets available for sale.

Companies acquired or disposed of during the year are included in the Consolidated Financial Statements from the date of acquisition or up to the date of disposal. Intercompany transactions, balances and unrealized gains are eliminated in full. The annual closing date of all the individual Financial Statements is December 31.

A special purpose entity ("SPE") was established to sell its receivables under a receivable purchase facility ("RPF") agreement. The name of the SPE is "P Finance Limited", registered in the Cayman Islands. Petroplus does not have any direct or indirect shareholdings in P Finance Limited. In addition, Petroplus does not have significant influence on the decision-making powers of SPE's management and

2 Accounting Policies (Continued)

does not receive any benefits related to SPE's operations and net assets. Petroplus does not have control over the SPE and therefore the SPE has not been consolidated.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of their fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets and liabilities recognized.

Reverse Acquisitions

Under IFRS 3 *Business Combinations* combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Company's controlling shareholder's Consolidated Financial Statements. The components of equity of the acquired entities are added to the same components within Company equity except that any share capital of the acquired entities is recognized as part of share premium. The acquisition of RIVR by Petroplus Holdings AG has been accounted for as a reverse acquisition and the consolidated financial information of the Company is therefore a continuation of the financial information of RIVR and its subsidiaries.

Translation of Foreign Currencies

The Consolidated Financial Statements are presented in USD, which is the Company's presentation currency. The Company operates in a variety of different countries and the entities within the Company have different functional currencies. As such, management has determined that USD will be the presentation currency which will be used to monitor the performance and financial position of the Company. Each entity in the Company determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency. Assets and liabilities of entities using a non-USD functional currency are translated into USD at the year-end exchange rate. The Income Statement is translated at the average exchange rate for the year. The exchange differences arising upon translation are taken directly to a separate component of equity. On disposal of an entity using a non-USD functional currency, the deferred cumulative amount recognized in equity relating to that particular entity is recognized in the Income Statement.

Transactions in non-USD currencies are initially recorded in the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in a currency that differs from the functional currency of an entity are translated into the functional currency rate at year-end exchange rates. All differences are taken to the Income Statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the

2 Accounting Policies (Continued)

dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The following exchange rates were used for translation to USD:

	2006	2005
Average rates applied for the Income Statement		
1 EUR	1.26	1.24
1 CHF	0.80	0.80
1 GBP	1.84	1.82
1 CZK	0.04	0.04
Period-end rates applied for the Balance Sheet		
1 EUR	1.32	1.18
1 CHF	0.82	0.76
1 GBP	1.96	1.72
1 CZK	0.05	0.04
Exchange rates used for IFRS translation on January 1, 2005 (Opening balances)		
1 EUR		1.36
1 CHF		0.88
1 GBP		1.93
1 CZK		0.04

Cash and Short-Term Deposits

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and short-term low risk highly liquid investments that are readily convertible to known amounts of cash, and have a maturity of up to three months.

For the purpose of the Consolidated Cash Flow Statement, cash and short-term deposits consist of cash and short-term deposits as defined above.

Trade Receivables, Net

The reported values represent the invoiced amounts, less adjustments for doubtful receivables. Doubtful receivable provisions are established based upon the difference between the receivable value and the estimated net collectible amount. The amount of the respective estimated loss is recognized in the Income Statement within other administrative expenses.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as commodity derivatives, forward currency contracts and interest rate swaps, to manage its risk associated with commodity price, foreign currency and interest rate. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the derivative financial instruments is either derived from market quotes or obtained based on recent at arm's length transactions.

Commodity Instruments

Commodity instruments are used by the Company to manage the price risk of commodities. The Company has primarily used forward purchase and sales commitments, futures contracts and refining margin hedges when managing the price risk of commodities. The commodity instruments are either valued based on their market value which is derived from market quotations or at arm's length transactions. Additionally, the Company ensures that these commodity instruments match the actual

2 Accounting Policies (Continued)

physical movement for both volume and pricing. Commodity instrument hedges are recorded as materials cost in the Consolidated Income Statement.

Interest Rate Swaps

Interest rate swaps are used by the Company to manage the interest rate risks.

Currency Contracts

The Company uses forward exchange contracts to manage the foreign currency risk due to purchase and sale transactions in other currencies, foreign investments and debts denominated in other currencies.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year. Interest rate swaps and currency hedges are recorded as financial expense in the Consolidated Income Statement.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a forecast transaction; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company has the ability to choose to formally designate and document the hedge relationship to which the Company applies hedge accounting and the risk management objective and the strategy for undertaking the hedge. Such documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instruments' effectiveness in offsetting the exposure to changes in the hedge item's fair value or cash flows attributable to the hedge risk.

The Company has currently not designated any of its derivative financial instruments as effective hedges in line with IAS 32 *Financial Instruments: Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement.* All derivatives entered into by the Company are classified as held for trading derivatives. As such, gains and losses from all derivative financial instruments are taken directly to net profit or loss for the year.

The Company does neither enter into derivative financial instruments for speculative trading purposes nor does it enter into any speculative hedges.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in first-out ("FIFO") method and is accounted for as follows:

Raw materials (crude oil, feedstock)

- purchase cost on a FIFO basis

Finished goods and intermediates

- cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

2 Accounting Policies (Continued)

For determination of the cost of raw materials the relevant purchase contract and the attributable freight costs are considered. The costs of the refined products are built up by identifying the appropriate crude oil cost by reviewing the crude oil run in the refinery for the last month of the reporting period. Additional factors considered include the yield of the refinery, market crack levels and the relevant variable and fixed overheads for the stated month of production. Whenever the net realizable value of a product in stock is lower than its cost value, the stock is remeasured at its net realizable value.

The net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Assets and Liabilities classified as held for sale

Disposal groups comprising of assets and liabilities (or non-current assets) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of the disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter, the assets or the disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis. It is to be expected that no loss is allocated to inventory, financial assets and deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Intangible Assets

Intangible assets, including software, that are acquired by the Company are stated at cost less accumulated depreciation and impairment losses. Where acquired in a business combination, they will be fair value allocated in acquisition accounting.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets, from the moment the assets are available for use. The estimated useful life is as follows:

Amortization periods	
Software	5 years

Property, Plant and Equipment

Property, plant and equipment "PP&E" is stated at cost, less accumulated depreciation and impairment losses. Cost includes the cost of replacing part of the relevant plant and equipment when the recognition criteria are met. Depreciation is calculated on a straight-line basis over the useful live of the assets.

The carrying value of PP&E is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items. Maintenance costs are expensed as incurred.

Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the assets (calculated as

2 Accounting Policies (Continued)

the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognized.

Asset residual values and useful lives are reviewed and adjusted if appropriate at each financial year-end. Depreciation is provided for using a straight-line method over the estimated useful economic life of the assets. The useful lives are estimated as follows:

Depreciation periods	
Land	Not depreciated
Buildings	30-40 years
Machines and equipment	2-40 years
Other assets	3-25 years
Assets under construction	Not depreciated

Capitalized Turnaround Costs

A turnaround is a periodically required standard procedure for maintenance of a refinery that involves the shutdown and inspection of major processing units which occurs approximately every two to five years. Turnaround costs include actual direct and contract labor, and material costs incurred for the overhaul, inspection and replacement of major components of refinery processing and support units performed during turnaround. Turnaround costs, which are included in the Company's balance sheet in PP&E, are currently depreciated on a straight-line basis over the period until the next scheduled turnaround, beginning the month following completion. The depreciation of the turnaround costs is presented as depreciation in the Income Statement.

Investments in Associates

The Company's investment in associates is accounted for using the equity method. An associate is an entity in which the Company has determined it has significant influence but is not considered a subsidiary.

Under the equity method, an investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associate. After application of the equity method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the net investment in the associate. The Income Statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and reflects this, or major transactions are adjusted for, when applicable, in the statement of changes in equity.

The reporting dates of the associates and the Company are identical or differ not more then three month.

Financial Assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of the financial assets at initial recognition and, where allowed and appropriate, evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognized on the transaction date, the date, the Company commits to purchase the asset. Regular way purchase and sales are purchases or sales of financial assets that require delivery of those assets within the period generally established by regulation or market place convention.

2 Accounting Policies (Continued)

Financial Assets at Fair Value through Profit or Loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of being sold in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains and losses on investments held for trading are recognized in the Income Statement.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale financial assets or are not classified in any of the preceding three categories. After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or the investment is determined as being impaired, at which time the cumulative gain or loss previously recorded into equity is recognized in the Income Statement.

The fair value of the investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

Other available-for-sale financial assets, such as investments over which the Company has no significant influence, and whose fair value cannot be reliably measured are stated at cost, less a provision for any permanent diminution in value. Dividends are recorded when declared.

Impairment of Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in companies that share similar credit risk characteristics.

All impairment losses are recognized in profit and loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit and loss. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been, had the impairment not been recognized. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity. All other reversals are recognized in profit and loss.

2 Accounting Policies (Continued)

Discontinued Operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of, is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale or upon disposal. When an operation is classified as a discontinued operation, the comparative Income Statement is restated as if the operation had been discontinued from the start of the comparative period.

Impairment of Assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or, when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's, or cash-generating unit's, fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the Income Statement under the line item depreciation and amortization.

Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

The Company capitalizes transaction costs within other financial assets if new debt securities and credit facilities are issued but not drawn. The Company amortizes these costs over the maturity period of the debt or over the life of the credit facility. The amortization of these costs is included in interest and finance expense in the Income Statement.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized as well as through the amortization process.

Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except if they are directly attributable to the construction of an asset that meets the determined criteria, in which case they are capitalized as part of the cost of that asset. These determined criteria are that the borrowing costs incurred for the construction can be reliably measured, that it will take more than six months to make the related assets operational and that it is an initial investment. The capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are completed.

Income Taxes

Current Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, as at the balance sheet date.

2 Accounting Policies (Continued)

Deferred Taxes

Deferred income tax is provided using the liability method on temporary differences, at the balance sheet date, between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill;
- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carry-forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the Income Statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

Provisions for Liabilities and Charges

Provisions are recognized only when the Company has a present obligation (legal or constructive) as a result of a past event whereby it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset on condition that the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement. If the effect of time value of money is material, provisions are discounted using a

2 Accounting Policies (Continued)

current pre-tax rate which reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial expenses.

Restructuring provisions relate to the estimated costs of the planned restructuring of specific subsidiaries that have been approved by the Management or Board and announced before the reporting period end.

Provisions for environmental remediation, resulting from past operations or events, are accounted for in the period in which an obligation arises and the amount can be estimated reasonably. Obligations are measured on the basis of current legal requirements and existing technology. Environmental expenditures relating to current operations are expensed, or capitalized where such expenditures provide future economic benefits. Liabilities for environmental remediation resulting from past operations or events are recognized in the period in which a legal or constructive obligation arises and when the amount can be reasonably estimated. Measurement of liabilities is based on current legal requirements and existing technology. Obligations and expected insurance pay-outs are accounted for separately.

Retirement Benefit Obligation

The Company operates three defined benefit plans in Switzerland, the United Kingdom and Belgium. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceeds 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plans.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized, reduced by past service cost not yet recognized and the fair value of plan assets out of which the obligations are to be directly settled. If such aggregation is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan, or reductions in the future contributions to the plan.

If the asset is measured as the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognized immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial loss of the current period and past service cost of the current period are recognized immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above, are recognized immediately if the asset is measured as the aggregate of cumulative unrecognized net actuarial loss and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period, after the deduction of past service cost of the current period, are recognized immediately.

Contributions to pension arrangements based on a defined contribution system are charged to the Income Statement in the year in which they are payable.

2 Accounting Policies (Continued)

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset, or assets, and the arrangement conveys a right to use the asset.

Company as a Lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Operating lease payments are recognized as an expense in the Income Statement on a straight-line basis over the lease term.

Company as a Lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Related Party Transactions

Transactions between the Company and related parties are disclosed in Note 29, specifying the nature, types and details of the transactions and the relationships.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts collected on behalf of third parties such as mineral oil taxes, sales taxes and value added taxes are not included in revenue.

Sale of Crude

In certain circumstances the Company enters into transactions for the sale of surplus crude oil that can not be utilized due to operational circumstances or unplanned refinery shut downs. As such transactions are incidental to the main revenue generating activities, the results of such transactions are presented by netting any income with related expenses arising on the same transaction. The net amount realized is included in materials cost in the Income Statement.

Cross Sales and Purchases

A cross sale is a sale to an entity outside of the Petroplus group under a cross sale/purchase agreement, where a sale is made on the understanding that a quantity, including that of a different

2 Accounting Policies (Continued)

grade, is bought back. The purpose of such arrangements is to allow the parties to achieve savings in their distributions costs in the selling of petroleum products. Cross sale and purchase transactions are presented net in materials cost.

Rendering of Services

Revenue from services is recognized by reference to the stage of completion. Stage of completion is measured by reference to the costs incurred to date as a percentage of total costs for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

For throughput arrangements executed by the Company, the processing fee is recognized as revenue.

Interest Income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Rental Income

Rental income is recognized on a straight-line basis over the term of the relevant lease.

Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

Share-Based Payment Transactions

Employees (including senior executives and members of the Board of Directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). Equity-settled transactions are share options which can be settled only through the issuance of shares or other equity instruments. Share options, which can be settled only in cash, are cash-settled transactions. The Company has only equity-settled transactions.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value of share options is determined using the Black-Scholes model, further details of which are provided in Note 24. In determining the fair value of the share options the service condition is not taken into account.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, on a straight-line basis over the period in which service conditions are fulfilled. At each reporting date, based on the Company's best estimate, the expense recognized is adjusted to reflect the actual number of share options that vest.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

2 Accounting Policies (Continued)

If an equity-settled award is repurchased during the vesting period for fully vested equity instruments, the payment is treated as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Such excess is recognized as expense in the Income Statement in the line item personnel expenses.

Emission Rights

Emission credits that are granted to the Company at no cost are not recorded on the consolidated Balance Sheet and a provision is only recorded when the total of actual emissions at the balance sheet date exceeds the number of granted emission credits held. The provision for such a shortfall is based on the fair value of emission credits at the balance sheet date.

Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise share options granted to employees.

Cash Flow Statement Presentation

The consolidated statement of cash flows is presented using the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. The continuing activity presented in the statement of cash flows is divided between operating, investing and financing activities.

Receipts and expenditures relating to interest, dividends received and income taxes are included within net cash flow from operating activities, except for the interest of the Participating Preferred Equity Securities (PPES).

Net cash flow from acquisitions of subsidiaries and equity participations are included within the cash flow from investing activities. Net cash flow from disposals of subsidiaries, which were classified as assets and liabilities held for sale, are included within cash flows from discontinued operations.

Dividend distributions are included within net cash flow from financing activities.

Summary of Significant Judgments and Estimates

Use of Estimates

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions concerning the future. The resulting accounting will not necessarily equal the actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are discussed below.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments apart from those involving estimates, which have the most significant impact on the amounts recognized in the consolidated financial information:

Finance Lease Commitments—The Company has a contract with a third party to provide hydrogen to its Cressier refinery; in the course of evaluating that contract under IFRIC 4 *Determining whether an arrangement contains a lease*, the Company has determined that contract to be a finance lease.

2 Accounting Policies (Continued)

Forward Purchase and Sale Commitments—The Company enters into physical forward sales and purchase contracts for crude oil procurement to deliver refined product to distributors and end customers. The Company has determined that these contracts do not meet the criteria of a derivative financial instrument according to IAS 39 *Financial Instruments: Recognition and Measurement*. This is due to management determination that the function of the activities is to supply crude oil to the refineries and to deliver refined products to distributors and end customers.

Impairment of Assets—In accordance with IAS 36 *Impairment of Assets*, at each balance sheet date, the Company performs an assessment to determine whether there are any indications of impairment. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets. Based on management's assessment, there were no indications of impairment at year end.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Useful Lives of Property, Plant and Equipment—Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful life might be different from the estimated useful life.

Deferred Tax Assets—Deferred tax assets are recognized to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilized. The valuation of future taxable income depends on assumptions that can change through time, with the possibility of significant differences in management's final valuation of deferred income tax. Judgment is required when determining the key assumptions used in the assessment and changes to the assumptions can significantly affect the outcome of the assessment.

Valuation of Costs in Determining FIFO Inventory—In determining the costs of the Company's oil products in inventory, management must make certain assumptions and estimates in order to develop the production cost of the oil products. While crude oil valuation is directly attributed to relevant purchase contract and freight costs, the value of the refined products cost is built up by identifying the appropriate crude oil cost by reviewing the crude oil run in the refinery for the last month of the reporting period. Additional factors considered include yield of the refinery, market crack levels and the relevant operating and fixed overheads for the stated month of production. Whenever net realizable value is lower than FIFO cost, the net realizable value is considered for valuation purposes. Management periodically reassesses these assumptions and estimates and judgment is required when determining the assumptions. Changes to the assumptions and estimates can significantly affect the outcome of the value of the oil products.

Environmental Costs—We provide for costs associated with environmental remediation obligations when such costs are probable and can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change.

Recently Issued Standards and Interpretations

New Standards and Interpretations not yet adopted

IFRS 7 *Financial Instruments*: *Disclosures*, and a complementary amendment to IAS 1 *Presentation of Financial Statements—Capital Disclosures* (effective from January 1, 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. This standard enhances the disclosures in IAS 30 *Disclosure in the*

2 Accounting Policies (Continued)

Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32 *Financial Instruments: Disclosure and Presentation*. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Company will apply IFRS 7 and the amendment to IAS 1 for the annual period beginning on January 1, 2007.

IFRS 8 *Operating Segments* requires an entity to report financial and descriptive information about its reportable operating segments or aggregations of operating segments. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating officer in deciding how to allocate resources and in assessing performance. Generally the information to be reported will be what the Company will be using internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. IFRS 8 replaces IAS 14 *Segment Reporting* and aligns segment reporting with the requirements under US GAAP, SFAS 131. IFRS 8 will be applied by the Company in the 2009 Financial Statements for the first time. Taking into account the ongoing reorganization and expansion of the Company, the management of the Company is not in a position to evaluate the potential effect of this new standard at this time.

IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies* addresses the application of IAS 29 when an economy first becomes hyperinflationary and in particular the accounting for deferred tax. IFRIC 7, which becomes mandatory for the Company's 2007 Financial Statements, is not expected to have any impact on the consolidated Financial Statements.

IFRIC 8 *Scope of IFRS 2 Share-based Payment* addresses the accounting for share-based payment transactions in which some or all of the goods or services received cannot be specifically identified. IFRIC 8 will become mandatory for the Company's 2007 Financial Statements, with retrospective application required. The Company has not yet determined the potential effect of this interpretation.

IFRIC 9 *Reassessment of Embedded Derivatives* requires a reassessment of whether embedded derivatives should be separated from the underlying host contract only when there are changes to the contract. IFRIC 9, which becomes mandatory for the Company's 2007 Financial Statements, is not expected to have a significant impact on the Consolidated Financial Statements of the Company.

IFRIC 10 *Interim Financial Reporting and Impairment* prohibits the reversal of an impairment loss recognized in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IFRIC 10, will become mandatory for the Company's 2007 Financial Statements. The Company will apply the interpretation prospectively. The Company has not recognized an impairment loss in an interim period and released it in a subsequent period in the past.

IFRIC 11 *Group and Treasury Share Transactions* clarifies the application of IFRS 2 *Share-based Payment* to certain share-based payment arrangements involving the entity's own equity instruments and to arrangements involving equity instruments of the entity's parent. IFRIC 11 will become mandatory for the Company's 2008 Financial Statements. The Company has not yet determined the potential effect of this interpretation.

IFRIC 12 *Service Concession Arrangements* This interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements. IFRIC 12 shall be applied for the Company's 2008 Financial Statements. It is not expected to have any impact on the Consolidated Financial Statements of the Company.

3 Revenue and Materials Cost

Revenue

(in millions of USD)	2006	2005
Sale of products	6,899.0	4,142.0
Tank rental	8.3	27.9
Handling fee	5.5	12.8
Compulsory stock storage	9.5	4.4
Other	0.7	1.2
Total revenue	6,923.0	4,188.3

Revenue represents the revenues earned from the sale of refined products and other minor revenues from the processing fees at the Antwerp facility, compulsory stock storage, tank rental and handling fees.

Excise duties are not included in revenues but they are levied on part of the revenues. The excise duties invoiced during the year amount to USD 124.3 million (2005: USD 116.4 million).

Materials Cost

Materials cost represent the cost to purchase crude oil and the gains and losses on commodity instruments (primarily refining margin hedges). For the year ended December 31, 2006 the Company recorded a gain of USD 182.6 million (loss of USD 31.3 million for the nine month period ended 2005) for commodity instruments in respect of refining margin hedges. The gain recorded in materials cost for other commodity instruments was USD 63.4 million for the year ended December 31, 2006 and a loss of USD 5.9 million for the nine month period ended 2005.

Included in materials cost are sales of crude oil. These sales are executed to avoid failures of timely deliveries, delivery shortages of crude oil, and at times a result of operational optimization decisions. These sales occur mainly with refineries that are dependent on crude oil supply by vessels. Therefore, the related primary crude oil purchase is sold at the current market price. The crude oil sales revenue offset against materials cost in 2006 is USD 427.7 million (2005: USD 68.5 million). These sales increased significantly compared to the prior year due to the cancellation of oil contracts and a move to CPC crude purchases at the Cressier refinery and the acquisition of the BRC refinery.

4 Segment Information

Segment information is presented in respect of the Company's business and geographical segments. The primary format, business segments, is based on the Company's management and internal reporting structure.

Inter-segment transactions are determined on an arm's-length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The Company is organized into the following main business segments:

- *Refining*—The refining division operates refineries in Cressier (Switzerland), Antwerp (Belgium) and Teesside (United Kingdom). The refining division is defined as the core business of the Company and therefore will represent the sole primary segment at the end of 2006 after the restructuring of the Company is completed.
- *Discontinued operations*—This Division was sold in 2005 and 2006, see Note 7 for further information.

4 Segment Information (Continued)

Business Segments

	Refining		Total Continued Operations		Discontinued Operations		Total Company	
(in millions of USD)	2006	2005	2006	2005	2006	2005	2006	2005
Total external revenue	6,923.0	4,188.3	6,923.0	4,188.3	2,213.7	2,285.5	9,136.7	6,473.8
Total revenue	6,923.0	4,188.3	6,923.0	4,188.3	2,213.7	2,285.5	9,136.7	6,473.8
Operating profit	179.5	36.4	179.5	36.4	20.2	29.6	199.7	66.0
Net financial expense			(85.5)	(51.2)	—	(10.4)	(85.5)	(61.6)
Share of income/(loss) from associates			0.3	—	—	(0.8)	0.3	(0.8)
Income tax expense			(25.1)	(10.3)	—	(0.6)	(25.1)	(10.9)
Foreign currency exchange gain/(loss)			4.9	(3.0)	—	(3.8)	4.9	(6.8)
Gain on sale of discontinued operation, net of income tax			—	—	349.3	12.5	349.3	12.5
Net income/(loss)			74.1	(28.1)	369.5	26.5	443.6	(1.6)
Segment assets	2,933.2	1,871.1	2,933.2	1,871.1	81.2	580.8	3,014.4	2,451.9
Investments in associates	0.4	0.3	0.4	0.3	—	—	0.4	0.3
Total Assets	2,933.6	1,871.4	2,933.6	1,871.4	81.2	580.8	3,014.8	2,452.2
Segment liabilities	1,420.3	2,076.9	1,420.3	2,076.9	39.4	345.5	1,459.7	2,422.4
Total liabilities	1,420.3	2,076.9	1,420.3	2,076.9	39.4	345.5	1,459.7	2,422.4
Capital expenditure	68.6	77.8	68.6	77.8	2.4	9.6	71.0	87.4
Depreciation	(74.8)	(39.0)	(74.8)	(39.0)	(3.2)	(8.6)	(78.0)	(47.6)
Amortization of intangible assets	(0.1)	—	(0.1)	—	—	—	(0.1)	—

Geographical Segments

Secondary information is reported geographically. The Company's geographical segments are based on the location of the Company's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

The following table provides details of total revenues by geographic market area for the years ended December 31, 2006 and 2005:

Revenue by Location of Customers

	Continuing Operations		Discontinued Operations	
(in millions of USD)	2006	2005	2006	2005
Switzerland	2,746.6	1,652.1	158.7	68.7
United Kingdom	2,072.7	1,520.5	74.0	13.4
The Netherlands	91.0	147.8	1,453.5	1,445.8
Belgium	745.4	181.4	82.6	225.3
Germany	638.3	132.6	110.9	228.8
Rest of the world	629.0	553.9	334.1	303.4
Total revenue	6,923.0	4,188.3	2,213.8	2,285.4

4 Segment Information (Continued)

The following table provides details of total segment assets by location of the assets for the years ended December 31, 2006 and 2005:

Net Carrying Amount of Assets by Location

	Continuing Operations		Discontinued Operations	
(in millions of USD)	2006	2005	2006	2005
Switzerland	1,718.8	1,090.4	—	2.5
United Kingdom	322.0	325.2	—	43.3
The Netherlands	71.3	276.0	74.9	420.6
Belgium	719.3	108.4	6.3	0.2
Germany	60.3	42.3	—	67.2
Rest of the world	41.9	29.1	—	47.0
Total segment assets	2,933.6	1,871.4	81.2	580.8

The following table provides details of additions to property, plant and equipment and intangible assets by location of the assets for the years ended December 31, 2006 and 2005:

Additions to Property, Plant, Equipment and Intangible Assets by Location

	Continuing Operations		Discontinued Operations	
(in millions of USD)	2006	2005	2006	2005
Switzerland	16.8	49.4	—	0.1
United Kingdom	20.7	8.5	1.0	5.4
The Netherlands	0.9	3.9	1.0	1.6
Belgium	28.8	15.1	—	—
Germany	—	0.2	0.3	1.6
Rest of the world	1.4	0.7	0.1	0.9
Additions to property, plant, equipment and intangible assets	68.6	77.8	2.4	9.6

5 Additional Income Statement Disclosures

Personnel expenses

(in millions of USD)	2006	2005
Wages, salaries and bonuses	(82.0)	(44.8)
Social security and pension expenses	(18.7)	(4.6)
Contract labor	(6.3)	(6.7)
Expense of share based payments	(0.4)	—
Other personnel expenses	(8.1)	—
Total personnel expenses	(115.5)	(56.1)

Other personnel expenses include mainly recruitment, education and insurance expenses.

5 Additional Income Statement Disclosures (Continued)

Refinery operating expenses

(in millions of USD)	2006	2005
Energy expenses	(33.5)	(20.4)
Chemical expenses	(24.3)	(17.3)
Other selling, general and administrative expenses	(42.4)	(5.9)
Utilities	(1.5)	(0.9)
Maintenance	(21.8)	(14.7)
Project expenses	(12.2)	(6.0)
Safety, health and environmental costs	(4.1)	(1.3)
Total refinery operating expenses	(139.8)	(66.5)

Financial income

(in millions of USD)	2006	2005
Interest income	5.3	3.3
Gains from derivatives financial instruments	36.8	—
Total financial income	42.1	3.3

Financial expenses

(in millions of USD)	2006	2005
Interest expenses	(60.2)	(11.6)
Expensed (re)financing costs	(55.0)	(30.1)
Bank and commission fees	(6.2)	(5.5)
Letter of credit expenses	(4.5)	(4.3)
Other financial expenses	(1.7)	(3.0)
Total financial expenses	(127.6)	(54.5)

6 Taxes

Current Tax

The major components of income tax expense for the year ended December 31, 2006 and 2005 are as follows:

(in millions of USD)	Continuing operations		Discontinued operations		Total	
	2006	2005	2006	2005	2006	2005
Consolidated Income Statement						
Current Income Tax						
Current income tax charge	(10.1)	(6.2)	—	(0.3)	(10.1)	(6.5)
Charges in respect to current tax of previous years	(0.3)	(1.9)	—	(0.3)	(0.3)	(2.2)
Deferred Income tax						
Related to origin and reversal of temporary differences	(16.8)	(2.2)	—	—	(16.8)	(2.2)
Related to changes in tax rates	2.1	—	—	—	2.1	—
Total income tax	(25.1)	(10.3)	—	(0.6)	(25.1)	(10.9)

Aggregate current and deferred tax relating to items charged or credited to equity

Income tax directly recognized in equity	3.2	—	—	—	3.2	—
Total income tax recognized in equity	3.2	—	—	—	3.2	—

The reconciliation between the actual tax charge and the expected tax charge for the year ended December 31, 2006 and 2005 are as follows:

(in millions of USD)	2006	2005
Total income, thereof	468.7	8.7
from discontinued operations	369.5	26.5
from continuing operations	99.2	(17.8)
Total income/(loss) from continuing operations	99.2	(17.8)
Expected tax charge at head office rate (2006: 12.0%; 2005: 31.5%)	(11.9)	5.5
Income taxed at different rates	19.2	6.0
Tax effect of expenses not deductible in determining taxable profit	(2.4)	—
Tax effect of non-taxable income	2.9	—
Change in tax rate	2.1	—
Adjustment in respect of prior periods	(3.3)	(1.4)
Utilisation of tax losses not previously recognized	1.5	0.6
Deferred tax asset not recognised for tax losses incurred	(34.7)	(21.0)
Other	1.5	—
Income tax expense from continuing operations	(25.1)	(10.3)

As part of the relocation of our group in 2006, the head office moved from the Netherlands to Switzerland, which entailed a change in the applicable head office tax rate.

6 Taxes (Continued)

Deferred Income Tax

Deferred tax at December 31, 2006 and 2005 relates to the following:

(in millions of USD)	2006	2005
Deferred tax asset		
Timing differences:		
Intangible assets	3.5	5.3
Derivative financial instruments	—	9.1
Inventories	—	1.5
Receivables	3.6	—
Retirement benefit obligation	3.3	2.7
Other assets	2.1	—
Losses available for offset against future taxable income	4.3	1.1
Total deferred tax asset	16.8	19.7
Deferred tax liability		
Timing differences:		
Property, plant and equipment	155.4	45.9
Derivative financial instruments	8.0	—
Inventories	0.7	—
Receivables	0.4	0.5
Retirement benefit obligation	—	0.8
Other liabilities	5.6	—
Total deferred tax liability	170.1	47.2
Deferred tax liability, net	(153.3)	(27.5)
Presented in the balance sheet as:		
Deferred tax asset	5.2	7.8
Deferred tax liability	(158.5)	(35.3)
Deferred tax liability, net	(153.3)	(27.5)

Tax Losses Carried Forward

The net tax losses carried forward, which remain unvalued, equate to USD 258.8 million (December 31, 2005: USD 182.4 million). The losses relate to group companies in Belgium, Germany and the Netherlands and have not been valued as their utilization is not probable. These unvalued net tax losses, under current regulation and local tax laws, do not have expiration periods.

Retained Earnings/Dividend Distributions

The group has limited retained earnings available currently and no intra-group dividend distributions are planned for the foreseeable future. Any dividend distributions would have no or limited tax consequences due to the expected application of relevant EU Directives and Double Tax Treaties.

7 Discontinued Operations

On August 21, 2006, the Company, through a wholly owned subsidiary, entered into a notarial deed of share purchase and transfer under which RIVR acquisition B.V. sold certain shares in 4Gas B.V. to RIVR Holding B.V. in exchange for a EURIBOR plus 1.75% interest bearing loan note of USD 224.5 million (EUR 175 million) plus the assumption of a USD 64.1 million (EUR 50 million) payment in kind. The transaction resulted in a net gain of USD 282.6 million (EUR 225 million).

7 Discontinued Operations (Continued)

Pursuant to the share sale and purchase agreement dated August 21, 2006, we sold our shares in the remaining non-core entities of the 4Gas group, consisting of 4Gas Ltd., GORL Ltd, Haven Energy Ltd., Milford Gas Ltd., Milford Power Ltd., Petroplus Milford Haven Holding Ltd., Petroplus Oil Refining Milford Haven Ltd., Waterston Developments Ltd., Waterston Energy Park Ltd., Waterston Services Ltd. and Waterston Services II Ltd. (collectively, the "Other 4Gas Assets"), to 4Gas B.V. for an initial consideration of USD 6.4 million (EUR 5 million) and deferred consideration to the extent that the aggregate proceeds of the sale of the Other 4Gas Assets exceed USD 6.4 million (EUR 5 million). The transaction resulted in a net loss of USD 3 million (EUR 2.4 million).

On August 21, 2006, the Company also sold substantially all of its remaining non-core assets, including the Petroplus Tankstorage group, the Bunkering group and the Oxyde group (collectively, the "Other Non-core companies") to RIVR Divestment B.V. for a EURIBOR plus 1.75% non-recourse loan note in the amount of USD 147.5 million (EUR 115 million). The transaction resulted in a net gain of USD 15.9 million (EUR 12.7 million). Net cash proceeds of approximately USD 115.9 million (EUR 95.1 million) have been received as of December 31, 2006.

In connection with the above sales of the non-core assets, PPI guaranteed certain liabilities of the non-core assets for which there were outstanding guarantees to third-party buyers already in place at the time of the divestiture. RIVR Holding B.V. and Petroplus International B.V. entered into three indemnity agreements, with any liabilities to third party buyers in excess of USD 32.1 million (EUR 25 million) or after three years from the date of such indemnity agreement being indemnified by Petroplus International B.V. In addition, we have agreed to indemnify RIVR Divestment B.V. to the extent the liability for any individual breach of the Company's representations and warranties gives rise to a liability of USD 641,500 (EUR 500,000) or more and to the extent the aggregate liability for all breaches of our representations and warranties exceeds USD 6.4 million (EUR 5.0 million) subject to a cap of the purchase price.

On June 19, 2006, the Company, through various subsidiaries, entered into a purchase and sales agreement relating to the sale of the German Tankstorage group to Deukalion Tankstorage GmbH for approximately USD 40.0 million (EUR 31.8 million). The transaction resulted in a net loss of USD 26.7 million (EUR 21.3 million). As of December 31, 2006, cash proceeds of USD 39.6 million (EUR 31.0 million) have been received.

On January 13, 2006, the Company entered into a purchase and sales agreement with SEM Group LP for the sale of Petroplus Milford Haven Limited for consideration of USD 142.5 million (EUR 117 million). This transaction resulted in a net gain of USD 83.8 million (EUR 66.7 million).

On December 15, 2005, the Company, through a wholly owned subsidiary, entered into a sales agreement with Bayford & Co. Ltd for the sale of the UK cards group for consideration of USD 7.7 million (EUR 6.5 million). As there were no assets attributable to this business, the full amount has been recorded to income in 2005.

Various other sales of non core assets have occurred in 2006 and 2005. These have not been separately disclosed as the results do not have a material effect on the overall financial position of the company.

Discontinued operations reflect the results from the operating activities of the assets held for sale and sold during 2005 and 2006.

The profit for the year from discontinued operations is analyzed as follows:

(in millions of USD)	Notes	2006	2005
Profit from discontinued operations		20.2	14.0
Gain on sale of discontinued operations	31	349.3	12.5
Gain from discontinued operations		369.5	26.5

7 Discontinued Operations (Continued)

The result of the discontinued operations are as follows:

(in millions of USD)	2006	2005
Revenue	2,213.7	2,285.5
Material cost	(2,159.9)	(2,200.7)
Other expenses	(33.6)	(70.2)
Profit before taxes	20.2	14.6
Income taxes	—	(0.6)
Profit from discontinued operations	20.2	14.0

Earnings per share from discontinued operations (in USD)	Note	2006	2005
Earnings per share—basic	23	9.08	0.92
Earnings per share—diluted	23	8.76	0.92

Details pertaining to disposals in 2006 and 2005 are presented above. Further information is also disclosed in Note 31 of the Financial Statements.

8 Net Assets held for Sale

During 2006, the Company entered into negotiations with 4Gas B.V. for the sale of shares in Dragon LNG Holding Ltd and Dragon LNG Ltd. (together, "Dragon") and Milford Energy Limited. The sales are expected to close in early 2007 for USD 25.7 million (EUR 20 million) and USD 6.4 million (EUR 5 million) respectively. These assets, along with two entities (Antol N.V and Jely BVBA) acquired as part of the acquisition of EPH, for which sales negotiations are in process, have been classified as held for sale at the end of 2006.

At the end of 2005, the Company resolved to sell all its activities, that were not related to the refinery and wholesale marketing operations, to various counterparties. Assets held for sale at the end of 2005 and subsequently sold during 2006 (as discussed in Note 7) consist primarily of the following groups:

- the 4Gas group, which is engaged in developing and operating liquid natural gas terminals;
- the Bunkering group, which includes the Frisol group, Reinplus van Woerden and North Sea Petroleum which is engaged in the wholesale bunkering and trading business;
- the Oxyde Chemicals group, which is engaged in the chemicals and plastics trading and distribution business;
- the Petroplus Netherlands, Milford Haven, and German Tankstorage groups, all of which are engaged in the provision of tank storage facilities to the oil industry.

8 Net Assets held for Sale (Continued)

The major classes of assets and liabilities, which comprising the disposal groups classified as held for sale are as follows:

(in millions of USD)	2006	2005
Intangible assets	1.7	9.3
Property, plant and equipment	2.8	146.7
Other non-current assets	1.6	5.7
Inventories	0.4	152.3
Trade receivables, net	2.0	209.5
Receivable due from Dragon LNG	71.7	—
Other current assets	1.0	57.3
Total assets classified as held for sale	81.2	580.8
Interest-bearing loans and borrowings	—	161.6
Trade payables	1.5	144.7
Payable due to Dragon LNG	36.9	—
Other current liabilities	1.0	39.2
Total liabilities classified as held for sale	39.4	345.5
Net assets held for sale	41.8	235.3

9 Cash and Short-Term Deposits

Cash and short-term deposits for the years ended December 31, 2006 and 2005 were as follows:

(in millions of USD)	2006	2005
Cash	65.1	4.2
Short-term deposits	26.5	61.7
Cash and short-term deposits	91.6	65.9

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Company. Interest is earned at the respective short-term deposit rates. See Note 28 for the fair value of cash and short-term deposits.

Of the total amount included in cash and short-term deposits at December 31, 2006 USD 52.8 million was pledged under various borrowing agreements (2005: USD 59.2 million).

The cash position is mainly composed of currencies in USD, EUR, GBP and CHF.

10 Inventories

(in millions of USD)	2006	2005
Raw materials	359.5	278.4
Finished goods	370.3	195.7
Other materials	11.2	5.8
Total inventories	741.0	479.9

The carrying amount of inventories carried at net realizable value amounts to USD 684.9 million. There was a write-down of inventories to net realizable value in the amount of USD 4.6 million for the year ended December 31, 2006 (2005: nil). Of the total amount included in inventories at December 31, 2006 USD 730.1 million was pledged as security for the Company's credit facilities.

11 Trade and Other Receivables

Trade Receivables

(in millions of USD)	2006	2005
Trade receivables	548.0	438.1
Provision for doubtful debt	(1.1)	(1.2)
Total trade receivables, net	546.9	436.9

A corresponding value adjustment for doubtful debt was made. Trade and other receivables are mainly composed of currencies in USD, EUR, GBP and CHF.

Of the total amount included in trade receivables at December 31, 2006 USD 500.2 million was pledged as security for the Company's credit facilities.

Other Receivables, Prepayments and Accrued Income

(in millions of USD)	2006	2005
Receivables from associates	2.6	2.1
Taxes other than company income taxes	7.5	2.1
Other receivables and prepayments	180.6	107.2
Accrued income	3.2	—
Total other receivables and prepayments	193.9	111.4

Other receivables and prepayments mainly include receivables due from the SPE amounting to USD 98.1 million which pertains to the securized agreement under the RPF (see Note 17) and has not been finally transferred to the bank account as of December 31, 2006. Approximately USD 45.3 million relates to other receivables relating to the sale of the non-core business and the remaining amount relates mainly to Government organization which serves the purpose of compulsory obligation stocks and VAT receivables. Of the total amount included in other trade receivables at December 31, 2006, USD 15.9 million was pledged as security for the Company's credit facilities.

12 Intangible Assets

Changes in intangible assets for the years ended December 31, 2006 and 2005 were as follows:

(in millions of USD)	Software	Total
Cost		
Balance at January 1, 2005	—	—
Balance at December 31, 2005	—	—
Additions through acquisition	1.1	1.1
Balance at December 31, 2006	1.1	1.1
Accumulated depreciation		
Balance at January 1, 2005	—	—
Balance at December 31, 2005	—	—
Amortization	0.1	0.1
Balance at December 31, 2006	0.1	0.1
Net carrying amount at		
January 1, 2005	—	—
December 31, 2005	—	—
December 31, 2006	1.0	1.0

13 Property, Plant and Equipment

Changes in property, plant and equipment for the years ended December 31, 2006 and 2005 were as follows:

(in millions of USD)	Notes	Land & Buildings	Machines & Equipment	Other fixed assets	Assets under construction	Total
Cost						
Balance at January 1, 2005		—	—	—	—	—
Additions through acquisition	30	116.7	629.7	26.1	16.5	789.0
Additions		0.7	40.1	1.4	45.2	87.4
Disposals		(0.6)	(109.3)	(0.6)	(3.4)	(113.9)
Currency translation		(10.4)	(55.7)	(2.6)	(1.3)	(70.0)
Reclassification		(3.6)	48.5	1.4	(46.3)	—
Transfer to assets classified as held for sale		(14.7)	(117.7)	(13.4)	(0.9)	(146.7)
Balance at December 31, 2005		88.1	435.6	12.3	9.8	545.8
Additions through acquisition	30	3.0	494.2	8.4	15.8	521.4
Additions		0.1	29.0	1.1	38.4	68.6
Disposals		(1.1)	—	(0.3)	(0.1)	(1.5)
Currency translation		9.8	65.6	1.6	2.4	79.4
Reclassification		(18.6)	37.3	0.3	(19.0)	—
Transfer to assets classified as held for sale		(1.6)	(1.1)	(0.1)	—	(2.8)
Balance at December 31, 2006		79.7	1,060.6	23.3	47.3	1,210.9
Accumulated depreciation						
Balance at January 1, 2005		—	—	—	—	—
Depreciation		1.0	31.9	6.1	—	39.0
Disposals		—	(0.4)	(0.2)	—	(0.6)
Currency translation		(0.1)	(1.6)	(0.4)	—	(2.1)
Balance at December 31, 2005		0.9	29.9	5.5	—	36.3
Depreciation		3.8	67.5	3.5	—	74.8
Disposals		—	(0.3)	—	—	(0.3)
Currency translation		0.2	6.5	0.9	—	7.6
Balance at December 31, 2006		4.9	103.6	9.9	—	118.4
Net carrying amount at January 1, 2005		—	—	—	—	—
December 31, 2005		87.2	405.7	6.8	9.8	509.5
December 31, 2006		74.8	957.0	13.4	47.3	1,092.5

The carrying amount of finance leases included in equipment as of December 31, 2006 is USD 29.6 million (2005: USD 28.5 million).

Property, plant and equipment pledged in relation to the financing facilities of the Company were USD 74.9 million for the Cressier refinery assets and USD 22.8 million for Swiss tankstorage assets at December 31, 2005. In addition, all assets of the Teesside refinery have been pledged as security against the amounts drawn under the Senior Facility, these assets amounted to USD 77.0 million at December 31, 2005. Due to the fact that all loans and borrowings have been fully repaid by the end of 2006, none of the above assets were pledged at December 31, 2006.

14 Investments in Associates

The Company has the following investments in associates:

PLG Pflichtlagergesellschaft für Mineralöle ("PLG") AG, Zug, Switzerland, is an entity established for administration and management of the compulsory stock obligation of the Company, BP, Shell and others as set by the government. The Company holds 35% of PLG in line with the volume of the Company's compulsory stock obligation. The Swiss entity is not listed on a public stock exchange.

SOGEP Société Genevoise des Pétroles ("SOGEP") SA, Vernier, Switzerland, is an entity that operates a tank storage facility in Geneva for its majority shareholders, being Shell, Esso and the Company (32% shareholding). The entity is not listed on a public stock exchange.

Sempachtank AG, Neuenkirch, Switzerland, is an entity that operates a tank storage facility in Neuenkirch for its shareholders, being the Company, Dillier-Wyrsch, Josef Gut AG, Cica S.A., Voegtling-Meyer AG and others. The shares were acquired in January 2006. The entity is not listed on a public stock exchange.

The financial reporting date of PLG and SOGEP does not differ from the Company's financial reporting date of December 31. The financial reporting date of the Sempachtank AG is September 30. The Financial Statements of Sempachtank AG are adjusted by significant effects, if any, for the period between September 30, and December 31.

The following table illustrates the summarized financial information of the Company's investments in associates for December 31, 2006 and 2005:

	2006				2005		
(in millions of USD)	PLG	SOGEP	Sempachtank AG	Total	PLG	SOGEP	Total
Current assets	42.6	0.4	0.1	43.1	39.2	0.3	39.5
Non-current assets	—	6.4	1.9	8.3	—	6.9	6.9
Current liabilities	(41.7)	(6.7)	(0.2)	(48.6)	(38.4)	(7.1)	(45.5)
Non-current liabilities	—	—	(1.7)	(1.7)	—	—	—
Net assets	0.9	0.1	0.1	1.1	0.8	0.1	0.9
	35%	32%	22%		35%	32%	
Company's share of associates' net assets	0.4	—	—	0.4	0.3	—	0.3

	Year ended 2006				Year ended 2005		
(in millions of USD)	PLG	SOGEP	Sempachtank AG	Total	PLG	SOGEP	Total
Revenue	5.4	3.1	0.3	8.8	5.0	3.1	8.1
Income	0.6	0.3	—	0.9	—	—	—
	35%	32%	22%		35%	32%	
Company's share of associates' revenue	1.9	1.0	0.1	3.0	1.8	1.0	2.8
Company's share of associates' income	0.2	0.1	—	0.3	—	—	—

15 Financial Assets available for Sale

Entity		2006	2005
SAPPRO SA (Société du Pipeline à produits pétroliers sur territoire genevois), Vernier, Switzerland	Ownership	15.6%	15.6%
	Carrying Value (in million USD)	0.6	0.5
RBE—Rheinische Bio Ester GmbH & Co. KG, Neuss, Germany	Ownership	15.0%	15.0%
	Carrying Value (in million USD)	1.6	1.3
Total financial assets available for sale		2.2	1.8

15 Financial Assets available for Sale (Continued)

For SAPPRO SA (Société du Pipeline à produits pétroliers sur territoire genevois) and RBE—Rheinische Bio Ester GmbH & Co. KG, the fair value could not be determined reliably and therefore they are valued at cost.

The recognized profit or loss in financial assets available for sale for the year ended December 31, 2006 was nil (2005: nil). The Company recognizes dividend income from investments when such are declared.

The shares of the above entities are unquoted.

16 Other Financial Assets

Other financial assets include capitalized financing costs resulting from the facility agreement of USD 1.2 billion. The capitalized financing costs are depreciated over three years which is equivalent to the facility agreement's duration period.

17 Interest Bearing Loans and Borrowings

(in millions of USD)	2006	2005	Interest rate	Maturity	Currency
Non-current					
Senior Debt	—	39.6	EURIBOR + 2.50%	Nov. 2008	EURO
Senior Debt	—	7.7	LIBOR + 2.50%	Nov. 2008	GBP
Senior Debt	—	89.9	LIBOR + 2.50%	Nov. 2010	CHF
Senior Debt	—	21.8	EURIBOR + 2.50%	Nov. 2010	EURO
Senior Debt	—	106.2	EURIBOR + 2.75%	Nov. 2011	EURO
Senior Debt	—	23.3	LIBOR + 2.75%	Nov. 2011	GBP
Senior Debt	—	70.8	EURIBOR + 6.75%	Nov. 2012	EURO
Payment In Kind facility (“PIK”)	—	59.1	EURIBOR + 9.00%	Dec. 2013	EURO
Senior Debt & PIK (at nominal value)	—	418.4			
Senior Debt & PIK (at amortized cost)	—	387.1			
PPES	—	24.5	12%	Dec. 2056	EURO
Total non-current	—	411.6			
Current					
Credit facility	—	108.2	EURIBOR/LIBOR + 1.75%		EURO/USD/CHF
Current portion of Senior Debt	—	5.9	EURIBOR + 2.50%		EURO
Revolving facility	—	29.6	EURIBOR + 2.50%		EURO
Total current	—	143.7			

Repayment of Debt in 2006

In 2006, the company fully repaid all outstanding debts, both long-term Senior Debt and short-term working capital borrowings, with the proceeds received from the sale of non-core assets and the Initial Public Offering.

Restructuring of Debt Facilities

In December 2006, the company amended and increased the Inventory Revolving Credit Facility (“RCF”—as described below) to a total of USD 1.2 billion of committed availability for three years and subsequently cancelled the bilateral trade finance facilities, inherited from the EPH acquisition, which amounted to an aggregate of USD 660 million. The Company has an option to increase the RCF up to USD 2.0 billion. The RCF together with the USD 400 million Receivables Purchase Facility (“RPF”—

17 Interest Bearing Loans and Borrowings (Continued)

as described below) had initially been entered into in order to refinance the previous trade finance facility which was the main working capital facility during 2005.

Term Loan Facilities

Senior Credit Facilities

To finance the bid for the PPI shares and Senior Notes as well as associated financial costs in 2005, a bridge facility of USD 379 million (EUR 320 million) was made available to RIVR and its subsidiaries. This facility was drawn in March and April of 2005 following the completion of the transaction outlined in Note 1. After repaying USD 154 million (EUR 130 million) of the new Senior loans using the proceeds from the sale of certain non-core entities, this bridge facility was refinanced in November 2005. Under the Senior Facility Agreement an amount of USD 296.1 million (EUR 250 million) was borrowed and the Second Lien Facility Agreement USD 70.8 million (EUR 60 million) subordinated debt was borrowed.

The loans drawn under the Senior Facility Agreement had maturities ranging from 3 to 6 years. The short term portion was classified under current liabilities. The loans drawn under the Second Lien Facility Agreement had a maturity of 7 years with a bullet payment at maturity date. These loans had a subordinated form of fixed asset security. The balance of the outstanding loans drawn under the Second Lien Facility Agreement on December 31, 2005 amounted to USD 70.8 million.

During 2006 the senior facilities were further increased to finance part of the acquisition of European Petroleum Holdings N.V. "EPH" by approx. USD 470 million as of May 31, 2006. All outstanding amounts under Senior Credit Facilities were repaid during 2006 by using proceeds received from disposals of non-core assets as well as of the IPO. Outstanding under these facilities was nil at the end of 2006 versus USD 453.9 million at the end of 2005 (including USD 418.4 million for Senior Debt non-current & PIK, USD 5.9 million for the current portion, and USD 29.6 million for a 364-day revolving credit facility).

Participating Preferred Equity Securities (PPES)

During 2005 RIVR issued PPES for USD 154.3 million. Before year-end 2005 USD 129.8 million were redeemed. As at December 31, 2005, 2,078,125,000 of PPES were issued with a nominal value of USD 0.01 each (Total USD 24.5 million).

Working Capital Facilities

Inventory Revolving Credit Facility

Certain of our subsidiaries are party to a USD 1.2 billion multicurrency secured revolving credit facility agreement dated December 23, 2005 (as amended most recently on December 21, 2006, the "RCF"). The agreement was an option to increase the facility amount to up to USD 2.0 billion on a pre-approved but uncommitted basis in connection primarily with increased working capital needs as a result of future acquisitions. Moreover the Company can obtain additional availability on an uncommitted basis under the same facility.

The RCF is available, subject to a borrowing base, in the form of revolving loan advances, bank overdraft advances and certain payment instruments, including documentary letters of credit, standby letters of credit, letters of indemnity and bank guarantees. Bank overdrafts and revolving loans together may not be more than 60% of the total amount of the RCF. Bank overdrafts are limited to USD 100 million. The borrowings under the RCF are jointly and severally guaranteed by certain of our subsidiaries and the SPE purchaser under our RPF. Such borrowings are secured by certain assets of the borrowers and of the guarantors, the form of such security includes certain pledges of bank accounts, inventory, insurance and other assets. The RCF terminates on December 21, 2009.

There were no outstanding drawings under this facility at the end of 2006 or 2005.

17 Interest Bearing Loans and Borrowings (Continued)

Receivables Purchase Facility

Certain of our subsidiaries are party to a USD 400 million master trade receivables purchase facility agreement dated February 23, 2006 (as amended, the "RPF"). The RPF is guaranteed by certain of our subsidiaries and is secured by certain assets of the sellers or receivables under the facility, certain of our other subsidiaries and the SPE purchaser under the facility, the form of such security including certain pledges of bank accounts, inventory, insurance and other assets. The facility is available for five years less two weeks from the date all the relevant condition precedents to utilization of the facility were satisfied.

There were no outstanding drawings under this facility at the end of 2006.

Trade Finance Facility

In 2005 the main working capital facility of the group was a trade finance facility provided by various banks. The amount outstanding under this facility at the end of 2005 was USD 108.2 million. This facility was then cancelled and refinanced by the above two working capital facilities in February 2006.

Covenants

In 2005 and during 2006 facilities contained covenants that restrict certain of our activities, including restrictions on creating or permitting to subsist certain security, engaging in certain mergers or consolidations, sales or other disposals of certain assets, giving certain guarantees, making certain loans, making certain investments, incurring certain additional indebtedness, engaging in different businesses, making certain dividend, debt or other restricted payments, and amending or waiving certain material agreements.

The facilities also contained certain financial covenants, such as:

- minimum Consolidated Tangible Net Worth
- minimum EBITDA versus Net Interest ratio
- maximum Senior Term Borrowings versus EBITDA ratios
- minimum Cash Flow versus Debt Service ratio
- maximum Capex

After repayments of all Senior Debts and after amendment of increase of the RCF the financial covenants remaining at year end of 2006 are:

- minimum Consolidated Tangible Net Worth
- minimum EBITDA versus Net Interest ratio

For the years ended December 31, 2006 and 2005 the Company met the requirements of the covenants.

18 Trade and Other Payables

(in millions of USD)	2006	2005
Trade payables	567.9	649.0
Total trade payables	567.9	649.0
Taxes other than income taxes	218.5	222.0
Other payables and accrued expenses	97.5	99.9
Total other payables and accrued expenses	316.0	321.9

18 Trade and Other Payables (Continued)

At December 31, 2006 USD 97.5 million (2005: USD 99.9 million) was recorded as other payables and accrued expenses which primarily related to personnel expenses, general expenses, interest and invoices to be received and recorded within the period.

Taxes other than income taxes consist of excise duties, value added taxes, withholding taxes and wage taxes.

Trade and other payables are mainly composed of currencies in USD, EUR, GBP and CHF.

19 Employee Benefits

The Company has several different defined benefit pension plans (in Switzerland, in the United Kingdom and in Belgium) covering substantially all of its employees, requiring contributions to be made to separately administered funds.

The following tables summarize the funded status amounts recognized in the consolidated balance sheet for the respective employee benefit plans and components of net benefit expense recognized in the Consolidated Income Statement.

The principal assumptions used in determining the pension obligation for the plans are shown below and are based on weighted averages:

Assumptions (weighted averages)	2006	2005
Discount factor	3.9%	3.7%
Expected investment yield	4.9%	4.8%
Future pay increases	2.4%	2.1%
Future pension increases	1.7%	1.6%

The assumptions are weighted on the present value of the respective defined benefit obligations. The overall expected investment yield is a weighted average of the expected returns of the different asset categories as shown below. The assessment of the expected returns on investments by the Company is based on historical return trends and analysts' predictions of the market for the respective categories in the next twelve months.

Changes in the present value of the defined benefit obligation are as follows:

(in millions of USD)	2006	2005
Defined benefit obligation at January 1,	128.7	—
Obligation acquired on acquisition	11.8	147.1
Interest cost	5.6	5.1
Current service costs	6.0	6.7
Contributions by plan participants	2.2	—
Benefits paid	(7.1)	(4.6)
Actuarial losses/(gains) on obligation	(5.7)	3.6
Plan curtailments/settlements	1.2	(9.8)
Exchange differences	13.8	(19.4)
Defined benefit obligation at December 31,	156.5	128.7

During 2005, the pension scheme in Switzerland was changed from a benefit-oriented to contribution-oriented plan. Under IAS 19 *Employee Benefits*, this contribution-oriented plan is also treated as a defined benefit plan. The change resulted in a lower defined benefit obligation of USD 9.8 million in 2005.

19 Employee Benefits (Continued)

Changes in fair value of plan assets are as follows:

(in millions of USD)	2006	2005
Fair value of plan assets at January 1,	110.0	—
Plan assets acquired on acquisition	7.2	107.8
Actual return on assets	6.1	5.2
Contributions by employers	7.5	4.6
Contributions by employees	2.3	1.6
Benefits paid	(7.1)	(4.6)
Plan settlement	0.3	—
Actuarial gains	4.1	10.6
Exchange differences	11.8	(15.2)
Fair value of the plan assets at December 31,	142.2	110.0

Retirement Benefit Obligation

(in millions of USD)	2006	2005
Defined benefit obligation at December 31,	(156.5)	(128.7)
Fair value of plan assets at December 31,	142.2	110.0
Deficit	(14.3)	(18.7)
Unrecognized net actuarial gain	(13.9)	(3.8)
Retirement benefit obligation	(28.2)	(22.5)

Net Benefit Income/(Expense)

(in millions of USD)	2006	2005
Current service costs	(6.0)	(5.0)
Interest cost on benefit obligation	(5.6)	(5.1)
Expected return on plan assets	6.1	5.2
Net actuarial (loss)/gain recognized in the year	(0.3)	0.7
Past service costs	—	(0.2)
Plan curtailments/settlements	(1.2)	9.8
Net benefit (expense)/income	(7.0)	5.4

The net benefit expense is recognized in personnel expenses on the Income Statement.

Total employer contributions to the defined benefit pension plans in 2007 are expected to be approximately USD 5.4 million.

The major categories of plan assets at the balance sheet dates are as follows:

in %	2006	2005
Equity instruments	52.4	50.0
Debt instruments	18.5	21.1
Property	13.2	13.0
Other assets	15.9	15.9
Net benefit expense	100.0	100.0

The actual return on plan assets for 2006 was USD 7.8 million (2005: USD 15.9 million).

19 Employee Benefits (Continued)

The plan assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by, the Company.

The history of experience adjustments are as follows:

(in millions of USD)	2006	2005
Defined benefit obligation at December 31,	(156.5)	(128.7)
Fair value of plan assets at December 31,	142.2	110.0
Deficit at December 31,	(14.3)	(18.7)
Experience adjustment (gain) on plan liabilities	(5.2)	(0.5)
Experience adjustment gain on plan assets	3.9	10.6

20 Provisions

(in millions of USD)	Litigation	Environmental Remediation	Other	Total
Balance at January 1, 2005	—	—	—	—
Additions acquired through acquisition	—	2.5	—	2.5
Additions	—	—	—	—
Utilized	—	(0.3)	—	(0.3)
Transfer to liabilities classified as held for sale	—	—	—	—
Balance at December 31, 2005	—	2.2	—	2.2
Additions acquired through acquisition	—	20.9	4.8	25.7
Additions	0.7	4.9	6.0	11.6
Utilized	—	(0.6)	—	(0.6)
Transfer to liabilities classified as held for sale	—	(0.1)	—	(0.1)
Balance at December 31, 2006	0.7	27.3	10.8	38.8

Litigation

The provision for legal settlement relates to a claim made by a former employee for circumstances surrounding termination of the employee's employment contract. Proceedings have been stayed for the moment, until certain questions in connection with the case are resolved.

Environmental Remediation

The provisions for environmental matters are recorded on a site-by-site basis when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. The environmental provisions relate primarily to soil and groundwater contamination for which costs are expected to be incurred through 2021, however timing and amounts of future outflows are uncertain.

Other

Amounts included in other provisions relate primarily to an early retirement scheme in Belgium for which employees can opt for early retirement from the age of 56 onwards, if certain criteria are met. Payments are made until the person reaches the legal pension age in Belgium of 65. Also included in this category is our estimated liability for unmetered natural gas consumption as a result of a faulty bypass valve. Appropriate actions have been taken by the company to notify the supplier, however given the early status of the situation, future timing of outflows are unknown.

Emission Rights

At year end 2006 the total of actual emissions did not exceed the number of granted emission credits held. As there was a surplus, no provision was recorded at year end 2006.

21 Minority Interest

Minority interest represents the portion of profit or loss and net assets in subsidiaries that are not held by the Company and are presented separately within the Consolidated Income Statement and within equity in the Consolidated Balance Sheet.

22 Shareholders' Equity

Share Capital

	Share Capital in millions of USD	Share Capital in millions of CHF	Number of shares	Nominal value per share in CHF
Issued share capital	459.7	560.3	61,036,600	9.18
Authorized share capital	131.5	160.4	17,468,300	9.18
Conditional share capital	168.3	205.4	22,375,300	9.18

The share capital at December 31, 2006 amounts to USD 459.7 million (CHF 560.3 million) translated at the historical foreign exchange rate at the date of the relevant transactions.

No preference shares have been issued during the period and the Company did not hold any treasury shares at year end.

Details of Share Capital Movements

Prior to the reverse acquisition on August 21, 2006, where Petroplus Holdings AG issued shares in exchange for all shares in RIVR, RIVR was considered the ultimate holding company of the group. The movements in the share capital over the last two years, expressed in number of shares, are as follows:

(Number of shares)	Petroplus Holdings AG	RIVR Acquisition B.V.
January 1, 2005	—	1,800,000
March 16, 2005(1)	—	240,387,500
December 31, 2005	—	242,187,500
February 20, 2006—August 21, 2006(2)	2,218,450	
August 21, 2006(3)	38,118,150	(242,187,500)
November 29, 2006(4)	18,000,000	
December 5, 2006(5)	2,700,000	
December 31, 2006	61,036,600	—

(1) As of March 16, 2005, RIVR increased its share capital by 240,387,500 shares. The authorized share capital as per December 31, 2005 was comprised of 242,187,500 ordinary shares, all of which have been fully paid.

(2) Petroplus Holdings AG (formerly Argus Atlantic Energy Limited) was incorporated in Bermuda with an authorized share capital of USD 48,000, comprising 4,800,000 common shares of par value USD 0.01 per share. On February 23, 2006, the authorized share capital was increased from USD 48,000 to USD 2,000,000, of which USD 48,000 comprised 4,800,000 common shares of par value USD 0.01 per share that were issued on that day. In the course of a consolidation of Argus's share capital on July 28, 2006, the par value of the common shares was increased from USD 0.01 to USD 7.50 per share by leaving the issued share capital unchanged at USD 48,000, resulting in 6,400 issued common shares of par value USD 7.50 each. Immediately following the consolidation, 137,600 bonus shares of par value USD 7.50 were issued out of the authorized share capital of USD 2,000,000, resulting in a total issued share capital of USD 1,080,000, consisting of 144,000 common shares of par value USD 7.50 each. On August 1, 2006, Argus's authorized share capital was increased from USD 2,000,000 to USD 750,000,000, out of which USD 15,558,375 comprised 2,074,450 common shares at par value USD 7.50 per share that were issued on the same day, leading to a total issued share capital of USD 16,638,375, consisting of 2,218,450 common shares at par value USD 7.50 each.

(3) On August 21, 2006, Argus Atlantic Energy Limited's issued share capital was increased from USD 16,638,375 to USD 302,524,500 by issuing 38,118,150 common shares of par value USD 7.50 out of Argus's authorized share capital of USD 750,000,000. These 38,118,150 common shares were issued to RIVR Holding B.V. in exchange for shares in RIVR. Upon its migration to Switzerland on August 22, 2006, Argus's issued share capital amounted to USD 302,524,500, consisting of 40,336,600 common shares of par value USD 7.50. When registered in Switzerland, the existing share capital was

22 Shareholders' Equity (Continued)

converted from dollars into Swiss Francs, resulting in an issued share capital of CHF 370,289,988, divided into 40,336,600 fully paid-up registered shares with a nominal value of CHF 9.18 each.

(4) Pursuant to a shareholders resolution adopted at an extraordinary shareholders' meeting held on November 29, 2006, the share capital of Petroplus Holdings AG was increased on November 29, 2006 by CHF 165,240,000 from CHF 370,289,988 to CHF 535,529,988 through the issuance of 18,000,000 shares with a nominal value of CHF 9.18 each. The existing shareholders waived their pre-emptive rights and the share capital increase was registered in the Commercial Register of the Canton of Zug, Switzerland, on November 29, 2006.

(5) On December 5, 2006 the Board issued 2,700,000 shares with a total nominal value of CHF 24.8 million. The shares were issued due to the exercise of the over-allotment option granted in the course of the Initial Public Offering ("IPO").

Authorized Share Capital

At the extraordinary shareholders' meeting held on November 29, 2006, the Board of Directors received the authorization to increase the share capital at any time until November 29, 2008 by a maximum amount of CHF 185.2 million by issuing a maximum of 20,168,300 of fully paid shares with a nominal value of CHF 9.18 each. On December 5, 2006 the Board of Directors issued 2,700,000 shares with at total nominal value of CHF 24.8 million. The shares were issued due to the exercise of the over-allotment option granted in the course of the IPO. The outstanding authorized share capital at December 31, 2006 amounts to CHF 160.4 million (USD 131.5 million), compromising of 17,468,300 shares.

Conditional Share Capital

The additional conditional share capital approved at the extraordinary shareholders' meeting held on November 29, 2006 is reduced by the amount used by the Board of Directors regarding share capital increases out of authorized capital based on the Articles of Association of Petroplus Holdings AG. The outstanding conditional share capital at December 31, 2006 amounts to CHF 205.4 million (USD 168.3 million), compromising of 22,375,300 shares.

Initial Public Offering ("IPO")

The Company received net proceeds from the issuance of 20,700,000 shares upon IPO on November 30, 2006 and the exercise of the over-allotment option thereafter of USD 1.0 billion. The Company recorded directly attributable costs of USD 46.2 million, of which USD 42.9 million have been recorded directly in equity.

Equity Instruments

Petroplus has granted a total of 2,742,634 options to members of the Board of Directors, Senior Management and employees. 2,420,134 of these options were granted by Petroplus Holdings AG to those individuals in their capacity as investors in connection with purchases of our shares and are not dependent upon their employment or service. Each of these options provides the holder the right to purchase one share at a price of USD 15.80, become fully vested upon a change of control of Petroplus Holdings AG (including certain changes in the majority of the Board of Directors), have a duration of ten years and are subject to the further terms and conditions of the Equity Incentive Plan under which they were issued. Out of the total of 2,420,134 options, 1,109,225 vested upon the IPO on November 30, 2006, another 1,109,225 options will vest on July 31, 2008 and the remaining 201,684 options will vest on June 1, 2009.

The second plan, the Equity Participation Plan, has 322,500 options outstanding. These are options the Board of Directors granted upon completion of the IPO. Each of these 322,500 options provides the holder with the right to purchase one share at the offer price of CHF 63.00. The options have a duration of ten years and will vest in equal amounts on November 29, 2007, 2008 and 2009. Further details on the Equity Participation Plan are described in Note 24. None of the options described above were exercised in 2006.

22 Shareholders' Equity (Continued)

Dividend Policy

Under Swiss law, the extent to which shareholders' equity is freely distributable is not determined by the consolidated financial information but rather by the Company's statutory Financial Statements prepared in accordance with Swiss law. No dividends were paid or proposed during the period presented.

23 Earnings per Share

The following table shows the basis of income used for the calculation of basic and diluted earnings per share ("EPS"):

(in millions of USD)	2006	2005
Net income attributable to ordinary shareholders of the parent	443.4	(2.7)
Net income from discontinued operations	369.5	26.5
Net income from continuing operations attributable to ordinary shareholders of the parent	73.9	(29.2)

Basic EPS are calculated by dividing the net income attributable to shareholders of Petroplus Holdings AG by the weighted average number of shares outstanding.

Basic earnings per share

	2006	2005
Weighted average number of shares outstanding (in shares)	40,690,850	28,789,010
Basic earnings per share calculated on		
Income/(loss) from continuing operations (in USD)	1.82	(1.01)
Discontinued operations (in USD)	9.08	0.92
Net income/(loss) attributable to ordinary shareholders of the parent (in USD)	10.90	(0.09)

To calculate diluted EPS, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares arising from options on Petroplus Holdings AG shares.

Diluted earnings per share

	2006	2005
Weighted average number of shares outstanding (in shares)	42,152,871	28,789,010
Diluted earnings per share calculated on		
Income/(loss) from continuing operations (in USD)	1.75	(1.01)
Discontinued operations (in USD)	8.76	0.92
Net income/(loss) attributable to ordinary shareholders of the parent (in USD)	10.51	(0.09)

Calculation of weighted average number of dilutive shares

	2006	2005
Weighted average number of ordinary shares for basic earnings per share	40,690,850	28,789,010
Effect of dilution of share options	1,462,021	—
Weighted average number of ordinary shares adjusted for the effect of dilution	42,152,871	28,789,010

23 Earnings per Share (Continued)

Options equivalent to 322,500 shares were excluded from the calculation of diluted EPS as they were not dilutive.

24 Share-Based Payments

The share option scheme of the Company, the Equity Participation Plan, is an equity-settled share-based payment plan. The services the Company receives from management and personnel in exchange for the options being rewarded do not qualify for recognition as assets and shall therefore be recognized as expenses.

Each option converts into one ordinary share of Petroplus Holdings AG upon exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. The options may be exercised at any time from the date of vesting to the date of expiry. The options can only be exercised when the employee remains in the Company's employ or service.

Option series (in CHF)	Number	Grant date	Vesting period	Expiry date	Exercise price at	Fair value at grant date
Series 1(1/3)	107,500	Nov. 29, 2006	1 year	Nov. 29, 2016	63.0	63.0
Series 1(1/3)	107,500	Nov. 29, 2006	2 years	Nov. 29, 2016	63.0	63.0
Series 1(1/3)	107,500	Nov. 29, 2006	3 years	Nov. 29, 2016	63.0	63.0
Total	322,500				63.0	63.0

The options, as depicted above, have a three-year graded vesting scheme, with one third of the options vesting each year. The options will be fully vested as of November 29, 2009.

The weighted average fair value of the share options granted during the financial year is CHF 28.31 per option. In connection with the adoption of IFRS 2 *Share-based Payment* we assessed our valuation technique and related assumptions. Consistent with the provisions of IFRS 2, we estimated the fair value of stock option on the date of grant using the Black-Scholes Option Valuation Model using the assumptions in the following table:

Inputs into the model	Series 1
Grant date share price (in CHF)	63.0
Exercise price (in CHF)	63.0
Expected volatility	32.3%
Option life (in years)	10
Dividend yield	0.2%
Risk-free interest rate	2.3%

The risk-free interest rate is based on yields of the Swiss Confederation bonds on the date of grant with the maturity date approximately equal to the expected life at the grant date. The expected life of the options is equal to the expiration date. The Company derives its expected volatility based on the average volatility of our main competitors' share price over the past year.

24 Share-Based Payments (Continued)

The following table shows, for 2006 and 2005, the number of options at the beginning of the year, the number of options granted, exercised and expired/forfeited during the year and the number of shares under option at the end of the year, together with the weighted average exercised prices.

	2006		2005	
in CHF	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at January 1,	—	—	—	—
Granted during the year	322,500.0	63.0	—	—
Forfeited during the year	—	—	—	—
Exercised during the year	—	—	—	—
Expired during the year	—	—	—	—
Balance at December 31,	322,500.0	63.0	—	—
Exercisable at December 31,	—	—	—	—

In 2006, no options granted under the Equity Participation Plan had been exercised. The share options outstanding at the end of the financial year had an exercise price of CHF 63.00 and a weighted average remaining contractual life of 10 years.

Total expense for Equity Participation Plan for the year ended December 31, 2006 was USD 0.3 million, net of taxes.

25 Leases

Finance Lease Commitments—Company is Lessee

The Company has one major contract which contains a finance lease for a hydrogen unit (Air Product contract). Future minimum lease payments under finance leases together with the present value of the lease payments are as follows:

	2006		2005	
(in millions of USD)	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Within one year	5.2	3.3	3.0	1.4
After one year but not more than five years	14.3	8.7	11.9	6.7
More than five years	26.5	21.3	26.7	21.1
	46.0	33.3	41.6	29.2
Less amounts for finance charge	(12.7)		(12.4)	
Present value of the minimum payments	33.3	33.3	29.2	29.2

Under the hydrogen supply contract a third party supplies the Company with hydrogen whereby the supplier legally owns and operates an asset on the site of the Company. Petroplus effectively purchases all of the hydrogen produced for a fee of approximately USD 4.4 million per year. This fee also includes payments for non-lease elements in the arrangement.

The contract has a duration of 15 years as from the end of 2004 and does not contain any option for the Company to purchase the asset.

Total rent expense for finance lease for the years ended December 31, 2006 and 2005 was USD 4.9 million and USD 4.4 million, respectively.

25 Leases (Continued)

Operating Lease Commitments—Company is Lessee

The Company has entered into rental agreements, hire purchases and commercial leases on machinery, motor vehicles and office equipment. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancelable operating leases as at December 31, are as follows:

(in millions of USD)	2006	2005
Within one year	13.0	11.2
After one year but not more than five years	21.0	16.9
More than five years	44.3	38.4
Total operating lease commitments—Company is lessee	78.3	66.5

Total rent/hire and commercial expense for operating lease for the year ended December 31, 2006 and 2005 was USD 13.1 million and USD 4.6 million, respectively.

Operating Lease Commitments—Company is Lessor

The processing fee receivable under non-cancelable operating leases as at December 31, is as follows:

(in millions of USD)	2006	2005
Within one year	18.4	25.6
After one year but not more than five years	3.1	21.5
More than five years	—	—
Total operating lease commitments—Company is lessor	21.5	47.1

Bitumen Supply Contract

Under the bitumen supply contract the Company is supplied with crude oil feedstock and converts the crude into bitumen and distillates. This contract contains a lease whereby the Company is the lessor. The supplier of the feedstock purchases all of the bitumen production and pays a processing fee consisting of fixed elements (approximately USD 1.5 million per month) and variable elements. The fixed fee also includes payments for non-lease elements in the arrangement.

The contract has a ten year duration as from March 2003. After a five year period the counterparty has the right to terminate the agreement. Therefore, the operating lease commitment in the above table does include only the five year period. Additionally the supplier of the feedstock has an option to purchase the refining asset at the end of the contract term at a fair market price.

Throughput Deal

Under the throughput deal the Company is supplied with feedstock (gasoil) in order to produce mainly Ultra-low sulfur diesel ("ULSD"). This deal contains a lease whereby the Company is the lessor. At all times the risk and title to the gasoil and the ULSD produced remains with the supplier. The supplier pays a processing fee per metric ton consisting of a fixed element (approximately USD 30,000 per day) and variable elements. Depending on the yield the Company charges additional yield correction fees.

The throughput deal can at any time by either party be terminated by serving a notice of termination.

26 Other Commitments and Contingencies

Legal Contingencies

We have extensive operations and are both a defendant and a plaintiff in a number of arbitration and legal proceedings in connection with our operations. While we are currently involved in several legal proceedings, we believe that, other than as discussed below, the results of these proceedings will not have a material adverse effect on our business, results of operations or financial condition.

In 2004, BRC cancelled an IT contract with one consulting firm in favor of another firm. Subsequently, an employee of the prior consulting company also left and joined the new firm providing services to BRC. As a result, the previous company has filed a claim against BRC for KUSD 587 (KEUR 447) including interest for wrongful competition and abuse of confidential information. The case is still pending in court and is currently not being pursued by the claiming party.

In 1996, the Belgian tax authorities sent BRC a letter seizing the payments due to a contractor as a result of the contractor's non-payment of taxes. Prior to receiving the letter, BRC had transferred the payment to the contractors account. The Belgian Ministry of Finance has asserted a claim for USD 4.5 million (EUR 3.4 million) plus interest, which is the entire amount of taxes owed by the contractor or, in the alternative, KUSD 54 (KEUR 41), which is the amount BRC owed the contractor. The lower court found in favor of BRC. On appeal, the court of appeals also found in favor of BRC. The Belgian Ministry of Finance has appealed to the Court of Cassation.

In 1989, Petrotrade and Petrobel, both of which are subsidiaries of EPH, sold products to a customer without collecting excise taxes because the customer had provided documents that the products were to be exported and, therefore, no taxes were due. The customer neither exported the product nor paid the excise tax liability. The Belgium authorities have brought a claim against BRC for the taxes owed. The case has been suspended until the criminal case against the customer is resolved. If a court determines that BRC is liable for the taxes, the amount due including interest is expected to be approximately USD 2.5 million (EUR 1.9 million).

Contingent Liabilities

In the past, CARBURA (the Swiss organisation for the compulsory stockpiling of oil products) has contributed a compensation for costs relating to water as well as fire protection mandatory by government. The contingent liabilities at December 31, 2006 amount to USD 3.2 million (CHF 4 million) and will expire in December 2011.

Other Commitments

The sale commitments as at December 31, 2006 amount to USD 18.2 million, the purchase commitments as at December 31, 2006 amount to USD 3.5 million. The commitments represent mainly contractual obligations for future crude oil sales. These obligations were calculated using information current as of December 31, 2006 and as such the actual commitment amount may vary. Variables such as crude oil price and volume requirements can cause the minimum obligation to change.

Letter of Credits/Guarantee

Contingent liabilities related to letters of credit were USD 612.7 million at December 31, 2006 (2005: USD 567.7 million). Contingent liabilities related to guarantees were USD 94.2 million at December 31, 2006 (2005: USD 73.2 million).

27 Number of Employees

The following table sets out information on the average number of full-time equivalent employees we employed in the periods indicated:

Number of employees	December 31, 2006(1)	December 31, 2005(1)
Switzerland	339	307
Belgium	346	140
United Kingdom	178	242
The Netherlands	—	191
Other	62	138
Total	925	1,018

(1) Includes employees of our non-core businesses that had not yet been sold during the periods indicated.

28 Financial Instruments

Risk Assessment

The financial results of the Company can be influenced by the fluctuation of oil prices and foreign currencies. The Company is further exposed to interest, credit and country risks.

Oil Price Risks

Due to the nature of its business, the Company has a significant exposure to fluctuation of crude and oil products prices and refinery margins as part of its normal operations. The company therefore manages these price risks in commodities derivatives markets to protect gross margin from its refineries oil stocks and from adverse oil price movements.

The Company controls the price risks according to clear delegations of authority. The price risks referred to relate to stocks, sale and purchase of crude, refined products and refining margins. The Company utilizes several commodity instruments to manage these risks.

Under the discontinued refinery margin hedge program, a portion of the refinery output in 2006 and 2005 was hedged in order to secure a refining margin. The volume of open future and swap contracts as at December 31, 2006 and 2005 are as follows:

Futures

Crude	31.12.2006 thousand of bbl	31.12.2005 thousand of bbl
Maturing in less than 1 year	(2,628.0)	(1,537.0)
	(2,628.0)	(1,537.0)

Gasoil	31.12.2006 thousand of MT	31.12.2005 thousand of MT
Maturing in less than 1 year	(128.9)	3.2
	(128.9)	3.2

28 Financial Instruments (Continued)

Swaps

Refining Margin	31.12.2006	31.12.2005
	thousand of bbl	thousand of bbl
Maturing in less than 1 year	(12,900.0)	(43,034.1)
Maturing between 1 to 2 years	(12,000.0)	(42,600.0)
Maturing between 2 to 3 years	—	(22,800.0)
	(24,900.0)	(108,434.1)

Crude	31.12.2006	31.12.2005
	thousand of bbl	thousand of bbl
Maturing in less than 1 year	(1,027.0)	—
	(1,027.0)	—

Products	31.12.2006	31.12.2005
	thousand of MT	thousand of MT
Maturing in less than 1 year	(126.5)	(49.9)
	(126.5)	(49.9)

Freight	31.12.2006	31.12.2005
	thousand of MT	thousand of MT
Maturing in less than 1 year	1,080.0	2,355.0
Maturing between 1 to 2 years	—	1,560.0
	1,080.0	3,915.0

Minimum Operating Stock	31.12.2006	31.12.2005
	thousand of bbl	thousand of bbl
Maturing in less than 1 year	—	(9.0)
Maturing between 1 to 2 years	—	(2,950.0)
Maturing between 2 to 3 years	—	(568.3)
	—	(3,527.3)

Options

Refining Margin	31.12.2006	31.12.2005
	thousand of bbl	thousand of bbl
Maturing between 2 to 3 years	—	(4,800.0)
	—	(4,800.0)

Gasoil	31.12.2006	31.12.2005
	thousand of MT	thousand of MT
Maturing in less than 1 year	—	(15.0)
	—	(15.0)

28 Financial Instruments (Continued)

Foreign Currency Risks

The Company is exposed to foreign currency exchange risks in the following areas:

- transaction risks: associated with existing and expected sale and purchase transactions but also debts and receivables related to these transactions;
- translation risks of foreign investments (including results); and
- translation of debt denominated in currencies other than the relevant companies' functional currency.

In order to keep the currency risk at an acceptable level, the Company uses financial instruments (swaps and forward exchange contracts) to hedge the foreign currency risk. Foreign currency risks related to foreign investments are not hedged. The open foreign currency exchange contracts as at December 31, 2006 and 2005 are as follows:

Contract Amounts

Swap Contracts

		31.12.2006		31.12.2005	
(in millions of USD)	**Maturing**	**in 1 year**	**between 1 to 2 years**	**in 1 year**	**between 1 to 2 years**
Buy/Sell					
CHF/GBP		48.4	—	—	—
CHF/USD		151.9	—	—	—
CHF/EUR		—	—	40.6	—
EUR/GBP		13.4	—	—	—
EUR/USD		193.3	—	15.5	—
USD/GBP		—	—	1.1	—
USD/EUR		—	—	58.0	—
GBP/EUR		—	—	8.5	—
CZK/EUR		1.5	—	—	—
Total Buy		408.5	—	123.7	—

		31.12.2006		31.12.2005	
(in millions of USD)	**Maturing**	**in 1 year**	**between 1 to 2 years**	**in 1 year**	**between 1 to 2 years**
Sell/Buy					
EUR/CHF		(632.2)	—	—	—
EUR/CZK		—	—	(0.7)	—
USD/CHF		(69.8)	—	—	—
USD/EUR		(11.9)	—	—	—
GBP/CHF		(26.7)	—	—	—
GBP/EUR		(13.7)	—	(22.0)	—
GBP/USD		(20.2)	—	(1.8)	—
Total Sell		(774.5)	—	(24.5)	—
Total contract amounts net		(366.0)	—	99.2	—

28 Financial Instruments (Continued)

Contract Amounts

Forward Contracts

(in millions of USD)	Maturing	31.12.2006 in 1 year	31.12.2006 between 1 to 2 years	31.12.2005 in 1 year	31.12.2005 between 1 to 2 years
Buy/Sell					
CHF/USD		31.9	—	79.1	31.9
CHF/EUR		—	—	0.4	—
EUR/USD		16.9	—	95.8	21.2
USD/CHF		29.0	—	27.0	—
USD/CZK		17.0	—	12.4	—
USD/EUR		4.8	—	14.0	—
GBP/USD		19.2	—	48.1	19.2
Total Buy		118.8	—	276.8	72.3

(in millions of USD)	Maturing	31.12.2006 in 1 year	31.12.2006 between 1 to 2 years	31.12.2005 in 1 year	31.12.2005 between 1 to 2 years
Sell/Buy					
EUR/CHF		(10.5)	—	—	—
EUR/USD		(1.3)	—	—	—
USD/CHF		(12.0)	—	(35.0)	—
USD/EUR		(150.0)	(62.5)	—	—
USD/GBP		—	—	(21.0)	—
USD/CZK		(6.1)	—	—	—
GBP/USD		(74.8)	—	(91.2)	—
GBP/EUR		—	—	(7.7)	—
Total Sell		(254.7)	(62.5)	(154.9)	—
Total contract amounts net		(135.9)	(62.5)	121.9	72.3

Interest Rate Risks

The Company can be exposed to interest rate risk mainly through interest-bearing net debt. The Company's interest rate risk management aims to reduce the volatility of interest costs in the Income Statement. As of December 31, 2006 only cash and short-term deposits were exposed to interest rate risks (see Note 9). As of December 31, 2005 the only balances exposed to interest rate risks was cash and short-term deposits (see Note 9) and short- and long-term debts (see Note 17).

Credit Risk

The Company limits the risk of bad debts by obtaining bank securities such as bank guarantees or letters of credit, taking credit insurance, and assessing the creditworthiness of the parties with which it trades. The Company's trade debtor portfolio principally consists of large and financially strong players in world markets, including the major oil companies.

Other Insurable Risks

To manage its larger business risks—including property risks, marine cargo, loss of profits, losses and liability—the Company maintains comprehensive Company-wide insurance coverage. Damages as a

28 Financial Instruments (Continued)

consequence of business interruption are included in the insurance coverage for the refinery operations of Teesside, Cressier and BRC.

Other Financial Instruments

Other financial instruments in the balance sheet are cash and short-term deposits, trade receivables, short- and long-term loans and payables. The nominal value of these instruments approximates fair value.

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments that are included in the Consolidated Financial Statements.

Fair Values

	2006		2005	
(in millions of USD)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables, net	546.9	546.9	436.9	436.9
Financial assets available for sale	2.2	2.2	1.8	1.8
Other financial assets	19.1	19.1	—	—
Other receivables and prepayments	193.9	193.9	111.4	111.4
Derivative financial instruments				
Refining margin and freight hedges	151.7	151.7	53.1	53.1
Crude oil and product hedges	66.2	66.2	202.8	202.8
Foreign exchange hedges	21.1	21.1	1.2	1.2
Total derivative financial instruments	239.0	239.0	257.1	257.1
Cash and short-term deposits	91.6	91.6	65.9	65.9
Financial liabilities				
Interest-bearing loans and borrowings	—	—	555.3	555.3
Finance lease commitments	33.3	33.3	29.2	29.2
Trade payables	567.9	567.9	649.0	649.0
Derivative financial instruments				
Refining margin and freight hedges	54.0	54.0	81.5	81.5
Crude oil and product hedges	196.2	196.2	364.9	364.9
Foreign exchange hedges	9.9	9.9	9.6	9.6
Total derivative financial instruments	260.1	260.1	456.0	456.0

Market values or recent at arm's length transactions have been used to determine the fair values of the derivative financial instruments. Therefore, the carrying amount equals to the fair value of these items.

29 Related Parties

The Company had a related party relationship with its major shareholder RIVR Holding B.V., its subsidiaries, its associated companies, other investments, and its key management personnel.

All related party transactions between the Company and its subsidiaries are eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

29 Related Parties (Continued)

Commercial Transactions

During the year, Petroplus entered into the following commercial transactions with related parties that are not subsidiaries of the Company:

(in millions of USD)	Sales of goods		Purchases of goods		Other transactions		Amounts owed by related parties December 31,		Amounts owed to related parties December 31,	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Associates										
Dragon LNG Group Ltd, GB	—	—	—	—	—	—	58.4	63.7	—	—
Sempachtank AG	—	—	—	—	0.1	—	—	—	—	—
RBE-Rheinische Bio Ester GmbH & Co. KG	—	0.8	—	—	—	—	0.5	0.8	—	—
S.A. du Pipeline a Prod. Petroliers Terr. G.	—	—	0.6	0.9	—	—	—	—	—	—
Pflichtlagergesellschaft für Mineralöle	2.3	2.9	—	—	—	—	0.2	0.2	—	—
Sociéte Génevoise des Pétroles SA	—	—	0.1	0.2	0.5	0.4	2.1	2.2	0.1	—
	2.3	3.7	0.7	1.1	0.6	0.4	61.2	66.9	0.1	—

Sales to and purchases from related parties are made at normal market prices or set at transfer prices based on the current intercompany set pricing structures. Outstanding balances at year-end are unsecured and interest free and settlement typically occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Additionally, no provisions have been made for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with RIVR Holding B.V. and its Subsidiaries

As of August 21, 2006, Petroplus International B.V. had a note receivable in the amount of USD 224.5 millions including principal and interest thereunder to RIVR Holding B.V. The loan was repaid back on December 8, 2006. The interest paid on this loan was USD 3.7 millions. The sale of non-core companies to subsidiaries of RIVR Holding B.V. (RIVR Divestment B.V. and 4Gas group) are disclosed in Note 7.

Compensation of Key Management Personnel

From 2005 until May 2006 the board and executive management of RIVR was considered the Company's key management personnel. The executive management of RIVR counted four members and the board seven members. The management of RIVR resigned by the time the new management was appointed in May 2006. At the end of 2006, the new key management personnel of the Company comprised of fourteen members. There were nine non-executive members of the Board of Directors, Mr. Thomas O'Malley as the Chairman of the Board of Directors and Chief Executive Officer as well as four executive members of the Senior Management.

29 Related Parties (Continued)

The compensation for key management personnel as described above was as follows:

(in millions of USD)	2006	2005
Short term employee benefits	8.2	13.1
Post-employment benefits	0.2	0.3
Other long-term benefits	—	—
Termination benefits	3.2	—
Share-based payments	—	—
Total compensation of key management personnel	11.6	13.4

The compensation of key management personnel is determined by the Compensation Committee having regard to the performance of the individual and market trends.

30 Acquisitions

Acquisition of RIVR Acquisition B.V. in 2006

On August 21, 2006, Petroplus Holding AG (formerly Argus Atlantic Energy Limited, Bermuda), acquired the entire share capital of RIVR, by means of a share-for-share exchange. RIVR Holding B.V., the sole shareholder of RIVR, received 38,118,150 registered shares in the Company in direct proportion to its shareholding in RIVR. In accordance with IFRS 3 Business Combinations, this transaction has been treated as a reverse acquisition. In a reverse acquisition, the cost of the business combination shall be allocated by measuring the identifiable assets, liabilities and contingent liabilities of the legal parent.

The balance sheet of the legal parent, Petroplus Holdings AG, as per the date of transaction consisted primarily of USD 31.1 million of cash, investments in subsidiaries, other current assets, and share capital in the corresponding amount. The purchase price consideration has been allocated as follows:

Purchase Consideration

(in millions of USD)	
Purchase price	31.1
Total purchase consideration	31.1

Purchase price allocation

(in millions of USD)	Carrying amount	Fair value
Assets acquired		
Cash	31.1	31.1
Net assets acquired	31.1	31.1
Total purchase consideration paid in cash[1]		—
Cash acquired		(31.1)
Net cash inflow from transaction		(31.1)

(1) The purchase price was paid through the issuance of shares of Petroplus Holdings AG.

In accordance with IFRS 3 *Business Combinations*, the Consolidated Financial Statements of Petroplus in this reverse acquisition are a continuation of those of RIVR immediately before the business combination. Due to the fact that Petroplus Holdings AG was a dormant company until the

30 Acquisitions (Continued)

date of the reverse acquisition, revenue and income would not change if the reverse acquisition had occurred on January 1, 2006.

Acquisition of European Petroleum Holdings N.V. in 2006

On May 31, 2006, the Company acquired 100% of the voting shares of EPH. The purchase price was USD 506.8 million, plus acquisition fees of USD 4.4 million. The Company has performed a preliminary purchase price allocation as of May 31, 2006 and as of this date no intangible assets or goodwill were identified. Once the valuation has been finalized, the Company will adjust the purchase price allocation if necessary. See below for the purchase consideration and the preliminary purchase price allocation.

Purchase Consideration

(in millions of USD)	
Purchase price	506.8
Fees	4.4
Total purchase consideration	511.2

Purchase Price Allocation

(in millions of USD)	Carrying amount	Fair value
Assets acquired		
Cash and short-term deposits	82.0	82.0
Inventories	294.3	294.3
Trade receivables	156.4	156.4
Property, plant and equipment	165.0	521.4
Other assets	18.9	18.9
Total assets	716.6	1,073.0
Liabilities acquired		
Interest-bearing loans	209.9	209.9
Provisions and accruals	32.2	32.2
Deferred tax liabilities	0.4	107.3
Trade payables	200.5	200.5
Other liabilities	11.9	11.9
Total liabilities	454.9	561.8
Net assets acquired	261.7	511.2
Total purchase consideration		511.2
Cash acquired		(82.0)
Net cash outflow from transaction		429.2

Since May 31, 2006, EPH contributed USD 46.0 million of net income to the Company for the year ended December 31, 2006.

If the Company had acquired EPH as of January 1, 2006, the total Company's revenues for the twelve months ended December 31, 2006 would have been approximately USD 1.3 billion higher. Additionally, the consolidated net income would have been approximately USD 490.5 million, or USD 47.0 million higher than the amounts shown in the Consolidated Income Statement.

30 Acquisitions (Continued)

Acquisition of Petroplus International B.V. in 2005

On March 17, 2005, RIVR Acquisition B.V. acquired Petroplus International B.V. ("PPI") and its subsidiaries. During the tender and post-tender acceptance period of the public offer, the majority of the shares of PPI were acquired. The remainder was acquired through a squeeze-out procedure. PPI was delisted from the Euronext exchange in Amsterdam, The Netherlands, on April 19, 2005. As from March 31, 2005, the operating results of PPI are included in the Consolidated Income Statement. The total purchase price amounted to USD 372.3 million.

Purchase Consideration

(in millions of USD)	
Purchase price	364.0
Fees	8.3
Total purchase consideration	372.3

Purchase Price Allocation

(in millions of USD)	Carrying amount	Fair value
Assets acquired		
Cash and short-term deposits	117.2	117.2
Inventories	349.9	509.2
Trade receivables	625.0	625.0
Property, plant and equipment	548.8	789.0
Intangible assets	33.2	6.1
Other assets	190.7	202.6
Total assets	1,864.8	2,249.1
Liabilities acquired		
Interest-bearing loans	522.2	551.8
Provisions and accruals	34.7	58.9
Deferred tax liabilities	—	27.4
Derivative financial instruments	—	227.3
Trade payables	653.0	653.0
Other liabilities	358.1	358.1
Total liabilities	1,568.0	1,876.5
Net assets acquired	296.8	372.6
Excess of net assets acquired over costs(1)		(0.3)
Total purchase consideration		372.3
Cash acquired		(117.2)
Net cash outflow from transaction		255.1

(1) The excess of net assets at fair value over costs has been recorded in the Income Statement.

Since March 31, 2005, PPI has contributed USD 10.3 million of net income to RIVR for the year ended December 31, 2005.

If RIVR had acquired PPI as of January 1, 2005, the total revenues for the twelve month ended December 31, 2005 would have been approximately USD 1.7 billion higher and its consolidated net income would have been approximately USD 2.3 million, or USD 3.9 million, higher than shown in the Consolidated Income Statement.

31 Disposals of Subsidiaries

Details pertaining to disposals in 2006 and 2005 are presented below. Further information is also disclosed in Notes 7 and 8.

(in millions of USD)	2006	2005
Disposal Consideration	610.0	26.5
Book value of net assets sold		
Current assets	552.4	—
Non-current assets	232.3	—
Current liabilities	461.1	—
Non-current liabilities	83.1	—
Net assets disposed of	240.5	—
Less results of operations for the period	20.2	14.0
Gain on disposal	349.3	12.5
Net Cash Inflow on Disposal		
Total disposal consideration	610.0	26.5
Plus cash received from prior year disposals	10.4	—
Plus net income from operations, before depreciation	20.2	22.4
Less cash payments not yet received	(13.8)	(10.4)
Less: cash and cash equivalent balances disposed of	(28.1)	—
Net cash inflow on disposal	598.7	38.5

Details of Gain/(Loss) from Disposals

(in millions of USD)	2006	2005
4Gas B.V.	279.6	—
Frisol/Oxyde	15.9	—
Milford Haven Tankstorage	83.8	—
Tankstorage facilities	(26.7)	—
UK Cards Business	—	7.7
Others	(3.3)	4.8
Total gain/(loss) from disposals	349.3	12.5

The cash flow details for the discontinued operations have not been presented, as such information is unavailable and would require significant assumptions on behalf of the Company.

32 Subsidiaries

Subsidiary	Share capital (in millions local currency)		2006	2005
Switzerland				
Oléduc du Jura Neuchâtelois S.A., Cornaux	CHF	1.000	80.0%	80.0%
Petroplus Marketing AG, Zug	CHF	15.000	100.0%	100.0%
Petroplus Refining Cressier SA, Cressier	CHF	5.000	100.0%	100.0%
Petroplus Switzerland, Zug	CHF	25.000	100.0%	100.0%
Petroplus Tankstorage AG, Zug	CHF	5.000	100.0%	100.0%
Petrotrade B.V. (branch office), Zug(2)		—	100.0%	—
Sociéte Immobiliere Les Planches Vallier SA, Cressier	CHF	0.050	100.0%	100.0%

32 Subsidiaries (Continued)

Subsidiary	Share capital (in millions local currency)		2006	2005
Belgium				
Antol N.V., Lier[2]	EUR	1.180	100.0%	—
Belgian Refining Corporation N.V., Antwerp[2]	EUR	29.650	100.0%	—
European Petroleum (EP) Plant N.V., Antwerp[2]	EUR	0.186	100.0%	—
Jely BVBA, Lier[2]	EUR	0.200	100.0%	—
Petrobel N.V., Kontich[2]	EUR	0.372	100.0%	—
Petroplus Refining Antwerp Bitumen N.V., Antwerp	EUR	14.018	100.0%	100.0%
Petroplus Refining Antwerp N.V., Antwerp	EUR	21.890	100.0%	100.0%
Universal Holding N.V., Antwerp	EUR	8.205	100.0%	100.0%
Cyprus				
Rivermill Investments Ltd., Nicosia	EUR	0.002	99.9%	70.0%
Czech Republic				
Marimpex Prague (branch office), Prague		—	100.0%	100.0%
Petroplus Czech Republic s.r.o., Prague	CZK	31.000	100.0%	100.0%
France				
Marimpex France SA (in liquidation)	EUR	0.015	100.0%	100.0%
SKI Patricipations SA, Villeneuve d'Ascq	EUR	0.045	100.0%	100.0%
Societe Francaise du Pipeline du Jura, Paris	EUR	3.114	100.0%	100.0%
Germany				
Marimpex Mineralöl Handelsgesellschaft mbH, Hamburg	EUR	6.647	100.0%	100.0%
Petroplus Immobilien Dortmund GmbH, Dortmund[1]	EUR	—	—	100.0%
Petroplus Mineralölprodukte Deutschland GmbH, Plochingen	EUR	2.338	100.0%	100.0%
Petroplus Tankanlagen Dortmund GmbH, Dortmund[1]	EUR	—	—	100.0%
Petroplus Tankstorage Neuss GmbH, Neuss[1]	EUR	—	—	100.0%
Petroplus Tankstorage Plochingen GmbH, Plochingen[1]	EUR	—	—	100.0%
Petroplus Tankstorage Salzgitter GmbH, Salzgitter[1]	EUR	—	—	100.0%

32 Subsidiaries (Continued)

Subsidiary	Share capital (in millions local currency)		2006	2005
The Netherlands				
European Petroleum Corporation (EPC) B.V., Rotterdam[2]	EUR	27.221	100.0%	—
European Petroleum Trading (EPT) B.V., Rotterdam[2]	EUR	0.018	100.0%	—
Frisol B.V., Zwijnendrecht[1]	EUR	—	—	100.0%
LionGas B.V., Rotterdam[1]	EUR	—	—	100.0%
Oxyde Chemicals B.V., Amstelveen[1]	EUR	—	—	100.0%
Petroplus Antwerpen II B.V., Rotterdam	EUR	0.018	100.0%	100.0%
Petroplus Bunkering International B.V., Zwijnendrecht[1]	EUR	—	—	100.0%
Petroplus Financial Services B.V., Rotterdam	EUR	0.454	100.0%	100.0%
Petroplus Holdings B.V., Rotterdam	EUR	0.113	100.0%	100.0%
Petroplus Properties Vlissingen I B.V., Rotterdam[1]	EUR	—	—	100.0%
Petroplus Properties Vlissingen II B.V., Rotterdam[1]	EUR	—	—	100.0%
Petroplus International B.V., Rotterdam	EUR	1.235	100.0%	100.0%
Petroplus Shipping B.V., Zwijnendrecht[1]	EUR	—	—	100.0%
Petroplus Tankstorage Dordrecht B.V., Dordrecht[1]	EUR	—	—	100.0%
Petroplus Tankstorage International B.V., Rotterdam[1]	EUR	—	—	100.0%
Petroplus Tankstorage Vlissingen B.V., Vlissingen[1]	EUR	—	—	100.0%
Petrotrade B.V., Rotterdam[2]	EUR	0.100	100.0%	—
PRW Holding B.V., Zwijnendrecht[1]	EUR	—	—	100.0%
Qlear B.V., Zwijndrecht[1]	EUR	—	—	77.5%
RIVR Acquisition B.V., Rotterdam	EUR	2.422	100.0%	100.0%
4Gas B.V., Rotterdam[1]	EUR	—	—	100.0%
The Netherlands Antilles				
European Petroleum Holdings N.V., Curaçao[2]	USD	48.961	100.0%	—
Petrotrade N.V., Curaçao[2]	USD	0.010	100.0%	—
United Kingdom				
Petroplus Marketing Ltd., Teesside, Stockton On Tees	GBP	0.010	100.0%	100.0%
Petroplus Refining and Marketing Ltd., London	GBP	18.390	100.0%	100.0%
Petroplus Refining Teesside Ltd., Stockton On Tees	GBP	0.010	100.0%	100.0%
Petroplus Tankstorage Milford Haven Ltd., Milford Haven[1]	GBP	—	—	100.0%

(1) Sold in 2006 (classified as a non—core entity)—see Note 31 for further information.

(2) Acquired in May 2006—see Note 30 for further information.

Investments in associates	Share capital (in millions local currency)		2006	2005
Switzerland				
Pflichtlagergesellschaft für Mineralöle, Zug	CHF	1.000	35.0%	35.0%
SOGEP Société Genevoise des Pétroles, Vernier	CHF	0.100	32.0%	32.0%
Sempachtank AG, Neuenkirch	CHF	0.113	22.0%	—

32 Subsidiaries (Continued)

Investments available for sale	Share capital (in millions local currency)		2006	2005
Germany				
RBE-Reihnische Bio Ester GbmH & Co. KG, Neuss	EUR	8.000	15.0%	15.0%
Switzerland				
SAPPRO SA (Société du Pipeline à produits pétroliers sur territoire genevois), Vernier	CHF	0.950	15.6%	15.6%

None of the subsidiaries listed above are quoted on SWX Swiss Exchange or any other stock exchange.

33 Explanation of Transition to IFRS

As described in Note 2 in the paragraph 'Basis of preparation', these Financial Statements are the Company's first Consolidated Financial Statements prepared in accordance with IFRS. For financial years ending prior to December 31, 2005, the Company applied Dutch GAAP as the appropriate accounting standard to the consolidated Financial Statements.

The accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended December 31, 2006, the comparative information presented in these Financial Statements for the year ended December 31, 2005 and in the preparation of an opening IFRS balance sheet at January 1, 2005 (the Company's date of transition).

The Company has applied IFRS 1 *First-time adoption of International Financial Reporting Standards*. In accordance with IFRS 1, the Company is required to use consistent accounting policies from its opening balance sheet, which is January 1, 2005, and throughout all periods presented in its first IFRS Financial Statements, with the last period being the year ended December 31, 2006. Those accounting policies comply with IFRS as effective at the reporting date for its first IFRS Financial Statements. Those accounting policies are applied fully retrospectively and the transitional rules of the respective Standards itself are not applicable to a first-time adopter. The Company has chosen to apply the following exemptions available under IFRS 1:

- no retroactive restatement of business combinations that occurred before January 1, 2005;
- assumption of cumulative translation differences for all foreign operations to be zero at January 1, 2005;
- recognition of all cumulative actuarial gains and losses at January 1, 2005 and to subsequently use the corridor approach for actuarial gains and losses;
- application of IFRS 2 *Share-based Payments*, to equity instruments granted after November 7, 2002 that had not yet vested at January 1, 2005;
- utilization of the transitional provisions of IFRIC 4 *Determining whether an Arrangement contains a Lease* was applied as of January 1, 2005.

33 Explanation of Transition to IFRS (Continued)

Reconciliation of Equity

(in millions of USD)	January 1, 2005 Dutch GAAP	January 1, 2005 Effect of transition	January 1, 2005 IFRS	Notes	December 31, 2005 Dutch GAAP	December 31, 2005 Effect of transition	December 31, 2005 IFRS
Current assets							
Cash and short-term deposits	—	—	—	a	89.9	(24.0)	65.9
Trade receivables, net	—	—	—	a	646.5	(209.6)	436.9
Derivative financial instruments	—	—	—	a, e, f, m	—	257.1	257.1
Other receivables and prepayments	—	—	—	a, d, f, j, k, m	185.7	(74.3)	111.4
Inventories	—	—	—	a, c, d, e	527.0	(47.1)	479.9
Current tax assets	—	—	—		0.8	—	0.8
Assets classified as held for sale	—	—	—	a	—	580.8	580.8
Total current assets	—	—	—		1,449.9	482.9	1,932.8
Non-current assets							
Intangible assets	—	—	—	a, m	24.3	(24.3)	—
Property, plant and equipment	—	—	—	a, l, m	508.7	0.8	509.5
Investments in associates	—	—	—	a, b	7.8	(7.5)	0.3
Financial assets available for sale	—	—	—	b	—	1.8	1.8
Deferred tax assets	—	—	—	c, h	—	7.8	7.8
Total non-current assets	—	—	—		540.8	(21.4)	519.4
Total assets	—	—	—		1,990.7	461.5	2,452.2
Current liabilities							
Interest-bearing loans and borrowings	—	—	—	a, l, m	309.7	(166.1)	143.6
Finance lease committments				m	—	1.4	1.4
Trade payables	—	—	—	a	793.7	(144.7)	649.0
Income tax liability	—	—	—	m	6.4	(0.9)	5.5
Derivative financial instruments	—	—	—	a, e, f, m	—	456.0	456.0
Other payables and accrued expenses	—	—	—	a, f, g, m	340.5	(18.5)	322.0
Liabilities classified as held for sale	—	—	—	a	—	345.5	345.5
Total current liabilities	—	—	—		1,450.3	472.7	1,923.0
Non-current liabilities							
Interest-bearing loans and borrowings	—	—	—	k, l, m	419.5	(7.9)	411.6
Finance lease committments				m	—	27.8	27.8
Retirement benefit obligation	—	—	—	g	—	22.5	22.5
Deferred tax liabilities	—	—	—	a, c, h, m	—	35.3	35.3
Provisions	—	—	—	a, f, g, i, h, m	40.7	(38.5)	2.2
Total non-current liabilities	—	—	—		460.2	39.2	499.4
Total liabilities	—	—	—		1,910.5	511.9	2,422.4

33 Explanation of Transition to IFRS (Continued)

	January 1, 2005				December 31, 2005		
(in millions of USD)	Dutch GAAP	Effect of transition	IFRS	Notes	Dutch GAAP	Effect of transition	IFRS
Shareholders' equity							
Equity attributable to shareholders of the parent	—	—	—	n	79.3	(50.4)	28.9
Minority shares	—	—	—		0.9	—	0.9
Total shareholders' equity	—	—	—		80.2	(50.4)	29.8
Total liabilities and shareholders' equity	—	—	—		1,990.7	461.5	2,452.2

Notes to the Reconciliation of Equity from Dutch GAAP to IFRS

a) Under Dutch GAAP assets and liabilities intended to be sold are not separated from the assets used for continuing operations. Under IFRS these assets and liabilities attributable to our non-core businesses are classified as "held for sale" at December 31, 2005 and are reclassified from the respective account balance to the separate line items "assets held for sale" and "liabilities held for sale".

b) Under Dutch GAAP, all equity investments, even those for who the Company did not have significant influence were categorized as investments in associates on the balance sheet. Under IFRS, investments for which the Company does not have significant influence are to be classified separately on the balance sheet as financial assets available for sale. Additionally changes in the fair value of these investments held for sale are recognized directly to equity unless it is an impairment loss which is recorded directly to the Income Statement. The effect is to increase financial assets available for sale by USD 1.8 million and to decrease investments in associates by USD 1.8 million at December 31, 2005.

c) Under Dutch GAAP, cost of inventories were valued at lower of cost or net realizable value ("NRV") on a FIFO-basis, with the exception of inventories which economic risks have been transferred (either by physical sale/purchase contracts or futures/swaps) and inventories being part of the Minimum Operating Stock (MOS). Those inventories were recognized at the contracted sales value. Under IFRS, the Company adopted the policy to value all inventory at FIFO. The effect is to increase inventories by USD 19.8 million, decrease equity by USD 16.6 million, increase the deferred tax assets by USD 1.7 and decrease the deferred tax liabilities by USD 1.5 million at December 31, 2005.

d) Under Dutch GAAP, compulsory stock was included in inventories. Under IFRS and based on the assessment of the legal risks and control compulsory stock has been reclassified to other receivables and prepayments. The effect is to increase other receivables by USD 21.1 million and reduce inventory by USD 21.1 million at December 31, 2005.

e) Under Dutch GAAP, product hedges are netted with the inventory. Under IFRS the fair values of these product hedges are shown gross as financial derivatives assets and liabilities. The effect on the balance sheet is an increase of derivative financial instruments assets of USD 228.3 million and liabilities of USD 375.3 million as well as an increase in inventories of USD 147.0 million.

f) Under Dutch GAAP, refining margin hedges and unrealized gains and losses relating to forward exchange paper contracts were not recognized in the Financial Statements. Under IFRS, these are considered derivative financial instruments and the Company has decided not to apply hedge accounting, and therefore all unrealized gains and losses at balance sheet date relating to refining margin hedges and forward exchange paper contracts are recognized in the Consolidated Financial Statements. The measurement of these derivatives at fair value has increased derivative financial instruments (assets) by USD 14.0 million, derivative financial instruments (liabilities) increased by

33 Explanation of Transition to IFRS (Continued)

USD 12.3 million, other payables and accrued expenses increased by USD 0.8 million, other receivables and provisions decreased by USD 14.6 million and USD 1.7 million and shareholders' equity decreased by USD 12.1 million at December 31, 2005.

g) Under Dutch GAAP, pension obligations were included in provisions. Under IFRS, the Company has presented the pension obligations separately on the balance sheet which resulted in a reclassification from provisions to employee benefits of USD 12.3 million at December 31, 2005. In accordance with IFRS, the Company recognized at the acquisition of PPI the present value of the benefit obligation less the fair value of the plan assets and less the past service costs that will be recognized in future periods, this amounted to USD 22.5 million for the defined benefit plans. The effect is to increase employee benefits by USD 10.2 million and to decrease equity by USD 10.2 million at December 31, 2005.

h) Under Dutch GAAP, deferred tax was recognized net under provisions. Under IFRS, the Company is presenting deferred tax assets and liabilities. The effect is to increase deferred tax liabilities by USD 13.2 million and deferred tax assets USD 6.1 million and to decrease provision by USD 7.1 million at December 31, 2005. Further changes have been made to the deferred taxes in conjunction with other IFRS adjustments, they are noted in each explanation.

i) Under Dutch GAAP, provisions for contingencies are stated on an undiscounted basis and provisions also include deferred taxes and employee benefits. Under IFRS, a provision is discounted when the financial effect of time is significant and the date of the expense to clear the relevant obligation can be reasonably determined. The effect is to decrease provisions by USD 0.6 million and increase shareholders' equity by USD 0.6 million at December 31, 2005.

j) Under Dutch GAAP the cost to repurchase the high yield bond could be capitalized and amortized. Under IFRS this cost must be charged to expense as incurred. The effect is to decrease other receivables by USD 20.9 million and decrease shareholders' equity by USD 20.9 million at December 31, 2005.

k) Under Dutch GAAP the capitalized costs to finance the senior debts are presented under other receivables. Under IFRS this cost is netted with the outstanding liability. The effect is to decrease other receivables by USD 35.7 million and decrease interest bearing loans and borrowings by USD 35.7 million at December 31, 2005.

l) Under Dutch GAAP, the Air Products contract was treated as a long-term purchase commitment. Under IFRS, the contract is considered a finance lease. The effect is to increase property, plant and equipment by USD 28.5 million, increase financial lease commitments (current and non-current) by USD 29.1 million and decrease shareholders' equity by USD 0.6 million at December 31, 2005.

m) Under Dutch GAAP, the carrying amounts of assets and liabilities of PPI were used at the date of the acquisition for purchase accounting. Under IFRS the fair values of the assets and liabilities are revalued at the date of the acquisition and some of the positions are reclassed to meet the requirements of IFRS. The revaluation and reclassification led to an increase of current assets of USD 22.4 million, an increase in non-current assets of USD 103.8 million, an increase in current liabilities of USD 77.7 million, an increase in non-current liabilities of USD 39.2 million and an increase in shareholders' equity of USD 9.3 million at December 31, 2005.

33 Explanation of Transition to IFRS (Continued)

n) The effect of the above adjustments on shareholders' equity is as follows:

(in millions of USD)	Notes	January 1 2005	December 31 2005
Inventories	c	—	(16.6)
Derivative financial instruments	f	—	(12.1)
Employee benefits	g	—	(10.2)
Capitalized refinancing expenses	j	—	(20.9)
Purchase price allocation	m	—	9.3
Other miscellaneous	i, k	—	0.1
Total adjustment to equity		—	(50.4)

Reconciliation of Profit for 2005

(in millions of USD)	Notes	Dutch GAAP	Effect of transition	IFRS
Revenue	o, t	6,535.3	(2,347.0)	4,188.3
Other income	t	14.2	(14.2)	—
Materials cost	o, p, q, r, t	(6,242.3)	2,265.0	(3,977.3)
Personnel expenses	v, w, t	(86.7)	30.6	(56.1)
Refinery operating expenses	t	(82.0)	15.5	(66.5)
Depreciation and amortization	r, t	(50.1)	11.1	(39.0)
Other administrative expenses	t	(26.5)	13.5	(13.0)
Operating profit		61.9	(25.5)	36.4
Financial income	t	5.4	(2.1)	3.3
Financial expenses	r, s, t, x	(19.6)	(34.9)	(54.5)
Foreign currency exchange losses	t	(6.7)	3.7	(3.0)
Share of income from associates	t	5.4	(5.4)	—
Profit/(loss) before income taxes		46.4	(64.2)	(17.8)
Income taxes	p, q, r, u	(10.4)	0.1	(10.3)
Net income/(loss) from continuing operations		36.0	(64.1)	(28.1)
Gain from discontinued operations, net of tax	t	—	26.5	26.5
Net income/(loss)		36.0	(37.6)	(1.6)
Net income/(loss) attributable to:				
Shareholders of the parent		34.9	(37.6)	(2.7)
Minority interests		1.1	—	1.1
Net income/(loss)		36.0	(37.6)	(1.6)

Notes to the Reconciliation of Profit 2005 from Dutch GAAP to IFRS

o) Under Dutch GAAP, sales of crude oil were included in revenue. Under IFRS, the sale of crude oil has been included in materials cost. The effect is to decrease revenues by USD 68.5 million and decrease materials cost by USD 68.5 million for the year ended December 31, 2005.

p) Under Dutch GAAP, cost of inventories were valued at lower of cost or NRV (Net realizable value) on a FIFO-basis, with the exception of inventories in which economic risks have been transferred (either by physical sale/purchase contracts or futures/swaps) and inventories being part of the Minimum Operating Stock (MOS). Those inventories were recognized at the contracted sales value. Under IFRS, either the weighted-average costs or FIFO method is acceptable. The

33 Explanation of Transition to IFRS (Continued)

Company adopted the policy to value all inventory at FIFO. The effect is to increase material costs by USD 30.3 million and decrease income tax expense by USD 5.1 million for the year ended December 31, 2005.

q) Under Dutch GAAP, refining margin hedges and unrealized gains and losses relating to forward exchange paper contracts were not recognized in the Financial Statements. Under IFRS, these are considered derivative financial instruments and the Company has decided not to apply hedge accounting, and therefore all unrealized gains and losses at balance sheet date relating to refining margin hedges and forward exchange paper contracts are recognized in the consolidated financial information. The measurement of these derivatives at fair value has increased material costs by USD 64.7 million and increased financial expense by USD 9.1 million for the year ended December 31, 2005.

r) Under Dutch GAAP, the Air Products contract was treated as a long-term purchase commitment. Under IFRS, the contract is considered a finance lease. Additionally, depreciation is further reduced by the reversal of goodwill amortization, see a). The effect is to decrease material cost by USD 3.1 million, net decrease in depreciation by USD 0.3 million, and increase financial expense by USD 1.6 million.

s) Under Dutch GAAP the cost to repurchase the high yield bond could be capitalized and amortized. Under IFRS this cost must be charged to expense as incurred. The effect is to increase financial expense by USD 22.1 million for the year ended December 31, 2005.

t) As at December 31, 2005 all of our entities and investments which were considered to be non-core or outside of the core business of refining and marketing of crude oil and products were reclassified to discontinued operations in accordance with IFRS. The standards require that all operations are classified separately on the Income Statement once certain criteria are met, for Petroplus these criteria were met at December 31, 2005. The non-core entities were disposed of as of December 31, 2006. Both the operational results and the gains/(losses) from the sale of these entities are included in the Gain from discontinued operations line item on the Income Statement.

u) Income taxes have been adjusted for the impacts of the above mentioned IFRS adjustments. The total effects are a decrease in income taxes of USD 0.1 million for the year ended December 31, 2005.

v) Under Dutch GAAP, pension obligations were included in provisions. Under IFRS the pension obligations are revalued, the effect is to decrease personnel expenses by USD 10.5 million for the year ended December 31, 2005.

w) Under Dutch GAAP, stock options were only recognized at the date of exercise. Under IFRS, the Company records the expense of the stock options over the vesting period. As the stock options were repurchased in 2005 and under Dutch GAAP the entire expense was taken at that time. Under IFRS this expense would be recorded over the vesting period of the stock options. The effect is to decrease personnel expenses by USD 2.2 million for the year ended December 31, 2005

x) Under Dutch GAAP the amounts owed to participants associated with the PPES share ownership plan was classified as equity. Under IFRS the amount owed is required to be classified as a liability. In 2005, interest associated with this liability was reserved for and expensed on the Income Statement. This adjustment resulted in an increase in interest expense by USD 13.4 million.

Explanation of Material Adjustments to the Consolidated Cash Flow Statement for 2005

There were no significant changes in the statement of cash flows in the classification between operating, investing and financing activities.

34 Subsequent Events

Acquisition of the Ingolstadt Refinery, Germany

On July 6, 2006, the Company executed a definitive sale and purchase agreement with ExxonMobil CE to acquire NewCo GmbH, a holding company to be created for one of ExxonMobil CE's refineries located in Ingolstadt, Germany, together with associated industrial, wholesale and selected heating oil marketing businesses. The purchase price is approximately USD 425 million, plus the value of net working capital which will be valued at closing.

The Ingolstadt refinery is a catalytic-cracking refinery with a rated crude oil throughout capacity of approximately 110,000 bpd. Major refinery process units include crude distillation units, a catalytic reformer, a naphtha hydrotreater, a kerosene diesel hydrotreater, heating oil hydrotreaters, an FCC unit capable of converting a portion of the residual fuel oil, a sulfur recovery unit with a tail gas recovery system, a hydrogen plant and a complete electrical utility system capable of generating approximately 18MW of power.

Also included in the acquisition is ExxonMobil CE's Bavarian industrial and wholesale business; Esso Bayern, which operates a direct home heating oil business; 6.9 million barrels (1.1 million cubic meters) of crude oil and product tankage; truck-loading and rail-loading facilities; 10% ownership interest in the TAL pipeline system (or, if the required approvals for the transfer of such interests cannot be obtained, contractual arrangements with either TAL or ExxonMobil CE for transportation via the TAL pipeline system); and a depot in Passau, Germany.

The acquisition is expected to close in April 2007.

Acquisition of the Coryton Refinery, United Kingdom

On February 1, 2007, the Company announced its intention to acquire the Coryton refinery, the refinery adjacent bulk terminal and BP's UK bitumen business, located on the Thames Estuary in the United Kingdom from BP PLC.

The Coryton Refinery has a total nameplate crude capacity of approximately 172,000 barrels per day and up to an additional 70,000 barrels per day of other feedstocks, principally straight run fuel oil. The purchase price of USD 1.4 billion (plus hydrocarbons, to be valued at closing) includes the adjacent bulk terminal and BP's UK bitumen business which is closely integrated with the refinery. Coryton is a major refinery in the Southeast of the United Kingdom and is the primary supplier of gasoline, diesel fuel, heating oil and jet fuel in this market. Coryton has a large marine facility for importing crude oil and other feedstocks as well as exporting products. The refinery supplies both Heathrow and Gatwick airports with jet fuel via direct pipelines and has one of the largest road distribution terminals in Europe. Coryton currently produces approximately 40% gasoline, 40% middle distillates with the remainder of production being LPGs, fuel oil and bitumen. The refinery currently employs in the region of 540 staff and numerous contractors.

Subject to the review and approval from regulatory authorities, the transaction is expected to close in the first half of 2007.

Major Shareholder

As of February 12, 2007 RIVR Holding B.V. has notified Petroplus that it has completed the sale of its remaining 12.8 million shares, or 21% stake, of Petroplus.

35 Authorization of Consolidated Financial Statements

These Consolidated Financial Statements have been authorized for issue by the Board of Directors on February 28, 2007 and will be recommended for approval at the Annual Shareholders' Meeting on May 9, 2007.

Zug, February 28, 2007

Petroplus Holdings AG
For the Board of Directors:

Thomas D. O'Malley
Chairman of the Board of Directors

REPORT OF THE GROUP AUDITORS

■ **Ernst & Young Ltd**
Brandschenkestrasse 100
P.O. Box
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■ Phone +41 58 286 31 11
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To the General Meeting of

Petroplus Holdings AG, Zug

Zurich, March 7, 2007

Report of the group auditors

As group auditors, we have audited the consolidated financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes/pages F-2 to F-66) of Petroplus Holdings AG for the year ended December 31, 2006.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing (ISA), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and other overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Eric Ohlund
Certified Public Accountant
(in charge of the audit)

Reto Hofer
Swiss Certified Accountant

■ Offices in Aarau, Baden, Basel, Berne, Geneva, Lausanne, Lucerne, Lugano, St. Gallen, Zug, Zurich.
Member of the Swiss Institute of Certified Accountants and Tax Consultants

Statutory Financial Statement

Income Statement of Petroplus Holdings AG for the period from February 20, 2006 to December 31, 2006 . . . . . F-69

Balance Sheet of Petroplus Holdings AG at December 31, 2006 . . . . . F-70

Notes to the Statutory Financial Statement 2006 . . . . . F-71

Report of the Statutory Auditors F-73

Income Statement of Petroplus Holdings AG

for the period from February 20, 2006 to December 31, 2006

(in millions of CHF)	2006
Financial income	14.8
Total income	14.8
Administrative expenses	(2.5)
IPO expenses	(53.3)
Other expenses	(0.2)
Financial expenses	(10.4)
Total expenses	(66.4)
Loss before taxes	(51.6)
Income taxes	—
Loss for the period	**(51.6)**

Balance Sheet of Petroplus Holdings AG
at December 31, 2006

(in millions of CHF)	Notes	2006
Current assets		
Cash and short-term deposits		3.9
Other receivables from subsidiaries		1,317.9
Other receivables and prepayments		1.1
Total current assets		**1,322.9**
Non-current assets		
Investments	5	702.1
Total non-current assets		**702.1**
Total assets		**2,025.0**
Current liabilities		
Other payables to subsidiaries		12.4
Other payables to shareholders		2.4
Other payables and accrued expenses		4.8
Derivative financial instruments		12.1
Short-term provision		0.2
Total current liabilities		**31.9**
Total liabilities		**31.9**
Shareholders' equity		
Share capital	3	560.3
Share premium		1,484.4
Loss for the period		(51.6)
Total equity		**1,993.1**
Total liabilities and shareholders' equity		**2,025.0**

Notes to the Statutory Financial Statement
2006

1 General

Petroplus Holdings AG (the "Company" or "Petroplus"), Zug, Switzerland is a publicly traded company listed in the main segment of the Swiss Stock Exchange ("SWX"). The address of its registered office is Petroplus Holdings AG, Industriestrasse 24, 6300 Zug, Switzerland.

Petroplus was initially incorporated on February 20, 2006 under the name of Argus Atlantic Energy Limited in Bermuda. On August 22, 2006, the shareholders of Argus Atlantic Energy Limited resolved to transfer its registered office to Zug, Switzerland and to change its name to Petroplus Holdings AG. On November 30, 2006, the Company was initially listed on the SWX.

2 Accounting Policies

These Statutory Financial Statements of Petroplus comply with the requirements of Swiss law.

Presentation

All amounts included in these Statutory Financial Statements are presented in millions of Swiss Francs ("CHF") except where otherwise indicated.

The amounts presented in the Income Statement reflect the period from February 20, 2006 (the date of incorporation) to December 31, 2006.

Foreign Exchange Rate Differences

Assets and liabilities denominated in foreign currencies are translated into CHF using year-end rates. Transactions during the year which are denominated in foreign currencies are translated at exchange rates effective at the relevant transaction dates. Resulting exchange gains and losses are recognized in the Income Statement with the exception of net unrealized gains which are deferred.

Investments

These are valued at acquisition cost less adjustments for impairment of value.

Derivative Financial Instruments

Derivatives with a market price are recognized as an asset or a liability at the balance sheet date at their market value. Gains and losses are recognized as financial income or financial expenses accordingly.

3 Share Capital of Petroplus Holdings AG

At December 31, 2006, the company had the following issued, authorized and conditional share capital:

in millions of CHF	Share Capital	Number of shares	Nominal value per share in CHF
Issued share capital	560.3	61,036,600	9.18
Authorized share capital	160.4	17,468,300	9.18
Conditional share capital	205.4	22,375,300	9.18

4 Major Shareholders

The following shareholders of Petroplus Holdings AG own more than 5% of the voting rights as at December 31, 2006 according to the requirements of Art. 663c of the Swiss Code of Obligation (“CO”):

Significant Shareholders	Percentage Owned
RIVR Holding B.V., The Netherlands[1]	21.00%
FMR Corp., United States of America[2]	6.17%

(1) RIVR Holding B.V., a registered company in The Netherlands is the former majority shareholder of Petroplus. Prior to the Initial Public Offering on November 30, 2006 RIVR Holding B.V. held 94.50% of the Company’s shares.

(2) FMR Corp, a company located in Boston, USA, is the parent company of Fidelity Management & Research Company, an investment manager for US mutual funds, and Fidelity Management Trust Company, a US state chartered bank which acts as a trustee or investment manager of various pension and trust accounts. The shareholding was reported to the Company on December 12, 2006.

To the best of the Company’s knowledge, no other shareholder holds 5% or more of Petroplus Holdings AG shares at December 31, 2006.

5 Investments

As at December 31, 2006, Petroplus Holdings AG holds direct interests in RIVR Acquisition B.V., The Netherlands (100%) and Argus International Ltd., Bermuda (100%).

6 Contingent Liabilities

The Company is part of a value added tax (“VAT”) group and therefore jointly liable to the Swiss Federal Tax Department for the VAT liability of the other members.

7 Authorization of Statutory Financial Statement

These Statutory Financial Statement have been authorized for issue by the Board of Directors on February 28, 2007 and will be recommended for approval at the Annual Shareholders’ Meeting on May 9, 2007.

Zug, February 28, 2007

Petroplus Holdings AG
For the Board of Directors:

Thomas D. O’Malley
Chairman of the Board of Directors

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To the General Meeting of

Petroplus Holdings AG, Zug

Zurich, March 7, 2007

Report of the statutory auditors

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes/pages F-69 to F-72) of Petroplus Holdings AG for the period from February 20, 2006 (date of incorporation) to December 31, 2006.

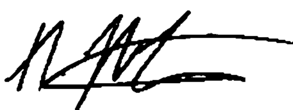
These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Eric Ohlund
Certified Public Accountant
(in charge of the audit)

Reto Hofer
Swiss Certified Accountant

■ Offices in Aarau, Baden, Basel, Berne, Geneva, Lausanne, Lucerne, Lugano, St. Gallen, Zug, Zurich.
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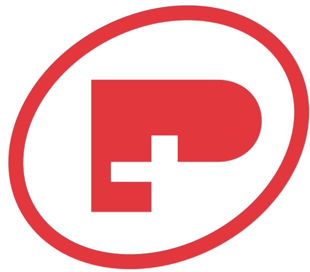

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