

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

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

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

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

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

CURRENT MONTH NET (LOSS): \$(59.4) million

REPORT PREPARER: Gary Barton

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

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

DATE: January 19, 2010

/s/ Gary Barton

Chief Restructuring Officer

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

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



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

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

	Month Ended <u>December 31, 2009</u>	Year to Date <u>December 31, 2009</u>
Net sales	\$ 48.3	\$ 631.4
Cost of goods sold	39.2	535.8
Gross margin	<u>9.1</u>	<u>95.6</u>
Selling, general and administrative expenses	8.9	51.6
Gain on land sales	-	(1.0)
Impairment of goodwill	16.5	28.1
Restructuring charges (Note 5)	11.9	19.9
Provision for doubtful notes and accounts of deconsolidated subsidiary (Note 4)	<u>(0.4)</u>	<u>14.4</u>
	(27.8)	(17.4)
Interest and debt expense (Note 2)	7.1	35.9
Other (income) expense, net	(1.3)	(20.1)
Reorganization items	<u>27.1</u>	<u>80.6</u>
Income (loss) from continuing operations before income taxes	(60.7)	(113.8)
Income tax provision (benefit) (Note 6)	-	0.5
Income (loss) from continuing operations	<u>(60.7)</u>	<u>(114.3)</u>
Loss from discontinued operations, net of tax	1.3	0.3
Net Income (loss)	<u>\$ (59.4)</u>	<u>\$ (114.0)</u>

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

TRONOX INCORPORATED CHAPTER 11 DEBTORS
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share data)
(Unaudited)

		December 31 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$	78.8
Notes and accounts receivable intercompany		365.5
Accounts receivable, third parties		83.6
Inventories, net		106.2
Prepaid and other assets		131.0
Income tax receivable (Note 6)		0.5
Deferred income taxes (Note 6)		1.2
Total current assets		766.8
Property, plant and equipment, net		177.5
Note and advances receivable, intercompany		106.8
Other long-term assets		383.5
Total Assets	\$	1,434.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, third parties	\$	51.1
Accrued liabilities (Note 3)		76.0
Long-term debt due within one year		1.7
Income taxes payable (Note 6)		1.3
Long-term debt classified as current		-
Total current liabilities (Note 3)		130.1
Noncurrent liabilities:		
Deferred income taxes (Note 6)		13.4
Environmental remediation and/or restoration (Note 3)		106.1
Long-term Debt		423.3
Notes and advances payable, intercompany		9.5
Other		123.4
Total liabilities not subject to compromise (Note 3)		805.8
Minority Interest		3.4
Liabilities subject to compromise		436.6
Commitments and contingencies		-
Stockholders' equity		
Common stock		0.4
Capital in excess of par value		496.2
Retained earnings (accumulated deficit)		(282.9)
Accumulated other comprehensive income		(17.7)
Treasury stock, at cost		(7.2)
Total stockholders' equity		188.8
Total liabilities and stockholders' equity	\$	1,434.6

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

Monthly Disbursements by Debtor
For the month of December 2009

	<u>Month</u>	
Tronox Luxembourg S.ar.l	\$	1,956.90
Tronox Incorporated	(1)	
Tronox Worldwide LLC	\$	1,332,298.06
Tronox Finance Corporation	(1)	
Transworld Drilling Company	(1)	
Triple S Minerals Resources Corp.	(1)	
Trx Env Mgmt-(W.C.)-Rare Earths Facility	(1)	
Cimarron Corporation	(1)	
Triple S	(1)	
Triple S Refining Corporation	(1)	
Tronox LLC	\$	86,701,011.96
Tronox Pigments (Savannah), Inc.	\$	4,354,367.33
Tronox Holdings, Inc.	(1)	
Southwestern Refining Company, Inc.	(1)	
Triangle Refineries, Inc.	(1)	

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

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

Tronox Chapter 11 Debtors
Schedule of Federal, State and Local Taxes Collected, Withheld or Paid
Month Ended December 31, 2009

	<u>Pre-Petition Amount</u>	<u>Post-Petition Amount</u>	<u>Total Amount</u>
1 Gross Salaries and Wages	\$ -	\$ 5,827,899.49	\$ 5,827,899.49
2 Payroll Taxes Withheld	\$ -	\$ 1,447,541.85	\$ 1,447,541.85
3 Employer Payroll Tax contributed	\$ -	\$ 324,866.48	\$ 324,866.48
4 Use tax Paid	\$ -	\$ 129,714.63	\$ 129,714.63
5 Property Taxes Paid	\$ -	\$ 664,245.35	\$ 664,245.35
6 Franchise Taxes Paid	\$ -	\$ 2,075.00	\$ 2,075.00
7 Other Taxes Paid	\$ -	\$ 12,175.00	\$ 12,175.00

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

Tronox Chapter 11 Debtors
Schedule of Federal, State and Local Taxes Collected, Withheld or Paid
Month Ended December 31, 2009

Debtor Entity	Date	Pre-Petition Amount	Post-Petition Amount	Total Amount	Description	Item Number
TRXINC	12/9/09		\$ 520.00	\$ 520.00	Estimated Business Tax Payment	7
TRXPSI	12/9/09		\$ 520.00	\$ 520.00	Estimated Business Tax Payment	7
TRXINC	12/9/09		\$ 11,000.00	\$ 11,000.00	Estimated Income Tax Payment	7
TRXPSI	12/9/09		\$ 375.00	\$ 375.00	Estimated Income Tax Payment	6
TRXLLC	12/9/09		\$ 1,700.00	\$ 1,700.00	Estimated Franchise Tax Payment	6
TSRC	12/2/09		\$ 135.00	\$ 135.00	Annual Report for Foreign Corp	7
TRIPS	12/11/09		\$ 135.10	\$ 135.10	Allen	5
TRIPS	12/9/09		\$ 340.92	\$ 340.92	Anderson	5
TRIPS	12/9/09		\$ 251.48	\$ 251.48	Chautauqua	5
TRIPS	12/9/09		\$ 502.08	\$ 502.08	Cherokee	5
TRIPS	12/9/09		\$ 1,030.58	\$ 1,030.58	Dickinson	5
TSRC	12/9/09		\$ 283.68	\$ 283.68	Labette	5
TSRC	12/9/09		\$ 330.64	\$ 330.64	McPherson	5
TSRC	12/9/09		\$ 396.70	\$ 396.70	Montgomery	5
TRIPS	12/9/09		\$ 1,906.08	\$ 1,906.08	Montgomery	5
TSRC	12/9/09		\$ 989.48	\$ 989.48	Neosho	5
TSRC	12/9/09		\$ 697.52	\$ 697.52	Pawnee	5
TRIPS	12/9/09		\$ 1,027.38	\$ 1,027.38	Saline	5
TSRC	12/9/09		\$ 154.62	\$ 154.62	Scott	5
TSRC	12/9/09		\$ 1,332.98	\$ 1,332.98	Shawnee	5
TRIPS	12/9/09		\$ 213.16	\$ 213.16	Wilson	5
TRXLLC	12/9/09		\$ 2,385.43	\$ 2,385.43	Bossier	5
TPSI	12/10/09		\$ 186,987.85	\$ 186,987.85	Chatham	5
TRXLLC	12/9/09		\$ 562.20	\$ 562.20	Bossier	5
TRIPS	12/9/09		\$ 713.79	\$ 713.79	DeSoto	5
TRIPS	12/9/09		\$ 109.63	\$ 109.63	DeSoto	5
TRIPS	12/9/09		\$ 204.83	\$ 204.83	Franklin	5
TRIPS	12/9/09		\$ 17.49	\$ 17.49	Franklin	5
TRIPS	12/10/08		\$ 3,497.56	\$ 3,497.56	Ouachita	5
TSRC	12/9/09		\$ 35.34	\$ 35.34	Richland	5
TRIPS	12/9/09		\$ 38.40	\$ 38.40	Richland	5
TRIPS	12/9/09		\$ 609.38	\$ 609.38	Union	5
TRIPS	12/9/09		\$ 638.00	\$ 638.00	Canadian	5
TSRC	12/9/09		\$ 2,971.00	\$ 2,971.00	Comanche	5
TRIPS	12/9/09		\$ 570.00	\$ 570.00	Comanche	5
TSRC	12/9/09		\$ 53.00	\$ 53.00	Grady	5
TSRC	12/9/09		\$ 95.00	\$ 95.00	Greer	5
TSRC	12/9/09		\$ 259.00	\$ 259.00	Jackson	5
TRIPS	12/9/09		\$ 201.00	\$ 201.00	Jackson	5
TRIPS	12/9/09		\$ 62.00	\$ 62.00	Kay	5
TSRC	12/9/09		\$ 84.00	\$ 84.00	Kingfisher	5
TSRC	12/9/09		\$ 423.00	\$ 423.00	Latimer	5
TSRC	12/9/09		\$ 103.00	\$ 103.00	Le Flore	5
TSRC	12/9/09		\$ 7,355.00	\$ 7,355.00	Logan	5
TRIPS	12/9/09		\$ 509.00	\$ 509.00	Mayes	5
TSRC	12/9/09		\$ 156.00	\$ 156.00	McClain	5
TSRC	12/9/09		\$ 6,991.76	\$ 6,991.76	Payne	5
TSRC	12/9/09		\$ 18.00	\$ 18.00	Pittsburg	5
TSRC	12/9/09		\$ 328.00	\$ 328.00	Pontotoc	5
TSRC	12/9/09		\$ 323.00	\$ 323.00	Pottawatomie	5
TRIPS	12/9/09		\$ 125.00	\$ 125.00	Seminole	5
TSRC	12/9/09		\$ 202.00	\$ 202.00	Stephens	5
TSRC	12/9/09		\$ 507.00	\$ 507.00	Tulsa	5
TRIPS	12/9/09		\$ 5,657.00	\$ 5,657.00	Tulsa	5
TRIPS	12/9/09		\$ 646.00	\$ 646.00	Washington	5
TRIPS	12/9/09		\$ 92.00	\$ 92.00	Woods	5
TRIPS	12/16/09		\$ 342.38	\$ 342.38	Adair	5
TSRC	12/16/09		\$ 263.13	\$ 263.13	Audrain	5
TRIPS	12/16/09		\$ 772.06	\$ 772.06	Dunklin	5
TRIPS	12/16/09		\$ 114.55	\$ 114.55	Dunklin	5
TRXLLC	12/16/09		\$ 17,159.08	\$ 17,159.08	Greene	5
TRXLLC	12/16/09		\$ 917.01	\$ 917.01	Lewis	5
TRXLLC	12/9/09		\$ 27.80	\$ 27.80	Madison	5
TRIPS	12/16/09		\$ 287.79	\$ 287.79	Mississippi	5
TRXLLC	12/16/09		\$ 137.12	\$ 137.12	Reynolds	5
TRXLLC	12/16/09		\$ 107.91	\$ 107.91	St. Francois	5
TRIPS	12/16/09		\$ 245.75	\$ 245.75	Graves	5
TSRC	12/16/09		\$ 964.32	\$ 964.32	Washington	5
TRIPS	12/16/09		\$ 388.48	\$ 388.48	Houston	5
TRIPS	12/16/09		\$ 149.43	\$ 149.43	Houston	5
TRXLLC	12/9/09		\$ 12,063.82	\$ 12,063.82	Caribou	5
TRIPS	12/16/09		\$ 210.12	\$ 210.12	Dallas	5
TSRC	12/16/09		\$ 906.86	\$ 906.86	Jefferson	5
TRIPS	12/16/09		\$ 380.57	\$ 380.57	Jefferson	5

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Schedule of Federal, State and Local Taxes Collected, Withheld or Paid
Month Ended December 31, 2009

Debtor Entity	Date	Pre-Petition Amount	Post-Petition Amount	Total Amount	Description	Item Number
TSRC	12/16/09		\$ 316.82	\$ 316.82	Montgomery	5
TSRC	12/16/09		\$ 57.60	\$ 57.60	Walker	5
TRXLLC	12/16/09		\$ 7,934.23	\$ 7,934.23	Jackson	5
TSRC	12/16/09		\$ 5.20	\$ 5.20	Jasper	5
TRIPS	12/16/09		\$ 321.93	\$ 321.93	Macon	5
TRIPS	12/16/09		\$ 52.75	\$ 52.75	Macon	5
TRXLLC	12/16/09		\$ 44.96	\$ 44.96	Montgomery	5
TRXLLC	12/18/09		\$ 732.38	\$ 732.38	Perry	5
TRXLLC	12/18/09		\$ 101.74	\$ 101.74	Perry	5
TRIPS	12/16/09		\$ 28.80	\$ 28.80	Saline	5
TRXLLC	12/16/09		\$ 244.80	\$ 244.80	Shannon	5
TRXLLC	12/16/09		\$ 6.95	\$ 6.95	Texas	5
TSRC	12/16/09		\$ 1,149.25	\$ 1,149.25	Vernon	5
TRXLLC	12/16/09		\$ 95.43	\$ 95.43	Washington	5
TWLLC	12/16/09		\$ 29,089.69	\$ 29,089.69	Brunswick	5
TRIPS	12/16/09		\$ 253.00	\$ 253.00	Dyer	5
TRIPS	12/23/09		\$ 92.28	\$ 92.28	Valencia	5
TRIPS	12/23/09		\$ 36.72	\$ 36.72	Dallas	5
TWLLC	12/23/09		\$ 2,134.44	\$ 2,134.44	Etowah	5
TSRC	12/23/09		\$ 188.60	\$ 188.60	Etowah	5
TRIPS	12/23/09		\$ 1,257.06	\$ 1,257.06	Etowah	5
TSRC	12/23/09		\$ 464.00	\$ 464.00	Madison	5
TRXLLC	12/23/09		\$ 144,907.33	\$ 144,907.33	Mobile	5
TSRC	12/23/09		\$ 234.42	\$ 234.42	Richland	5
TRIPS	12/23/09		\$ 254.74	\$ 254.74	Richland	5
TRIPS	12/23/09		\$ 199.47	\$ 199.47	Union	5
TRXLLC	12/23/09		\$ 161.39	\$ 161.39	Lewis	5
TWLLC	12/23/09		\$ 4,765.78	\$ 4,765.78	St. Louis	5
TRXLLC	12/23/09		\$ 103,243.25	\$ 103,243.25	Clark	5
TWLLC	12/23/09		\$ 296.87	\$ 296.87	Cleveland	5
TRIPS	12/23/09		\$ 23.00	\$ 23.00	Creek	5
TRIPS	12/23/09		\$ 438.00	\$ 438.00	Garfield	5
TSRC	12/23/09		\$ 54.00	\$ 54.00	Murray	5
TSRC	12/23/09		\$ 2,766.00	\$ 2,766.00	Noble	5
TRXLLC	12/23/09		\$ 91,004.23	\$ 91,004.23	Oklahoma	5
TSRC	12/23/09		\$ 2,727.00	\$ 2,727.00	Pawnee	5
Tronox Pigments (Savannah)	12/4/09		\$ 17,360.09	\$ 17,360.09	employer payroll taxes contributed	3
Triple S Environmental	12/11/09		\$ 236.91	\$ 236.91	employer payroll taxes contributed	3
Tronox LLC	12/11/09		\$ 129,643.17	\$ 129,643.17	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	12/11/09		\$ 9,090.17	\$ 9,090.17	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	12/18/09		\$ 11,520.43	\$ 11,520.43	employer payroll taxes contributed	3
Triple S Environmental	12/24/09		\$ 236.91	\$ 236.91	employer payroll taxes contributed	3
Tronox LLC	12/24/09		\$ 147,733.13	\$ 147,733.13	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	12/24/09		\$ 4,885.81	\$ 4,885.81	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	12/31/09		\$ 4,159.86	\$ 4,159.86	employer payroll taxes contributed	3
Tronox Pigments (Savannah)	12/4/09		\$ 72,291.23	\$ 72,291.23	payroll taxes withheld	2
Triple S Environmental	12/11/09		\$ 670.60	\$ 670.60	payroll taxes withheld	2
Tronox LLC	12/11/09		\$ 452,659.78	\$ 452,659.78	payroll taxes withheld	2
Tronox Pigments (Savannah)	12/11/09		\$ 41,847.74	\$ 41,847.74	payroll taxes withheld	2
Tronox Pigments (Savannah)	12/18/09		\$ 45,348.03	\$ 45,348.03	payroll taxes withheld	2
Triple S Environmental	12/24/09		\$ 670.60	\$ 670.60	payroll taxes withheld	2
Tronox LLC	12/24/09		\$ 799,360.06	\$ 799,360.06	payroll taxes withheld	2
Tronox Pigments (Savannah)	12/24/09		\$ 22,536.74	\$ 22,536.74	payroll taxes withheld	2
Tronox Pigments (Savannah)	12/31/09		\$ 12,157.07	\$ 12,157.07	payroll taxes withheld	2
GEORGIA DEPT OF REVENUE	12/16/09		\$ 10,486.51	\$ 10,486.51	GEORGIA DEPT OF REVENUE	4
MISSISSIPPI DEPT OF REVENUE	12/16/09		\$ 105,124.57	\$ 105,124.57	MISSISSIPPI DEPT OF REVENUE	4
NEVADA DEPT OF TAXATION	12/23/09		\$ 13,805.57	\$ 13,805.57	NEVADA DEPT OF TAXATION	4
OKLAHOMA TAX COMMISSION	12/14/09		\$ 297.98	\$ 297.98	OKLAHOMA TAX COMMISSION	4

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(Debtors in possession)

Note 1

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

The unaudited financial statements contained in the Monthly Operating Statement have been derived from the books and records of the Company. This information, however, has not been subject to procedures that would typically be applied to financial information presented in accordance with GAAP, and upon the application of such procedures, we believe that the financial information could be subject to changes, and these changes could be material. The information furnished in this Monthly Operating Statement includes primarily normal recurring adjustments but does not include all of the adjustments that would typically be made for financial statements prepared in accordance with GAAP. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted.

Note 2

Interest expense for the twelve months ended December 31, 2009, excludes \$32.2 million of interest on the Company's \$350 million Senior Notes no longer being accrued subsequent to the Company's Chapter 11 filings.

Note 3

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

Note 4

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

Note 5

On July 21, 2009, the Company announced its decision to idle the pigment production at its Savannah facility until a time when the TiO₂ market recovers and/or a sale of the plant is completed. Due to adverse economic conditions that contributed to the Company's bankruptcy filing, work at Savannah was significantly curtailed in late March of this year, pending Company efforts to attract business opportunities, including potential buyers. Thus far, no such opportunities have surfaced.

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In connection with this action, the Company announced additional layoffs of the Savannah chloride and associated workforce beginning in the third quarter of 2009. Restructuring charges related to severance, special termination benefits under the pension plan and asset write-offs, including impairments of indefinite lived intangibles, totaling \$44.9 million were recorded and are reflected herein. The process of bringing the chloride process down to a cold idle and activities associated there with resulted in a phasing out of these operations throughout the fourth quarter of 2009. The sulfuric acid plant, which is also located at the Savannah site, will continue normal operations.

Note 6

The Company has not yet, as of the filing of this Monthly Operating Report, recorded its fourth quarter income tax provision and other income tax related adjustments.

Note 7

On August 28, 2009, the Company executed a “stalking horse” asset and equity purchase agreement (Stalking Horse Agreement) for the sale of certain of its operating assets to Huntsman Pigments LLC and Huntsman Australia R&D Company Pty Ltd., which are affiliates of Huntsman Corporation, or to the winner of a public auction for the assets that the Company intended to hold in the fourth quarter of 2009. Pursuant to the Stalking Horse Agreement, the Company had agreed to sell the majority of its TiO₂ and Electrolytic operating facilities around the world, including the production facility in Botlek, The Netherlands; the production facility in Hamilton, Mississippi; the operating assets (but not the underlying real property) in Henderson, Nevada; the Oklahoma City Technical Center; and its 50% interest in the Tiwest Joint Venture. The Stalking Horse Agreement did not contemplate the sale of the Savannah facility.

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

The Company continued to market its assets in an effort to ensure a robust and competitive auction, and the Company continued to work with its official committees to evaluate the feasibility of a stand-alone plan of reorganization as an alternative to the sale. This process involved, among other things, efforts to locate debt financing and negotiations with the United States and various state and local governments concerning a global resolution of the Company’s legacy environmental liabilities. The Company pursued both the sale and the reorganization paths into the fourth quarter of 2009 in an effort to determine which path would maximize the value of the estates.

On December 20, 2009, Tronox, on behalf of itself and its affiliated debtors and debtors in possession, in Chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), announced that it had successfully negotiated an agreed-upon framework for a plan of reorganization the (“Plan”) built around a new debt facility, new equity financing and the establishment of certain environmental remediation trusts and a litigation trust under a comprehensive settlement of Tronox’s legacy environmental liabilities with the United States government.

The terms of the Plan are set forth in a term sheet that is annexed to a plan support agreement (the “Plan Support Agreement”) entered into by Tronox, the United States government, the official committee of unsecured creditors, certain members of such committee in their individual capacity, the holders of approximately 65% of Tronox Incorporated’s 9.5% unsecured notes due December 1, 2012 (the “Bondholders”), and the attorneys for certain parties, as representatives. Pursuant to the Plan Support Agreement, Tronox has agreed to work with these key stakeholders to draft, file and seek confirmation of a plan of reorganization that is consistent with the term sheet and pursuant to a timeline that is set forth in the Plan Support Agreement. Pursuant to the terms of the Plan and the rights offering described below, holders of general unsecured claims that are “accredited investors” and eligible to participate in the rights offering would receive 70% of the equity in the reorganized Tronox and all of Tronox Incorporated’s 9.5% unsecured notes due December 1, 2012 would be cancelled as of the effective date of the Plan. In addition, the current holders of general unsecured claims would receive their pro rata share of a general unsecured claims pool to be established, which would be funded with 30% of the equity in the reorganized Tronox. Under the current terms of the Plan, and subject to further discussion with the official committee of equity security holders, the holders of the outstanding shares of common stock of Tronox Incorporated would not receive any recovery in connection with the Plan. As a condition to the execution of the Plan Support Agreement by the other parties, Tronox cancelled the auction that was scheduled for December 21, 2009.

To fund its ongoing operations through the effective date of the Plan, Tronox has entered into a credit agreement for a \$425 million debtor-in-possession financing facility (the “Replacement DIP Facility,” and such agreement, the “Replacement DIP Agreement”) with a syndicate of lenders led by Goldman Sachs Lending Partners LLC. The Replacement DIP Facility repaid

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Tronox's previously outstanding secured debt, including Tronox's previous debtor-in-possession facility, in its entirety following interim approval of the Replacement DIP Facility by the Bankruptcy Court on December 23, 2009. Subject to certain conditions set forth in the Replacement DIP Agreement, the Replacement DIP Facility will convert into exit financing on the effective date of the Plan.

In addition, Tronox has entered into an equity commitment agreement (the "Equity Commitment Agreement") pursuant to which the Bondholders committed to provide, subject to certain conditions set forth in the Equity Commitment Agreement, a \$105 million equity infusion on the effective date of the Plan through a backstopped rights offering that will be made available to unsecured creditors that are "accredited investors." Proceeds from these financings on the effective date of the Plan would be used in part to provide \$115 million to fund an environmental remediation trust and litigation trust that form part of a comprehensive settlement of Tronox's legacy environmental liabilities with the United States and certain state governments.

Under the terms of the Plan, all government claims related to Tronox's legacy environmental sites (both owned and non-owned) will be settled with the United States and certain state governments through creation of the environmental remediation trust and the litigation trust referenced above, to which Tronox will contribute \$115 million in cash and 88% of its interest in the litigation against Anadarko Petroleum Corporation and Kerr-McGee Corporation (the "Anadarko Litigation"). Furthermore, under the terms of the Plan, the holders of claims related to potential asbestos, benzene and creosote liabilities against Tronox will receive their pro rata share of \$7 million in cash and 12% of Tronox's interest in the Anadarko Litigation.

The Bankruptcy Court approved the Plan Support Agreement and the Equity Commitment Agreement on December 23, 2009 and approved the Replacement DIP Agreement on a final basis on January 15, 2010.

No adjustments to the carrying value of the Business' assets, based upon the plan of reorganization, have been reflected in these combined financial statements.