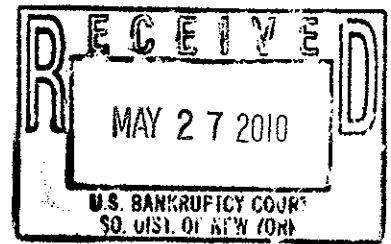


UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK



In Re:

TRONOX INCORPORATED, et al.,¹

Debtors

Chapter 11

Case No. 09-10156 (ALG)

Jointly Administered

SHAREHOLDER LETTER REGARDING §2015.3(a) DISCLOSURES

To the Honorable Judge Gropper,

We are writing to address a very important issue regarding Tronox's heretofore unfulfilled obligation to file periodic reports of the financial position and results of operations of the Non-Debtor subsidiaries as required under §2015.3(a) of the Federal Rules of Bankruptcy Procedure.

Tronox Incorporated is comprised of not only the Debtor companies listed in Footnote 1 below, but it also includes: (a) 18 wholly-owned non-debtor subsidiaries (the "Wholly-Owned Non-Debtors")²; (b) non-controlling equity investments in two non-debtor entities (the "Equity Investment Non-Debtors")³; and (c) undivided 50% interests in the assets of four non-debtor entities comprising a joint venture in Australia (the "Joint Venture Non-Debtors")⁴.

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.

² The Wholly-Owned Non-Debtors include (with state or country of incorporation in parentheses): Tronox Funding LLC (Delaware); Tronox Western Australia Pty Ltd. (Western Australia); Tronox Pigments Ltd. (Bahamas Islands); Tronox B.V. (Netherlands); Tronox Finance B.V. (Netherlands); Tronox Pigments (Singapore) Pte Ltd. (Singapore); Tronox Luxembourg Holding S.ar.L (Luxembourg); Tronox Switzerland Holding GmbH (Switzerland); Tronox Pigments International GmbH (Switzerland); Tronox Holdings Europe C.V. (Netherlands); Tronox Pigments (Netherlands) B.V. (Netherlands); Tronox Denmark International ApS (Denmark); Tronox International ApS (Denmark); Tronox Pigments (Holland) B.V. (Netherlands); Tronox GmbH (Germany); Tronox Pigments GmbH (Germany); and Tronox Pigments S.pr.L (Belgium).

³ The Equity Investment Non-Debtors include (with state of incorporation in parentheses) Basic Management, Inc. (Nevada) and The LandWell Company, L.P. (none).

⁴ The Joint Venture Non-Debtors, each of which is incorporated in Western Australia, include: Tiwest Joint Venture; Tiwest Pty Ltd.; Tiwest Sales Pty Ltd.; and Jurien Exploration Joint Venture. The Joint Venture Non-Debtors comprise the operating assets of Tronox Incorporated's joint venture with Exxaro Australia Sands Pty Ltd. (the "Tiwest Joint Venture"). Wholly-Owned Non-Debtor Tronox Western Australia Pty Ltd., which is a wholly-owned subsidiary of debtor Tronox LLC, owns a 50% undivided interest in all of the assets which comprise the operations conducted by the Tiwest Joint Venture, and is severally liable for 50% of associated liabilities.



§2015.3(a) of the Federal Rules of Bankruptcy Procedure states:

*“In a chapter 11 case, the trustee or debtor in possession shall file **periodic** financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest. The reports shall be prepared as prescribed by the appropriate Official Form, and shall be based upon the most **recent** information reasonably available to the trustee or debtor in possession.”*

It should be noted that the Debtors have failed to file these disclosures “periodically,” since they have not been filed during the pendency of these chapter 11 cases. It should also be noted that the information that has been presented, in its stead, is no longer “recent” given the spirit and intent of the rules requiring the aforementioned disclosures.

On April 3, 2009, Tronox requested relief from the court to avoid making these required disclosures. They predicated their argument on §2015.3(d) which provides that:

“The court may, after notice and a hearing, vary the reporting requirement established by subdivision (a) of this rule for cause, including that the trustee or debtor in possession is not able, after a good faith effort, to comply with those reporting requirements, or that the information required by subdivision (a) is publicly available.”

On May 6, 2009, Tronox was granted relief from having to file the §2015.3(a) disclosures because the court ruled it had effectively satisfied the reporting requirements with its Q3 2008 SEC filing as of and for the three months ended September 30, 2008. In their request for relief, the Debtors argued that the required information was already “publicly available” in its 3rd Quarter 2008 10-Q filing released on November 7, 2008 as of and for the quarter ended September 30, 2008. The Debtors also submitted, at that time, that they “continued to make its SEC Filings since the Petition Date”. While that argument might have had some merit 13 months ago, it cannot be seriously contended in May 2010 that the Debtors have “continued” to submit their quarterly SEC filings when it has been more than 18 months since we have seen a 10-Q or 10-K report. What we have been provided, quite simply, fails to meet the definition of either “**periodic**” or “**recent**”.

By way of reference, within this very district, there is an ongoing bankruptcy proceeding concerning Chemtura Corp. and its related Debtors in Possession (09-11233 (REG)). In those jointly administered cases, Chemtura has filed two separate §2015.3(a) disclosures and the pendency of their proceeding runs two fewer months than that of Tronox. As a further point of reference, Chemtura has actually continued to file all of its SEC disclosures in a timely fashion, thus providing both the §2015.3(a) disclosures and the SEC filings as opposed to providing neither as the Debtors in this case have done heretofore.


For the avoidance of doubt, we do not seek to impugn the Debtors or their management in this correspondence. However, as a party in interest who holds a substantial position⁵ in the Common Stock, we feel it is the intent of the law to be fair to all stakeholders and imperative that all stakeholders have an opportunity to see the financial position and results of operations of the **whole enterprise**, as opposed to being limited to those of the Debtors in Possession.

⁵ As of the date of this letter, we own 300,000 shares of Tronox Inc. common stock consisting of 300,000 “B” shares. This represents roughly 0.73% of the total outstanding shares of the Company.

Based on the preponderance of evidence available in the public domain (in the form of Monthly Operating Reports⁶) and in the financial markets,⁷ it is clear that there is substantial value remaining in the estate that should inure to the benefit of the holders of Tronox common stock. It would be extremely beneficial for all stakeholders to have an opportunity to see the financial position and operating results of the Non-Debtor entities in order that we might gain a clearer picture of exactly how much value remains for the equity constituency.

Thank you for your attention to this matter.

Respectfully submitted,

By: 
Christopher B. White
Managing Member
Greenstone Capital Management Partners, LP
Email: chris@greenstonefund.com

Dated: May 24, 2010

cc: Susan Golden, (VIA FAX TO: 212-668-2255)
Office of the U.S. Trustee, SDNY

cc: Karen Dine, (VIA FAX TO: 212-858-1500)
Pillsbury, Winthrop, Shaw, Pittman, LLP.
Counsel to the Official Equity Committee

⁶ Based on recent Monthly Operating Reports, the annualized EBITDA is \$170 million for the Debtors in Possession alone, without consideration of the Non-Debtor subsidiaries.

⁷ As of the date of this letter, the bonds are trading at over 120% of par value and have traded above 130% of par within the last two weeks. The common stock currently trades at \$1.07 per share reflecting a market capitalization of over \$44 million attributable to common equity. The significance of these market indicators is underscored by the fact that the current Plan Support Agreement inexplicably provides no recovery for the common shares.