

Financial Strategies Group

The Mechanics of Structured Securities

Timothy G. Peara

July 1991

Prudential Securities

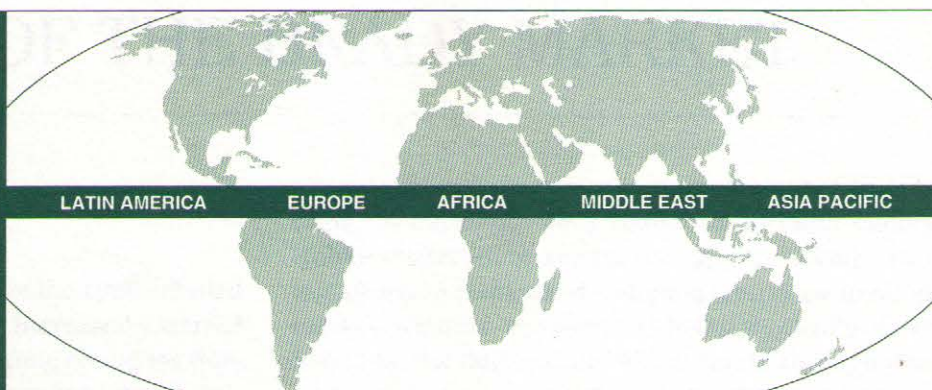


The analysis in this report is accurate to the best of our knowledge and is based on information that we consider to be reliable. All opinions and conclusions in this report reflect our judgment as of this date and are subject to change. All analyses are based on certain assumptions noted herein and different assumptions could yield substantially different results. You are cautioned that there is no universally accepted method for analyzing financial instruments. You should review the assumptions; there may be differences between these assumptions and your actual business practices. Further, we do not guarantee any results and there is no guarantee as to the liquidity of the instruments involved in our analysis. The decision to adopt any strategy remains your responsibility. Prudential Securities Inc. (or any of its affiliates) or their officers, directors, analysts or employees may have positions in securities, commodities or derivative instruments thereon referred to herein, and may, as principal or agent, buy or sell such securities, commodities or derivative instruments. In addition, Prudential Securities Inc. may make a market in the securities referred to herein. Neither the information nor the opinions expressed shall be construed to be, or constitute, an offer to sell or buy or a solicitation of an offer to sell or buy any securities, commodities or derivative instruments mentioned herein. Finally, we have not addressed the legal, accounting and tax implications of the analysis with respect to you and we strongly urge you to seek advice from your counsel, accountant and tax adviser.

TABLE OF CONTENTS

I: Structured Securities	1
Asset-Backed Securities (ABSs)	1
Mortgage-Backed Securities (MBSs)	3
Agency Mortgage Pass-Through Securities	4
Private Mortgage Pass-Through Securities	7
Stripped Mortgage-Backed Securities (SMBSs)	8
Adjustable-Rate Mortgage (ARM) Securities	9
Collateralized Mortgage Obligations (CMOs)	11
II: Structured-Security Fundamentals	15
Amortized Balance	15
Delay Periods	17
Accrued Interest	19
Average Life	20
III: Financing, Custody and Listing	24
Financing via Repurchase Agreements	24
Cost of Carry	25
Financing via Dollar Rolls	26
Custody	30
Listing	30
IV: Conclusion	31
Appendix A: Risk-Based Capital Guidelines	32
Appendix B: TBA Delivery Characteristics	33
PSA Requirements for Good Delivery	33
Settlement Dates	34
Appendix C: Comparison of Agency and Private Mortgage Pass-Through Securities	36
Guarantees	36
Appendix D: Summary of Major Agency ARM Programs	38
Appendix E: Investor Help/Inquiry Lines	39
Appendix F: CMO/ABS Issue Dates Defined	40
Appendix G: ABS Amortization Structures	41
A Note About Early Amortization	42
Appendix H: Basics of Security Clearance	43
Appendix I: Examples of Trade Settlement and Collection of Monthly Payments	44
Appendix J: List of Abbreviations	48
References	49

Emerging Markets



Fixed Income Research

Brady Bond MARKET HANDBOOK

Jorge Celio

(212) 526-2105

Ken Elgarten

(212) 528-5868

Tim Peara

(011) 44171-260-3186

JANUARY 1996

Inside

3 OVERVIEW OF THE BRADY MARKET

Background
Market Overview

8 INVESTING IN BRADY BONDS

Types of Bonds
Valuation
Using Options
Performance

12 BRADY BOND TERMS AND SETTLEMENT

Summary Term Sheets
Term Sheets by Country
Settlement & Clearance
Non-U.S. Dollar
Brady Issuance

The Brady bond market is the product of former U.S. Treasury Secretary Nicholas Brady's solution to the developing country debt crisis of the 1980s. Under the Brady Plan, developing countries issue bonds in exchange for rescheduled commercial bank debt based on a menu of options. The Brady Plan attempts to motivate developing countries to adopt market-oriented economic policies through debt and debt service relief and significantly longer maturities. In return, commercial banks exchange loans outstanding to developing countries for bonds that are more liquid and typically defeased by U.S. Treasury zero coupon bonds. Mexico was the first country to complete a Brady Plan restructuring in March 1990, and since then a total of 13 countries have completed Brady exchanges.

Over the past five years, the Brady bond market has become the largest and most liquid of the emerging markets. Currently, bonds outstanding total US\$154.0 billion, the majority of which is Latin American bonds denominated in U.S. dollars. Both investment and commercial banks are active market makers in these securities, and the investor base now encompasses a broad spectrum of institutional accounts including mutual funds, money managers, insurance companies, and pension funds. Portfolio managers are increasingly looking to Brady bonds as the core of the emerging markets for yield enhancement and portfolio diversification. Over the period from 1/1/93 to 9/30/95, the Brady component of the Lehman Brothers Emerging Americas Bond (EAB) Index returned 38.84%, compared to 28.3% for the BBB Corporate Index, and 33.98% for the High Yield Index.

This handbook provides an overview of the Brady bond market and serves as a tool for investing in Brady bonds.

INDEX OF LONDON EMG RESEARCH PUBLICATIONS

REGION

<i>Technical Monitor: Where do we go if the market falls apart?</i>	Nov-7
<i>Technical Monitor: Range bound & losing momentum, the market drifts</i>	Oct-19
<i>Technical Monitor: Market breaks lower near-term with a rising base</i>	Sep-26
<i>Technical Monitor: Brady & loan market still bearish, but less so</i>	Aug-30
<i>World File: Statistics on 24 EMG nations</i>	Oct-25
<i>Country Survey: Europe, Middle-East, Africa</i>	Nov-10
<i>Country Survey: Europe, Middle-East, Africa</i>	Sep-27
<i>Country Survey: Europe, Middle-East, Africa</i>	Jun-16
<i>Global Strategist: Diversifying with European Brady's</i>	Feb-6

CZECH REPUBLIC

<i>Trade Idea: Euro-Czech Crown Bond</i>	Oct-11
<i>Global Strategist: Czech Please</i>	Jan-23

HUNGARY

<i>Relative Value: Tighter Spreads Ahead</i>	Aug-21
<i>Global Strategy: Is Hungary Turning the Corner?</i>	Mar-28
<i>Global Strategist: Some Good News</i>	Feb-13
<i>Global Strategist: Is Hungary the Mexico of Europe?</i>	Feb-6

MOROCCO

<i>Trade Idea: Buy Tranche A Loans</i>	Sep-7
--	-------

POLAND

<i>Relative Value: Privatisation Worries and a Stagnant Market</i>	Jul-28
<i>Relative Value: The Only Investment Grade Country with Brady's</i>	Jun-12
<i>Relative Value Outlook: Poland</i>	Apr-27
<i>News analysis: Hands tied by the old budget</i>	Mar-7
<i>News analysis: Further steps in currency reform</i>	Mar-6
<i>News analysis: Polish auction anomaly</i>	Feb-28
<i>Market Strategy: Buy Polish Treasury Bills</i>	Feb-27
<i>Fixed Income Handbook: Poland</i>	Sep-94

RUSSIA

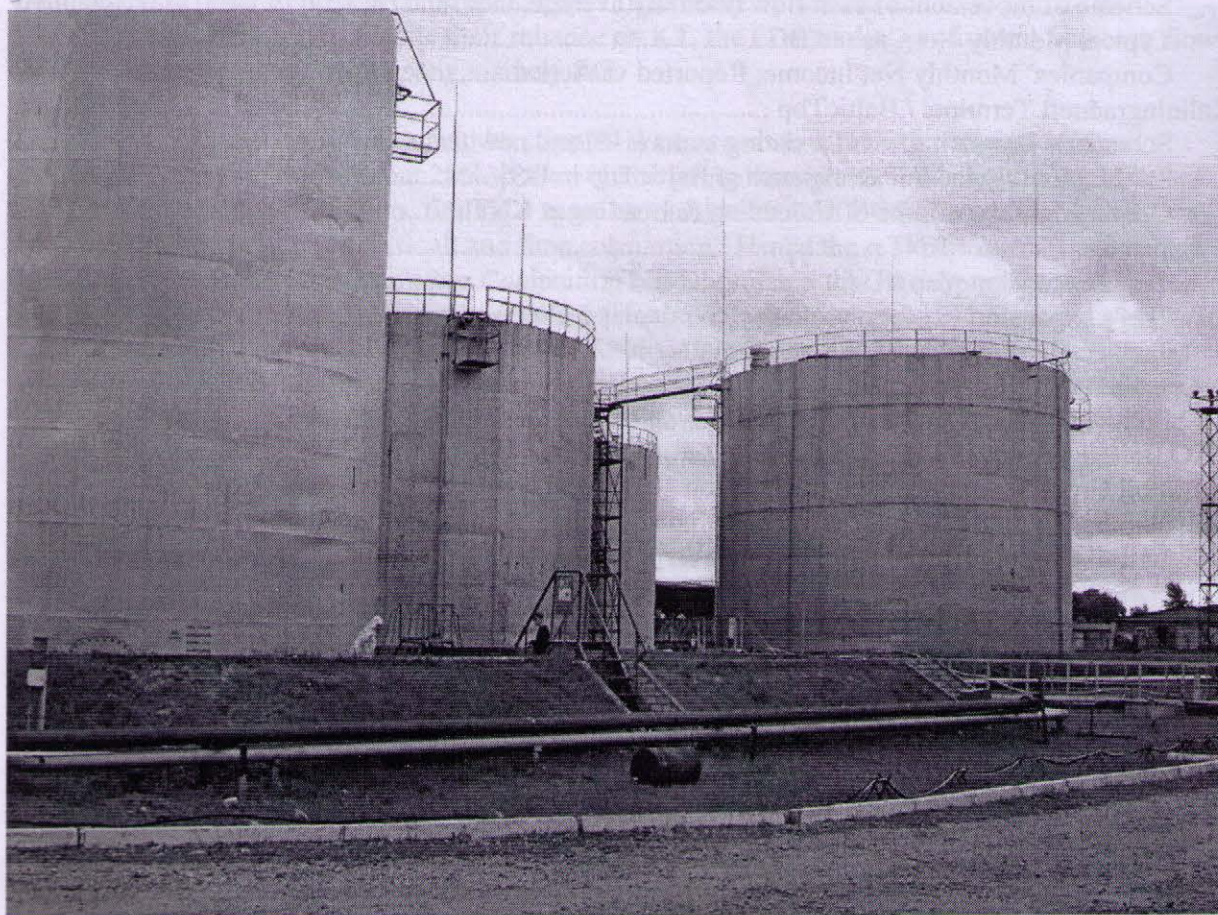
<i>Relative Value: Head of Terms</i>	Oct-31
<i>Relative Value: Banking Crisis Update</i>	Aug-25
<i>Relative Value: Markets Hate Uncertainty</i>	Jul-11
<i>Relative Value: Agreement Around the Corner ?</i>	Jun-16
<i>Relative Value: Russia</i>	May-25
<i>Trade Idea: Buy Russian Bank Loans</i>	May-15

SOUTH AFRICA

<i>Fixed Income Handbook: South Africa</i>	May-95
<i>Global Strategist: Sell Greece, Buy South Africa</i>	Apr-25
<i>Global Strategy: Unwinds Gilts Trade on FinRand Abolition</i>	Mar-16
<i>News analysis: End of an Era, Financial Rand Abolition</i>	Mar-10
<i>Global Strategist: A Rand Opportunity</i>	Feb-13

Confidential Information Memorandum

Kaliningradneft Terminal & Affiliated Companies



25th July 2005



This report was prepared by Timothy G Pears of Alternative Energy Finance, Limited on behalf of Almedis Holdings Ltd with the kind assistance of Karina Zinovjeva based upon information provided by the Companies described herein and upon a visit to Kaliningrad with interviews of senior managers during 21-24 June, 2005. This work has been greatly facilitated by Igor I. Novikov in the economics department of Baltoil Group.

Strategic Summary	3
The Companies	4
Chronology of Baltoil / Kaliningradneft Companies	4
Diagram of Baltoil / Kaliningradneft Companies & Fuel Delivery	5
Baltoil Group	6
Table: BG's Shipping Volumes and Weight	7
Baltoil Group - Kaliningrad Bunkering	7
Baltoil Trade	8
Baltoil Group / Baltoil Trade Sales & Profits	9
Graph: Baltoil Trade & Group: Fuel Sales in Volume and US\$	9
Scheme of movement of fuel oil (an average for a month)	10
Scheme of movement of cash flow (monthly average, thousand rub.)	10
Typical Monthly Net Cash to BG	10
Companies' Monthly Net Income: Reported vs Actual	11
Kaliningradneft Terminal / BalticTop	11
Schematic Diagram of KNT existing tanks (1-5) and new tanks (6-7)	12
Table: Monthly income & expense of BalticTop in US\$	13
Graph: Monthly volume of Unloading & Loading at KNT	14
Expansion Plans for KNT	14
Top's expansion plan #1: for existing KNT Terminal	14
Top's expansion #2: for marine-fuel terminal, pipeline and mooring	15
Top's expansion plan #3: for additional terminal dedicated to marine fuel	16
Legal issues:	17
Political Maps of Kaliningrad	18
ZAO Baltoil Group	19
Baltoil Group – Supplemental Information	20
Number / Value of Trade between affiliated companies for 2004	20
Baltoil Group – April, 2005 Income & Expenses, in US\$	21
Baltoil Group: 2005 Budget in thousands of US dollars (\$000)	22
OOO Kaliningrad Bunkering	23
OOO Baltoil Trade	24
Baltoil Trade's Clients	25
List of Competitors to Baltoil Trade / Baltoil Group	25
Baltoil Trade Income & Expenses in US Dollars, Nov-2003 – April-2005	26
OOO BalticTop	30
BalticTop Supplemental information	31
BalticTop Client List	32
BalticTop Volumes & Financials, Jan-04 – April-05	34
BalticTop: 2005 Budget in US dollars	36
OOO Kaliningradneft Terminal	37
The physical premises of Kaliningradneft Terminal & Projects	38
Assets of Kaliningradneft Terminal as of 1.Oct.2004	38
Inter-Group Creditors & Debtors as of 21.06.05	41
Map of Kaliningradneft Terminal, Projects, Office & Vologda	42

Vortex Oil

a disruptive technology platform

Business Plan

October, 2007



Table of Contents

Investment Summary.....	4
Market and Competition	5
1.1 Overview of market.....	5
1.2 Dynamics of market	7
1.3 SWOT Analysis	10
1.4 Competitors	10
Table: Competing Transesterification Technology Suppliers.....	11
Traditional Transesterification Processes.....	11
Transesterification Innovations	13
Hydrogenation Technology Companies.....	15
Cellulosic BioGasoline.....	15
1.5 Marketing strategy of business.....	16
1.6 Detailed sales forecasts and underlying assumptions	18
Charts: 5yr forecast of monthly Sales, EBITDA and Net Income	19
Product/Technology/Manufacturing.....	20
2.1 Detailed description of technology.....	20
BioDiesel Technology	20
Table: Material Balance for BioDiesel Tests	21
BioGasoline Background	23
BioGasoline Technology.....	24
2.2 Status of the Technology & the Development Roadmap	25
Status of BioDiesel Technology	25
Roadmap for BioDiesel Technology Development.....	26
Status of BioGasoline Technology.....	26
Roadmap for BioGasoline Technology Development	27
Status of Other Applications	27
2.3 Details of manufacturing premises and capacity.....	27
2.4 Cost analysis.....	28
2.5 Trends	30
Summary of Intellectual Property Issues.....	30
2.6 Suppliers	32
Organisation and Management	32
3.1 Registered office/other sites	32
Details of advisers	33
3.3 Organisation structure (now and proposed post funding).....	33
3.4 Staff numbers/requirements (historical and forecast).....	34
3.5 Pension and share option arrangements	34
3.6 Training/recruitment	34
Financials	35
4.1 P&L current and forecasts	35
P&L for the year ended 30th June 2006.....	35
Income Statement – 5yr annual forecast	36
Income Statement – 2yr monthly forecast.....	37
4.2 Cash flow current and forecasts.....	41
Cash Flow – current	41