IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
VERTEX ENERGY, INC., *et al.*,[1]	)	Case No. 24-90507 (CML)
Debtors.	)	(Jointly Administered)

DECLARATION OF R. SETH BULLOCK
IN SUPPORT OF CONFIRMATION OF THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF VERTEX ENERGY, INC. AND ITS DEBTOR AFFILIATES

Pursuant to 28 U.S.C. § 1746, I, R. Seth Bullock, hereby declare as follows under penalty of perjury:

1. I submit this declaration (this "Declaration") in support of confirmation of the Debtors' *Second Amended Joint Chapter 11 Plan of Vertex Energy, Inc. and Its Debtor Affiliates* [Docket No. 564] (as modified, amended, or supplemented from time to time, the "Plan").[2] The statements in this Declaration are, except where otherwise noted, based on (a) my personal knowledge, (b) information obtained from other members of the Debtors' management team, employees, advisors, and/or employees of A&M (as defined below), (c) my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, and (d) my opinions based upon my experience and knowledge.

[1] A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://www.veritaglobal.net/vertex. The location of Debtor Vertex Energy, Inc.'s corporate headquarters and the Debtors' service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Plan or the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Vertex Energy, Inc. and Its Debtor Affiliates* [Docket No. 426] (the "Disclosure Statement"), as applicable.

2. In further support of confirmation of the Plan, the Debtors have filed: (a) the *Declaration of Jeffrey S. Stein in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of Vertex Energy, Inc. and its Debtor Affiliates*; (b) the *Declaration of Douglas McGovern in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of Vertex Energy, Inc. and its Debtor Affiliates* (the "McGovern Declaration"); and (c) the *Declaration of James Lee Regarding the Solicitation and Tabulation of Votes on the First Amended Joint Chapter 11 Plan of Vertex Energy, Inc. and its Debtor Affiliates* (the "Voting and Opt-In Report"), each filed contemporaneously herewith. If called as a witness, I would testify competently to the facts set forth in this Declaration.

Background and Qualifications

3. I am the Chief Restructuring Officer ("CRO") of Vertex Energy, Inc. ("Vertex," and together with the other above-captioned debtors and debtors in possession, the "Debtors," and collectively with their non-debtor affiliate, the "Company"). I am also a Managing Director of Alvarez & Marsal North America, LLC ("A&M"). A&M is the financial advisor to the Debtors in the above-captioned chapter 11 cases. I was appointed as the CRO of Vertex on July 24, 2024.

4. I have over twenty years of restructuring and distressed investment experience across the energy spectrum, including in exploration and production, midstream, biofuels, renewables, power, refining, and marketing. I have served as (a) Chief Restructuring Officer, among other key leadership positions, of Limetree Bay Terminal, Titan Energy, Maverick Natural Resources, and Penn Virginia; (b) Financial Advisor to JUUL Labs, California Resources Corporation, Whiting Petroleum, Extraction Oil & Gas, Chisholm Oil & Gas, Weatherford International, Legacy Reserves, Energy XXI, Arsenal Resources, Samson Resources, Azure

Midstream, Vantage Drilling, and GulfMark Offshore; (c) Interim Chief Financial Officer for various notable distressed companies, including SiO2, Par Petroleum, Platinum Energy Solutions, and Surefire Industries; and (d) Interim Chief Executive Officer of Bonanza Creek Energy. In each of these situations, I have led the review and development of cash flow forecasts and strategic and operating plans, the evaluation of capital structure alternatives, and the negotiation and implementation of restructuring transactions.

5. I earned my bachelor's degree in finance from Loyola University. Since then, I have worked in various restructuring roles, and I have been employed by A&M since 2014. I am currently a Co-Head of A&M's North American Commercial Restructuring Practice ("NACR") for its Southern region and on NACR's Executive Committee. A&M is a global business advisory firm that, together with its affiliates, employs over 10,000 professionals in over 80 offices worldwide.

6. In my capacity as CRO, I am generally familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. Except where specifically noted, the statements in this Declaration are based on: (a) my personal knowledge of the Debtors' operations and finances, (b) my review of relevant documents provided to me by other members of the Debtors' management and the Debtors' professional advisors, (c) information provided to me by, or discussions with, other members of the Debtors' management team or its professional advisors, and/or (d) my opinion based upon my experience.

The Retention of A&M

7. Prior to the Petition Date, on July 23, 2024, the Debtors engaged A&M to, among other things, help manage their liquidity, identify strategic alternatives to enhance liquidity and profitability, and assist with the development of a business plan and contingency planning.

8. On November 19, 2024, the Bankruptcy Court authorized the retention and employment of A&M as financial advisor and my designation as CRO pursuant to the *Order Authorizing the (I) Retention and Employment of Alvarez & Marsal North America, LLC, (II) Designation of R. Seth Bullock as Chief Restructuring Officer, (III) Provision of Additional Personnel for Debtors, Each Effective as of the Petition Date, and (IV) Granting Related Relief* [Docket No. 439] (the "A&M Retention Order").

9. Although A&M is expected to be compensated for its work as the Debtors' financial advisor, as set forth in the A&M Retention Order, I am not being compensated separately by the Debtors in my capacity as CRO, nor am I being specifically compensated for this testimony in connection therewith.

10. I am over the age of 18 years and authorized to submit this Declaration on behalf of the Debtors. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

Introduction

11. The Debtors commenced these chapter 11 cases less than three months ago to implement an expeditious restructuring that would maximize value for the Debtors' estates and their stakeholders. To that end, on September 24, 2024, after months of extensive good faith, arms' length negotiations with the Term Loan Lenders, the Debtors entered into a restructuring support agreement (the "RSA") with 100% of the Holders of Term Loan Claims. Pursuant to the RSA, the Debtors had agreed to pursue, and the Consenting Term Loan Lenders had agreed to support, both a standalone recapitalization transaction that would equitize the Debtors' first lien indebtedness and a sale of all, or substantially all, of the Debtors' Assets (the "Restructuring Transactions").

12. In furtherance of the Debtors' goals, and in accordance with the milestones provided under the RSA, on the Petition Date, the Debtors filed a Plan reflecting the terms of the RSA, a Disclosure Statement, and a motion to establish procedures to facilitate the continuation of the Debtors' prepetition marketing process. As described in greater detail below and in the McGovern Declaration, over the course of the next weeks and months, the Debtors continued to engage with multiple third parties and received fourteen non-binding indications of interest for some or all of the Debtors' Assets. At the same time, the Debtors and their advisors sought to address a host of issues, including the deconstruction and removal of the Matheson Hydrogen Facility and Matheson's related claim, the Debtors' outstanding RVOs, and exit financing needs in order to be able to effectuate a Recapitalization Transaction to the extent the sale process did not prove value-maximizing.

13. To facilitate the pursuit of the Restructuring Transactions, the Consenting Term Loan Lenders agreed to provide the Debtors with a $280 million postpetition debtor-in-possession financing facility, consisting of $80 million of new money for use during the Chapter 11 Cases. In addition, both Macquarie and Shell agreed to continue facilitating the purchase and sale of feedstock pursuant to an Amended Intermediation Facility.

A. The Committee Settlement and Plan Solicitation.

14. On October 8, 2024, the U.S. Trustee filed the *Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 151] appointing the Committee. Almost immediately thereafter, the Debtors began sharing diligence and engaging with the Committee regarding key components of the Chapter 11 Cases, including the sale process, the terms of the DIP Facility, and the terms of the Plan.

15. On October 17, 2024, as discussions with the Committee progressed, the Committee filed its *Omnibus Objection of the Official Committee of Unsecured Creditors to*

Debtors' Emergency Motions to Obtain Postpetition Debtor-in-Possession Financing and Continuation of the Intermediation Contracts [Docket No. 181] and on November 1, 2024, the Committee filed its *Limited Objection and Reservation of Rights of the Official Committee of Unsecured Creditors to the Debtors' Disclosure Statement Approval Motion* [Docket No. 375]. Over the course of the next several weeks, the Debtors and their advisors continued to engage with the Committee on their objections as well as their potential issues with the Plan and Disclosure Statement.

16. On November 17, 2024, after weeks of considerable collaboration and arms' length, hard fought negotiations, the Debtors, the Committee, and the DIP Lenders agreed to the terms of a global settlement, which, among other things, resolved the Committee's objections to the Final DIP Order, Final Intermediation Order, and the Disclosure Statement, as well as the Committee's potential objection to the Plan (the "Committee Settlement").[3] The Committee Settlement, among other things, (a) establishes the GUC Trust to facilitate distributions, funded by (i) $2.225 million in Cash and (ii) to the extent the Debtors do not distribute the entirety of the approximately $34.2 million reserved on account of Trade Claims authorized under the Critical Vendors Order prior to the Effective Date, such remaining undistributed amounts, (b) waives certain preference claims against the Debtors' contractual counterparties whose agreements are assumed, go-forward vendors, and go-forward commercial counterparties, (c) resolves the Debtors' dispute with Matheson, the Debtors' largest unsecured creditor, and (d) provides the GUC Trust with the rights to pursue GUC Causes of Action.

17. With the support of its key stakeholders, the Debtors sought approval of the Disclosure Statement and on November 18, 2024, the Bankruptcy Court entered the *Order*

[3] A term sheet memorializing the Committee Settlement is attached as Exhibit A to the Plan.

(I) Approving the Adequacy of the Disclosure Statement, (II) Approving the Solicitation and Notice Procedures With Respect to Confirmation of the Debtors' Proposed Joint Chapter 11 Plan, (III) Approving the Forms of Ballots and Notices in Connection Therewith, (IV) Scheduling Certain Dated With Respect Thereto, and (V) Granting Related Relief [Docket No. 431] (the "Disclosure Statement Order"), approving the adequacy of the Disclosure Statement. Accordingly, as described in greater detail in the Voting and Opt-In Report, on November 20, 2024, the Debtors launched solicitation of the Plan[4] that is supported by 100 percent of Holders of Term Loan Claims, as well as a majority of the holders of General Unsecured Claims.

B. The Sale Process.

18. On November 22, 2024, the Qualified Bid Deadline passed. As described in greater detail in the McGovern Declaration, the Debtors' marketing process was robust—in total, the Debtors evaluated more than fourteen non-binding indications of interest for some or all of the Debtors' Assets. However, after weeks of engagement with the interested parties, hard-fought negotiations, and careful evaluation, the Debtors, in consultation with the Committee and the Required Lenders (as defined in the DIP Order), concluded in their business judgment that none of the received indications of interest could materialize into a Qualified Bid that was actionable on the Debtors' contemplated timeline nor did they constitute value-maximizing Qualified Bids for any particular Asset or portion of Assets.

C. The RVO Settlement.

19. On August 1, 2024, the Debtors engaged with the Environmental Protection Agency (the "EPA") to address the Debtors' approximately $84.4 million in obligations that the

[4] The Debtors did not solicit votes to accept or reject the Plan from any Holders of Term Loan Deficiency Claims in Class 7 because the Class did not have any known Holders of Term Loan Deficiency Claims as of the Voting Record Date.

Debtors estimate they will owe through the 2024 compliance period under the federal RFS Program.[5] During these discussions, the Debtors made clear that, in the event the Debtors and the EPA were unable to reach a resolution, the Debtors would likely need to pursue either a credit bid sale or a third-party sale and would likely not be able to successfully reorganize as a going concern.

20. These discussions were constructive and on December 16, 2024, the Debtors and the EPA entered into the *Consent Decree and Environmental Settlement Agreement* [Docket No. 540-1]. Pursuant to the settlement agreement, subject to Bankruptcy Court approval, the Reorganized Debtors shall retire a total of 18,794,250 unexpired valid RINs by no later than March 31, 2025, in full and final satisfaction of all liability under the Clean Air Act and the renewable fuel standard regulations for the Debtors' 2023-24 RVOs.

D. Exit Financing and Post-Emergence Intermediation Facility.

21. After negotiating settlements with their major creditor constituencies and determining the ultimate path forward, the Debtors then turned to funding their go-forward business. Over the course of the last several weeks, the Debtors and their advisors engaged with the DIP Lenders about providing exit financing and Macquarie about rolling the Amended Intermediation Facility into a post-emergence intermediation facility.

22. On December 19, 2024, the Debtors reached an agreement with the DIP Lenders to provide the Debtors with $100 million in new money exit financing to fund distributions under the Plan and to bolster the Debtors' liquidity at emergence.[6] The Debtors reached an agreement with Macquarie and Shell to continue the Debtors' intermediation facility and related agreements

[5] By the end of Q4 2024, the Debtors anticipate that they will owe approximately $84.4 million in RIN obligations (utilizing Argus monthly average RIN spot prices as of November 15, 2024) related to their 2023 and 2024 production activity.

[6] A term sheet memorializing the Exit Term Loan Facility and the New Term Loan Facility, to the extent applicable, are included in the Fourth Amended Plan Supplement filed contemporaneously herewith.

through February 28, 2025 unless the parties agree to extend such date. Thereafter, the Shell Agreements (as defined in the Confirmation Order) shall be deemed rejected and the Amended Intermediation Facility shall terminate.

23. Accordingly, after weeks of hard-fought, arms' length negotiations with each of the EPA, Macquarie, Shell, the DIP Lenders, the Committee, and various parties in interest, the Debtors now seek to effectuate the Recapitalization Transaction which will preserve hundreds of jobs, deleverage the Debtors' balance sheet, and provide sufficient liquidity to sustain the Debtors' go-forward enterprise. Specifically, pursuant to the Plan, the Recapitalization Transaction provides for, among other things: (a) the complete equitization of prepetition debt of approximately $118.1 million and postpetition debt of approximately $280 million in exchange for New Common Stock; (b) approximately $100 million in new money exit financing, providing the go-forward business with ample liquidity at emergence; (c) the restructuring of the Debtors' existing obligations under the Clean Air Act, whereby the Reorganized Debtors shall retire a total of 18,794,250 unexpired valid RINs by no later than March 31, 2025, in full and final satisfaction of all liability under the Clean Air Act and the renewable fuel standard regulations for the Debtors' 2023-2024 RVOs; and (d) the Committee Settlement, which provides a recovery to Holders of Allowed General Unsecured Claims at Debtors Other than Vertex that would not be entitled to any recovery otherwise.

24. Due to the Debtors' and their various stakeholders' tireless efforts both before and after the Petition Date, Confirmation is proceeding with the overwhelming support of all of the Debtors' key economic stakeholders and the Committee—including Holders of 100% of the Term Loan Claims, 98.47% of Holders of General Unsecured Claims at Debtors other than Vertex by amount, and 99.31% of Holders of Other General Unsecured Claims at Vertex by amount.

I. The Plan Satisfies the Requirements of Confirmation Pursuant to Section 1129 of the Bankruptcy Code.

25. I have been advised of the applicable standards under which a plan of reorganization may be confirmed. For the reasons detailed below, and with the consultation and guidance of the Debtors' advisors and legal counsel, I believe that the Plan satisfies the applicable Bankruptcy Code requirements for confirmation. I have set forth the reasons for such belief below, except where such compliance is apparent on the face of the Plan, the Plan Supplement, or the related documents, or where it will be the subject of other testimony or evidence introduced at the Confirmation Hearing.

A. The Plan Satisfies the Applicable Provisions of the Bankruptcy Code — Section 1129(a)(1).

26. I understand that section 1129(a)(1) of the Bankruptcy Code requires a chapter 11 plan to comply with all applicable provisions of the Bankruptcy Code. As set forth below, I believe that the Plan satisfies section 1129(a)(1) of the Bankruptcy Code.

1. Proper Classification of Claims and Interests — Section 1122.

27. It is my understanding that section 1122 of the Bankruptcy Code requires that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.

28. I believe the Plan satisfies the requirements of section 1122 of the Bankruptcy Code because the Plan places Claims and Interests into ten separate classes, with Claims and Interests in each Class differing from the Claims and Interests in each other Class in a legal or factual nature or based on other relevant criteria.

29. Under Article III of the Plan, Claims and Interests are classified as follows:

Class 1: Other Secured Claims
Class 2: Other Priority Claims
Class 3: Term Loan Claims
Class 4: General Unsecured Claims at Debtors other than Vertex
Class 5: Other General Unsecured Claims at Vertex
Class 6: 2027 Convertible Notes Claims
Class 7: Term Loan Deficiency Claims
Class 8: Intercompany Claims
Class 9: Intercompany Interests
Class 10: Interests in Vertex

30. The Claims and Interests assigned to each particular Class described above are substantially similar to the other Claims or Interests, as applicable, in such Class. The Plan's classification scheme generally corresponds to the Debtors' corporate and capital structure, thereby taking into account the relative priority among Claims and Interests, including the relative priority between secured and unsecured Claims. In addition, valid business, legal, and factual reasons justify the separate classification of particular Claims or Interests into the Classes created under the Plan, and no unfair discrimination exists between or among Holders of Claims and Interests. Namely, the Plan separately classifies the Claims or Interests because each Holder of such Claims or Interests may hold (or may have held) rights in the Estates legally dissimilar to the Claims or Interests in other Classes or because substantial administrative convenience resulted from such classification. For example, Claims (rights to payment) are classified separately from Interests (representing ownership in the business), and Term Loan Claims are classified separately from 2027 Convertible Notes Claims because the Debtors' obligations with respect to the former are secured by collateral. Accordingly, I believe that the Plan fully complies with and satisfies section 1122(a) of the Bankruptcy Code.

2. Designation of Classes of Claims and Interests – Section 1123(a)(1)).

31. I understand that section 1123(a)(1) of the Bankruptcy Code requires that the Plan designate certain classes of claims and interests. As discussed above, Article III of the Plan properly designates Classes of Claims and Interests. Accordingly, I believe that the Plan fully complies with and satisfies section 1123(a)(1) of the Bankruptcy Code.

3. Specification of Unimpaired Classes – Section 1123(a)(2).

32. I understand that section 1123(a)(2) of the Bankruptcy Code requires that the Plan "specify any class of claims or interests that is not impaired under the plan." Article III of the Plan identifies each Class that is Unimpaired, and no party has asserted otherwise. As such, I believe that the Plan fully complies with and satisfies section 1123(a)(2) of the Bankruptcy Code.

4. Treatment of Impaired Classes – Section 1123(a)(3).

33. I understand that section 1123(a)(3) of the Bankruptcy Code requires that the Plan specify the treatment of any impaired Classes of Claims and Interests. Article III sets forth the treatment of each impaired Class, and no party has asserted otherwise. Accordingly, I believe that the Plan fully complies with and satisfies section 1123(a)(3) of the Bankruptcy Code.

5. Equal Treatment within Classes—Section 1123(a)(4).

34. I understand that section 1123(a)(4) of the Bankruptcy Code requires that the Plan provide the same rights and treatment to each holder of claims or interest as other holders of allowed claims or interests within such holders' respective class. It is my understanding that the Plan provides the same treatment for each Claim or Interest of a particular class, except if a Holder of such Claim or Interest has agreed to a less favorable treatment. I believe that the Plan satisfies this requirement because each Holder of Allowed Claims or Interests will receive the same rights and treatment as all other Holders of Allowed Claims or Interests within the same class.

6. Means for Implementation — Section 1123(a)(5).

35. I understand that section 1123(a)(5) of the Bankruptcy Code requires that the Plan provide adequate means for its implementation. The Plan satisfies this requirement, because Article IV of the Plan, as well as the documents and forms of documents, agreements, schedules, and exhibits included in the Plan Supplement (as incorporated into the Plan), provide for the means by which the Plan will be implemented. Among other things, the Plan provides for:

a. the general settlement of Claims and Interests, including through the implementation of the Committee Settlement;

b. the RVO Settlement;

c. the means for implementing the Restructuring Transactions, including the sources of consideration under the Plan and distributions related thereto, the existence of the Reorganized Debtors and the authorization for the Debtors or Reorganized Debtors, as applicable, to take corporate actions necessary to effectuate the Plan;

d. the cancellation of certain notes, instruments, certificates, and other documents;

e. the preservation of certain Causes of Action not transferred to the GUC Trust;

f. the vesting of Assets in the Reorganized Debtors; and

g. the establishment of the GUC Trust, which shall have the sole power and authority to distribute the GUC Trust Net Assets to Holders of General Unsecured Claims in accordance with the treatment set forth in the Plan for Classes 4, 5, 6, and 7.

36. The precise terms governing the execution of these transactions are set forth in greater detail in the Plan and the Plan Supplement, as applicable. Accordingly, I believe the Plan satisfies section 1123(a)(5) of the Bankruptcy Code, and no party has asserted otherwise.

7. Issuance of Non-Voting Securities — Section 1123(a)(6).

37. I understand that section 1123(a)(6) of the Bankruptcy Code requires that a debtor's corporate constituent documents prohibit the issuance of non-voting equity securities. Article IV.P

of the Plan provides that the New Organizational Documents shall contain a provision prohibiting the issuance of non-voting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. The relevant New Organizational Documents similarly reflect such prohibition. Accordingly, I believe the Plan satisfies section 1123(a)(6) of the Bankruptcy Code, and no party has asserted otherwise.

8. Directors and Officers— Section 1123(a)(7).

38. I understand that section 1123(a)(7) of the Bankruptcy Code requires that plan provisions with respect to the manner of selection of any director, officer, or trustee, or any other successor thereto, be consistent with the interests of creditors and equity security holders and with public policy. On the Effective Date, the term of the current members of the board of directors of Vertex will expire, such current directors will be deemed to have resigned, and all initial directors of the New Board will be appointed. The New Board will initially consist of five directors as designated in accordance with the New Organizational Documents. The Plan Supplement, filed with the Bankruptcy Court on December 13, 2024, disclosed the identities of three of the members of the New Board and the Third Amended Plan Supplement, filed with the Bankruptcy Court on December 19, 2024, disclosed the identity of one additional member. From and after the Effective Date, each of the directors, managers, and officers of each of the Reorganized Debtors shall serve pursuant to the applicable governance documents of such Reorganized Debtor. Accordingly, I believe the Plan satisfies section 1123(a)(7) of the Bankruptcy Code, and no party has asserted otherwise.

B. The Debtors Have Satisfied the Applicable Provisions of the Bankruptcy Code — Section 1129(a)(2).

39. Based on consultation and guidance from legal counsel, I believe that the Plan satisfies section 1129(a)(2) of the Bankruptcy Code, which I understand requires the plan

proponent to comply with the applicable provisions of the Bankruptcy Code. I have been advised that section 1129(a)(2) encompasses both the disclosure and solicitation requirements set forth in section 1125 of the Bankruptcy Code, as well as the plan acceptance requirements set forth in section 1126 of the Bankruptcy Code.

40. Here, I understand that the Court approved the Disclosure Statement as containing adequate information, and the Debtors solicited and tabulated votes on the Plan in accordance with the Solicitation Procedures approved by the Court in the Disclosure Statement Order. As further detailed in the Voting and Opt-In Report, the Debtors, through their Claims and Noticing Agent, complied with the content and delivery requirements of the Disclosure Statement Order. I understand that the Debtors transmitted the same Disclosure Statement to each Holder of a Claim entitled to vote on the Plan.

41. I further understand that the Debtors solicited votes from the Holders of Claims in Impaired Classes entitled to vote under the Plan, as indicated below. The remaining Holders of Claims and Interests in the Classes listed in the table below are either Unimpaired under the Plan and therefore were deemed to accept the Plan or will not receive any distribution under the Plan and are therefore deemed to reject the Plan. While the Debtors did not solicit votes from the Holders of Claims and Interests in such Classes, the Debtors mailed (a) the Confirmation Hearing Notice, (b) a Notice of Non-Voting Status, and (c) applicable Opt-In Form to such Holders in accordance with the Disclosure Statement Order.

Class	Claims and Interests	Status	Voting Rights
Class 1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 3	Term Loan Claims	Impaired	Entitled to Vote
Class 4	General Unsecured Claims at Debtors other than Vertex	Impaired	Entitled to Vote

Class	Claims and Interests	Status	Voting Rights
Class 5	Other General Unsecured Claims at Vertex	Impaired	Entitled to Vote
Class 6	2027 Convertible Notes Claims	Impaired	Entitled to Vote
Class 7	Term Loan Deficiency Claims	Impaired	Entitled to Vote
Class 8	Intercompany Claims	Unimpaired/ Impaired	Not Entitled to Vote (Deemed to Accept or Deemed to Reject)
Class 9	Intercompany Interests	Unimpaired/ Impaired	Not Entitled to Vote (Deemed to Accept or Deemed to Reject)
Class 10	Interests in Vertex	Impaired	Not Entitled to Vote (Deemed to Reject)

C. The Debtors Proposed the Plan in Good Faith — Section 1129(a)(3).

42. I understand that section 1129(a)(3) of the Bankruptcy Code requires that a chapter 11 plan be proposed in good faith. I believe that the Plan was proposed in good faith, with the legitimate and honest purpose of maximizing value for the Debtors and their estates.

43. It is my testimony that the Plan is the result of collaborative efforts between the Debtors, their advisors and legal counsel, and their stakeholders. I believe that the Plan maximizes the economic return to the Debtors' creditors in light of the totality of the facts and circumstances of the case. Accordingly, I believe the Plan satisfies section 1129(a)(3) of the Bankruptcy Code.

D. Payment of Professional Fees and Expenses Is Subject to Court Approval — Section 1129(a)(4).

44. It is my understanding that section 1129(a)(4) of the Bankruptcy Code requires that certain fees and expenses paid by the plan proponent, a debtor, or a person receiving distributions of property under the plan be approved by the Court or remain subject to approval by the Court as reasonable. The Plan provides that Professional Fee Claims and corresponding payments are subject to prior Court approval and the reasonableness requirements under sections 328 and 330 of the Bankruptcy Code. Moreover, Article II.D.1 of the Plan provides that all final requests for payment of Professional Fee Claims must be filed no later than forty-five days after the

Effective Date. Accordingly, I believe that the Plan complies with section 1129(a)(4) of the Bankruptcy Code.

E. The Plan Satisfies the Bankruptcy Code's Governance Disclosure Requirements — Section 1129(a)(5).

45. It is my understanding that section 1129(a)(5) of the Bankruptcy Code requires that the plan proponent disclose the identity and affiliation of any individual proposed to serve as a director or officer of the debtor or a successor to the debtor under the plan; appointment or continuance of such officers and directors be consistent with the interests of creditors and equity security holders and with public policy; and to disclose the identity of insiders to be retained by the reorganized debtor and the nature of any compensation for such insider. In accordance with the Plan, the Plan Supplement identifies the members for the initial term of the New Board. Accordingly, I believe that the Plan complies with section 1129(a)(5) of the Bankruptcy Code.

F. The Plan Does Not Require Government Regulatory Approval of Rate Changes — Section 1129(a)(6).

46. It is my understanding that Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and, accordingly, will not require governmental regulatory approval. As such, section 1129(a)(6) of the Bankruptcy Code does not apply to the Plan.

G. The Plan Is in the Best Interests of Holders of Claims and Interests — Section 1129(a)(7).

47. I have reviewed the classification of Claims and Interests under the Plan and the proposed distributions to each class of Claims or Interests. Pursuant to that review, I believe that the Plan satisfies the requirements of the Bankruptcy Code regarding the "best interests of creditors" test.

48. I understand that section 1129(a)(7) of the Bankruptcy Code, known as the "best interests of creditors test," requires that each Holder of an impaired Claim or Interest either (a) accepts the Plan or (b) receives or retains property under the Plan having a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The best interests of creditors test applies to each non-consenting member of an impaired class and is generally satisfied by comparing estimated recoveries for a debtor's stakeholders in a hypothetical chapter 7 liquidation against the estimated recoveries under that debtor's plan of reorganization. Based on the analysis discussed below, I believe that the projected recoveries for the non-consenting Impaired Claims and Interests under the Plan are equal to or in excess of the recoveries estimated in a hypothetical chapter 7 liquidation and therefore satisfies the best interests of creditors test.

49. To determine whether the Plan satisfies the best interests of creditors test, the Debtors, with the assistance of A&M, prepared a hypothetical liquidation analysis, which is attached to the Disclosure Statement as Exhibit E (the "Liquidation Analysis"). I oversaw the preparation of the Liquidation Analysis and worked closely with the Debtors and members of the A&M team in its development. The Liquidation Analysis was completed after due diligence by the Debtors and A&M and was based on a variety of assumptions, which I believe are reasonable under the circumstances.

50. The Liquidation Analysis is based on the net book value of the Debtors' assets and liabilities as of August 31, 2024 with customary adjustments and estimates to be representative of values as of a hypothetical conversion date, assumes an orderly liquidation of inventory and certain other assets and subsequent wind-down by a chapter 7 trustee, and incorporates various estimates and assumptions that are customarily used in chapter 11 cases similar to this one, including the

projected costs associated with the administration of the estates and the support required to wind down the Debtors' operations and estates in a hypothetical conversion to a chapter 7 liquidation. The Liquidation Analysis outlines (a) the estimated cash proceeds that a hypothetical chapter 7 trustee would generate if the Debtors conducted a twelve-week orderly liquidation of assets on December 31, 2024 followed by a conversion to chapter 7 and a six-month period to fully wind down the Debtors' operations and estates, and (b) the estimated distribution that each class of claims or interests would receive from the liquidation proceeds under the priority scheme dictated by the Bankruptcy Code.

51. The estimated proceeds received from the liquidation of the Debtors' assets are based on the assumption that the Debtors would sell and/or liquidate all inventory and substantially all other assets over the twelve-week liquidation period. The Liquidation Analysis estimates liquidation proceeds based on these asset value assumptions, less the costs incurred during asset liquidation and wind down period, including: (a) personnel costs associated with the monetization of inventory and other assets as well as the wind down of the estates; (b) professional fees for those professionals that continue to provide necessary services to the Debtors; (c) employee severance costs that would arise during this period; (d) chapter 7 trustee fees; and (e) U.S. Trustee fees. The assumptions contained within the Liquidation Analysis are subject to potential material changes, including with respect to economic and business conditions, as well as legal rulings.

52. A comparison of the range of estimated liquidation recoveries to the estimated Plan recoveries indicates that each Holder of a non-consenting Impaired Claim or Interest will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

Specifically, the projected recoveries under the Plan and the results of the Liquidation Analysis for all Holders of Claims and Interests are as follows:

Class	Claims/Interest	Estimated Recovery Under Hypothetical Liquidation	Estimated Recovery Under Plan
1	Other Secured Claims	99%	100%
2	Other Priority Claims	0%	100%
3	Term Loan Claims	0%	42%[7]
4	General Unsecured Claims at Debtors other than Vertex	0%	2.73% – 9.41%
5	Other General Unsecured Claims at Vertex	0%	0%
6	2027 Convertible Notes Claims	0%	0%
7	Term Loan Deficiency Claims	N/A	0%
8	Intercompany Claims	0%	0% or 100%
9	Intercompany Interests	0%	0% or 100%
10	Interests in Vertex	0%	0%

53. Pursuant to section 1129(a)(7) of the Bankruptcy Code, the Court may not confirm a plan of reorganization unless each holder in impaired classes will receive value under the plan that is not less than what they would receive in a chapter 7 liquidation. Here, based on the Liquidations Analysis, no Holder of Claims or Interests would receive more in a hypothetical chapter 7 liquidation than it would receive under the Plan. Notably, in a hypothetical chapter 7 liquidation, all creditors junior to the Other Secured Claims, including the Holders of Class 6-2027 Convertible Notes Claims and Class 10-Interests in Vertex, would receive zero recovery.

[7] The Liquidation Analysis originally projected recoveries for Holders of Class 3 Term Loan Claims as "Unspecified" in an effort to avoid prejudicing the Debtors' sale process and prevent the chilling of potential bids. The 42% estimated recovery set forth herein assumes that Holders of Class 3 Term Loan Claims do not receive their *pro rata* share of the New Term Loan Facility.

Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

H. Voting Requirements — Section 1129(a)(8).

54. I understand that the Bankruptcy Code generally requires that each class of claims or interests must either accept the plan or be unimpaired under the plan.[8] I further understand that if any class of claims or interests rejects the plan, the plan must satisfy the "cramdown" requirements with respect to the claims or interests in that class. Here, I understand that because certain Classes are deemed to reject the Plan, the Debtors do not satisfy section 1129(a)(8) of the Bankruptcy Code. However, even though certain Classes are deemed to reject the Plan, I understand that the Debtors still satisfy section 1129(b) of the Bankruptcy Code as at least one Impaired Class voted to accept the Plan. I believe that the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the deemed rejecting Classes and, therefore, the Plan satisfies section 1129(b) of the Bankruptcy Code with respect to such Classes.

I. Priority Cash Payments — Section 1129(a)(9).

55. I have been advised that section 1129(a)(9) of the Bankruptcy Code generally requires that claims entitled to administrative priority must be repaid in full in cash or receive certain other specified treatment. Article II.A. of the Plan contemplates that Allowed Administrative Claims will be repaid in full in Cash. Further, no Holders of the types of Claims specified by section 1129(a)(9) of the Bankruptcy Code are Impaired under the Plan. Finally, the

[8] Class 7 was empty as of the Voting Record Date and is therefore deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

Plan specifically provides that each Holder of Allowed Priority Tax Claims shall be paid in accordance with section 1129(a)(9)(C) of the Bankruptcy Code.

J. At Least One Impaired Class of Claims Accepted the Plan — Section 1129(a)(10).

56. I understand that the Bankruptcy Code provides that, to the extent there is an impaired class of claims, at least one impaired class of claims must accept the plan "without including any acceptance of the plan by any insider," as an alternative to the requirement under section 1129(a)(8) of the Bankruptcy Code that each class of claims or interests must either accept the plan or be unimpaired under the plan. I understand that Holders of Claims in Class 3–Term Loan Claims, Class 4–General Unsecured Claims at Debtors Other than Vertex, and Class 5–Other General Unsecured Claims at Vertex which are Impaired under the Plan, voted to accept the Plan. Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

K. The Plan Is Feasible — Section 1129(a)(11).

57. I understand that section 1129(a)(11) of the Bankruptcy Code requires a court to determine that a chapter 11 plan is feasible and that confirmation of such plan is not likely to be followed by the liquidation or further financial reorganization of the Debtors (or any successors thereto) unless such liquidation or reorganization is proposed in the Plan. I have been advised that to demonstrate that a plan is feasible, it is not necessary for a debtor to guarantee success.

58. I believe that the Plan will provide the Debtors with a reasonable assurance of commercial viability upon emergence and will not be followed by liquidation or the need for further financial reorganization of the Debtors or any successor to the Debtors. In negotiating the Recapitalization Transaction, the Debtors thoroughly analyzed their ability to meet their respective obligations under the Plan and expect to have sufficient funds to meet all the Debtors' obligations

as contemplated by the Plan, including the obligations related to the Recapitalization Transaction. The Debtors have worked with their advisors to ensure that the Reorganized Debtors maintain adequate liquidity and the necessary staffing to effectuate the Recapitalization Transaction. There will be sufficient liquidity to satisfy all Priority and Administrative Claims under the Plan, including all Professional Fee Claims. As such, the Debtors have a demonstrated ability to fund distributions required under the Plan, including to taxing authorities, administrative claimants, and other Unimpaired Classes of Claims. Thus, I believe that the Debtors will be able to meet their obligations under the Plan.

59. To provide support that the Plan satisfies the feasibility standard, the Debtors, with the assistance of A&M, prepared projections of the Debtors' financial performance for fiscal years 2025 through 2028 upon the Debtors' consummation of the Recapitalization Transaction, which were originally attached to the Disclosure Statement as Exhibit D and are attached hereto as **Exhibit A** (the "Financial Projections"). The Financial Projections were prepared on a consolidated basis using several assumptions regarding the Debtors' business operations and the terms of the Plan, including the settlement of the Debtors' RVOs. Ultimately the Financial Projections provide that the Debtors' go-forward enterprise will maintain profitability through fiscal year 2028. I reviewed the Financial Projections while they were being prepared and I agree with its conclusions. Accordingly, I believe that the Plan is feasible and not likely to be followed by liquidation or further reorganization, satisfying section 1129(a)(11) of the Bankruptcy Code.

L. The Plan Provides for Payment of All Fees — Section 1129(a)(12).

60. Article XII.C of the Plan includes an express provision requiring payment of all fees under 28 U.S.C. § 1930 until these Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first, in compliance with section 1129(a)(12) of the Bankruptcy Code.

M. Retiree Benefits — Section 1129(a)(13).

61. I understand that Section 1129(a)(13) of the Bankruptcy Code requires that a plan provide that the Reorganized Debtors continue to pay all pre-confirmation retiree benefits after the Effective Date as they come due. Article IV.J of the Plan provides that the Debtors shall continue to pay all retiree benefits pursuant to the Pension Plan. Accordingly, I believe that the Plan complies with sections 1129(a)(13) of the Bankruptcy Code.

N. Domestic Support Obligations, Individuals, and Nonprofit Corporations — Section 1129(a)(14), (15), and (16).

62. Based on my knowledge of the Debtors' business and information provided by the Debtors' advisors, I believe that sections 1129(a)(14) through 1129(a)(16) of the Bankruptcy Code do not apply to the Plan because the Debtors are not subject to domestic support obligations, are not "individuals," and are not nonprofit corporations.

O. The Plan Satisfies the Requirements for Confirmation of the Plan Over Nonacceptance of Impaired Classes — Section 1129(b).

63. I understand that if all applicable requirements of section 1129(a) of the Bankruptcy Code are satisfied, other than section 1129(a)(8), a plan may still be confirmed so long as the requirements set forth in section 1129(b) are satisfied.

64. I understand that the Plan will distribute value to Holders of Claims in the priorities set forth in the Bankruptcy Code, and no Holder of a junior Claim or Interest will receive a recovery on account of such junior Claim or Interest until all senior Claims are paid in full. It is my understanding that (a) Class 3–Term Loan Claims, Class 4–General Unsecured Claims at Debtors Other than Vertex, and Class 5–Other General Unsecured Claims at Vertex, voted to accept the Plan and (b) the Plan does not discriminate unfairly and is fair and equitable with respect to the Classes deemed to reject the Plan. Accordingly, I believe that the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code.

P. Only One Plan is Eligible to be Confirmed — Section 1129(c).

65. I understand that section 1129(c) of the Bankruptcy Code prohibits the confirmation of multiple plans. Section 1129(c) of the Bankruptcy Code is not implicated here because there is only one proposed plan.

Q. The Principal Purpose of the Plan is Not the Avoidance of Taxes or Securities Law as Required Under Section 1129(d) of the Bankruptcy Code.

66. The Plan was not filed for the purpose of avoidance of taxes or the application of section 5 of the Securities Act of 1933, as amended. Rather, the Debtors filed the Plan to accomplish their objective of efficiently and responsibly reorganizing their capital structure, preserving the going concern of their business, and maximizing recoveries to their stakeholders. Moreover, I understand that no party that is a governmental unit, or any other entity, has requested that the Bankruptcy Court decline to confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933. Accordingly, I believe that the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

R. Section 1129(e)of the Bankruptcy Code Is Inapplicable.

67. I understand that section 1129(e) of the Bankruptcy Code does not apply to the Plan because none of the Debtors' Chapter 11 Cases is a "small business case" within the meaning of the Bankruptcy Code.

II. The Committee Settlement is an Exercise of the Debtors' Business Judgment and Should be Approved.

68. I understand that on November 17, 2024, the Debtors, the Committee, the DIP Lenders, and the Consenting Term Loan Lenders reached a global settlement resolving the Committee's objection to the Final DIP Order, Final Intermediation Order, and the Disclosure Statement, as well as the Committee's potential objection to the Plan.

69. The Committee Settlement provides substantial value to the GUC Trust Beneficiaries in the form of the GUC Cash of (a) $2.225 million in Cash *plus* (b) to the extent the Debtors do not distribute the entirety of the approximately $34.2 million reserved on account of Trade Claims authorized under the Critical Vendors Order prior to the Effective Date, such remaining undistributed amounts. In addition, the Committee Settlement, among other things, (a) establishes the GUC Trust, to be administered for the benefit of the GUC Trust Beneficiaries, (b) waives any preference claims against (i) the Debtors' contractual counterparties whose agreements are assumed, (ii) go-forward vendors, and (iii) go-forward commercial counterparties, and (c) provides the GUC Trust with the rights to pursue the GUC Causes of Action.

70. Importantly, I understand that the Committee Settlement contemplates a resolution with Matheson—the Debtors' largest unsecured creditor. Specifically, in exchange for the Debtors' entry into the Matheson Mutual Release Agreement, Matheson's inclusion as a Released Party under the Plan, and the assumption of the Matheson Saraland 1 Agreement, Matheson has agreed, in its capacity as a party to the Matheson Agreement and as a member of the Committee, to: (a) waive any recovery on account of Matheson's asserted claim for approximately $246.4 million against the Debtors (the "Matheson Claim"); (b) support the Plan and not file an objection; (c) opt in to the Third-Party Release; and (d) enter into the Matheson Mutual Release Agreement.[9] Separately, in connection with the Matheson Rejection Order, Matheson agreed to dismantle and remove the Matheson Hydrogen Facility from the Debtors' premises at Matheson's sole expense.

71. I believe that reaching a resolution with Matheson provides finality to the Debtors by avoiding the time, uncertainty, and expense of litigation. Moreover, it is my understanding that the reduction of the Matheson Claim significantly reduces the amount of Claims entitled to receive

[9] On December 19, 2024, the Debtors filed the Matheson Mutual Release Agreement, attached as Exhibit D to the Third Amended Plan Supplement [Docket No. 553].

distributions from the GUC Trust, thereby significantly increasing distributable value available to other Holders of unsecured claims.

72. I believe that entry into the Committee Settlement was necessary to implement the Recapitalization Transaction. I believe the Committee Settlement is the product of arm's length, good-faith negotiations and ultimately allows for a value-maximizing resolution of these Chapter 11 Cases. Moreover, the Committee's constituents have voted overwhelmingly in favor to accept the Plan because of the meaningful recoveries provided to unsecured creditors under the Plan from the Committee Settlement, and the recommendation by the Committee to support the Plan. Accordingly, I believe that the Committee Settlement is in the best interest of the Debtors' estates and their stakeholders and a sound exercise of the Debtors' business judgment.

III. The RVO Settlement is an Exercise of the Debtors' Business Judgment and Should be Approved.

73. I understand that on December 16, 2024, the Debtors filed the *Consent Decree and Environmental Settlement Agreement* [Docket No. 540-1] memorializing that certain settlement agreement by and between the United States, on behalf of the EPA, and the Debtors (the "RVO Settlement Agreement"), attached as Exhibit J to the Plan Supplement. Following a public notice and comment period, the EPA will file a motion seeking Bankruptcy Court approval of the EPA's entry into the RVO Settlement (the "EPA Motion"). As set forth in the Plan, the RVO Settlement will go into effect on the Effective Date in accordance with the Plan subject to the terms of the RVO Settlement Agreement and the Bankruptcy Court's approval of the EPA Motion.

74. I understand that pursuant to the terms of the RVO Settlement, the Debtors agree (a) to retire 18,794,250 unexpired valid RINs no later than March 31, 2025, in full and final satisfaction of all 2023-2024 RVOs in accordance with the RVO Settlement Agreement and (b) to

retire RINs in compliance with the RFS Program going forward.[10] I understand that the EPA covenants not to sue or assert any Claims or Causes of Action against the Debtors or Reorganized Debtors, as applicable, pursuant to the CAA and the RFS Program relating to the Debtors' RVOs for the 2023-2024 RVOs (*i.e.*, all RVOs prior to December 31, 2024). I believe that resolution of the Debtors' RVOs is an integral component of the Plan and necessary to assure the commercial viability of the Debtors. The RVO Settlement has overwhelming support of the Debtors' key stakeholders, including the DIP Lenders and the Committee. Accordingly, I believe that entry into the RVO Settlement is a sound exercise of the Debtors' business judgment and necessary for the consummation of the value-maximizing Restructuring Transactions contemplated in the Plan and is in the best interests of the Debtors' estates.

IV. The Debtors Will Cure Monetary Defaults Under Any Assumed Executory Contracts — Section 1123(d).

75. I understand that section 1123(d) of the Bankruptcy Code requires that cure amounts be determined in accordance with the underlying agreement and non-bankruptcy law.

76. I believe that the Plan complies with section 1123(d) of the Bankruptcy Code. The Plan provides for the satisfaction of Cure Amounts under each Executory Contract to be assumed or assumed and assigned under the Plan, on the Effective Date or in the ordinary course of business, subject to the limitations described in Article V.D. of the Plan. In accordance with the Plan, the Debtors of Reorganized Debtors shall be responsible for paying such Cure Amounts.

[10] The foregoing description is meant as a summary of the RVO Settlement Agreement only. To the extent there is any conflict between the foregoing summary and the terms of the RVO Settlement Agreement, the RVO Settlement Agreement shall control.

V. The Modifications to the Plan Comply with Section 1127 of the Bankruptcy Code.

77. I understand that Section 1127(a) of the Bankruptcy Code provides that a plan proponent may modify its plan at any time before confirmation.

78. I understand that the Debtors made certain modifications reflected in the Plan (the "Modifications"). I believe these Modifications were technical in nature, contemplated under the Plan, and do not materially diminish or alter any creditor's substantive rights under the Plan without their consent. Specifically, I understand that the Modifications were intended to remove the Asset Sale (given the conclusion of the sale and marketing process), incorporate the terms of the RVO Settlement, and reflect certain transaction mechanics agreed to with the DIP Lenders and Consenting Term Loan Lenders, including with respect to the Exit Term Loan Facility and the New Term Loan Facility, to the extent applicable. It is my opinion that such Modifications do not materially adversely affect any parties' substantive rights and are supported by all of the Debtors' key constituencies including the DIP Lenders, the Consenting Term Loan Lenders, the Committee, Macquarie, and the EPA. Moreover, such Modifications were expressly contemplated in the Disclosure Statement in which the Debtors retained the right to modify the Plan without the need for re-solicitation.[11] Accordingly, I believe no additional solicitation or disclosure is required on account of the Modifications and all creditors in the Voting Classes who accepted the Plan should be deemed to have accepted the Plan as modified.

[11] *See* Disclosure Statement, Art. XVII.A. (providing that the "the Debtors reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan.").

VI. Good Cause Exists to Waive the Stay of the Confirmation Order.

79. I understand that certain Bankruptcy Rules provide for the stay of an order confirming a chapter 11 plan, but that such a stay may be waived upon court order after a showing of good cause.

80. Given the complexity of the Plan and the various transactions implicated by the Plan, and that each day the Debtors remain in chapter 11 they incur significant administrative and professional costs, the Debtors may take certain steps to effectuate the Plan so that the Effective Date can occur as soon as needed. Accordingly, I believe that good cause exists to waive any stay imposed by the Bankruptcy Rules so that the proposed Confirmation Order may be effective immediately upon its entry.

VII. Conclusion.

81. In conclusion, it is my opinion that the Plan satisfies the confirmation requirements of the Bankruptcy Code and thus, should be approved.

[*Remainder of page intentionally left blank*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: December 20, 2024

By: /s/ *R. Seth Bullock*
Name: R. Seth Bullock
Title: Chief Restructuring Officer of Vertex Energy, Inc.

Exhibit A

Financial Projections

Debtors' Financial Projections and Assumptions

I. Introduction[1]

In connection with the Disclosure Statement, the Debtors have prepared these financial projections (the "Financial Projections") to analyze their ability to generate free cash flow for fiscal years 2025 through 2028 (the "Projection Period"). The Financial Projections were prepared to support the "feasibility" of the Plan. The Debtors believe that the Plan meets the feasibility requirements set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan.

The Financial Projects were prepared by the Debtors, with the assistance of their advisors, and are based on several assumptions made by the Debtors with respect to the future performance of the Reorganized Debtors' operations, assuming the Recapitalization Transaction is Consummated. The Financial Projections were also based on available information, including information that has not been independently verified. The Financial Projections present, to the best of the Debtors' knowledge and belief, the Reorganized Debtors' projected results of operations and cash flows for the Projection Period. The Financial Projections should be read in conjunction with the assumptions and qualifications contained herein and as set out in the Disclosure Statement. Although the Debtors are of the opinion that the Financial Projections are reasonable under current circumstances, the Financial Projections are subject to inherent uncertainties, including, but not limited to:

- Upward or downward changes in production volumes and commodity prices;
- The Reorganized Debtors' ability to generate sufficient cash to service debt, if any, issued as of the Effective Date;
- Geopolitical uncertainty in markets in which the Reorganized Debtors will conduct business;
- The loss of key personnel;
- Increased competition from providers of products similar to those of the Debtors;
- The impact of economic conditions outside of the Reorganized Debtors' control and any corresponding impact on production and sales;
- The Reorganized Debtors' attainment of market share within the Group III Base Oils market;
- The Reorganized Debtors' ability to source feedstock from third-parties;
- The Reorganized Debtors' ability to collect trade receivables from customers to whom they extend credit;
- Changes in interest rates;
- Changes in accounting standards;

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

- Regulatory changes and judicial rulings impacting the Reorganized Debtors' businesses;
- The imposition of duties, taxes, and other charges on petroleum feedstock and / or products;
- Adverse results from litigation, governmental investigations, or tax related proceedings or audits, whether initiated prior or subsequent to the Effective Date;
- The Reorganized Debtors' ability to maintain and/or enter into agreements with suppliers;
- The Reorganized Debtors' reliance on third-party vendors for various goods or services;
- Other events beyond the control of the Reorganized Debtors that may result in unexpected adverse operating results;
- The possibility that the Bankruptcy Court does not confirm the Plan, or requires a re-solicitation of votes;
- Any delays to the Effective Date; and
- The risks related to other parties objecting to the Plan and the resulting cost and expense of delays in these Chapter 11 Cases.

The likelihood, and related financial impact, of a change in any of these factors cannot be predicted with certainty. Consequently, actual financial results could differ materially from the Financial Projections.

The risk factors associated with the Plan are described more fully in Article XVIII of the Disclosure Statement.

THE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES ("U.S. GAAP"), OTHER GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR ANY OTHER PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"). FURTHERMORE, THE FINANCIAL PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY AN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH MAY NOT BE REALIZED AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES WHICH ARE RECOGNIZED BY THE DEBTORS TO BE BEYOND THEIR CONTROL TO FULLY ASSESS. CONSEQUENTLY, THE FINANCIAL PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, OR ANY OTHER PERSON, AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED BY THE REORGANIZED DEBTORS FOLLOWING THE EFFECTIVE DATE. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PRESENTED IN THE FINANCIAL PROJECTIONS. HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN ASSESSMENT AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE FINANCIAL PROJECTIONS IN MAKING THEIR DETERMINATION OF WHETHER TO ACCEPT OR REJECT THE PLAN.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections, or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any

obligation to, furnish updated business plans or the Financial Projections to Holders of Claims or Interests or other parties in interest going forward, or to include such information in documents required to be filed with the SEC or otherwise make such information public, unless required to do so by the SEC or other regulatory bodies pursuant to the provisions of the Plan.

II. Safe Harbor Under the Private Securities Litigation Reform Act of 1995

The Financial Projections and the assumptions that the Debtors believe to be significant to the Financial Projections contain certain statements that may be deemed "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements in the Financial Projections include the intent, belief, or current expectations of the Debtors and Management with respect to the timing of, completion of, and scope of the current restructuring, the Plan, the Debtors' business plan, and market conditions, and the Debtors' future liquidity, as well as the assumptions upon which such statements are based. When used in the Financial Projections, or the assumptions, the words "anticipate," "believe," "project," "estimate," "will," "may," "intend," "strategy," "future," "opportunity," "plan," "pipeline," "expect," "target," "model," "can," "could," "should," "would" or similar expressions should be generally identified as forward-looking statements.

While the Debtors believe that the plans, intentions, and expectations reflected in the forward-looking statements are based upon reasonable assumptions within the bounds of their knowledge of their business and operations, parties-in-interest are cautioned that any such forward-looking statements are not guarantees of future performance, involve significant risks, uncertainties, and assumptions, and that actual results may differ materially and adversely from those expressed or implied by such forward-looking statements. All forward-looking statements attributable to the Debtors or Persons or Entities acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth herein. Forward-looking statements speak only as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update any forward-looking statement, whether because of new information, future events, or otherwise.

III. Summary of Significant Assumptions and Basis for Presentation

The Financial Projections were developed by the Debtors' management, with the assistance of its Advisors using detailed assumptions for the revenues and costs of the Debtors' current business and projecting such assumptions forward for the Projection Period as to the Reorganized Debtors. The Debtors considered the following factors and assumptions, among others, in developing the Financial Projections:

- Current and projected market conditions in each of the respective markets in which the Debtors are currently active and believe the Reorganized Debtors will remain active;
- Ability to sufficiently fund working capital to support future operations;
- Certain capital expenditures, based on the Debtors' historic capital expenditures as well as capital expenditures necessary to support certain assumptions about the Reorganized Debtors' operations following the Effective Date;
- Access to adequate levels of short-term liquidity and/or debt facilities and the ability to refinance existing long-term debt, each of which is believed by the Debtors to be substantively enhanced for the Reorganized Debtors after the Effective Date based on the benefits realized under the Plan; and
- General and administrative costs ("G&A") and corporate expense levels, without accounting for initiatives currently being developed and/or implemented by the Debtors to reduce future expenses.

The Financial Projections have been prepared in good faith and are based upon assumptions believed to be reasonable, including those set out under the Plan. The Financial Projections include assumptions with respect to various financial accounts of the Debtors, which are based upon management's estimates and forecasted market conditions subsequent to the Effective Date. The list of assumptions and risks contained herein, in the Plan, and in the Disclosure Statement should not be viewed as an exhaustive list of the assumptions that were used in creating the Financial Projections.

EBITDA is measured as earnings before interest, taxes, depreciation, and amortization. EBITDA, broadly defined, is a metric used by the financial community to provide insight into an organization's operating trends and to facilitate comparisons between peer companies, since interest, taxes, depreciation, and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies.

EBITDA is not a measurement of operating performance computed in accordance with GAAP and should not be considered as a substitute for net income (loss) prepared in conformity with GAAP. The Debtors' management believes that these non-GAAP financial measures are important indicators of the future operations of the Reorganized Debtors because they exclude items that may not be indicative of, or related to, what is viewed as the Reorganized Debtors' core operating results, and provide a better baseline for analyzing the Reorganized Debtors' underlying business.

Unlevered free cash flow is defined as free cash flow prior to taking interest payments into account. Unlevered free cash flow is not a measurement of operating performance computed in accordance with GAAP and should not be considered as a substitute for cash flow from operations prepared in conformity with GAAP. In addition, unlevered free cash flow may not be comparable to a similarly titled measure of other companies. Management believes that this cash flow measure provides investors and Holders of Claims or Interests with a relevant measure for assessing the Reorganized Debtors' ability to fund their activities and obligations post-emergence from these Chapter 11 Cases.

IV. Current Business Description

The Debtors have two primary business segments, (a) conventional refining, and (b) used motor oil ("UMO") operations. The primary asset supporting the Company's conventional refining operations is the Mobile Refinery, which has the capacity to process approximately 75,000 barrels of crude per day and is made up of complex related logistics assets located in and around the Mobile, Alabama area, including (a) a deep-water draft port, (b) various third-party storage terminals, and (c) a high-capacity bulk loading terminal facility on Blakely Island in Mobile, Alabama, which is capable of storing more than 1.5 million barrels of crude oil and associated refined petroleum products. In addition to the Company's conventional refining business, Vertex operates one of the largest oil recycling and recovery operations on the Gulf Coast, with a logistical reach that covers most of the United States. The Debtors collect, recycle, and recover UMO and other used materials from a variety of companies that range from independently owned businesses to global enterprises.

The Debtors are in the process of transitioning the Mobile Refinery operations to convert UMO vacuum gas oil from the Marrero, Alabama facility into Group III Base Oils. This change in operational strategy is supported by pilot programs completed by the Debtors. Further, the Company is projected to take over a truck rack from Shell beginning in April 2025, which is projected to provide an incremental $0.10/gallon in margin for gasoline, diesel, and jet sales that go over the truck rack.

The Debtors' corporate history, structure, and operations are described more fully in Article VII of the Disclosure Statement.

V. Financial Projections

A. Consolidated P&L Statement[2]

($ in millions)	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	$2,489.2	$2,357.3	$2,619.5	$2,570.9
Cost of Goods Sold	(2,280.0)	(2,126.5)	(2,301.2)	(2,236.4)
Gross Profit	**$209.3**	**$230.8**	**$318.3**	**$334.5**
Operating Expenses	(157.9)	(157.0)	(157.0)	(157.0)
EBITDA	**$51.3**	**$73.8**	**$161.3**	**$177.5**
EBITDA Margin %	2.1%	3.1%	6.2%	6.9%
(-) Δ in RIN Obligation	$41.3	($4.7)	$5.5	($1.3)
(-) Δ in NWC	(3.9)	(8.4)	(7.3)	(11.2)
(-) CAPEX	(30.9)	(37.9)	(38.7)	(30.7)
(-) Cash Taxes	-	(1.4)	(4.6)	(5.2)
Unlevered FCF	**$57.8**	**$21.4**	**$116.1**	**$129.1**
(-) Cash Interest	-	-	-	-
Levered FCF	**$57.8**	**$21.4**	**$116.1**	**$129.1**

The Financial Projections include the retirement of 18,794,250 unexpired valid RINs during the month of March 2025, in full and final satisfaction of all 2023-2024 RVOs in accordance with the RVO Settlement Agreement and the retirement of RINs in compliance with the RFS Program going forward.[3]

B. Capital Structure

The Financial Projections reflect the Recapitalization Transaction under the Plan, which provides for, among other things, (a) the equitization of prepetition debt in the principal amount of up to $118.1 million and postpetition debt in the principal amount of approximately $280 million in exchange for New Common Stock; (b) a New Term Loan Facility in amount not to exceed $73 million (inclusive of interest and fees); and (c) approximately $100 million in an Exit Term Loan Facility in the form of a delayed draw term loan providing for $40 million on the Effective Date, providing the Debtors with ample liquidity to support the go-forward business. Both the New Term Loan Facility and the Exit Term Loan Facility would come due on the fifth anniversary of the Closing Date and provide for interest to be paid in kind at a rate of SOFR + 6%.

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[2] Financial Projections are based on the Argus monthly forward curves as of December 10, 2024, and includes the Company's Group III Base Oils strategy beginning September 2025.

[3] The foregoing description is meant as a summary of the RVO Settlement Agreement only. To the extent there is any conflict between the foregoing summary and the terms of the RVO Settlement Agreement, the RVO Settlement Agreement shall control.