

May 12, 1998

VALUATION ANALYSIS

PURPOSE

Purpose of the following is to evaluate the fair market value of the assets within the Stellar Group of Companies and the residual value of the equity.

VALUATION METHODOLOGIES

The four typical valuation methodologies are as follows: comparable companies analysis, implied valuation on precedent transactions, discounted cash flow analysis, implied take-over bid premium analysis. Given the nature of the assets, the most appropriate methodology is comparable companies analysis for the Plama Oil Refinery and Chimco Urea Plant. For those assets for which comparables are not readily available, we assumed a multiple of one times EBITDA. We did not apply the discounted cash flow analysis as we are not in a position to determine the appropriate capital structure and thus the weighted average cost of capital.

Additionally, we have valued the entire group on the basis of a take-over premium analysis.

In our analysis, we made various assumptions which reflect economic, general business and financial conditions prevailing as at the date hereof. Additionally we relied upon information and documents reviewed by us which were represented to us by our various advisors.

EQUITY VALUE OF THE TOTAL PORTFOLIO

ASSET	FAIR MARKET VALUE (US \$)
Plama Oil Refinery	\$174 million to \$683 million
Chimco Urea Plant	\$111 million to \$683 million
Real Estate Assets in Bulgaria	N/A
Grain Trading	\$40 million
Persian Gulf Trading	\$60 million
Druzba Glass Bottling Plant	\$7.2 million
Implied Equity Value For Total Portfolio	\$392 million - \$1438 million

Exhibit # H referred to in the affidavit of ERWIN SINGH BEACH made before me on the 11th day of OCTOBER 2007.
A Commissioner for taking affidavits for British Columbia

IMPLIED TAKE-OVER PREMIUM ANALYSIS

An analysis of precedent Canadian take-over bid premiums implies a take-over bid premium of approximately 30% may be implied to the valuation of publicly trade companies. Though this group is not currently a public entity, given the various assets are in Eastern Europe and the increasing interest in this part of the world by institutional investors, this comparison is valid.

The resulting numbers indicate an equity range of \$330 million to \$1366 million. We have discounted the 30% by 50% to 15% given that this is a private company. Assuming a take-over bid premium of 15% the implied equity value range is as follows:

Implied Equity Value Range \$491 million - \$1682 million

VALUATION OF PLAMA OIL REFINERY**Projected Annual Operating Cash flow**

The Projected Annual Operating Cash flow is based upon figures contained in the Price Waterhouse Executive Summary dated February 1998. The projections vary depending upon the assumptions made with respect to the following variables: price of crude, exchange rates, production of lubricants, sale of subproducts and tax considerations.

	Low	High
Annual Projected Operating Cash flow (EBITDA)	US \$36 million	US \$72 million

Creditors

Plama has 13 existing creditors which are financial institutions. Thirteen of the creditors are Bulgarian Banks of which 11 are in liquidation. One Bulgarian Bank has already settled at \$4 million, 22% of the original \$18 million owed.

With respect to outstanding creditors debt associated with the 13 Bulgarian Banks is approximately US \$125 million with an additional US \$6.8 million due to Central Wechsel, a bank located in Vienna. The Bulgarian Banks have provided proposals to settle at 40% over 4 years, with proceeds from cash flow from Plama. We have been advised by CIBC Wood Gundy that if the banks were paid out up front, the discount would be increased to 15% - 20%. Based on an upfront settlement with creditors the Bulgarian Bank Debt is US \$19 million to US \$25 million.

With respect to the Central Wechsel debt, this is secured by the Bulgarian real estate assets which includes a 44 room Villa on the Black Sea, two office towers and property. We are currently in negotiations with Credit Wechsel. A team has been in Vienna for the last week. As negotiations are not yet completed we have not discounted the debt.

Based on the above, total due to creditors is US \$25.8 million - US \$31.8 million.

Public Company Comparables

Listed below are price earning comparables for integrated public oil companies.

Public Company	Price Earnings Multiple	Estimated Price Earnings Multiple
E Exxon Corp	22.13	25.00
Royal Dutch Petro - New York	26.85	24.08
Chevron Corp	18.90	23.10
Mobil Corp	19.70	20.48
Amoco Corp	17.51	20.40
Texaco Inc.	16.92	21.91
Atlantic Richfield Co.	15.79	20.15
Average Price Earnings Multiple	19.68	22.16

The price earnings multiple range is 15.79 to 26.58 with the average being 19.68. The estimated price earnings multiple is greater at 22.16.

Indicative Valuation of Plama

With respect to Plama, this is a single oil refinery and not an integrated oil company and thus the market would discount the price earnings multiple by 50%. The discounted range would be 7.90 - 13.29 with the average of 9.84. Additionally, there would also be an illiquidity premium given that this is a private asset vs a public company. Thus discounting the multiples by an additional 30% provides a range of 5.53 - 9.30 with an average of 6.89.

Given the tax effective structure of the Plama transaction, these multiples can be applied to the Operating Cash flow.

	Low	High
Annual Projected Operating Cash flow (EBITDA)	US \$36 million	US \$72 million
Discounted Price Earnings Multiples	5.53 to 9.30	5.53 to 9.30
Implied Total Enterprise Value of the Plama Oil Refinery	US \$199 million to US \$ 334.8 million	US \$398 million to US \$670 million
Creditors	US \$ 25.8 million to US \$31.8 million	US \$ 25.8 million to US \$31.8 million
Implied Equity Value of the Plama Oil Refinery	US \$174 million to US \$303 million	US \$373 million to US \$639 million

CHIMCO UREA PLANT VALUATION**Projected Annual Operating Cash flow**

The Projected Annual Net Income is based upon figures provided by our professional advisors. The projections reflect the negotiated Bulgarian gas price contract of US \$81.50.

(USD millions)	1996 Actual	1997 *	1998	1999	2000	2001	2002
Revenues	\$160.7	\$117.3	\$148.8	\$160.0	\$159.6	\$166.4	\$166.4
Operating Income	\$57.7	\$7.6	\$36.1	\$58.5	\$65.3	\$69.8	\$69.8
Net Income**	\$35.9	\$8.0	\$28.6	\$46.0	\$50.2	\$46.4	\$46.9

* based on 6 months actual results and projection of 6 months

** assumes annual debt service cost of \$1.8 million to \$4.6 million

The average Operating Income for the projected 5 year period is US \$59.9 million producing an average Net Income of US \$43.6 million.

Public Company Comparables

Listed below are price earning comparables for integrated chemical companies.

Public Company	Price Earnings Multiple	Estimated Price Earnings Multiple
Albright & Wilson PLC	38.85	12.62
BOC Group PLC	17.03	18.52
BTP PLC	23.50	21.46
Courtlands PLC	21.30	22.92
Croda International PLC	23.48	21.31
Inspec Group PLC	13.45	14.74
Kalon Group PLC	25.88	21.11
LaPorte PLC	19.39	16.07
Scapa Group PLC	11.13	12.59
Yule Catto & Company PLC	16.29	14.35
Average Price Earnings Multiple	21.03	17.57

The price earnings multiple range is 11.13 to 38.85 with the average being 21.03. The estimated price earnings multiple is lower at 17.57.

Indicative Valuation of Chimco

With respect to Chimco, this is a single Urea Plant and not an integrated chemical company and thus the market would discount the price earnings multiple by 50%. The discounted range would be 5.57 - 19.43 with the average of 10.52. Additionally, there would also be an illiquidity premium given that this is a private asset vs a public company. Thus discounting the multiples by an additional 30% provides a range of 3.9 - 13.6 with an average of 7.36.

Annual Projected Net Income	Projected 5 Year Low US \$28.6 million	Projected 5 Year High US \$50.2 million
Discounted Price Earnings Multiples	3.9 to 13.6	3.9 to 13.6
Implied Equity Value of the Chimco Urea Plant	US \$111 million to US \$389 million	US \$196 million to US \$683 million

VALUATION OF RESIDUAL BULGARIAN ASSETS/BUSINESSES

Bulgarian Real Estate Assets

The real estate assets include the following: a 44 room Villa on the Black Sea (constructed less than 3 years ago), two office towers and property. We do not have an appraisal on these assets and therefore their value is undetermined. We have conservatively netted off the associated debt in the Plama valuation (Central Wechsel debt of US \$6.8 million).

Druzba Glass Bottling Plant

We have been short-listed with respect to Druzba. We have been advised by the Privatization Agency that the monthly cash flow is US \$1.2 million. Given our 50% interest and the absence of additional proformas, appropriate market comparables, etc., we conservatively value at one times annual cash flow. Our 50% interest is thus valued at US \$7.2 million.

Grain Trading

Annual revenue from the Barley Trading with China is estimated at US \$200 million and we assume our share of net income is 9% of revenue. Given the absence of additional proformas, appropriate market comparables, etc., we conservatively value at approximately two times our percentage of net income. The Barley Trading is therefore valued at US \$40 million.

Persian Gulf Trading (Crude, Stainless Steel, Galvanized Coil, Turbines and Electronic Components)

Given the various contracts, etc. in place and currently being negotiated, we value at one times cashflow at US \$60 million.