

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

In re:

MISSISSIPPI CHEMICAL
CORPORATION, *et al.*¹

Debtors.

CASE NO. 03-02984 WEE
Chapter 11
Jointly Administered

**MOTION FOR ORDER WAIVING CERTAIN REQUIREMENTS FOR
DEBTORS-IN-POSSESSION'S MONTHLY OPERATING REPORTS, OR,
ALTERNATIVELY, TO FILE CERTAIN PORTIONS OF MONTHLY OPERATING
REPORTS UNDER SEAL**

COME NOW the Debtors and debtors-in-possession, Mississippi Chemical Corporation, *et al.* ("Debtors") and move the Court pursuant to §§ 1107, 1106 and 704(8) of the Bankruptcy Code and Rules 2015 and 9018 of the Fed.R.Bankr.P. for an Order waiving the requirements for certain information to be included in the Debtors' monthly operating reports. In support of the Motion, the Debtors show as follows:

1. Debtors' voluntary Chapter 11 petitions were filed on May 15, 2003 (the "Petition Date").
2. Pursuant to §§ 1107, 1106 and 704(8) of the Bankruptcy Code, Debtors are required to provide operating reports to the Court, the United States Trustee, relevant taxing authorities and other interested parties at regular intervals.
3. These reporting requirements are also contained in Fed.R.Bankr.P.2015.
4. In order to advance the statutory scheme of requiring Debtors to provide operating reports at regular intervals, 28 U.S.C. § 586(a)(3)(B) confers specific authority upon the United

¹ The Debtors are the following entities: Mississippi Chemical Corporation; Mississippi Nitrogen, Inc.; MissChem Nitrogen, L.L.C.; Mississippi Chemical Company, L.P.; Mississippi Chemical Management Company; Mississippi Phosphates Corporation; Mississippi Potash, Inc.; Eddy Potash, Inc.; Triad Nitrogen, L.L.C.; and Melamine Chemicals, Inc.

States Trustee to promulgate such regulations and guidelines as deemed necessary to ensure that all reports are properly and timely filed.

5. Pursuant to this authority, the United States Trustee's office for Region 5 established Chapter 11 Operating Guidelines and Reporting Requirements under the Auspices of the U.S. Trustee, Region 5, Judicial Districts of Louisiana and Mississippi (the "Guidelines"). In the Guidelines, it provides that Debtors must file all operating reports by the 15th day of the next month following the end of the month covered by the report. For instance, the Debtors' June monthly operating report is currently due on July 15, 2003. The Guidelines provide that Debtors "must use the operating report forms provided by the UST unless a waiver is granted to use some other format." Guidelines, § 3(b)(2).

6. The operating report forms contained in the Guidelines, and established by the United States Trustee for Region 5, Judicial Districts of Louisiana and Mississippi (the "U.S. Trustee"), specifically request a listing of individual receipts by the Debtors from their customers, individual disbursements by the Debtors to their vendors, copies of the bank statements for all bank accounts and a reconciliation of those bank accounts. The detailed nature of this request raises two concerns for the Debtors.

7. First, the detailed nature of the reports requested presents a burdensome task, which if required, will consume significant time and resources of the Debtors, thus reducing the time available to focus on evaluating all restructuring alternatives and reorganization strategies.

8. Second, the level of detail requested by the US Trustee in the receipts and disbursement reports would place the Debtors at a competitive disadvantage. This information, if filed in the form currently required and, therefore, available to the general public, particularly to competitors of the Debtors, could be harmful to the Debtors' reorganization efforts.

Specifically, the detail required for cash receipts by customer and cash disbursements by vendor if available to competitors, could create opportunities for competitors to unfairly compete with the Debtors. As such, this information constitutes sensitive, non-public, proprietary information the dissemination of which could result in significant harm to the Debtors' business.

9. The US Trustee has appointed an Unsecured Creditors Committee (the "Committee") in this case to monitor the business activities of the Debtors, evaluate the restructuring alternatives presented by the Debtors and ensure that the interests of the unsecured creditors are being protected. As such, the Unsecured Creditors Committee has requested and will continue to request specific information of the Debtors it feels is necessary to protect the interests of the unsecured creditors. Further, the Committee members and their professionals are bound by confidentiality agreements so that sensitive information, such as that at issue in the Motion, is not placed in the public domain and used improperly. Therefore, to include the voluminous detailed records of the Debtors in the Monthly Operating Report seems duplicative and unduly burdensome to the Debtors.

10. The Debtors believe that they can provide necessary information in a summary format to the United States Trustee's office, the Court, the taxing authorities and other interested parties in a fashion that allow useful information to be disseminated. Such a format will protect the sensitive information contained on the monthly operating reports. A sample of the format proposed by the Debtors, which is a copy of the actual May 2003 monthly operating report, is attached hereto as Exhibit "A" for the Court's review. The Debtors have requested that the US Trustee waive the requirement that this information be reported in the standard format. The US Trustee denied this request.

11. Bankruptcy Courts sitting in other districts of the United States have permitted formats for monthly operating reports to do not contain the amount of detail required by the Guidelines. Specifically, bankruptcy courts sitting in the Southern District of Texas, Houston Division and the Southern District of New York have permitted the use of formats similar to the one proposed by the Debtors. Examples of such reports are attached hereto as Exhibit "B" for the Court's review.

12. Accordingly, the Debtors' request that this Court waive the above-referenced specific aspects of the forms established by the Guidelines. The US Trustee granted the Debtors an extension until and including July 15, 2003 to file their monthly operating report for the period of May 15, 2003 through May 31, 2003 (the "May MOR"). The Debtors are filing simultaneously herewith the May MOR. The Debtors fully intend to provide all other information in the standard format and manner called for under the Guidelines except for areas where waivers have already been obtained from the US Trustee.

13. Alternatively, the Debtors' request, pursuant to Fed.R.Bankr.P. 9018, that this Court enter an Order permitting the Debtors to file the information containing a detailed itemization of cash disbursements and receipts in the standard format but under seal, which will protect this sensitive and confidential commercial information. The Debtors have no objection to such information being viewed by, and will provide such information to, the US Trustee, the Committee and its professionals, Harris Bank and Trust, as Agent for the Debtors' pre-petition and post-petition secured lenders, and its professionals and such other parties-in-interest that have been made parties to confidentiality agreements with the Debtors after requesting such information from the Debtors or made subject to other protective order of the Court.

WHEREFORE, the Debtors pray that this Court enter an Order waiving certain requirements of the monthly operating reports established by the Guidelines and allowing the Debtors to proceed with the form attached hereto as "Exhibit A"; or, alternatively, that the Court permit the Debtors to file such information under seal viewable by parties subject to restrictions imposed either by agreement or by Court directives. The Debtors request such other relief as is just and warranted.

Respectfully submitted,

MISSISSIPPI CHEMICAL CORPORATION, *et al.*

By: 

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Douglas C. Noble, MS Bar No. 10526

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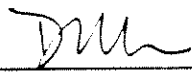
Facsimile: (214) 220-7716

CERTIFICATE OF SERVICE

I do hereby certify that I have this date caused to be served via electronic mail and or U.S. Mail, postage prepaid, a true and correct copy of the above and foregoing pleading to all parties listed below. The Debtors' Noticing Agent, BMC, shall likewise serve a copy of same to all parties on the Shortened Service List.

James E. Spiotto Chapman and Cutler 111 W. Monroe Street Chicago, Illinois 60603	Stephen W. Rosenblatt Butler, Snow, O'Mara, Stevens & Cannada Post Office Box 22567 Jackson, MS 39225-2567
Anthony Princi Thomas L. Kent Orrick, Herrington & Sutcliffe LLP 666 Fifth Avenue New York, New York 10103	Craig M. Geno Harris, Geno & Dunbar, P.A. P.O. Box 3919 Jackson, MS 39207-3919
Ronald H. McAlpin Assistant U.S. Trustee Suite 706 100 W. Capitol Street Jackson, Mississippi 39269	Bankruptcy Management Corporation Attn: Tinamarie Feil 1330 E. Franklin Ave. El Segundo, CA 90245

SO CERTIFIED, this the 15 day of July, 2003.



JAMES W. O'MARA
DOUGLAS C. NOBLE

MONTHLY OPERATING REPORT

CHAPTER 11

Case Name: Mississippi Chemical Corporation

Case Numbers: 03-2984 WEE 03-2986 WEE 03-2988 WEE 03-2990 WEE 03-2992 WEE
03-2985 WEE 03-2987 WEE 03-2989 WEE 03-2991 WEE 03-2993 WEE

For Period: May 15, 2003 to May 31, 2003

Mark One Box For Each Required
Report/Document

This Report is Due 15 Days After the End of the Month.

The debtor must attach each of the following reports unless the United States Trustee has waived the requirements in writing. File original with Clerk of Court and duplicate with UST with an original signature.

Report/Document Attached	Previously Waived	Required Reports / Documents
X		Comparative Balance Sheets (FORM 2-B)
X		Profit and Loss Statement (FORM 2-C)
X		Cash Receipts & Disbursements Statement (FORM 2-D)
X		Supporting Schedules (FORM 2-E)
X		Narrative (FORM 2-F)
	X	Copies of Bank Statement(s) and Reconciliations of Bank Balance to Book Balance for all Account(s)

I declare under penalty of perjury that the following Monthly Financial report and any attachments thereto, are true and correct to the best of my knowledge and belief.

Executed on: 7/14/03

Debtor(s): Mississippi Chemical Corporation

By:

Mickey W. Crane
Mickey W. Crane

Position: Director of Accounting

Phone: 662.746.4131



MISSISSIPPI CHEMICAL CORPORATION

Combined Balance Sheets

Case Number: 03-2984WEE

(Dollars in Thousands)	5/15/2003	05/31/03	06/30/03	07/31/03	08/31/03	09/30/03	10/31/03	11/30/03	12/31/03
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 2,126	\$ 2,441							
Accounts receivable, net of allowance for doubtful accounts	39,909	41,587							
Inventories:									
Finished products	39,612	44,783							
Raw materials	5,958	6,660							
Replacement Parts	31,991	31,195							
Prepaid expenses and other current assets	7,801	9,199							
Deferred income taxes	5,388	6,474							
Total current assets	132,784	142,339							
Investments in affiliates	110,706	111,126							
Other assets	26,688	27,738							
Property, plant and equipment, net of accumulated depreciation	297,836	295,644							
	\$ 568,014	\$ 576,846							
LIABILITIES AND SHAREHOLDERS' EQUITY									
Current liabilities:									
Long-term debt due within one year	\$ (0)	\$ 12,276							
Accounts payable	614	1,780							
Accrued liabilities	0	0							
Deferred income taxes	614	14,056							
Total current liabilities	159,033	159,729							
Liabilities Subject to Compromise:									
Secured	11,063	9,566							
Priority	300,030	301,021							
Unsecured	470,126	470,316							
Long-term debt	15,197	14,289							
Other long-term liabilities and deferred credits									
Deferred income taxes									
Shareholders' equity:									
Common stock	280	280							
Additional paid-in capital	306,063	306,063							
Retained earnings	(196,012)	(200,050)							
Accumulated other comprehensive income (loss)	221	367							
Treasury stock, at cost	(28,474)	(28,474)							
Total Shareholders' equity	82,078	78,185							
	\$ 568,014	\$ 576,846							

MISSISSIPPI CHEMICAL CORPORATION

Combined Profit & Loss Statements

Case Number: 03-2984WEE

	Fiscal Year									
	To Date									
(Dollars in Thousands)	5/15/2003	05/31/03	06/30/03	07/31/03	08/31/03	09/30/03	10/31/03	11/30/03	12/31/03	
Revenues:										
Net sales	\$ 379,708	\$ 18,651								
Other revenue	1,331	184								
	381,039	18,834								
Operating expenses:										
Cost of products sold	388,401	20,813								
Selling, general and administrative	28,082	1,828								
Impairment of long-lived assets	70,889	-								
Idle plant cost	14,107	358								
	481,480	23,000								
Operating income	(100,441)	(4,166)								
Other (expense) income:										
Interest, net	26,475	1,741								
Other	(5,023)	191								
(Loss) income before reorganization expenses and income taxes	(121,893)	(6,097)								
Reorganization items:										
Legal & professional fees	2,794	-								
Financing fees	-	-								
Bankruptcy trustee fees	-	-								
Settlements with customers and vendors	-	-								
Rejected executory contracts	-	-								
	2,794	-								
(Loss) income before income taxes	(124,687)	(6,097)								
Income tax (benefit) expense	(31,908)	(2,059)								
Net (loss) income	\$ (92,779)	\$ (4,038)								

MISSISSIPPI CHEMICAL CORPORATION

Cash Receipts & Cash Disbursements Statement

Case Number: 03-2984WEE

(Dollars in Thousands)

Week Ending	05/31/03	06/30/03	07/31/03	08/31/03	09/30/03	10/31/03	11/30/03	12/31/03
Beginning Cash Balance	\$ 2,126							
Operating Receipts								
Deposits	17,576							
Intercompany Transfers	28,352							
Total Cash Receipts	45,928	-	-	-	-	-	-	-
Operating Disbursements:								
Raw Material Purchases	3,719							
Natural Gas	9,322							
Payroll & Benefits	2,409							
Taxes	809							
Interest	-							
Capital Expenditures	-							
Debtor/Creditor Fees	698							
Reorganization	28,352							
Intercompany Transfer	837							
Other	46,146	-	-	-	-	-	-	-
Total Operating Disbursements	(218)	-	-	-	-	-	-	-
Net Cash Flows from Operations	532							
Negative Cash Balance Reclassified to Payables								
Net DIP Advances (Payments)								
Ending Cash Balances	\$ 2,441							
Loan Balances								
DIP Balance, Beginning	-	-	-	-	-	-	-	-
Net DIP Advances (Payments)	-	-	-	-	-	-	-	-
DIP Balance, Ending	-	-	-	-	-	-	-	-
Letters of Credit	-	-	-	-	-	-	-	-
Total DIP Loans	-	-	-	-	-	-	-	-
Trustee Fees (Dollars):								
Beginning Balance	\$ 56,500							
Estimated Payment	-							
Ending Balance	\$ 56,500							

MISSISSIPPI CHEMICAL CORPORATION

Supporting Schedule-Cash Receipts & Cash Disbursements Statement

Case Number: 03-2984WEE

For the Period: May 15, 2003 to May 31, 2003

	Case Numbers==>										
	03-2984	03-2985	03-2986	03-2987	03-2988	03-2989	03-2990	03-2991	03-2992	03-2993	
	Mississippi Chemical Corporation	Mississippi Nitrogen, Inc.	MissChem Nitrogen, LLC	Mississippi Chemical Company, LP	Mississippi Chemical Management Company	Mississippi Phosphates Corporation	Mississippi Polish, Inc.	Eddy Polish, Inc.	Triad Nitrogen, LLC	Melamine Chemicals, Inc.	
Total											
Beginning Cash Balance	\$ 2,126	\$ 1,724	\$ -	\$ 75	\$ 36	\$ 0	\$ 176	\$ 81	\$ 2	\$ 29	\$ 0
Operating Receipts											
Deposits	17,576										
Intercompany Deposits	28,352	16,207		6,200	10,491		2,885	4,400			
Total Cash Receipts	45,928	16,207	-	6,200	12,210	3	3,076	891	2,941	2,941	-
Operating Disbursements											
Raw Material Purchases	3,719	0		76	3,105		537				
Natural Gas	9,322	-		6,008			19	350	2,945	1	
Payroll & Benefits	2,409	2,190		15	0	8	48	143	4	4	
Taxes	809	665		75	1	3	1	62	1	1	
Interest	-										
Capital Expenditures	-										
Debtor/Creditor Fees	-										
Reorganization	698										
Intercompany Payments	28,352	12,145		117	9,156		2,690	4,361			
Other	837	40		6,292	288	3	3	401	2	1	
Total Operating Disbursements	46,146	15,739	1	6,292	12,530	14	3,298	5,317	2	2,952	
Net Cash Flows from Operations	(218)	468	(1)	(92)	(321)	(11)	(222)	(27)	(2)	(11)	
Negative Cash Balance Reclassified to Payables	532	90	1	18	324	10	52	37	0	0	0
Net DIP Advances (Payments)	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	\$ 2,441	\$ 2,282	\$ -	\$ 1	\$ 42	\$ -	\$ 6	\$ 92	\$ 0	\$ 16	\$ -
Loan Balances											
DIP Balance, Beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net DIP Advances (Payments)	-	-	-	-	-	-	-	-	-	-	-
DIP Balance, Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Letters of Credit	-	-	-	-	-	-	-	-	-	-	-
Total DIP Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trustee Fees (Debits)											
Beginning Balance	\$ 56,500	10,000	250	10,000	10,000	250	8,000	10,000	7,500	7,500	250
Estimated Payment	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 56,500	10,000	250	10,000	10,000	250	8,000	10,000	7,500	7,500	250

MISSISSIPPI CHEMICAL CORPORATION

Supporting Schedules-Accounts Payable and Accounts Receivable Summary

For the Period: May 15, 2003 to May 31, 2003

Case Number: 03-2984WEE

(Dollars in Thousands)

	Total	0 - 30	31-60	61-90	Over 90
Accounts Payable Aging:					
Taxes --					
FIT	\$ (0)	\$ (0)			
FICA	0	0			
FUTA	1	1			
SIT	(0)	(0)			
SUTA	2	2			
Other	386	386			
A/P Trade	2,175	2,175			
A/P Received not paid	5,481	5,481			
A/P Consignment parts	64	64			
A/P Freight	299	299			
A/P Contract retention	-	-			
A/P Competitive discounts	36	36			
A/P Medical claims - IBNR	(0)	(0)			
A/P Other	4,773	4,773			
Employee benefits & withholdings	854	854			
Accrued taxes - Federal & State	0	0			
Accrued interest	1,375	1,375			

\$	15,446	\$	15,446	\$	-	\$	-	\$	-
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Accounts Receivable Aging:

A/R Trade	\$ 39,969	39,763	224	35	(53)
A/R Miscellaneous Billings	750	745	2	2	2
A/R Other	1,234	1,234			
Notes Receivable-Employees	7	7			
	\$ 41,961	\$ 41,749	\$ 226	\$ 37	\$ (51)

MISSISSIPPI CHEMICAL CORPORATION

Supporting Schedules-Insurance Coverage Summary

For the Period: May 15, 2003 to May 31, 2003

Case Number: 03-2984WEE

Type	Carrier/Agent	Coverage (\$)	Date of Expiration	Premium Paid
Insurance Schedule:				
Excess Workers' Compensation	National Union/Alembic Captive Arthur J. Gallagher & Co.	\$ 1,000,000	07/01/03	Yes
Workers' Compensation	National Union/Alembic Captive Arthur J. Gallagher & Co.	\$ 1,000,000	07/01/03	Yes
General Liability	National Union/Alembic Captive Arthur J. Gallagher & Co.	\$ 2,000,000	07/01/03	Yes
Automobile Liability	National Union/Alembic Captive Arthur J. Gallagher & Co.	\$ 2,000,000	07/01/03	Yes
Pollution Legal Liability	American International SLIC Arthur J. Gallagher & Co.	\$ 2,000,000	07/01/03	Yes
Maritime Liability	American Home Assurance Company Arthur J. Gallagher & Co.	\$ 2,000,000	07/01/03	Yes
Directors & Officers Liability	Federal Insurance Company Marsh, Chicago	\$ 15,000,000	07/01/03	Yes
Fiduciary Liability	Federal Insurance Company Marsh, Chicago	\$ 10,000,000	07/01/03	Yes
Excess Liability (1st Layer)	National union Fire insurance Company Arthur J. Gallagher & Co.	\$ 25,000,000	07/01/03	Yes
Excess Liability (2nd Layer)	XL Insurance Company Limited Arthur J. Gallagher & Co. and JLT Risk Solution (Bermuda)	\$ 100,000,000	07/01/03	Yes
Excess Liability (3rd Layer)	Starr Excess Arthur J. Gallagher & Co.	\$ 50,000,000	07/01/03	Yes
Property/Time Element insurance	Lloyd's of London and others Arthur J. Gallagher & Co., JLT Risk Solutions (London & Bermuda) and Creativ Risk Solution	\$ 300,000,000	07/01/03	Yes
Transit Insurance	St. Paul Fire & Marine Insurance Company Marsh, Chicago	\$ 10,000,000	Until Cancelled	Yes
Crime insurance	Federal Insurance Company Marsh, Chicago	\$ 5,000,000	07/01/03	Yes
Political Risk	Lloyd's of London and others Arthur J. Gallagher & Co.	\$ 364,015,278	07/01/05	Yes

MISSISSIPPI CHEMICAL CORPORATION

Supporting Schedules-Narrative

For the Period: May 15, 2003 to May 31, 2003

Case Number: **03-2984WEE**

DISCUSSION

No items of significance to report for the period May 15, 2003 through May 31, 2003.

MONTHLY OPERATING REPORT SUMMARY FOR THE MONTH

OCTOBER

YEAR

2002

MONTH	11/15-30/001	December	January	February	March	April	May	June	July	August	September	October	Filing To Date
NUES	\$ 54,942	\$ 87,710	\$ 113,816	\$ 100,876	\$ 103,027	\$ 112,644	\$ 110,366	\$ 101,961	\$ 103,491	\$ 105,624	\$ 85,389	\$ 88,360	\$ 1,168,256
ME BEFORE INT, DEPR, IMPAIR, REORG/TAX	\$ 611	\$ (9,437)	\$ 1,648	\$ 523	\$ (561)	\$ 3,354	\$ 2,239	\$ 3,157	\$ 4,263	\$ 3,828	\$ 1,651	\$ (445)	\$ 9,512
INCOME (LOSS)	\$ (1,804)	\$ (304,135)	\$ (1,400)	\$ (1,759)	\$ (3,695)	\$ (1,996)	\$ (1,656)	\$ (5,394)	\$ (75)	\$ (1,048)	\$ (2,839)	\$ (4,791)	\$ (339,868)
MENTS TO INSIDERS	\$ 119	\$ 326	\$ 208	\$ 304	\$ 353	\$ 365	\$ 383	\$ 426	\$ 271	\$ 309	\$ 745	\$ 1,815	\$ 5,615
MENTS TO PROFESSIONALS	\$ -	\$ 275	\$ -	\$ -	\$ 655	\$ 3,005	\$ 1,076	\$ 1,011	\$ 884	\$ 881	\$ 1,356	\$ 873	\$ 9,982
L DISBURSEMENTS	\$ 43,163	\$ 104,116	\$ 115,433	\$ 116,556	\$ 109,188	\$ 104,332	\$ 119,724	\$ 108,574	\$ 105,645	\$ 106,419	\$ 92,917	\$ 96,729	\$ 1,234,788

is original of this document must be filed with the United States Bankruptcy Court and a copy sent to the United States Trustee***

Are all accounts receivable being collected within terms?

Are all past position liabilities, including taxes, being paid within terms?

Have any pre-petition liabilities been paid?

If no, describe. Pursuant to court order only

Are all funds received being deposited into DIP bank accounts?

Were any assets disposed outside the normal course of business?

If no, describe Specific operating units pursuant to court order

Are all U.S. Trustee Quarterly Fee Payments current?

What is the status of your Plan of Reorganization?

Effective Date for Existing Bankruptcy - 10/31/02. This will be the last Monthly Operating Report using this format. The November 2002 Financials will be issued using the Company's normal monthly reporting and will be based on applying "Fresh Start" accounting principles. This Company is currently reviewing the application of Fresh Start accounting principles which will require additional adjustments to be made to the October 2002 Financials.

REQUIRED INSURANCE MAINTAINED	EXP. DATE
PROPERTY	9/30/03
LIABILITY	9/30/03
CLEARING	9/30/03
OTHERS	9/30/03

ORNEY NAME: Zach A. Clement
F. Fulbright & Jaworski, LLP
ADDRESS: 1301 McKinney, Suite 5100
CITY, STATE, ZIP: Houston, TX 77010-3095
PHONE: 713-451-5151

I certify under penalty of perjury that the following Monthly Operating Report, plus attachments is true and correct to the best of my knowledge.

RESPONSIBLE PARTIES:

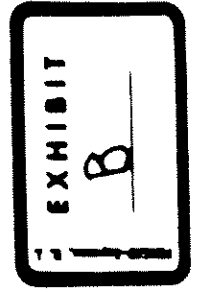
Terence J. Torgerson
Chief Accounting Officer
Vice President

Donald D. Torgerson
Corporate Controller
Vice President

December 3, 2002

December 3, 2002

United States Courts
Southern District of Texas
FILED
DEC 04 2002
Michael N. Miller, Clerk



Expiring Date of November 14, 2001 to October 31, 2002
(seeds)

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Thousands)

Filing Date (11/14/01)	November	December	January	February	March	April	May	June	July	August	September	October
\$ 101,346	\$ 101,163	\$ 81,318	\$ 104,553	\$ 108,711	\$ 100,783	\$ 102,737	\$ 102,621	\$ 102,419	\$ 97,701	\$ 95,084	\$ 84,348	\$ 81,024
53,468	56,201	49,980	35,375	40,656	45,313	39,458	40,861	41,232	37,491	37,835	37,556	32,465
14,076	14,987	19,066	14,391	11,007	11,737	10,534	7,936	10,619	9,010	10,497	10,111	9,650
13,636	5,620	7,496	8,402	8,119	4,253	3,643	3,035	3,336	3,137	2,668	3,836	3,274
9,907	9,367	7,399	9,262	10,871	13,531	14,660	13,882	13,656	13,079	13,758	13,032	13,629
192,434	187,338	165,260	171,983	179,365	175,617	171,052	168,335	171,261	160,418	159,842	148,883	140,041
(8,645)	(8,816)	(7,292)	(7,401)	(7,052)	(6,676)	(7,845)	(7,912)	(8,630)	(8,882)	(9,004)	(9,036)	(8,542)
183,789	178,522	157,968	164,582	172,313	168,942	163,207	160,423	162,631	151,536	150,838	139,847	131,499
6,399	7,067	6,689	5,233	6,262	7,064	6,089	5,241	4,943	4,271	3,966	19,002	3,811
\$ 190,188	\$ 185,589	\$ 164,657	\$ 169,815	\$ 178,575	\$ 176,006	\$ 169,296	\$ 165,664	\$ 167,574	\$ 155,807	\$ 154,804	\$ 158,849	\$ 135,310

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al Accounts Receivable
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Liabilities - Post Petition
Filing Date of November 14, 2001 to October 31, 2002
(in thousands)

Filing Date (11/14/01)	November	December	January	February	March	April	May	June	July	August	September	October
\$	\$ 1,238	\$ 5,778	\$ 7,742	\$ 8,293	\$ 6,517	\$ 7,567	\$ 7,880	\$ 8,397	\$ 8,525	\$ 7,375	\$ 7,622	\$ 8,578
Salaries and benefits	193	996	1,189	1,139	1,507	1,904	2,195	2,235	2,724	2,911	4,226	4,418
Taxes	-	-	232	251	272	304	308	336	367	366	394	91
Interest	-	7,081	7,085	6,679	7,305	7,528	8,940	8,639	8,879	9,923	8,641	11,303
Insurance	156	3,865	2,671	3,666	8,063	8,271	8,328	11,529	14,243	14,321	11,896	8,214
Lease Liabilities	1,065	17,723	18,919	20,028	23,664	25,574	27,651	31,136	34,738	34,896	32,779	32,604
Other Liabilities	2,672	17,723	18,919	20,028	23,664	25,574	27,651	31,136	34,738	34,896	32,779	32,604

Salaries and benefits
Taxes
Interest
Insurance
Lease Liabilities
Other Liabilities

Consolidated Statement of Operations
Period from Filing Date (November 14, 2001) to October 31, 2002
(in thousands)

Filing Date (11/14/2001) to 10/31/2002	December	January	February	March	April	May	June	July	August	September	October	Post Petition to Date
\$	\$ 54,982	\$ 87,710	\$ 113,826	\$ 108,876	\$ 112,644	\$ 110,366	\$ 101,961	\$ 103,491	\$ 105,624	\$ 85,389	\$ 88,340	\$ 1,148,354
	17,789	17,263	25,810	23,104	26,911	26,960	25,175	25,780	26,209	18,723	20,137	277,733
	7,113	14,074	14,297	13,542	14,051	14,026	13,450	13,088	13,265	10,760	11,267	152,832
	5,065	12,616	9,825	9,039	9,506	10,704	8,548	8,429	9,916	6,912	9,323	111,349
	1,066	1,638	986	980	928	1,144	984	946	913	919	890	12,837
	299,401						3,453					302,854
	(455)	(310,464)	702	(457)	(1,144)	1,086	(1,280)	3,317	2,115	132	(1,355)	(100,379)
	1,237	1,221	1,746	1,689	1,807	1,752	1,702	1,562	1,523	1,332	2,453	19,734
	596	18,837	828	578	1,601	1,129	3,894	1,927	1,958	6,790	2,395	41,398
	(53)	1,850	(17)	(545)	(101)	256	42	(77)	(24)	(101)	771	2,087
	(2,235)	(332,374)	(1,834)	(2,179)	(4,578)	(2,052)	(6,920)	(93)	(1,342)	(7,890)	(6,783)	(148,310)
	(411)	(28,219)	(354)	(420)	(883)	(396)	(1,526)	(19)	(27)	(4,851)	(1,992)	(18,669)
	(1,884)	(384,135)	(1,680)	(1,759)	(3,695)	(1,656)	(3,394)	(72)	(1,640)	(12,830)	(5,791)	(129,880)
\$	\$ 611	\$ (9,437)	\$ 1,688	\$ 513	\$ (581)	\$ 2,238	\$ 3,457	\$ 4,363	\$ 3,828	\$ 1,953	\$ (460)	\$ 9,812

Exhibit A for a Consolidating Statement of Operations by Division

Impairments - Long-lived assets are comprised principally of property and equipment and goodwill. Management reviews long-lived assets for impairment events or changes in circumstances indicate that the carrying amount may not be realizable. If an evaluation is required, the estimated future undiscounted cash flows are compared to the asset's carrying amount to determine if an impairment exists. The effect of any impairment would be the difference between the fair value of such asset and its carrying value. Due to the declining economic conditions, estimated future undiscounted cash flows and recoverability of assets held for sale, the Company recorded \$226,634 of impairment losses with respect to goodwill and \$ 72,767 in property and equipment in the month of December 2001. Based upon the estimated proceeds from planned divestitures, the Company recorded \$1,431 of additional impairment in June 2002.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

Case Name: METALS USA, INC. et al
Case Number: 01-42530-HA-11 to 01-42573-HA-11

ad Cash Receipts and Disbursements
Period from Filing Date (November 14, 2001) to October 31, 2002
(ad)

Filing Date (11/14/01) to (10/31/02)	December	January	February	March	April	May	June	July	August	September	October	Post Petition to Bank
\$ 62,510	\$ 108,743	\$ 108,881	\$ 99,479	\$ 115,574	\$ 119,093	\$ 121,458	\$ 127,533	\$ 120,240	\$ 107,554	\$ 131,890	\$ 108,929	\$ 1,333,904
32,613	64,643	73,810	78,897	80,716	80,304	92,211	81,611	79,810	80,639	68,265	70,767	884,285
10,168	37,362	33,863	36,118	27,989	24,481	26,596	24,979	24,235	24,460	18,791	19,055	307,601
376	424	388	343	288	138	107	249	152	120	442	872	3,899
43,157	102,429	108,061	115,358	108,993	104,923	118,914	106,839	104,197	103,219	84,998	90,694	1,195,785
19,353	6,314	820	(15,879)	6,581	14,170	4,544	20,694	16,063	2,335	44,892	18,233	138,119
6	1,687	7,371	1,198	195	1,409	810	1,735	1,448	1,191	5,919	6,033	29,883
19,347	4,627	(6,551)	(17,877)	6,384	12,761	3,734	18,959	14,615	1,144	38,974	12,301	100,817
(963)	(1,558)	21,439	(7,678)	18,931	5,439	10,586	14,896	4,648	17,026	27,182	23,224	135,542
\$ 28,310	\$ 6,185	\$ (27,990)	\$ (9,399)	\$ (12,547)	\$ 7,322	\$ (6,852)	\$ 4,663	\$ 9,547	\$ (15,833)	\$ 11,593	\$ (13,124)	\$ (34,438)
48,702	69,012	75,195	47,206	37,808	25,261	32,583	25,731	29,796	39,742	23,809	35,401	48,702
\$ 69,812	\$ 75,195	\$ 47,206	\$ 37,808	\$ 35,261	\$ 33,583	\$ 25,731	\$ 25,796	\$ 29,742	\$ 23,809	\$ 35,401	\$ 22,377	\$ 22,377

Exhibit B for a schedule of Consolidating Cash Receipts and Disbursements by Division
Exhibit C for an allocation of Disbursements by Legal Entity

ents to Insiders

1304

ents to Professionals

[illegible]

Income Statement of Operations
(in thousands)

Month Ended October 31, 2002 -

	Bldg Prod	Flat Rolled	Plates & Shapes	Aerospace	I-Solutions	Corporate	Total
	\$ 14,176	\$ 44,270	\$ 29,831	\$ (12)	\$ 2,192	\$ (2,096)	\$ 88,360
	<u>4,190</u>	<u>7,786</u>	<u>7,393</u>	<u>(1)</u>	<u>759</u>	<u>-</u>	<u>20,127</u>
Expenses	1,717	4,828	4,370	(2)	107	247	11,267
	<u>1,888</u>	<u>2,128</u>	<u>2,225</u>	<u>1</u>	<u>219</u>	<u>2,865</u>	<u>9,325</u>
Short term	371	277	104	-	50	88	890
Investments	-	-	-	-	-	-	-
Income	214	553	693	-	384	(3,200)	(1,355)
Expense	3	22	(126)	-	-	2,553	2,453
Other Expenses	-	-	-	-	-	2,205	2,205
	<u>(16)</u>	<u>480</u>	<u>1,059</u>	<u>-</u>	<u>229</u>	<u>(980)</u>	<u>771</u>
Loss Before Taxes	227	52	(241)	-	155	(6,978)	(6,783)
Taxes	(2)	12	11	-	-	(2,014)	(1,993)
Net	<u>229</u>	<u>40</u>	<u>(252)</u>	<u>-</u>	<u>155</u>	<u>(4,964)</u>	<u>(4,791)</u>
	<u>\$ 585</u>	<u>\$ 830</u>	<u>\$ 797</u>	<u>\$ -</u>	<u>\$ 434</u>	<u>\$ (3,112)</u>	<u>\$ (465)</u>

Period from Filing Date (November 14, 2001) to October 31, 2002

Net	\$ 150,866	\$ 577,263	\$ 427,508	\$ 15,078	\$ 22,090	\$ (24,548)	\$ 1,168,256
	<u>49,894</u>	<u>110,922</u>	<u>104,509</u>	<u>(186)</u>	<u>7,595</u>	<u>1,000</u>	<u>273,733</u>
Expenses	16,943	67,091	61,000	1,706	1,359	4,752	152,852
	<u>18,051</u>	<u>31,270</u>	<u>37,149</u>	<u>1,620</u>	<u>3,295</u>	<u>19,983</u>	<u>111,369</u>
Amort	2,360	4,285	3,706	44	570	1,076	12,037
Impairments	31,779	60,196	95,064	-	-	115,815	302,854
Income	(19,238)	(51,920)	(92,413)	(3,557)	2,373	(140,627)	(305,379)
Expense	47	431	295	49	-	18,911	19,734
Other Expenses	-	-	-	-	-	41,398	41,398
	<u>39</u>	<u>346</u>	<u>13,826</u>	<u>3,423</u>	<u>1,009</u>	<u>(16,639)</u>	<u>3,007</u>
Loss Before Taxes	(19,324)	(52,697)	(106,536)	(7,030)	1,364	(184,295)	(348,518)
Taxes	2	292	182	25	(2)	(19,133)	(18,630)
Net	<u>(19,326)</u>	<u>(52,989)</u>	<u>(106,719)</u>	<u>(7,054)</u>	<u>1,365</u>	<u>(145,162)</u>	<u>(319,889)</u>
	<u>\$ 14,899</u>	<u>\$ 12,560</u>	<u>\$ 6,357</u>	<u>(1,514)</u>	<u>(2,945)</u>	<u>(23,734)</u>	<u>(9,312)</u>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME: METALS USA, INC. et al
CASE NUMBER: 01-42530-H4-11 & 01-42573-H4-11

Net Cash Receipts and Disbursements
(in \$)

Month Ended October 31, 2002

	Blind Fold	Flat Roll	Plates & Sheets	Assemblies	I-Solutions	Corporate	Total
	\$ 14,906	\$ 52,833	\$ 37,579	\$ 1,150	\$ 2,461	\$ -	\$ 106,929
Net:							
Material	9,946	36,683	22,693	-	1,446	-	70,767
Disbursements	3,507	7,169	6,717	-	313	1,349	19,055
Indirects	440	375	50	-	-	7	872
Payments	13,893	44,226	29,460	-	1,739	1,356	90,694
Net Cashflow	1,013	8,607	8,119	1,150	702	(1,356)	18,235
Initial Disbursements	-	-	-	-	-	6,035	6,035
Subflow	\$ 1,013	\$ 8,607	\$ 8,119	\$ 1,150	\$ 702	\$ (7,391)	\$ 13,204
Payments to Secured Lenders	3	26	3	-	-	23,292	23,324
Change in Cash	\$ 1,010	\$ 8,581	\$ 8,116	\$ 1,150	\$ 702	\$ (33,683)	\$ (13,324)
Net Cash Balance							35,081
Cash Balance							\$ 33,377

Period from Filing Date (November 14, 2001) to October 31, 2002

	\$ 152,303	\$ 414,780	\$ 502,319	\$ 16,076	\$ 23,563	\$ 24,861	\$ 1,333,904
Net:							
Material	95,544	459,004	304,343	9,039	16,356	-	864,283
Disbursements	37,012	104,324	110,066	3,706	4,095	47,776	307,061
Indirects	1,596	1,425	734	9	-	113	3,869
Payments	134,152	564,753	415,145	12,756	21,050	47,909	1,191,763
Net Cashflow	18,151	50,027	87,154	3,380	2,515	(33,648)	138,110
Initial Disbursements	-	-	-	-	-	39,083	39,083
Cashflow	18,151	50,027	87,154	3,380	2,515	(33,648)	109,417
Payments to Secured Lenders	36	440	1,039	120	-	(11,907)	(13,542)
Change in Cash	\$ 18,115	\$ 49,587	\$ 86,115	\$ 3,260	\$ 2,515	\$ (18,550)	\$ (4,454)
Net Cash Balance							48,791
Net Cash Balance							\$ 11,777

CASE NAME: METALS USA, INC., et al
CASE NUMBER: 01-42530-H4-11 to 01-42573-H4-11

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

PETITION DATE: 11/14/2001
JUDGE: William Greendyke

it C
ition of Disbursements by Legal Entity
ousands)
ie Month Ended October 31, 2002 -

ing Products	Case No.	Disbursements	Plates & Shapes	Case No.	Disbursements
LLMET BUILDING PRODUCTS, L.P.	01-42540-H4-11	\$ 3,904	JEFFREYS REAL ESTATE CORPORATION	01-42537-H4-11	\$ -
LMET GP, INC.	01-42541-H4-11	-	INTERSTATE STEEL SUPPLY COMPANY OF MARYLAND	01-42547-H4-11	-
LLMET LP, INC.	01-42542-H4-11	-	METALS USA PLATES AND SHAPES NORTHCENTRAL, INC.	01-42554-H4-11	-
ORNERSTONE BUILDING PRODUCTS, INC.	01-42543-H4-11	278	WSS TRANSPORTATION, INC.	01-42555-H4-11	-
ORNERSTONE METALS CORPORATION	01-42544-H4-11	542	METALS USA PLATES AND SHAPES NORTHEAST, L.P.	01-42556-H4-11	11,902
ORNERSTONE PATIO CONCEPTS, L.L.C	01-42545-H4-11	250	LEVINSON STEEL GP, INC.	01-42557-H4-11	-
ETALS USA BUILDING PRODUCTS SOUTHEAST, INC.	01-42551-H4-11	3,376	LEVINSON STEEL LP, INC.	01-42558-H4-11	-
ATIONAL MANUFACTURING, INC.	01-42568-H4-11	472	METALS USA PLATES AND SHAPES SOUTHCENTRAL, INC.	01-42559-H4-11	2,592
EXAS ALUMINUM INDUSTRIES, INC.	01-42569-H4-11	3,543	METALS USA PLATES AND SHAPES SOUTHEAST, INC.	01-42560-H4-11	13,257
'ALLEY ALUMINUM CO.	01-42570-H4-11	847	QUEENSBORO, L.L.C.	01-42561-H4-11	-
'ALLEY ALUMINUM OF NEVADA, INC.	01-42571-H4-11	236	METALS USA PLATES AND SHAPES SOUTHWEST, L.P.	01-42562-H4-11	1,709
'WESTERN AWINING COMPANY	01-42572-H4-11	445	INTSEL GP, INC.	01-42563-H4-11	-
'Total Disbursements		<u>\$ 13,893</u>	INTSEL LP, INC.	01-42564-H4-11	-
			WILKOF-MORRIS STEEL CORPORATION	01-42573-H4-11	-
			Total Disbursements		<u>\$ 39,460</u>

Rolled

ispace	Case No.	Disbursements	Corporate	Case No.	Disbursements
METALS USA CARBON FLAT ROLLED, INC.	01-42552-H4-11	\$ 25,518	METALS USA, INC.	01-42530-H4-11	\$ 4,745
METALS USA FLAT ROLLED CENTRAL, INC.	01-42553-H4-11	18,708	METALS USA MANAGEMENT CO., L.P.	01-42531-H4-11	-
METALS USA SPECIALTY METALS NORTHWEST, INC.	01-42565-H4-11	-	MUSA GP, INC.	01-42532-H4-11	-
METALS USA CONTRACT MANUFACTURING, INC.	01-42566-H4-11	-	MUSA LP, INC.	01-42533-H4-11	-
METALS USA SPECIALTY METALS NORTHCENTRAL, INC.	01-42567-H4-11	-	METALS USA FINANCE CORP.	01-42534-H4-11	1,596
Total Disbursements		<u>\$ 44,226</u>	METALS USA REALTY COMPANY	01-42535-H4-11	-
			METALS RECEIVABLES CORPORATION	01-42536-H4-11	1,050
			Total Disbursements		<u>\$ 7,391</u>

ispace

Harvey Titanium, Ltd	Case No.	Disbursements
HARVEY TITANIUM, LTD	01-42546-H4-11	\$ -
METALS AEROSPACE INTERNATIONAL, INC.	01-42550-H4-11	-
Total Disbursements		<u>\$ -</u>

lutions

Aerospace Specification Metals, Inc.	Case No.	Disbursements
AEROSPACE SPECIFICATION METALS, INC.	01-42538-H4-11	\$ -
AEROSPACE SPECIFICATION METALS - U.K.	01-42539-H4-11	-
I-SOLUTIONS, INC.	01-42548 H4-11	1,133
METALMART, INC.	01-42549-H4-11	626
Total Disbursements		<u>\$ 1,759</u>

TOTAL CONSOLIDATED DISBURSEMENTS

\$ 96,719

APR 21 2003

Michael N. Milby, Clerk

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME: Sterling Chemicals, Inc.

Petition Date: 07/16/01

CASE NUMBER: 01-37806-H4-11

MONTHLY OPERATING REPORT SUMMARY FOR MONTH:

March YEAR: 2003

MONTH	9/30/02	Revised 10/31/02	11/30/02	Revised 12/31/02	1/31/03	2/28/03	3/31/03
REVENUES (MOR-6)	\$ 42,522,545	\$ 36,364,891	\$ 37,758,291	\$ 37,942,000	\$ 32,259,076	\$ 47,654,178	\$ 41,390,981
EXPENSES (MOR-6)	\$ 13,541,752	\$ (621,434)	\$ (2,084,891)	\$ 343,876,220	\$ (1,536,473)	\$ 3,401,399	\$ 1,623,872
INCOME (LOSS) (MOR-6)	\$ 6,428,456	\$ (5,034,848)	\$ (6,583,967)	\$ (7,138,000)	\$ (3,030,446)	\$ (1,013,483)	\$ (86,743)
ADJUSTMENTS TO INSIDERS (MOR-9)	\$ 131,592	\$ 470,408	\$ 770,503	\$ 239,256	\$ 1,734,175	\$ 64,742	\$ 117,867
ADJUSTMENTS TO PROFESSIONALS (MOR-9)	\$ 362,823	\$ 1,723,130	\$ 2,754,975	\$ 2,071,028	\$ 6,041,420	\$ 3,754,586	\$ 2,904,526
TOTAL NET DISBURSEMENTS (MOR-7)	\$ 67,752,947	\$ 89,553,648	\$ 70,273,874	\$ 343,876,220	\$ 47,260,040	\$ 39,724,838	\$ 47,372,567

includes intercompany and former company transfers as follows:

\$ 15,653,136 \$ 16,106,931 \$ 21,216,572 \$ 146,454,927 \$ 496,707,655 \$ 141,000,271 \$ 396,755,874

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee***

REQUIRED INSURANCE MAINTAINED

DATE OF SIGNATURE DATE

See attachment 2

EXP.

DATE

SQUALITY YES (x) NO () 08 - 01 - 02
 LIABILITY YES (x) NO () 07 - 01 - 02
 FIDELITY YES (x) NO () 07 - 01 - 02
 WORKER'S YES (x) NO () 07 - 01 - 02
 OTHER YES (x) NO () various

Are all accounts receivable being collected within terms? NO

Are all post-petition liabilities, including taxes, being paid with terms? YES

Have any pre-petition liabilities been paid? No If so, describe

Are all funds received being deposited into DIP bank accounts? YES

Were any assets disposed of outside the normal course of business? NO

Are all U.S. Trustee Quarterly Fee Payments current? YES

What is the status of your Plan of Reorganization? Our Plan of Reorganization

became effective on December 19, 2002.

I certify under penalty of perjury that the following complete
Monthly Operating Report (MOR), consisting of MOR-1 through
MOR-9 plus attachments, is true and correct

Signed

John R. Beas
ORIGINAL SIGNATURE

Title

Vice President and Corporate Controller

TORNEY NAME: Jeff Spiers
 FIRM: Andrews & Kurth LLP
 ADDRESS: 600 Travis
 ADDRESS: Suite 4200
 CITY, STATE ZIP: Houston, TX 77002
 TELEPHONE: 713-220-4103

CASE NAME: Sterling Chemicals, Inc.

CASE NUMBER: 01-37806-H4-11

Coverage	Policy Period	Policy No.	Limits	Carrier	Paid Through
----------	---------------	------------	--------	---------	--------------

ment 2

**SUMMARY OF COVERAGES
FOR STERLING CHEMICALS HOLDINGS, INC.**

No.	Type of Insurance	Amount/Limits	Insurance Co.	Term	Expires	Exposure Base	Annual Premium
1	Workers Compensation	Statutory - \$1,000,000 Employers Liability. Ded. \$250,000 per accident.	American Guar. Zurich US	1 year	7/1/03	Total annual remuneration	\$239,650 - Audit at expiration. (Plus all losses within deductible. (AFCO)
2	Automobile Liability	\$2,000,000 ea. occurrence. Ded. \$25,000 per occurrence.	American Guar. Zurich Amer.	1 year	7/1/03	Number of vehicles owned and leased	\$96,876 (AFCO)
3	Excess Liability Excess to \$1 Million SIR	\$5,000,000 ea. occurrence and aggregate. Excess \$1,000,000 GL \$2,000,000 AL	Primex, Ltd	1 year	7/1/03	Annual revenues and remuneration	\$607,121 Annual - Half on 7/1/01; 1/2 on 1/1/02.
4	Excess Liability	\$20,000,000 ea. loss and aggregate.	Primex, Ltd. (Reinsured through Munich Re.)	1 year	7/1/03	Included	Included
5	Excess Liability	\$50,000,000 ea. loss and aggregate.	Gerling Global	1 year	7/1/03	Flat charge - based on exposures and risk potential	\$495,000 (AFCO)
6	Excess Liability	\$50,000,000 ea. loss and aggregate.	Zurich Energy - London	1 year	7/1/03	Flat charge - based on exposures and	\$310,000 (AFCO)
7	Excess Liability	\$50,000,000	Swiss Re	1 year	7/1/03	Flat charge	\$280,000 (AFCO)
8	Excess Liability	\$50,000,000	Zurich Ins	1 year	7/1/03	Flat Charge	\$200,000 (AFCO)

12. Type of Insurance	Amount/Limit	Insurance Co.	Term	Expiry	Exclusions/Class	Annual Premium
9 Excess Liability	\$100,000,000	Starr Excess	1 year	7/1/03	Flat Charge	\$300,000 (AFCO)
10 Marine Terminal Operators Liability and Charterer's Legal Liability	\$50,000,000 ea. occurrence. Ded. \$25,000 per occurrence \$100,000 pollution per occurrence.	New Hampshire Ins. & NY M&G.	1 year	7/1/03	Based on volume throughput and no. chartered vessels.	\$51,850 Min. premium & deposit. (AFCO)
11 Excess Marine Liability	\$24,000,000 excess of MTO, CLL, P&L	XL Specialty Brockbank & Liberty Und.	1 year	7/1/03	Volume thru put & vessels docked.	\$34,425 (AFCO)
12 Excess Marine Liability	\$25,000,000 excess \$24,000,000	XL Specialty Brockbank & N.Y. Marine Gen. Ins.	1 year	7/1/03	Flat	\$21,250 (AFCO)
13 Property Damage, Business Interruption and Boiler & Machinery	\$500 million combined all-risk. Sublimits: Flood - \$100 mil., Earthquake - \$100 mil., \$10 mil extra expense.	Munich Re: FM Global, et al.	1 year	8/1/03	Property Values - PD Income values - BI PML, fire protection available, many other factors	\$6,500,000 + Tax (AFCO)
14 Directors & Officers Liability	\$15,000,000 each loss and each policy year. Ded. \$1,000,000 Corp. Reimb.	National Union Indemnity	1 year	8/1/03	Various	\$444,650
15 Excess Directors & Officers Liability	\$10,000,000 excess of Primary D&O	Hartford	1 year	8/21/03	Various	\$275,000
16 Directors & Officers Liability	\$10,000,000	XL Specialty Ins Co	1 year	8/21/02	Various	\$170,000

No.	Type of Insurance	Amounts/Limits	Insurance Co.	Term	Expiry	Exposure Basis	Annual Premium
17	Employee Dishonesty & Depositor's Forgery	\$5,000,000 each Insuring Agreement. Ded. \$50,000.	Texas Pacific Chubb	1 year	10/1/02	Various	\$14,450
18	Hull & Machinery and Protection & Indemnity	Barge Hull Value (M-25 =) Ded. \$5,000 per loss. \$1,000,000 P&I	Great American Insurance Co. of NY	1 year	7/1/03	Hull & Machinery values	\$23,852 (AFCO)
19	Pollution Insurance	Section A - \$250,000 Section B - \$5,000,000 CERCLA - \$5,000,000	Water Quality Insurance Syndicate	1 year	7/1/03	Hull gross registered tonnage	\$3,600 (AFCO)
20	Marine and Railroad Cargo	\$12,000,000 any one vessel \$1,000,000 any one barge \$1,000,000 any one rail ship. \$100,000 any one truck	Mutual Marine	1 year	Continuing	Declared shipment values	\$40,000 Annual Approx (AFCO)
21	Duty Drawback Bond	\$1,000,000	Washington International	1 year	Continuing	Limit	\$2,875
22	Fiduciary	\$10,000,000 Limit Ded. \$150,000 per occurrence	National Union	1 year	8/21/03	Various	\$49,000
23	Environmental Impairment Liability (Petrochem & Fibers)	\$4,000,000 per loss \$8,000,000 aggregate	Chubb	1 year	2/20/03	Loss Potential	\$147,831
24	Closure/Post Closure Bonds - Petrochem	\$1,995,222 Combined	Underwriters Indemnity	1 year	Continuous	Estimated Closure/Post Closure Costs	\$40,610

ANNUAL TOTAL:

*Total fluctuates due to cargo premiums dependence upon volume of CIF export shipments and annual audits of Worker's Compensation and Marine Terminal policies

STERLING CHEMICALS, INC.
Consolidating Balance Sheet
For the Period Ended March 31, 2003
(In Thousands) (Unaudited)

ASSETS

Current Assets:

Cash and cash equivalents \$ 75,123 \$ 75,123
Trade accounts receivable, net 59,057 59,172
Other Receivables 490 490
Inventories 39,253 39,253
Prepaid expenses 5,440 5,440
Deferred income tax benefit 2,546 2,546
Total current assets 181,909 182,024

Property, plant and equipment, net 275,864 279,191
Deferred income taxes - -
Investments-Third Party 1,500 7,204
Other assets 15,088 15,088

Total assets

\$ 474,381 \$ 9,146 \$ 483,507

LIABILITIES AND STOCKHOLDERS' EQUITY

Post Petition liabilities (MOR-4)
Pre-Petition liabilities

248,219 282 248,501

Redeemable preferred stock

Stockholders' equity:

Common stock, \$.01 par value 28 28
Additional paid-in capital 201,128 209,320
Retained earnings-Filing Date (212,503) (197,170)
Retained earnings-Post Filing Date 206,113 (14,861)
Pension adjustment - -
Accumulated translation adj. - -
Deferred compensation - -

31,376 - 31,376

Treasury stock at cost

Total stockholders' equity

194,768 8,864 203,630

Total liabilities and equity

\$ 474,381 \$ 9,146 \$ 483,507

¹ Sterling Chemicals Holdings, Inc. was merged into Sterling Chemicals, Inc. on December 6, 2002

CASE NAME: Sterling Chemicals, Inc.

CASE NUMBER: 01-37806-H4-11

SCHEDULE OF POST-PETITION LIABILITIES

	9/30/02	10/31/02	11/30/02	12/31/02	1/31/03	2/28/03	3/31/03
ADE ACCOUNTS PAYABLE	\$ 67,655	\$ 73,489	\$ 71,657	\$ 18,658	\$ 23,194	\$ 36,142	\$ 30,261
ROYALTY AND REVENUE PAYABLE	-	-	-	-	-	-	-
INTERESTS PAYABLE - INSURANCE	-	-	-	-	-	-	-
OTHER TAXES PAYABLE:	-	-	-	-	-	-	-
- Federal Payroll Taxes	-	-	28	(364)	-	-	(3)
- State Payroll & Sales	56	95	51	79	-	32	121
- Ad Valorem Taxes	-	-	-	-	-	-	-
- Other Taxes	5,141	5,275	4,545	4,710	1,269	1,676	-
TOTAL TAXES PAYABLE	\$ 5,197	\$ 5,370	\$ 4,624	\$ 4,425	\$ 1,269	\$ 1,708	\$ 118
CURED DEBT POST-PETITION	57,242	32,404	35,200	94,275	94,275	94,275	94,275
CURED INTEREST PAYABLE	513	607	781	343	1,155	1,929	2,719
ACCURED PROFESSIONAL FEES:	8,989	10,078	9,807	11,064	4,423	1,249	-
OTHER ACCRUED LIABILITIES:	-	-	-	-	-	-	-
- General and Administrative Costs	46,721	46,525	45,930	113,640	110,292	110,713	120,848
- Lease Operating Expenses/Capital	-	-	-	-	-	-	-
TOTAL POST-PETITION LIABILITIES (MOR-3)	186,317	168,473	167,999	242,405	234,608	246,016	248,219

Payment Requires Court Approval.

MOR-4

CASE NAME: Sterling Chemicals, Inc.
CASE NAME: Sterling Chemicals Energy, Inc.

CASE NUMBER: 01-37806-H4-11
CASE NUMBER: 01-37807-H4-11

AGING OF POST-PETITION LIABILITIES

MONTH March 2003

(in thousands)

DAYS	TOTAL	TRADE ACCTS	FED TAXES	STATE TAXES	AD-VALOREM, OTHER TAXES	ROYALTY AND INSURANCE
0-30	\$ 248,501	\$ 248,383	\$ (3)	\$ 121	\$ -	\$ -
31-60						
61-90						
91 +						
TOTAL	\$ 248,501	\$ 248,383	\$ (3)	\$ 121	\$ -	\$ -

AGING OF ACCOUNTS RECEIVABLE¹

MONTH						
0-30	\$ 61,321	\$ 61,321	\$ -	\$ -	\$ -	\$ -
31-60	366	366	-	-	-	-
61-90	368	368	-	-	-	-
91 +	11,820	11,820	-	-	-	-
TOTAL	\$ 73,875	\$ 73,875	\$ -	\$ -	\$ -	\$ -

¹ Days outstanding from invoice due date.

MOR-5

CASE NAME: STERLING CHEMICALS, INC
For the period ending March 31, 2003

STATEMENT OF INCOME (LOSS)

MONTH	Sterling Chemicals, Inc.¹ 01-37806-H4-11	Sterling Chemicals Energy, Inc. 01-37807-H4-11	Sterling Chemicals, Inc.¹ CONSOLIDATED
REVENUES (MOR-1)	\$ 41,390,981	\$ 407,936	\$ 41,798,917
TOTAL COST OF REVENUES	37,866,097	407,936	38,274,033
GROSS PROFIT	\$ 3,524,884	\$ -	\$ 3,524,884
OPERATING EXPENSES:			
Selling, General & Administrative	\$ 1,876,278	\$ -	1,876,278
Insiders Compensation	117,867	-	117,867
Other (Earnings in Joint Venture)	(93,133)	93,133	-
			-
TOTAL OPERATING EXPENSE	\$ 1,901,012	\$ 93,133	\$ 1,994,145
INCOME BEFORE INT. DEPR/TAX (MOR-1)	\$ 1,623,872	\$ (93,133)	\$ 1,530,739
INTEREST EXPENSE (includes amount of debt fees)	116,647	-	116,647
DEPRECIATION	2,197,628	-	2,197,628
OTHER (INCOME) EXPENSES*	976,000	-	976,000
OTHER ITEMS**	-	-	-
TOTAL INT. DEPR & OTHER ITEMS	\$ 3,290,275	\$ -	\$ 3,290,275
NET INCOME BEFORE TAXES	\$ (1,666,403)	\$ (93,133)	\$ (1,759,536)
INCOME TAXES	(1,569,660)	(29,655)	(1,599,315)
NET INCOME (LOSS) (MOR-1)	\$ (96,743)	\$ (63,478)	\$ (160,221)

¹ Sterling Chemicals Holdings, Inc. was merged into Sterling Chemicals, Inc. on December 6, 2002

Accrual Accounting Required, Otherwise Footnote With Explanation

* Working capital adjustment for Superior Propane

** Unusual and/or frequent item(s) outside the ordinary course of business, requires footnote

CASE NAME: STERLING CHEMICALS, INC.

CASE NUMBER: 01-37806-H-11

CASH RECEIPTS AND DISBURSEMENTS	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	FILING TO DATE
1. CASH-BEGINNING OF MONTH	155,243	10,216,056	(464,035)	3,138,417	99,817,319	83,985,078	74,243,696	9,346,546
RECEIPTS:								
2. CASH SALES	-	-	-	-	-	-	-	-
3. COLLECTION OF ACCOUNTS RECEIVABLE	41,624,865	45,651,554	34,654,152	46,499,846	30,999,813	30,461,598	41,683,467	658,719,734
4. LOANS & ADVANCES - CIT REVOLVER	39,000,000	38,200,000	44,100,000	30,800,000	-	-	-	621,200,000
5. SALE OF ASSETS	-	-	-	363,101,849	-	-	-	363,101,849
6. OTHER (attach list)	12,842,031	11,128,933	16,338,746	199,509,075	497,135,641	140,522,129	403,198,889	1,449,414,689
TOTAL RECEIPTS	93,466,896	94,980,488	95,092,898	639,910,770	528,135,454	170,983,726	444,882,357	3,082,436,272
(Withdrawal) Contribution by Individual Debtor MFR-2*	N/A	N/A	N/A	N/A	-	-	-	N/A
DISBURSEMENTS:								
7. NET PAYROLL	2,316,573	2,368,581	425,523	3,861,640	3,475,297	2,112,893	2,055,544	42,489,111
8. PAYROLL TAXES PAID	763,168	1,084,046	1,350,343	728,003	1,613,681	808,885	988,261	19,389,637
9. SALES, USE & OTHER TAXES PAID	-	134,653	94,559	135,494	3,954,031	-	37,259	12,165,813
10. SECURED RENTAL/LEASES	114,647	182,652	341,686	2,807,756	120,931	188,263	134,970	5,814,013
11. UTILITIES	4,443,473	4,507,855	4,141,167	5,152,718	9,775,628	2,640,194	8,550,713	86,207,070
12. INSURANCE	682,576	682,576	1,350,072	1,350,072	1,479,320	194,631	673,015	15,665,171
13. INVENTORY PURCHASES	20,626,111	16,705,209	18,460,459	18,394,417	11,552,337	22,463,980	21,845,320	315,132,970
14. VEHICLE EXPENSES	-	-	-	-	-	-	-	-
15. TRAVEL & ENTERTAINMENT	56,335	53,598	107,208	61,605	19,024	48,530	28,597	1,000,860
16. REPAIRS, MAINTENANCE & SUPPLIES	1,434,386	1,448,005	2,218,680	3,758,844	2,981,377	3,672,661	3,272,800	49,363,777
17. ADMINISTRATIVE & SELLING	3,707,187	2,623,594	2,419,459	1,674,886	2,888,431	1,678,129	4,698,273	57,703,780
18. OTHER (attach list)	48,898,803	74,496,700	57,576,315	212,373,779	500,066,219	143,162,348	398,959,163	2,098,978,389
TOTAL DISBURSEMENTS FROM OPERATIONS	83,043,260	104,287,449	88,485,471	250,299,021	537,926,275	176,970,523	441,223,915	2,704,908,501
19. PROFESSIONAL FEES	362,823	1,076,880	2,754,975	2,071,028	5,992,870	3,754,588	2,904,526	30,108,547
20. U.S. TRUSTEE FEES	-	46,250	-	-	48,750	-	-	283,250
21. OTHER REORGANIZATION EXPENSES (attach list)	-	250,000	250,000	290,861,818	-	-	-	281,486,818
TOTAL DISBURSEMENTS	83,406,083	105,660,579	91,490,446	543,231,867	543,967,895	180,725,109	444,128,441	3,028,785,207
22. NET CASH FLOW	10,060,813	(10,680,091)	3,602,453	96,678,902	(15,832,241)	(9,741,382)	753,915	65,651,065
23. CASH - END OF MONTH (MOR-2)	10,216,056	(464,035)	3,138,417	99,817,319	83,985,078	74,243,696	74,997,611	74,997,611

MOR-7

CASE NAME: STERLING CHEMICALS, INC.

CASE NUMBER: 01-37806-H-11

OTHER CASH RECEIPTS AND DISBURSEMENTS:		Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	FILING TO DATE
6. OTHER RECEIPTS:									
Interest Income		-	-	-	49,668	98,776	76,935	61,784	367,464
401(k) Plan Refund		-	-	-	-	-	-	-	-
Cobra Insurance Payment		-	-	-	-	-	-	-	-
Miscellaneous		115,953	70,287	102,469	98,802	1,458,522	1,339,182	7,555,063	13,884,226
New Equity		-	-	-	59,983,000	-	-	-	59,983,000
Emission Credits		-	-	-	-	-	-	-	-
Account Transfers		10,293,339	10,256,352	15,429,531	138,586,410	495,503,280	139,106,011	395,582,042	1,359,344,570
Intercompany Transfers		2,432,738	802,294	806,746	791,195	75,062	-	-	15,835,428
TOTAL OTHER RECEIPTS		12,842,031	11,128,933	16,338,746	199,509,075	497,135,641	140,522,129	403,198,889	1,449,414,889
18. OTHER DISBURSEMENTS:									
Lease Operating Expense		-	-	-	-	-	-	-	-
Workover Expense		-	-	-	-	-	-	-	-
Capital Expenditures		219,678	468,375	308,040	633,044	520,288	655,980	716,133	10,511,449
Revenue & Royalties		-	-	-	-	-	-	-	-
Interest Payment		-	-	-	-	33,050	54,830	44,001	229,043
Employee Benefits		1,198,033	1,905,173	1,282,714	2,206,010	2,805,228	1,451,266	1,443,155	37,815,978
Severance tax		-	-	-	-	-	-	-	-
Pre-petition checks voided in current period		-	-	-	-	-	-	-	(30,000)
Account Transfers		10,293,339	10,256,352	15,382,622	136,275,850	495,306,865	139,102,994	395,400,229	1,356,805,855
CIT Revolver Payments		31,827,957	56,017,221	34,768,989	63,079,798	-	-	-	592,245,474
Intercompany Transfers		5,359,797	5,849,579	5,833,950	10,179,077	1,400,789	1,897,277	1,355,846	102,508,592
TOTAL OTHER DISBURSEMENTS		48,898,803	74,496,700	57,576,315	212,373,770	500,088,219	143,182,348	398,959,183	2,099,976,389

MOR-7 Attachment

CASE NUMBER: 01-J7806-H-11

MOR-7 Attachment

CASE NUMBER: 01-37206-H-11

CASH ACCOUNT RECONCILIATION
MONTH OF **March 2003**

[illegible]

MOR-3

PAYMENT TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(1)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, list insiders identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary.)

INSIDERS NAME/POSITION/COMP TYPE (1)	Sep-2002	Oct-2002	Nov-2002	Dec-2002	Jan-2003	Feb-2003	Mar-2003	FILING TO DATE
1 Frank Dasso/Chairman of Board/Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,500
2 Frank Dasso/Chairman of Board/Bonus								
3 Frank Dasso/Chairman of Board/Expenses								
4 Frank Dasso/Chairman of Board/Retirement								45,183
5 David Ekins/President/Salary	30,333	30,333	30,333	133,933	30,333	3,233		557,184
6 David Ekins/President/Bonus/Severance	21,875	136,500	273,000	21,875	1,654,930			2,333,468
7 David Ekins/President/Expenses	181		71	4,245		2,718		22,362
8 David Ekins/President/Insurance								3,629
9 Richard Crump/Exec VP Oper/Salary	27,917	27,917	27,917	27,917	27,917	27,917	30,417	471,557
10 Richard Crump/Exec VP Oper/Bonus	20,825	126,625	261,250	20,825				605,930
11 Richard Crump/Exec VP Oper/Expenses		30	6,627		334	126	100	33,302
12 Paul Vanderhove/VP Finance & CFO/Salary	18,333	18,333	18,333	18,333	18,333	18,333	19,083	305,747
13 Paul Vanderhove/VP Finance & CFO/Bonus	10,000	79,200	158,400	10,000				367,800
14 Paul Vanderhove/VP Finance & CFO/Expenses			244			83		20,706
15 Robert Roten/Former Pres & Board Member/SERP	2,328	2,328	2,328	2,328	2,328	2,328	2,328	39,576
16 Robert Roten/Former Pres & Board Member/Consulting fee								30,000
17 Robert Roten/Former Pres & Board Member/BOD fee		20,000				10,000	5,000	73,900
18 Rolf Tower/Board Member/BOD fees		7,050						27,550
19 Rolf Tower/Board Member/Expenses		5,962						21,725
20 Hunter Nelson/Board Member		10,450						31,950
21 Frank Hendry/Board Member		7,050						31,350
22 Ken Hale, Secretary/Salary							15,633	15,633
23 Ken Hale, Secretary/Bonus							8,750	8,750
24 Ken Hale, Secretary/Expenses							11,417	11,417
25 John Beaver/Vice President/Salary							4,688	4,688
26 John Beaver/Vice President/Bonus							1,568	1,568
27 John Beaver/Vice President/Expenses							10,250	10,250
28 Bruce Moore/Treasurer/Salary							2,750	2,750
29 Bruce Moore/Treasurer/Bonus							5,563	5,563
30 Keith Holdsworth/Asst Secretary/Salary								
TOTAL INSIDERS (MOR-1)	\$ 131,562	\$ 470,406	\$ 770,503	\$ 239,258	\$ 1,734,175	\$ 64,742	\$ 117,687	\$ 5,146,378

PROFESSIONALS NAME/ORDER DATE	Sep-2002	Oct-2002	Nov-2002	Dec-2002	Jan-2003	Feb-2003	Mar-2003	FILING TO DATE
1 Logan & Company, Inc	\$ 5,538.58	\$ 19,862	17,460	89,114	89,028	85,473	3,307.21	217,008
2 Andrews & Kurth LLP	128,654.51	100,347	287,097	315,082	344,458	356,817	233,227.83	2,250,211
3 US Trustee		48,250			48,750			184,260
4 Shadden, Apps, Slate, Meagher & Flinn LLP		472,713	945,048	735,059		1,833,648	468,182.29	4,153,205
5 Alun Gump Straus	28,235.40	17,599	160,402	207,147		88,705		1,140,810
6 Arthur Andersen								483,048
7 Lezard Freese & Co. LLC	136,320.86	135,329	198,082	135,152			2,183,279.44	2,087,736
8 Baker & Botts		6,460	19,524	403,000		52,551		833,484
9 Groom Law Group	28,969.65	26,769	21,735	50,882	33,475	44,471	26,354.04	178,268
10 Naxent, Inc	35,073.89		25,348	7,032	30,308	181,077		318,857
11 Greenhill & Co			971,427		5,352,186	708,902		2,073,102
12 Deloitte & Touche (2)		297,751	128,873	146,740	163,210	303,841	9,180.00	478,824
TOTAL PROFESSIONALS (MOR-1)	\$ 362,823	\$ 1,123,130	\$ 2,754,875	\$ 2,071,028	\$ 8,041,420	\$ 3,754,566	\$ 2,604,526	\$ 14,188,512

(1) The Debtor has limited the scope of its answer to (i) Directors, (ii) Officers designated as insiders for purposes of Section 101(1)(A)-(F) of the Bankruptcy Code and Exchange Act of 1934, (iii) officers and (iv) parties to the Voting Agreement granting authority to designated the restrictions who benefit from the Voting Agreement. Information on the officers who are not designated as insiders for purposes of Section 101(1)(A)-(F) of the SEC Act of 1934 has been compiled by the Debtor and will be provided to the Office of the United States Trustee and to the Court for the Official Committee of Unsecured Creditors upon request. Such information primarily relates to compensation, benefits, and expense reimbursements payments made to such officers or employees of the Debtor. It is the policy of the Debtor to preserve the confidentiality of such information on behalf of its employees.

(2) October 2002 figure includes payments made in prior periods not yet included in this MOR.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 03-10471
Chapter 11

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES

(Name of Debtors)

Monthly Operating Report for the
Period May 1, 2003 through May 31, 2003

Debtors' Address
1 Castle Street
Castletown, Isle of Man
IM9 1LF British Isles

Kasowitz, Benson, Torres & Friedman LLP

(Debtors' Attorneys)

Report Preparer:

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

Date: June 16, 2003

/s/ Mirko Wojcik
Name: Mirko Wojcik
Title: Chief Financial Officer
Navigator Gas Management Ltd

Indicate if this is an amended statement by checking here

AMENDED STATEMENT ☐

*All amounts herein are preliminary and subject to revision. The Debtors reserve all rights to revise this report.

NAVIGATOR HOLDINGS PLC
unaudited consolidated balance sheets in US \$
for the period from 1 May 2003 up to 31 May 2003

	5/31/2003 \$	4/30/2003 \$
ASSETS		
Restricted cash and cash equivalents	4,722,631	3,137,204
Accounts receivable net of allowance for doubtful accounts of \$ 0 - 5/31/2003 and \$ 0 - 4/30/2003	3,690,818	5,222,683
Vessels in operation, less accumulated depreciation	182,096,296	182,651,852
Prepaid expenses	1,458,348	1,492,493
Deferred financing costs - net of accumulated amortization	7,728,251	7,824,697
	<u>199,696,344</u>	<u>200,328,929</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Drawings on letter of credit	47,636,322	47,636,322
10 1/2% first priority ship mortgage notes due 2007	217,000,000	217,000,000
12% second priority ship mortgage notes due 2007, net of discount of \$4,529,411 and \$4,586,723	103,370,589	103,313,277
Accounts payable and other liabilities	1,432,198	1,941,470
Interest payable	30,604,973	27,507,030
Total liabilities	<u>400,044,082</u>	<u>397,398,099</u>
Stockholders' equity (deficiency)		
Common stock - par value \$.01		
Authorized - 3,000,000 shares		
Issued and outstanding - 2,000,000 shares	20,000	20,000
Additional paid-in capital - common stock	30,940,000	30,940,000
Additional paid-in capital - warrants	7,740,000	7,740,000
Accumulated deficit	(239,047,738)	(235,769,170)
Total stockholders' equity (deficiency)	<u>(200,347,738)</u>	<u>(197,069,170)</u>
	<u>199,696,344</u>	<u>200,328,929</u>

NAVIGATOR HOLDINGS PLC

unaudited consolidated statement of operations and accumulated deficit in US \$
for the period from 1 May 2003 up to 31 May 2003

	01/05/2003 - 31/05/2003 \$	01/01/2003 - 30/04/2003 \$
Operating revenues	2,343,556	12,820,437
Direct operating expenses	<u>(1,448,994)</u>	<u>(6,000,959)</u>
Gross profit from direct operations	<u>894,562</u>	<u>6,819,478</u>
Expenses		
Interest expense	3,199,468	12,770,658
Depreciation of vessels	555,556	2,222,222
Administration and technical management fees	105,000	417,800
Address, brokerage and commercial management fee	9,971	291,591
Amortization - deferred financing costs	96,447	385,786
Amortization - warrants	57,312	229,248
Other expenses (incl. legal fees of \$255,358 - 5/31/2003 and \$167,686 - 4/30/2003)	97,057	301,771
Letter of credit fee	<u>52,929</u>	<u>199,457</u>
Total expenses	<u>4,173,740</u>	<u>16,818,533</u>
Net loss before interest income	<u>(3,279,178)</u>	<u>(9,999,055)</u>
Other revenues		
Interest income	<u>611</u>	<u>1,547</u>
Total other revenues	<u>611</u>	<u>1,547</u>
Net loss	(3,278,567)	(9,997,508)
Accumulated deficit - beginning	<u>(235,769,170)</u>	<u>(225,771,662)</u>
Accumulated deficit - end	<u>(239,047,737)</u>	<u>(235,769,170)</u>

NAVIGATOR HOLDINGS PLC

unaudited consolidated statements of cash flows in US \$
for the period from 1 May 2003 up to 31 May 2003

	5/31/2003 \$	4/30 2003 \$
Cash flows from operating activities		
Net loss	<u>(3,278,567)</u>	<u>(9,997,508)</u>
Adjustments to reconcile net loss to net cash		
Provided by (used in) operating activities		
Depreciation of vessels	555,556	2,222,221
Impairment of vessels		
Amortization expense	153,759	615,034
Penalties on vessels' delivery	-	-
Interest expense paid by issuance of payments-in-kind	-	-
Provision for doubtful accounts	-	-
Decrease (Increase) in accounts receivable	1,531,863	(2,582,304)
Decrease (Increase) in prepaid expenses	34,144	(363,298)
Increase in interest payable/(accrued interest)	3,097,943	12,357,566
(Decrease) Increase in accounts payable and other liabilities	<u>(509,271)</u>	<u>496,539</u>
Total adjustments	<u>4,863,994</u>	<u>12,745,758</u>
Net cash provided by (used in) operating activities	<u>1,585,427</u>	<u>2,748,250</u>
Cash flows from financing activities		
Proceeds from drawings on letter of credit	-	-
Repayment of drawings on letter of credit		
Net cash provided by (used in) financing activities	<u>0</u>	<u>0</u>
Cash flows from investing activities		
Payments made under vessel construction contract	-	-
Interest capitalized	-	-
Other capitalized costs of vessels	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in restricted cash and cash equivalents	1,585,427	2,748,250
Restricted cash and cash equivalents - beginning	<u>3,137,204</u>	<u>388,954</u>
Restricted cash and cash equivalents - end	<u>4,722,631</u>	<u>3,137,204</u>

Supplemental Information:

Total interest paid during period	101,525	522,467
Capitalized interest		
Interest paid, net of capitalized interest	<u>101,525</u>	<u>522,467</u>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re :
NAVIGATOR GAS TRANSPORT PLC, et al., : Case No. 03-10471 (CB)
Debtors. : Jointly Administered
-----X

MAY 1, 2003 THROUGH MAY 31, 2003
DISBURSEMENT SCHEDULE

DEBTOR	DISBURSEMENTS DURING MAY 2003
Navigator Gas Transport PLC	\$151,146.09
Navigator Holdings PLC	\$0
Navigator Gas (IOM I-A) Ltd.	\$410,172.63
Navigator Gas (IOM I-B) Ltd.	\$403,416.37
Navigator Gas (IOM I-C) Ltd.	\$449,170.60
Navigator Gas (IOM I-D) Ltd.	\$483,143.37
Navigator Gas (IOM I-E) Ltd.	\$323,900.21

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
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Note 1 - Description of Operations

Nature of Operations

Navigator Holdings PLC is an Isle of Man public Limited company. The Company was formed for the purpose of owning 100% of Navigator Gas Transport PLC (the "Issuer"), issue the warrants to the holders of the second priority notes (see Note 3) and make an equity contribution to the Issuer (see Note 8).

Navigator Gas Transport PLC has been formed as an Isle of Man public limited company for the purpose of establishing, owning and financing five subsidiaries, Navigator Gas (IOM I-A) Limited, Navigator Gas (IOM I-B) Limited, Navigator Gas (IOM I-C) Limited, Navigator Gas (IOM I-D) Limited and Navigator Gas (IOM I-E) Limited (individually referred to as the "Owner", or collectively, the "Owners"). Each Owner has been formed as an Isle of Man private limited company for the purpose of building and operating one of five semi-refrigerated 22,000 cubic meters liquefied ethylene gas carriers (the "Vessels"). The operations of the Issuer will be limited to owning the Owners, receiving payments under the intercompany note, making payments of interest and principal on the notes, and fulfilling its obligations under the indentures, the intercreditor agreement, the letter of credit reimbursement agreement and the registration agreement. Between the issue date and the delivery date of each Vessel, the operation of each Owner had consisted solely of, entering into commercial arrangements in relation to the future operation of the vessels, managing the construction of the vessels, making payments of the management fees, paying installments under the building contracts, fulfilling its obligations under the management agreement, and guarantee. On and after the delivery of each vessel, the operation of each Owner has and will consist solely of operating, maintaining, insuring and using the Vessel and conducting activities related thereto, receiving payment under charters, contracts of affreightment and other contracts relating to the employment of its Vessel, receiving proceeds from the sale (if any) of its Vessel, making payments of interest and principal on the intercompany notes and any other permitted indebtedness, making payments of management fees, fulfilling its obligation under the management agreement and guarantee.

All the vessels were delivered and certified by Germanischer Lloyd during 2000 as meeting class specifications mandated by the Agreement on Contract for Technical Matters. The Vessels are intended to operate world-wide, but have primarily been operating to date along the following routes: from the Arabian Gulf to India and Southeast Asia, from the Arabian Gulf to Australia, from the Arabian Gulf to the Gulf of Mexico, across the Mediterranean Sea and from the Mediterranean Sea to northwestern Europe, and across the southeast Asia region. The Company has been carrying additional insurance for war risks since September 11, 2001 for vessels on routes considered to be susceptible to such risks.

Bankruptcy Proceedings

On January 27, 2003, Navigator Gas Transport PLC, Navigator Holdings PLC, Navigator Gas (IOM I-A) Limited, Navigator Gas (IOM I-B) Limited, Navigator Gas (IOM I-C) Limited, Navigator Gas (IOM I-D) Limited and Navigator Gas (IOM I-E) Limited filed voluntary petitions to reorganize under chapter 11 in United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors are operating their businesses as debtors-in-possession. On February 6, 2003, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed a statutory committee of unsecured creditors (the "Committee") to represent the interests of the Debtors' unsecured creditors. The Committee has a

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
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right, among other things, to review and object to certain business transactions and may participate in the formulations of the Company's long-term business plan and plan of reorganization

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. No reconciliation to generally accepted accounting principles (GAAP), as required by Form 20-F under The Securities Exchange Act of 1934, is necessary.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, the Issuer and the Owners. All intercompany accounts and transactions have been eliminated in consolidation.

Vessels in Operation

The cost of the vessels, which includes the capitalization of interest incurred during the period of the vessels' construction, contract payments to the builders, and other costs such as design and technical supervision, is capitalized, and has been charged to earnings since the delivery of the vessels in 2000, after an adjustment for the recognition of impairment losses, using the straight-line method of depreciation over the estimated useful lives of the vessels, which is thirty years

Impairment of Vessels

In accordance with SFAS No. 121 (U.S.), long-lived assets, such as the vessels, should be reviewed for impairment when market conditions indicate a significant decrease in the assets' market value. An impairment loss should be recognized when the sum of the expected future cash flows (undiscounted and without interest) from the asset is less than the carrying amount of the asset. An impairment loss should be recorded equal to the amount by which the assets' carrying amount exceeds its fair value. Fair value is the net present value of future cash flows discounted by an appropriate discount rate. It is at least reasonably possible that future events occurring within the near-term may require the recognition of an additional impairment loss.

Debt Issue Costs

Debt issue costs comprise expenses incurred in connection with the issuance of ship mortgage notes. Such costs (deferred financing costs and warrants) are being amortized over the life of the ship mortgage notes using the effective interest method.

Fair Value of Financial Instruments

The methods and assumptions used in estimating the fair values of financial instruments are as follows:

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Restricted Cash: The carrying value of the guaranteed investment contract at December 31, 2000 is stated at contract value, which approximates fair value. However, the entire balance was liquidated by January 31, 2001, which is before the maturity of the contract in 2007. As discussed in Note 14, the Company (or the collateral agent) may be subject to claims for negative or recoverable interest that may be made by Pacific Life Insurance Company, a California life insurance company with which the United States Trust Company (the collateral agent and trustee) entered into contract on behalf of the Issuer as the Indenture Trustee. Effective June 26, 2001, the Bank of New York, by acquiring the Trust Department of United States Trust Company, became the successor collateral agent and trustee.

Ship Mortgage Notes: The ship mortgage notes (the "Notes") are publicly traded securities. Due to the existing market conditions in the shipping bonds industry, the value of the Notes were negatively affected, causing them to decline in value. As of August 30, 2002, the First Priority Ship Mortgage Notes were trading at 45% of the principal amount and the Second Priority Ship Mortgage Notes were trading at 2% of the principal amount.

Accounting Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The most significant assumption and estimate relates to the fair value of the vessels and the related recognition of impairment loss.

The present accounts also include expenses for bunkers, lubeoils and stores which had not been consumed at the end of the period. These are estimated to be of the order of USD 1 million.

Income Taxes

The Company is exempt from United States federal, state and local income taxes and has been granted exemptions from the statutory 20% tax on profits required to be assessed against Isle of Man companies.

Certain entities are exempt from U.S. corporate income tax on U.S. source income from their international shipping operation if (i) their countries of incorporation exempt shipping operations U.S. persons from income tax (the "Incorporation Test") and (ii) they meet the "Ultimate Owners Test". A company meets the Ultimate Owners Test if more than 50% of the value of its stock is ultimately owned by individuals who are residents of a foreign country that exempts U.S. persons from tax on shipping earnings. The Company is involved in international shipping operations which meet the Incorporation Test because the Company is incorporated in the Isle of Man, which provides the required exemption to U.S. persons involved in shipping operations, and the Company believes that more than 50% of the value of its outstanding shares is owned by individuals who are residents of countries which provide the required exemption to U.S. persons involved in shipping operations. The issue of residence is, however, inherently factual and cannot be determined.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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Based on the foregoing, the Company expects all of its income to remain exempt from United States income tax. Accordingly, no provision for taxes, or recognition of deferred income taxes created by net operating losses available for future periods, has been made in the consolidated financial statements.

Non-monetary Transactions

The transfer of non-monetary assets to the Company by its shareholders in exchange for stock have been recorded at the transferor's market value of services performed determined under accounting principles generally accepted in the United States of America.

Cash Equivalents

For purposes of the statements of cash flows, at December 31, 2002 and at May 31, 2003, the Company's investment in a money fund is regarded as a cash equivalent.

Foreign Currency Transactions

Substantially all of the Company's cash receipts are in U.S. dollars. The Company's disbursements however are in the currency invoiced by the supplier. The Company's policy during this period has been to convert foreign currency invoices received by it into U.S. dollars at the date that the invoice is issued (not the date received or paid), and paying the amount involved in that currency. However in a number of cases this has not been possible and the company has made arrangements with the Trustee to remit funds in various currencies to avoid running outstanding balances because of currency differentials and the administrative problems involved. The exchange risk resulting from these transactions is expected to be limited.

Note 3 - Ship Mortgage Notes

The Issuer placed, on August 7, 1997, through a private placement, \$217,000,000 aggregate principal amount of 10 ½ % First Priority Ship Mortgage Notes Due 2007 (the "First Priority Notes") and together with Navigator Holdings PLC ("Holdings") placed 87,000 units ("Units"), each Unit consisting of one of the Company's 12% Second Priority Ship Mortgage Notes Due 2007 (a "Second Priority Note" and, together with the First Priority Notes, the "Notes"), in a principal amount of \$1,000 and 7.66 Warrants (each a "Warrant"). In addition, as further discussed under "Additional Notes", the Issuer issued additional Second Priority Notes (payments-in-kind) because of insufficient cash to pay the accrued interest. The total additional Second Priority Notes issued through the payments-in-kind amounted to \$20,900,000, \$10,146,800 of which was issued in 2001 and the balance of which, \$10,753,200, was issued in 2000. The total principal balance of the Second Priority Notes at September 30, 2002 amounts to \$107,900,000 (the original \$87,000,000 in addition to the payments-in-kind amounting to \$20,900,000).

The Notes are unconditionally and irrevocably guaranteed by each subsidiary of the Company (collectively, the "Guarantors"). The Notes will bear interest from August 7, 1997 (the "Issue Date") until the principal thereof is paid or made available for payment. Such interest will be payable semi-annually on June 30 and December 31 of each year, commencing December 31, 1997, to the person in whose name the relevant First Priority Notes or Second Priority Notes is registered at the close of business on the preceding June 15 and December 15.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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The Notes have priority of payment to all Company creditors except the bank funding the letter of credit, and are collateralized by (i) an assignment of each vessel; (ii) an assignment of the commercial management agreement; (iii) an assignment of the management agreement with an affiliate of the Company (including the technical management agreement), (iv) and an assignment of the earnings and issuance proceeds related to each vessel.

Additional Interest Rate

The Company has failed to register the Notes with the SEC, pursuant to the Registration Rights Agreement, and has permanently incurred additional interest at a rate of 0.5% per annum (the "Additional Interest Rate") over and above the interest rate set forth in the title of the Notes. For the period January 1, 2003 up to May 31, 2003 the additional interest expense amounted to \$564,477.

Description of Warrants

The Warrants have not been registered under the Securities Act and are subject to certain restrictions on transfer. Holders of the Warrants and the shares of the Company common stock underlying the Warrants had certain rights to require the Company to purchase such Warrants and underlying shares that would have had to have been exercised by April 30, 2002. These aforementioned rights, however, expired unexercised.

The Warrants, if exercised, would entitle the holders thereof to acquire an aggregated 666,420 shares of the Company's common stock, representing in aggregate 25% of the shares of the Company's common stock on a fully diluted basis. Unless exercised, the Warrants will automatically expire on June 30, 2007. The Warrants will be reflected on the balance sheet as a reduction of the Second Priority Notes amortized over the life of the debt using the effective interest method.

Additional Notes

As of September 30, 2000, the interest payment date following the delivery of the first vessel, cash available for distribution in the revenue account, as defined in the "Indenture Agreement", to the holder of the Second Priority Notes was insufficient to pay all accrued and unpaid interest on the Second Priority Notes. Under these circumstances, such interest may be paid through the issuance to the holder by the Issuer of additional Second Priority Notes (payments-in-kind) having an aggregate principal amount equal to the deficiency in such available cash; provided further, however, that the Issuer may not issue more than \$20.9 million in aggregate principal amount of such additional Second Priority Notes. As discussed in a preceding paragraph, the maximum \$20.9 million of the additional Second Priority Notes have been issued in total as of December 31, 2001.

Redemption

Optional Redemption

Except as set forth below, the Notes are not redeemable at the option of the Issuer prior to February 28, 2003. On and after such date, the First Priority Notes and the Second Priority Notes may be redeemed at the option of the Issuer, in whole or in part, at any time or from time to time, upon not less than 30 days' nor more than 60 days' prior notice mailed by first-class

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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mail to each holder's registered address, at the redemption prices set forth in the table below (expressed as a percentage of the principal amount thereof), plus accrued and unpaid interest to the date of redemption (subject to the right of a holder of record on the relevant record date to receive interest due on the relevant interest payment date):

If redeemed during the 12-month period commencing on June 30 of the years set forth below:	Redemption Price	
	First Priority Notes	Second Priority Notes
2002	105.75%	106.00%
2003	103.50	104.00
2004	101.75	102.00
2005 and thereafter	100.00	100.00

In addition, the First Priority Notes will prohibit the Issuer from redeeming at the option of the Issuer any Second Priority Notes while the First Priority Notes are outstanding.

Mandatory Redemption

If a vessel is subject to Total Loss (as defined in the "Indenture Agreement", dated August 7, 1997), the Notes of each series will be subject to mandatory redemption in part, on a pro rata basis, in an aggregate principal amount equal to the Allocated Principal Amount of the Notes for such vessel, at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption (subject to the right of a holder of record on the relevant record date to receive interest due on the relevant interest payment date), upon the earlier to occur of (a) the receipt of the issuance proceeds with respect to such Total Loss or (b) 60 days after such Total Loss was deemed to have occurred.

Debt Covenants

The Notes include certain covenants that, among other things, restrict distribution from the owners, and limit the ability of the Issuer and the Owners to incur additional indebtedness, pay dividends or make certain payments, sell assets, enter into certain mergers and consolidations, incur liens other than permitted liens and enter into certain transactions with affiliates.

Letter of Credit

The Issuer has entered into an Irrevocable Standby Letter of Credit Agreement (the "Agreement") with the Trustee and funding bank dated August 7, 1997, for \$50,000,000. The purpose of this Agreement is to provide security for the holders of the mortgage notes regarding the repayment of interest. The Agreement provides for two types of draws, interest draws and working capital draws. Under the terms of the Agreement, a maximum of \$45,500,000 has been allocated for interest draws and \$4,500,000 for working capital draws. The draws may only be used in certain increments and dates throughout the post-delivery periods of the vessels, as defined in the Agreement.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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At December 31, 2002 and May 31, 2003, the outstanding interest and working capital draws amounted to the following:

	<u>MAY 31,</u> <u>2003</u>	<u>DECEMBER 31,</u> <u>2002</u>
Interest	\$ 45,500,000	\$ 45,500,000
Working capital	<u>2,136,322</u>	<u>2,136,322</u>
	<u>\$ 47,636,322</u>	<u>\$ 47,636,322</u>

At December 31, 2002 a payment of \$3,600,000 was applied against outstanding interest to the 1st Priority Bondholders.

Interest on the draws is charged at LIBOR plus one and one-quarter percent (1¼%) per annum

The Issuer is required under the Agreement to pay certain annual fees to sustain the Agreement. These fees are calculated at (1¼%) of the maximum available line-of-credit amount on a daily basis. These fees amount to \$637,153 and \$252,386, net of prior and current year adjustments, for the years ended December 31, 2002 and May 31, 2003, respectively. In addition, the funding bank has received an underwriting fee of \$625,000 for the Agreement, which has been capitalized and is being amortized over the life of the mortgage notes.

Note 4 - Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents is comprised of vessel operating, pre-funding, and revenue accounts. These accounts were established in the name and under the control of the Trustee. The net proceeds of the Notes issued on behalf of the Company were deposited into the accounts in the form of a guaranteed investment contract. At December 31, 2002 and May 31, 2003, restricted cash and cash equivalents consisted of the following:

	<u>5/31/2003</u>	<u>2002</u>
Vessel operating accounts	0	\$ 388,954
Collateral account (Bank of New York)	\$ 4,722,631	
Pre-funding account	0	0
Other	<u>0</u>	<u>0</u>
Total	<u>\$ 4,722,631</u>	<u>\$ 388,954</u>

The pre-funding account was closed at the beginning of 2001 because the account related to the construction of the vessels. At the beginning of 2001, all the funds in the guaranteed investment contract were transferred into the pre-funding account and disbursed in entirety for certain construction related items and the mortgage note coupon payments.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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Note 5 – Major Customers

At December 31, 2001, balances due from two customers accounted for approximately 69% of the accounts receivable balance (one customer accounting for 46% and the other customer accounting for 23% of accounts receivable).

Note 6 – Impairment of Vessels in Operation

The decline in the market for the transportation of petrochemical gasses and derivative products since the inception of the project to build the vessels prompted the assessment of impairment in the value of the vessels at the time of their delivery in 2000. Based on facts and circumstances that affect assumptions concerning future cash flows and its risks of realization, each vessel was determined to have a net present value approximating \$40,000,000 at June 30, 2002. In accordance with the provisions of SFAS No. 121, an impairment loss for each vessel has been recognized in 2000 for the difference between each vessel's original carrying value and its fair value, which is the estimated net present value.

Note 7 – Vessels in Operation

As of December 31, 2000, all five of the Company's vessels were delivered and available for operation. The vessels each have an estimated useful life of thirty years. Details concerning original cost, amount of impairment and accumulated depreciation are as follows:

	<u>Total</u>	<u>Mars</u>	<u>Venus</u>	<u>Saturn</u>	<u>Pluto</u>	<u>Neptune</u>
Original cost	\$ 296,792,889	\$ 60,321,503	\$ 59,695,364	\$ 59,170,596	\$ 59,073,691	\$ 58,531,735
Impairment loss recognized	\$ 96,792,889	(20,321,503)	(19,695,364)	(19,170,596)	(19,073,691)	(18,531,735)
Fair value	200,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Accumulated depreciation at May 31, 2003	(17,903,702)	(4,196,296)	(3,607,407)	(3,492,592)	(3,344,444)	(3,262,962)
Net adjusted book value at May 31, 2003	<u>182,096,298</u>	<u>35,803,704</u>	<u>36,392,593</u>	<u>36,507,408</u>	<u>36,655,556</u>	<u>36,737,037</u>
Depreciation Expense – first 5 months 2003	(2,777,777)	(555,555)	(555,555)	(555,555)	(555,555)	(555,555)
Accumulated depreciation at December 31, 2002	(15,125,926)	(3,640,741)	(3,051,852)	(2,937,037)	(2,788,889)	(2,707,407)
Net adjusted book value at December 31, 2002	<u>\$ 184,874,074</u>	<u>\$ 39,635,259</u>	<u>\$ 36,948,148</u>	<u>\$ 37,062,963</u>	<u>\$ 37,211,111</u>	<u>\$ 37,292,593</u>
Depreciation expense - 2002	(6,666,667)	(1,333,333)	(1,333,333)	(1,333,333)	(1,333,334)	(1,333,334)

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8 - Stockholders' Equity

The following companies or individuals combined represent 100% ownership of Holdings and its equity contribution to the Issuer:

- (a) Cambridge Gas Transport Corporation ("CGTC") was issued 1,200,000 shares of Holdings' common stock in exchange for acting as arranger and for management services to be performed by the Manager as agent of CGTC prior to the delivery date of each vessel pursuant to the Management Agreement. CGTC also made a cash contribution to Holdings of \$10,000. During 1998, CGTC transferred 89,800 shares to various individuals. CGTC retained the voting rights to all shares. During 1999, 100% of the outstanding shares of CGTC were purchased by Arctic Gas Holding S.A.
In May 2002, Vela Energy Limited, a shareholder of Arctic Gas Holding S.A., have registered a lien on the shares of CGTC owned by Arctic Gas Holding S.A., for monies due to them from that company. As a result of a court decision in the Cayman Islands, the voting rights of these shares rest now with Vela Transport Limited, a wholly owned subsidiary of Vela Energy Limited.
- b) Arctic Gas S.A. was issued 200,000 shares of Holdings' common stock in exchange for the vessel design services contributed to the Company with a cost basis of \$10.0 million
- c) GEBAB was issued 200,000 shares of Holdings' common stock in exchange for services to be contributed to the Company during the pre-delivery period pursuant to the Technical Supervision Agreement dated August 7, 1997 and for services to be contributed under the Technical Management Agreement dated August 7, 1997. Services with a cost basis of \$1.0 million had been provided to the Company at closing. During 2001, GEBAB assigned 199,999 of its shares in Holdings to MarLink, or an affiliate thereof.
- d) Xenon Shipping, Inc. was issued 200,000 shares of Holdings' common stock in exchange for a cash contribution to the Company in the amount of \$9.3 million. On September 17, 1998, CGTC acquired 100% of Xenon Shipping, Inc.
- e) Tractebel Gas Engineering GmbH ("TGE") was issued 200,000 shares of Holdings' common stock in exchange for a cash contribution to the Company in the amount of \$10.0 million and payment by TGE to acquire the TGE Performance Bond with a cost basis of \$650,000. During the year 2000, Vela Energy Holdings Ltd. ("Vela"), a Bahamian corporation and the owner of 51% of the outstanding shares of Arctic Gas S.A., issued a put option to TGE pursuant to which Vela agrees to purchase all 200,000 shares of Holdings owned by TGE for \$1,000,000, conditioned upon the consummation of a plan of refinancing for the Company.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9 - Related Party Transactions (See Note 12)

Settlement With MarLink

Effective December 1, 2000, the Company and MarLink GmbH and certain of its affiliates agreed to settle all disputes that had arisen among them concerning, among other matters, the termination of MarLink as the Company's commercial manager by Navigator Gas Management, Ltd. (The Manager) acting on behalf of the Company, the transfer of shares of the Company, and certain claims.

Under the settlement of the dispute concerning MarLink's termination as commercial manager each of the owners (IOM I-A, IOM I-B, IOM I-C, IOM I-D and IOM I-E) were required to pay MarLink and Hong Kong, or their nominee, \$420,000 (\$2.1 million in total), without set-off or counter claims, subject to the consent required by the Collateral Agents under the Collateral Agency and Inter Creditor Agreement. The Collateral Agents did not consent to permitting the bondholders to pay the \$2.1 million obligation because the matter was not covered by the indenture agreement and because the primary obligation reposes with the stockholders; accordingly, Vela Energy Holdings Ltd. (Vela), a 51% shareholder of Arctic Gas, S.A. (a stockholder of Navigator Holdings), posted an irrevocable stand-by letter of credit in favor of MarLink to secure this obligation and the Company has not recognized the obligation in its financial statements. In addition, MarLink reached a settlement with the Manager concerning the assignment of a percentage of its commercial management fees, the payment of which is guaranteed by Vela Energy Holdings, Ltd., that has no financial affect on the Company.

The stockholder dispute settlement, which will require certain payments from Vela in the event of restructuring, and grants Vela an option (subsequently assigned to Arctic Gas S.A.) to purchase all of MarLink's shares in the Company (Navigator Holdings), does not directly affect the Company.

Note 10 - Related Party Balances (See Note 12)

At May 31, 2003, included in accounts payable and other liabilities is \$450,045 due to the Manager for fourth quarter 2002 technical and commercial management fees and for January 2003 unpaid fees.

At December 31, 2002, included in accounts payable and other liabilities is \$346,145 due to the Manager for fourth quarter 2002 technical and commercial management fees.

Note 11 - Concentration of Credit Risk

The Company has no sources for the payment of the principal and the interest on the Notes except for the restricted cash accounts held by the Trustee and discussed in Note 4. Accordingly, the Company's ability to pay debt service on the Notes is wholly dependent upon its financial condition, results of operations and cash flows when the vessels are in operation.

At May 31, 2003 and at December 31, 2002, all of the Company's cash, \$4,722,631 respectively \$388,954, was held in a money fund that was uninsured.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Vessels are chartered under either a time charter or voyage charter arrangement. Under a time charter arrangement, no security is provided for the payment of the accounts receivable; however, payment usually is received in advance. Under a voyage charter arrangement, a lien may be placed on the cargo to secure the payment of the accounts receivable, as permitted by the prevailing charter party agreement.

Note 12 - Management Agreements

Each of the Owners entered into a Management Agreement with Navigator Gas Management Limited (an Isle of Man public limited company, the "Manager"), an unconsolidated affiliate of the Company. The Manager will manage their commercial and technical operations, including providing administrative services, causing the compliance of the Owners' covenants in the Notes and monitoring the technical managers' performance under the Technical Supervision Agreement, Technical Management Agreement and Commercial Management Agreement. On May 8, 2001, the Manager concluded a new Technical Management Agreement with the Owners and on the same day the Manager also concluded a new technical sub-management agreement with Dorchester Maritime Limited. On July 14, 2001, the then existing technical management agreement with GEBAB (through its affiliate "Marlink") was terminated and the above mentioned Technical Management Agreement entered into force (in addition to the Manager's sub-management agreement). Pursuant to these agreements (including the Manager's sub-management agreement), the basis for calculating the technical management fee, which is noted below, remains unchanged from the basis that prevailed under the original agreement.

The Manager shall receive as compensation for its administrative services the sum of \$30,000 per annum per Vessel pro-rated over the period before the Vessel had been accepted by the related Owner and \$120,000 per annum per Vessel pro-rated over the period after the Vessel had been accepted by the related Owner. Brokerage fees generally are based on 2% to 2½% of gross hire revenue, and may fluctuate. In addition, commercial and technical management fees are each based on 2% of gross hire and freight revenue paid, net of the brokerage fee. For 2002 and 2003, management fee expense amounted to the following:

	<u>May 31, 2003</u>	<u>Dec 31, 2002</u>
Brokerage	\$ 301,562	\$ 363,690
Commercial	-	488,466
Administrative	397,800	600,000
Technical	<u>125,000</u>	<u>488,466</u>
Total	<u>\$ 824,362</u>	<u>\$ 1,940,622</u>

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13 – Going Concern

Since the project to build the Vessels was envisaged, the market for the transportation of petrochemical gases and derivative products has declined with the result that there is presently an under-utilization of existing capacity within the market for sea-borne trade of those gases. This decline in the market has reduced existing charter rates and demand for gas carriers generally, contributing to the substantial doubt that exists concerning the Company's ability to generate sufficient revenues to cover its costs, in particular the debt service on the notes, beyond December 31, 2002.

The Company's concentration of credit risk and present market conditions raise substantial doubt about the Company's ability to continue as a going concern. Management believes that a restructuring of the Company's debt will probably be required to permit it to continue as a going concern beyond December 31, 2002. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 14 - Contingencies

Pacific Life Insurance Company

Pacific Life Insurance Company ("Pacific Life") notified U.S. Trust Company of California, N.A. (the "Co-Collateral Agent"), in its capacity as Co-Collateral Agent for Navigator Gas Transport, PLC ("The Company"), that two guaranteed investment contracts between the Co-Collateral Agent and Pacific Life (the "GICs") require all monies in the Revenue account maintained on behalf of the Company by U.S. Trust Company of New York, as Trustee and Collateral Agent, to be deposited in accounts maintained by Pacific Life (the "Pacific Life Accounts") pursuant to the GICs until June 30, 2007. If the deposits in the Pacific Life Accounts are less than amounts set forth in a schedule attached to the GICs, negative or "Recoverable Interest" (as defined in the GICs) purportedly accrues for the benefit of Pacific Life based on formulas set forth in the GICs. In response to requests by Pacific Life that funds from the Revenue account be deposited in the Pacific Life Accounts, the Company advised the Collateral Agent that the Company was not bound by the GICs and instructed the Collateral Agent to invest funds in the Revenue account in certain permitted investments (such as the FNMA discount notes). The Trustee has advised the Company that it was complying with such instructions. The GICs are subject to a swap agreement between Pacific Life and Union Bank of Switzerland which results in a penalty chargeable to Pacific Life for early termination of the Swap. The GICs include a similar penalty chargeable to the Co-Collateral Agent in the event of the early termination of the GICs.

The Trustee has advised the Company that Pacific Life has forwarded monthly statements to the Co-Collateral Agent reflecting amounts that it claims it is owed under the GICs on account of accumulated Recoverable Interest. The Trustee has also advised the Company that if it is sued by Pacific Life it will seek indemnification from the Navigator entities under the Indentures with respect to the 10½% First Priority Ship Mortgage Notes due 2007 and with respect to the 12% Second Priority Ship Mortgage Notes due 2007 and the Collateral Agency and Inter Creditors Agreement. To the Company's knowledge, Pacific Life has not made any formal claims against the Collateral Agent, the Co-Collateral Agent or the Company. If any such claims are made, the Company believes that it has adequate defenses to such claims and that it should prevail in any such suits, however, at this time, the Company is unable to predict the outcome of any such claims.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cambridge Fund Management

Management may dispute \$532,000 paid to Cambridge Fund Management during a prior period but should management seek to recover the disputed amount, Management must convince the Trustees of the merits of the claims against Cambridge Fund Management. An effort made in the Courts of New York to set-off this amount against monies due to Merrimac Shipping, Ltd. and Cambridge Holdings, LLC from Arctic Gas S.A. for the purchase of all the common stock of Cambridge Gas Transport Corporation (see note 8), failed.

Lawsuit by Minority Shareholders

In April 2002, certain minority shareholders are seeking to recover approximately \$500,000 in legal fees incurred in their capacity as authorized agents of Navigator Gas Transport PLC. Substantially all of the fees were incurred during 2002, and presently, it is too early to determine the legal merits of their suit and what amount, if any, they are entitled to recover.

Claims by third parties

a) Osmarin Limited

This company was appointed as Managers of the vessels by certain minority shareholders in their capacity as authorised agents of Navigator Gas Transport PLC. This appointment was not accepted by the Trustee in view of the fact that the management contracts were still in force and was not upheld by the restructured board of Navigator Gas Transport PLC. Osmarin is claiming that it has suffered losses to the sum of USD 420,000 as a result and has attempted to effect a conservative seizure of assets belonging to the Company. This action is being resisted by the Company.

b) Remer Lane

Remer Lane has presented a claim to the company to the sum of approx. USD 60,000 in respect of services offered to Navigator Gas Transport PLC following his engagement by certain minority shareholders acting in their capacity as authorised agents of that company. The Company following the advice of their counsel have advised Mr. Lane that it does not consider his appointment as having been validly made and declined to make any payment. Mr. Lane has not pursued his claim thus far.

Claims against third parties

The company has certain claims against third parties which is in the process of finalising but which are not shown as yet in the company's accounts. These claims are as follows:

1. Deadfreight claim against Qatar Vinyl Company
2. Claim against the underwriters of the lpg/c "Navigator Neptune" as a result of the damage to No 2 Auxiliary Engine on the 17th March, 2002
3. Claim against the vessels P and I Club in respect of legal fees paid for the dispute with Navigazione Montanari SpA in respect of the charter allegedly concluded with that company for which a mutual release has been executed.
4. Claims in respect of all the vessels against Jiangnan Shipyard under the guarantee of that Yard.

NAVIGATOR GAS TRANSPORT PLC AND AFFILIATES
(DEBTORS IN POSSESSION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

It is estimated that the amount to be recovered under these claims will probably exceed the sum of USD 1,100,000. It should be noted that the expenses associated with these claims are reflected in the present accounts.

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Stephen Karotkin, Esq. (SK 7357)

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

In re

MAGELLAN HEALTH SERVICES, INC., et al., Debtors.

Chapter 11 Case No.

03-40515 (REG)

(Jointly Administered)

**MONTHLY OPERATING STATEMENT FOR
THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003**

4

In re: Magellan Health Services, Inc., et al., Debtors

**MONTHLY OPERATING STATEMENT FOR
THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003**

DEBTORS' ADDRESS: Magellan Health Services, Inc.
6950 Columbia Gateway Drive
Columbia, Maryland 21046

DISBURSEMENTS (in \$ thousands): April 1, 2003 through April 30, 2003 \$ 85,613

DEBTORS' ATTORNEY: Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153

NET INCOME (in \$ thousands):	\$ 1,235
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REPORT PREPARER: Magellan Health Services, Inc.

THIS OPERATING STATEMENT MUST BE SIGNED BY A REPRESENTATIVE OF THE DEBTOR

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

DATE: May 30, 2003

/s/ Mark S. Demilio
Mark S. Demilio
Executive Vice President and
Chief Financial Officer

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

CONDENSED COMBINED BALANCE SHEET

(Unaudited)

(In thousands)

**April 30,
2003****ASSETS**

Current assets:

Cash and cash equivalents	\$	86,162
Accounts receivable, less allowance for doubtful accounts of \$3,281		70,972
Restricted cash, investments and deposits.		9,383
Refundable income taxes		1,226
Other current assets		26,399
Total current assets		<u>194,142</u>

Property and equipment, net		79,496
Investments in non-Debtor subsidiaries		4,785
Investments in unconsolidated subsidiaries		12,394
Other long-term assets		20,274
Goodwill, net		499,510
Intangible assets, net		62,296
	\$	<u>872,897</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Liabilities not subject to compromise:

Accounts payable	\$	6,696
Accrued liabilities		23,420
Medical claims payable		59,012
Debt in default and current maturities of capital lease obligations		163,569
Total current liabilities not subject to compromise		252,697
Current liabilities subject to compromise		1,144,115
Total current liabilities		<u>1,396,812</u>

Long-term capital lease obligations, not subject to compromise		<u>8,586</u>
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Long-term liabilities subject to compromise.		<u>2,797</u>
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Due to related parties, net		<u>6,153</u>
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Commitments and contingencies:

Redeemable preferred stock subject to compromise.		<u>72,766</u>
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Stockholders' equity (deficit), net		<u>(614,217)</u>
	\$	<u>872,897</u>

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

CONDENSED COMBINED STATEMENT OF OPERATIONS

(Unaudited)

(In thousands)

**For the Period
April 1, 2003
Through
April 30, 2003**

Net revenue	\$ 77,948
Costs and expenses:	
Salaries, cost of care and other operating expenses	69,174
Equity in earnings of unconsolidated subsidiaries	(338)
Depreciation and amortization	4,008
Interest expense	1,471
Interest income	(104)
Reorganization expense, net	1,972
Special charges	253
	<u>76,436</u>
Income from continuing operations before income taxes	1,512
Provision for income taxes	5
Income from continuing operations	<u>1,507</u>
Discontinued operations:	
Loss from discontinued operations	(295)
Income on disposal of discontinued operations	110
Reorganization expense, net	(87)
	<u>(272)</u>
Net income	<u><u>\$ 1,235</u></u>

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

CONDENSED COMBINED STATEMENT OF CASH FLOWS

(Unaudited)

(In thousands)

For the Period
April 1, 2003
Through
April 30, 2003

Cash flows from operating activities:

Net income	\$	1,235
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Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation and amortization	4,008
Equity in earnings of unconsolidated subsidiaries	(338)
Non-cash reorganization expense	65
Non-cash interest expense	340

Cash flows from changes in assets and liabilities, net of effects from sales and acquisitions of businesses:

Accounts receivable, net	790
Restricted cash, investments and deposits	558
Other assets	4,945
Accounts payable and other accrued liabilities	2,081
Medical claims payable	(4,990)
Income taxes payable and deferred income taxes	116
Other liabilities	62
Other	445
Total adjustments	8,082
Net cash provided by operating activities	9,317

Cash flows from investing activities:

Capital expenditures	(1,291)
Net cash used in investing activities	(1,291)

Cash flows from financing activities:

Payments on capital lease obligations	(190)
Net transfers from related parties	2,911
Net cash provided by financing activities	2,721
Net increase in cash and cash equivalents	10,747
Cash and cash equivalents at beginning of period	75,415
Cash and cash equivalents at end of period	\$ 86,162

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF DISBURSEMENTS AND WAGES PAID BY DEBTOR ENTITY FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003
(Unaudited)

NAME OF FILING COMPANY	Case Number	Operating Expenses	Payroll & Benefits Expenses	Tax Payments	Claims Payments	Capital Expenditures	Intercompany Transactions	Disbursements	Wages Paid
AGCA New York, Inc.	03-40518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AGCA, Inc.	03-40519	-	-	-	-	-	-	-	-
Alliance Health Systems, Inc.	03-40520	-	-	-	-	-	-	-	-
Continuum Behavioral Healthcare Corporation	03-40559	-	-	-	-	-	-	-	-
Green Spring Health Services, Inc.	03-40564	55,803	-	50	12,679,295	-	16,800	12,696,095	12,696,095
Group Plan Clinic, Inc.	03-40566	-	-	-	-	-	-	-	-
Hawaii Biodyne, Inc.	03-40567	-	-	-	-	-	-	-	-
Louisiana Biodyne, Inc.	03-40571	-	-	-	-	-	-	-	-
MBC Federal Programs, Inc.	03-40582	-	-	-	244	-	-	244	244
Ment INROADS Behavioral Health Services, LLC	03-40595	-	-	-	-	-	-	-	-
Ment INROADS Behavioral Health Services of Illinois, LLC	03-40594	-	-	-	2,061	-	-	2,061	2,061
INROADS Behavioral Health Services of Texas, LP	03-40570	2,175	-	-	-	-	-	2,175	2,175
MBC National Service Corporation	03-40583	-	-	-	34,082	-	-	34,082	34,082
MBC of America, Inc.	03-40584	-	-	-	551,124	-	-	551,124	551,124
MBC of New York, a New York Independent Practice Assoc.	03-40586	-	-	-	-	-	-	-	-
MBC of Tennessee, Inc.	03-40587	-	-	-	-	-	-	-	-
MBC of Tennessee, LLC	03-40588	-	-	-	-	-	-	-	-
Ment Behavioral Care Corporation	03-40591	172,660	-	-	4,163	(391)	-	172,432	172,432
Ment Behavioral Care of Florida, Inc.	03-40592	-	-	-	31,455	-	-	31,455	31,455
Ment Behavioral Care of Massachusetts, Inc.	03-40593	798	-	-	7,409,731	-	-	7,410,529	7,410,529
MBH of Puerto Rico, Inc.	03-40590	-	-	-	-	-	-	-	-
Magellan HRSC, Inc.	03-40578	7,261,737	16,673,382	6,971,738	181,632	1,291,785	30,163	22,480,337	22,480,337
Personal Performance Consultants of New York, Inc.	03-40599	3,355	-	-	-	-	-	3,355	3,355
P.P.C. Group, Inc.	03-40597	-	-	-	-	-	-	-	-
P.P.C., Inc.	03-40598	-	-	-	78,125	-	-	78,125	78,125
CMG Health, Inc.	03-40558	-	-	-	195,182	-	-	195,182	195,182
CMG Health of New York, Inc.	03-40514	-	-	-	-	-	-	-	-
Magellan Behavioral Health Systems, LLC	03-40573	87,331	-	-	-	-	(519,884)	432,553	432,553
Magellan Behavioral Health, Inc.	03-40575	103,125	20,897	-	29,080,500	-	(16,219,821)	2,484,701	29,084,502
Magellan Behavioral Health of Washington, Inc.	03-40572	241,395	-	-	38,027	-	(175,000)	104,422	279,422
Green Spring of Pennsylvania, Inc.	03-40565	-	-	-	-	-	-	-	-
Advantage Behavioral Systems, Inc.	03-40516	-	-	-	-	-	-	-	-
New GPA, Inc.	03-40596	-	-	-	-	-	-	-	-
GPA of Pennsylvania, Inc.	03-40563	-	-	-	-	-	-	-	-
Care Management Resources, Inc.	03-40522	6,748	-	-	-	-	-	6,748	6,748
Magellan Behavioral of Michigan, Inc.	03-40574	-	-	-	30,580	-	-	30,580	30,580
Managed Care Services Mainstay of Central PA, Inc.	03-40581	-	-	-	-	-	-	-	-
AdvoCare of Tennessee, Inc.	03-40517	32,084	-	280	-	-	(5,140,345)	(5,108,261)	(5,108,261)
Premier Holdings, Inc.	03-40600	-	-	-	-	-	-	-	-
Magellan Public Solutions, Inc.	03-40579	-	-	-	-	-	-	-	-
Correctional Behavioral Solutions of Indiana, Inc.	03-40560	-	-	-	-	-	-	-	-
Correctional Behavioral Solutions of New Jersey, Inc.	03-40561	-	-	-	-	-	-	-	-
Magellan Capital, Inc.	03-40576	-	-	-	-	-	3,288,577	3,288,577	3,288,577
Magellan Health Services, Inc.	03-40515	2,100,260	-	86,170	548	-	21,282,257	23,469,135	23,469,135
Westwood/Pembroke Health System Limited Partnership	03-40602	-	-	-	-	-	-	-	-
CMCI, Inc.	03-40556	-	-	-	-	-	(1,983,043)	(1,983,043)	(1,983,043)
CMFC, Inc.	03-40557	-	-	-	-	-	(271)	(271)	(271)
MBH Capital, Inc.	03-40589	-	-	-	-	-	(1,306,566)	(1,306,566)	(1,306,566)
Health Technologies, LLC	03-40569	-	-	-	-	-	-	-	-
Allied Specialty Care Services, LLC	03-40521	-	-	-	-	-	-	-	-
Vivra, Inc.	03-40601	128,937	-	-	-	-	-	128,937	128,937
Charter Bay Harbor Behavioral Health System, Inc.	03-40524	-	-	-	-	-	-	-	-
Charter Behavioral Health System at Fair Oaks, Inc.	03-40525	-	-	-	-	-	-	-	-
Charter Behavioral Health System at Hidden Brook, Inc.	03-40526	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Delmarva, Inc.	03-40530	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Lake Charles, Inc.	03-40531	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Lafayette, Inc.	03-40538	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Massachusetts, Inc.	03-40532	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Nashua, Inc.	03-40534	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Paducah, Inc.	03-40536	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Toledo, Inc.	03-40537	-	-	-	-	-	-	-	-
Charter Centennial Peaks Behavioral Health System, Inc.	03-40539	-	-	-	-	-	-	-	-
Charter Fenwick Hall Behavioral Health System, Inc.	03-40541	-	-	-	-	-	-	-	-
Charter Forest Behavioral Health System, Inc.	03-40542	-	-	-	-	-	-	-	-
Charter Hospital of Mobile, Inc.	03-40544	-	-	-	-	-	-	-	-
Charter Lakeside Behavioral Health Systems, Inc.	03-40549	-	-	-	-	-	-	-	-
Charter Linden Oaks Behavioral Health System, Inc.	03-40547	-	-	-	-	-	-	-	-
Charter Medical - Clayton County, Inc.	03-40548	-	-	-	-	-	-	-	-
Charter Medical - Long Beach, Inc.	03-40550	-	-	-	-	-	-	-	-
Charter Medical of East Valley, Inc.	03-40551	-	-	-	-	-	-	-	-
Charter Medical of Puerto Rico	03-40552	-	-	-	-	-	-	-	-
Charter Milwaukee Behavioral Health System, Inc.	03-40553	-	-	-	-	-	-	-	-
Charter Northridge Behavioral Health Systems, Inc.	03-40555	-	-	-	-	-	-	-	-
Magellan C.BHS Holdings, Inc.	03-40577	22,423	32,874	-	-	-	-	55,296	55,296
Florida Health Facilities, Inc.	03-40562	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Dallas, Inc.	03-40529	-	-	-	-	-	-	-	-
Charter Behavioral Health System at Potomac Ridge, Inc.	03-40527	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Columbia, Inc.	03-40528	-	-	-	-	-	-	-	-
Charter Hospital of Santa Teresa, Inc.	03-40545	-	-	-	-	-	-	-	-
Charter Behavioral Health System of Northwest Indiana, LLC	03-40535	-	-	-	-	-	-	-	-
Charter Grapevine Behavioral Health System, Inc.	03-40543	-	-	-	-	-	-	-	-
Charter Alvarado Behavioral Health System, Inc.	03-40523	-	-	-	-	-	-	-	-
Charter Fairmount Behavioral Health System, Inc.	03-40540	-	-	-	-	-	-	-	-
Charter MJB of Charlottesville, Inc.	03-40554	-	-	-	-	-	-	-	-
Charter Behavioral Health System of New Mexico, Inc.	03-40533	-	-	-	-	-	-	-	-
Charter Hospital of St. Louis, Inc.	03-40546	-	-	-	-	-	-	-	-
Magellan Specialty Health, Inc.	03-40580	-	-	-	-	-	-	-	-
Human Affairs International of Pennsylvania, Inc.	03-40568	-	-	-	-	-	-	-	-
MBH of New Mexico, Inc.	03-40585	-	-	-	-	-	-	-	-
Subsidiary Companies							179,932	179,932	179,932

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF TAXES PAID FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

(Unaudited)

<u>Taxing Authority/Payee</u>	<u>Tax Description/Type</u>	<u>Date Paid</u>	<u>Amount Paid</u>
INTERNAL REVENUE SERVICE	Federal	04/01/03	\$ 1,210,486
INTERNAL REVENUE SERVICE	Federal	04/03/03	1,574
INTERNAL REVENUE SERVICE	Federal	04/16/03	1,208,232
INTERNAL REVENUE SERVICE	Federal	04/18/03	1,574
INTERNAL REVENUE SERVICE	FICA	04/01/03	1,157,429
INTERNAL REVENUE SERVICE	FICA	04/03/03	1,698
INTERNAL REVENUE SERVICE	FICA	04/16/03	1,143,091
INTERNAL REVENUE SERVICE	FICA	04/18/03	1,675
INTERNAL REVENUE SERVICE	FUTA	04/30/03	9,204
INTERNAL REVENUE SERVICE	Medicare	04/01/03	272,229
INTERNAL REVENUE SERVICE	Medicare	04/03/03	397
INTERNAL REVENUE SERVICE	Medicare	04/16/03	270,604
INTERNAL REVENUE SERVICE	Medicare	04/18/03	392
Massachusetts	SUI Qtrly MA Unemployment	04/30/03	686
California	SUI Qtrly CA Unemployment	04/30/03	2,050
California	SUI Qtrly CA Unemployment	04/30/03	34,717
Massachusetts	SUI Qtrly MA Unemployment	04/30/03	14,176
Minnesota	State Taxes	04/01/03	532
Connecticut	State Taxes	04/01/03	934
North Carolina	State Taxes	04/01/03	2,066
Arizona	State Taxes	04/01/03	5,471
California	State Taxes	04/01/03	11,809
Oregon	State Taxes	04/02/03	1,646
California	State Taxes	04/03/03	547
Colorado	State Taxes	04/03/03	2,027
Kentucky	State Taxes	04/03/03	2,301
Massachusetts	State Taxes	04/03/03	5,146
Illinois	State Taxes	04/03/03	5,640
Iowa	State Taxes	04/03/03	6,626
Virginia	State Taxes	04/03/03	8,279
Ohio	State Taxes	04/03/03	10,754
New York	State Taxes	04/03/03	18,666
Pennsylvania	State Taxes	04/03/03	25,799
Hawaii	State Taxes	04/10/03	283
Georgia	State Taxes	04/14/03	35,108
South Carolina	State Taxes	04/15/03	1,069
Delaware	State Taxes	04/15/03	1,703
Nebraska	State Taxes	04/15/03	3,512
Indiana	State Taxes	04/15/03	4,131
Michigan	State Taxes	04/15/03	11,931
Maryland	State Taxes	04/15/03	208,345
Minnesota	State Taxes	04/16/03	532
Connecticut	State Taxes	04/16/03	934
North Carolina	State Taxes	04/16/03	2,047
Arizona	State Taxes	04/16/03	5,429
California	State Taxes	04/16/03	11,703
Oregon	State Taxes	04/17/03	694
California	State Taxes	04/18/03	544
Kentucky	State Taxes	04/18/03	2,279
Colorado	State Taxes	04/18/03	2,412
Massachusetts	State Taxes	04/18/03	5,278
Illinois	State Taxes	04/18/03	5,594
California	State Taxes	04/18/03	6,405

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF TAXES PAID FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

(Unaudited)

Taxing Authority/Payee	Tax Description/Type	Date Paid	Amount Paid
Ohio	State Taxes	04/18/03	10,659
New York	State Taxes	04/18/03	17,641
Pennsylvania	State Taxes	04/18/03	26,170
Washington	State Taxes	04/30/03	10,407
CCA	Accrued City WH	04/07/03	77
CENTRAL TAX BUREAU	Accrued City WH	04/28/03	836
CITY OF GREENWOOD VILLAGE	Accrued City WH	04/07/03	76
HAB-EIT	Accrued City WH	04/28/03	4,725
HAB-EIT	Accrued City WH	04/28/03	15,347
HAB-EIT	Accrued City WH	04/28/03	1,490
LOUISVILLE/JEFFERSON CO REV CO	Accrued City WH	04/07/03	1,439
MASON TAX DEPT	Accrued City WH	04/28/03	108
PENN HILLS SCHOOL DISTRICT	Accrued City WH	04/28/03	58
PHILADELPHIA REVENUE DEPT	Accrued City WH	04/07/03	22,477
TREASURER CITY OF DETROIT	Accrued City WH	04/07/03	2,015
TREASURER CITY OF PITTSBURGH	Accrued City WH	04/28/03	7,799
TREASURER CITY OF PITTSBURGH	Accrued City WH	04/28/03	860
RONALD A LEGGETT COLLECTOR	Accrued City WH	04/07/03	3,038
CITY OF CINCINNATI	Accrued City WH	04/07/03	2,463
CITY OF ERIE	Accrued City WH	04/28/03	58
RITA	Accrued City WH	04/28/03	1,329
DIVISION OF TAXATION	Accrued City WH	04/07/03	459
CITY OF JEFFERSONTOWN	Accrued City WH	04/28/03	1,243
CITY OF BLUE ASH	Accrued City WH	04/07/03	4,913
UPPER MERION TOWNSHIP	Accrued City WH	04/28/03	1,380
FOREST PARK	Accrued City WH	04/28/03	58
CITY OF LANSING	Accrued City WH	04/07/03	24
WEST SHORE TAX BUREAU	Accrued City WH	04/07/03	25
NORTH HILLS SCHOOL DISTRICT	Accrued City WH	04/28/03	221
JORDAN TAX SERVICE INC	Accrued City WH	04/28/03	454
BRENTWOOD BOROUGH	Accrued City WH	04/28/03	77
MUNICIPAL MANAGER/MONROEVILLE	Accrued City WH	04/28/03	315
TOWNSHIP OF SOUTH PARK	Accrued City WH	04/28/03	189
PA MUNICIPAL SERVICE CO	Accrued City WH	04/28/03	107
PA MUNICIPAL SERVICE CO	Accrued City WH	04/28/03	356
HELEN M STAIGER	Accrued City WH	04/28/03	81
PINE TWP EIT COLLECTOR	Accrued City WH	04/28/03	119
TIMOTHY J RODGERS TWP MANAGER	Accrued City WH	04/28/03	228
SCOTT TOWNSHIP SPECIAL TAX	Accrued City WH	04/28/03	45
INEZ L STAUFFER	Accrued City WH	04/28/03	216
DOUGLAS A WATKINS	Accrued City WH	04/28/03	468
REGIS J EBNER JR	Accrued City WH	04/28/03	248
SCHOOL DISTRICT INCOME TAX	Accrued City WH	04/07/03	12
MIDDLETOWN AREA TAX BUREAU	Accrued City WH	04/29/03	147
BOROUGH OF MT OLIVER	Accrued City WH	04/28/03	67
LILLIAN H TRAUTMAN	Accrued City WH	04/28/03	105
CAROLYN KRUDNIG	Accrued City WH	04/28/03	60
CITY OF CENTERVILLE	Accrued City WH	04/28/03	139
CAPITAL AREA TAX BUREAU	Accrued City WH	04/28/03	198
BOYERTOWN AREA EIT OFFICE	Accrued City WH	04/28/03	40
CONSTANCE CHERNIK	Accrued City WH	04/28/03	107
DONALD J PROGAR	Accrued City WH	04/28/03	104
BATTLE CREEK CITY TREASURER	Accrued City WH	04/28/03	51
		04/07/03	844

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF TAXES PAID FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

(Unaudited)

<u>Taxing Authority/Payee</u>	<u>Tax Description/Type</u>	<u>Date Paid</u>	<u>Amount Paid</u>
CITY OF FAIRFIELD	Accrued City WH	04/28/03	105
EARNED INCOME TAX COLLECTOR	Accrued City WH	04/28/03	226
EARNED INCOME TAX COLLECTOR	Accrued City WH	04/28/03	128
EARNED INCOME TAX COLLECTOR	Accrued City WH	04/28/03	31
JEAN PEDROSKY	Accrued City WH	04/28/03	72
ALBERT R TIMKO JR	Accrued City WH	04/28/03	3,711
ALBERT R TIMKO JR	Accrued City WH	04/28/03	350
NORWIN SCHOOL DISTRICT TAX OFF	Accrued City WH	04/28/03	150
TOWNSHIP OF CHELTENHAM	Accrued City WH	04/28/03	70
ADAMS CO EIT AGENCY	Accrued City WH	04/28/03	126
WASHINGTON CITY TREASURER	Accrued City WH	04/28/03	207
DENVER TREASURY DIVISION	Accrued City WH	04/28/03	68
CITY OF MCKEESPORT	Accrued City WH	04/28/03	386
GRAND RAPIDS CITY TREASURER	Accrued City WH	04/28/03	291
SENTAX	Accrued City WH	04/28/03	108
UPPER DUBLIN EIT COLLECTOR	Accrued City WH	04/28/03	113
CITY OF SILVERTON OH	Accrued City WH	04/28/03	218
BERKS EIT BUREAU	Accrued City WH	04/28/03	223
INTERNAL REVENUE SERVICE	Accrued FICA	04/30/03	5,478
STATE OF MARYLAND	Accrued Premium & Receipts Tax	04/08/03	100
STATE OF MARYLAND	Accrued Premium & Receipts Tax	04/08/03	100
STATE OF MARYLAND	Accrued Premium & Receipts Tax	04/08/03	100
STATE OF MARYLAND	Accrued Premium & Receipts Tax	04/08/03	100
STATE OF MARYLAND	Accrued Premium & Receipts Tax	04/08/03	100
MISSOURI DEPARTMENT OF REVENUE	Accrued Sales & Use Taxes	04/21/03	12,380
TREASURER OF STATE OF OHIO	Accrued Sales & Use Taxes	04/21/03	1,823
COMPTROLLER OF MARYLAND	Accrued Sales & Use Taxes	04/21/03	262
ALABAMA DEPT OF REVENUE	Accrued State WH	04/07/03	312
DEPARTMENT DE HACIENDA	Accrued State WH	04/07/03	1,795
DISTRICT OF COLUMBIA	Accrued State WH	04/07/03	3,409
GROSS INCOME TAX	Accrued State WH	04/03/03	8,015
GROSS INCOME TAX	Accrued State WH	04/15/03	8,069
LOUISIANA DEPT OF REVENUE	Accrued State WH	04/07/03	237
MISSOURI DIRECTOR OF REVENUE	Accrued State WH	04/14/03	78,259
NEW MEXICO TAXATION & REVENUE	Accrued State WH	04/07/03	224
OKLAHOMA TAX COMMISSION	Accrued State WH	04/07/03	500
RHODE ISLAND DIVISION/TAXATION	Accrued State WH	04/14/03	44
STATE TAX COMMISSION	Accrued State WH	04/07/03	516
TREASURER OF STATE OF MAINE	Accrued State WH	04/14/03	2,480
UTAH STATE TAX COMMISSION	Accrued State WH	04/07/03	51,504
VERMONT DEPARTMENT OF TAXES	Accrued State WH	04/07/03	701
WEST VIRGINIA DEPT OF REVENUE	Accrued State WH	04/07/03	576
WISCONSIN DEPT OF REVENUE	Accrued State WH	04/14/03	406
ARKANSAS DEPT OF FINANCE & ADM	Accrued State WH	04/07/03	377
NEBRASKA DEPT OF REVENUE	Accrued State WH	04/30/03	187
DEPARTMENT OF REVENUE	Accrued State WH	04/07/03	413
KANSAS DEPT OF REVENUE	Accrued State WH	04/14/03	185
ADMINISTRATOR UNEMPLOYMENT COM	Accrued SUI	04/29/03	4,528
ARIZONA DES	Accrued SUI	04/29/03	5,613
COLORADO STATE TREASURER	Accrued SUI	04/29/03	1,505
DELAWARE UNEMPLOYMENT COMPENSA	Accrued SUI	04/29/03	139
DEPARTAMENTO DEL TRABAJO RECUR	Accrued SUI	04/29/03	1,440
DEPARTAMENTO DEL TRABAJO RECUR	Accrued SUI	04/29/03	270
		04/29/03	7,225

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF TAXES PAID FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

(Unaudited)

<u>Taxing Authority/Payee</u>	<u>Tax Description/Type</u>	<u>Date Paid</u>	<u>Amount Paid</u>
EMPLOYMENT DEVELOPMENT DEPT	Accrued SUI	04/29/03	1,060
EMPLOYMENT DEVELOPMENT DEPT	Accrued SUI	04/30/03	27
GEORGIA DEPT OF LABOR	Accrued SUI	04/29/03	1,567
HAWAII STATE TAX COLLECTOR	Accrued SUI	04/29/03	354
IDES ILLINOIS DEPT EMPLOYMENT	Accrued SUI	04/29/03	18,850
INDIANA DEPT OF WORKFORCE DEVE	Accrued SUI	04/29/03	6,387
IOWA WORKFORCE DEVELOPMENT	Accrued SUI	04/29/03	3,544
MARYLAND OFFICE UNEMPLOYMENT	Accrued SUI	04/29/03	83,845
MINNESOTA UC FUND	Accrued SUI	04/29/03	532
MS EMPLOYMENT SECURITY COMMISS	Accrued SUI	04/29/03	49
NEW YORK STATE UNEMPLOYMENT IN	Accrued SUI	04/29/03	56,080
OHIO BUREAU OF EMPLOYMENT SERV	Accrued SUI	04/29/03	33,582
PACIFIC GUARDIAN LIFE	Accrued SUI	04/29/03	48
PENNSYLVANIA UC FUND	Accrued SUI	04/29/03	209,714
RHODE ISLAND DIVISION/TAXATION	Accrued SUI	04/29/03	421
S CAROLINA EMPLOYMENT SECURITY	Accrued SUI	04/29/03	231
TENNESSEE DEPT OF EMPLOYMENT S	Accrued SUI	04/29/03	35,930
TEXAS WORKFORCE COMMISSION	Accrued SUI	04/29/03	76,760
TREASURER KENTUCKY UNEMPLOYMENT	Accrued SUI	04/29/03	11,665
VERMONT DEPT OF EMPLOYMENT TR	Accrued SUI	04/29/03	6,230
VERMONT DEPT OF EMPLOYMENT TR	Accrued SUI	04/29/03	6,230
VIRGINIA EMPLOYMENT COMMISSION	Accrued SUI	04/29/03	3,100
STATE OF MICHIGAN	Accrued SUI	04/23/03	26,592
STATE OF NEW JERSEY	Accrued SUI	04/29/03	52,738
MISSOURI DIVISION EMPLOYMENT	Accrued SUI	04/29/03	156,049
DCDOES	Accrued SUI	04/29/03	3,600
NEBRASKA UC FUND	Accrued SUI	04/29/03	4,985
OREGON DEPT OF REVENUE	Accrued SUI	04/30/03	86
ALASKA DEPT OF LABOR	Accrued SUI	04/28/03	4,646
ALASKA DEPT OF LABOR	Accrued SUI	04/29/03	2,363
LOUISIANA OFFICE OF REGULATORY	Accrued SUI	04/29/03	25
NEVADA EMPLOYMENT SECURITY	Accrued SUI	04/29/03	653
WEST VIRGINIA UNEMPLOYMENT COM	Accrued SUI	04/29/03	152
UTAH DEPT OF WORKFORCE SVCS	Accrued SUI	04/29/03	15,810
UTAH DEPT OF WORKFORCE SVCS	Accrued SUI	04/30/03	50
MONTANA DEPARTMENT OF REVENUE	Accrued SUI	04/29/03	1,430
ALABAMA DEPARTMENT OF INDUSTRI	Accrued SUI	04/29/03	72
ARKANSAS EMPLOYMENT SECURITY	Accrued SUI	04/28/03	324
BUREAU OF UNEMPLOYMENT	Accrued SUI	04/29/03	5,622
NEW MEXICO DEPT OF LABOR	Accrued SUI	04/29/03	507
KANSAS EMPLOYMENT SECURITY FND	Accrued SUI	04/28/03	615
SOUTH DAKOTA UNEMPLOYMENT INS	Accrued SUI	04/30/03	119
SECRETARY OF STATE OF CALIFORNIA	Curr Yr state pymts/other	04/01/03	20
NATIONAL BOARD OF MEDICAL	Licenses & Reg. Fees	04/08/03	50
COMMONWEALTH OF PA	Licenses & Reg. Fees	04/29/03	500
EAPA	Licenses & Reg. Fees	04/24/03	135
SECRETARY OF STATE OF NH	Licenses & Reg. Fees	04/10/03	100
SECRETARY OF STATE OF NH	Licenses & Reg. Fees	04/10/03	100
SECRETARY OF STATE OF NH	Licenses & Reg. Fees	04/10/03	100
SECRETARY OF STATE OF NH	Licenses & Reg. Fees	04/10/03	100
SECRETARY OF STATE OF NH	Licenses & Reg. Fees	04/10/03	100
NEW JERSEY BOARD OF NURSING	Licenses & Reg. Fees	04/09/03	25
SECRETARY OF STATE OF ILLINOIS	Licenses & Reg. Fees	04/10/03	127
SECRETARY OF STATE OF MAINE	Licenses & Reg. Fees	04/28/03	100

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF TAXES PAID FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

(Unaudited)

Taxing Authority/Payee	Tax Description/Type	Date Paid	Amount Paid
PATRICIA A CARRICK	Licenses & Reg. Fees	04/30/03	40
DEANN DECKER	Licenses & Reg. Fees	04/30/03	200
SUE S GOODMAN	Licenses & Reg. Fees	04/03/03	150
BARBARA M HANSEN	Licenses & Reg. Fees	04/16/03	40
STEVEN A JOHNSON	Licenses & Reg. Fees	04/03/03	200
SHERI L RUBIN	Licenses & Reg. Fees	04/03/03	45
COMMONWEALTH OF MASSACHUSETTS	Licenses & Reg. Fees	04/10/03	10
INFORMATION LEASING CORP	Licenses & Reg. Fees	04/11/03	9,371
FAITH L KAPPELER	Licenses & Reg. Fees	04/23/03	75
ARIZONA CORPORATION COMMISSION	Licenses & Reg. Fees	04/25/03	10
MARY JANE LAMONTE	Licenses & Reg. Fees	04/30/03	40
CAROL V GRANDE	Licenses & Reg. Fees	04/09/03	255
NEVADA DIVISION OF INSURANCE	Licenses & Reg. Fees	04/16/03	125
EACC/EAPA	Licenses & Reg. Fees	04/11/03	450
JAMES LEONARD	Licenses & Reg. Fees	04/23/03	45
SHIRLEY A RUGG	Licenses & Reg. Fees	04/30/03	43
CHERIE KEEGAN	Licenses & Reg. Fees	04/03/03	90
ALEXANDRA HAPAK	Licenses & Reg. Fees	04/03/03	90
SUSAN E NANCE	Licenses & Reg. Fees	04/16/03	130
DONNA CLEMENS	Licenses & Reg. Fees	04/03/03	130
ACCESS INDIANA INFORMATION NET	Licenses & Reg. Fees	04/09/03	100
ACCESS INDIANA INFORMATION NET	Licenses & Reg. Fees	04/14/03	42
PENNSYLVANIA INSURANCE DEPT	Licenses & Reg. Fees	04/23/03	125
JONATHAN BOOK	Licenses & Reg. Fees	04/30/03	60
JOSEPH EYE	Licenses & Reg. Fees	04/16/03	43
VICKI BERNARD	Licenses & Reg. Fees	04/03/03	315
TINA QUALLS	Licenses & Reg. Fees	04/09/03	285
MAINE STATE BOARD OF NURSING	Licenses & Reg. Fees	04/09/03	5
KELLI KRUEGER	Licenses & Reg. Fees	04/30/03	123
RICHARD PARKS	Licenses & Reg. Fees	04/30/03	173
HELEN TURNER	Licenses & Reg. Fees	04/16/03	80
STATE PUBLIC REGULATION COMMIS	Licenses & Reg. Fees	04/10/03	125
ROXANNE KENNEDY	Licenses & Reg. Fees	04/03/03	90
SUSAN THEUS	Licenses & Reg. Fees	04/30/03	120
DEPARTMENT OF LICENSING	Licenses & Reg. Fees	04/16/03	59
DEPARTMENT OF LICENSING	Licenses & Reg. Fees	04/16/03	59
DEPARTMENT OF LICENSING	Licenses & Reg. Fees	04/16/03	59
ARIZONA BOARD OF BEHAVIORAL	Licenses & Reg. Fees	04/14/03	30
GRACE MCGRATH	Licenses & Reg. Fees	04/03/03	160
TIM LEVY	Licenses & Reg. Fees	04/30/03	50
THOMAS HAMLIN MD	Licenses & Reg. Fees	04/16/03	334
CONCUR TECHNOLOGIES	Licenses & Reg. Fees	04/24/03	11,250
CITY OF PORTLAND	Licenses & Reg. Fees	04/07/03	100
JULIE BROWN	Licenses & Reg. Fees	04/09/03	45
ANTHONY MASSEY	Licenses & Reg. Fees	04/23/03	1,971
HERSCHEL HORN	Licenses & Reg. Fees	04/30/03	102
KAREN HAGEN	Licenses & Reg. Fees	04/30/03	120
KAREN LEE	Licenses & Reg. Fees	04/16/03	45
SECRETARY OF STATE	Licenses & Reg. Fees	04/15/03	20
AIDA FLORES	Licenses & Reg. Fees	04/09/03	255
ALAN LIPTON MD	Licenses & Reg. Fees	04/09/03	25
JEFF CORBIN	Licenses & Reg. Fees	04/03/03	90
CONSTANCE MERRELL	Licenses & Reg. Fees	04/30/03	305
		04/23/03	120

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

SCHEDULE OF TAXES PAID FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

(Unaudited)

Taxing Authority/Payee	Tax Description/Type	Date Paid	Amount Paid
JOHN KIZHAKEDAN	Licenses & Reg. Fees	04/30/03	165
SHEWANNA GILES	Licenses & Reg. Fees	04/23/03	30
NORTH DAKOTA BOARD OF NURSING	Licenses & Reg. Fees	04/03/03	5
MARCUS PIPER	Licenses & Reg. Fees	04/03/03	140
ANNE DAVIDSON	Licenses & Reg. Fees	04/02/03	84
SECRETARY OF STATE MT	Licenses & Reg. Fees	04/10/03	15
SECRETARY OF STATE MT	Licenses & Reg. Fees	04/10/03	15
SECRETARY OF STATE MT	Licenses & Reg. Fees	04/10/03	15
LISA MAWHINNEY	Licenses & Reg. Fees	04/03/03	90
DEPARTMENT OF STATE	Licenses & Reg. Fees	04/16/03	150
DEPARTMENT OF STATE	Licenses & Reg. Fees	04/16/03	150
DEPARTMENT OF STATE	Licenses & Reg. Fees	04/16/03	150
DEPARTMENT OF STATE	Licenses & Reg. Fees	04/16/03	150
DEPARTMENT OF STATE	Licenses & Reg. Fees	04/16/03	150
DEPARTMENT OF STATE	Licenses & Reg. Fees	04/16/03	150
PATRICIA PICKERING	Licenses & Reg. Fees	04/30/03	123
SHANNON MASCHMEIER	Licenses & Reg. Fees	04/03/03	120
NEW JERSEY BOARD OF SOCIAL	Licenses & Reg. Fees	04/03/03	25
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	950
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	150
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	150
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	150
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	150
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	150
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	50
UNIFORM BUSINESS REPORT	Licenses & Reg. Fees	04/28/03	150
NSB	Licenses & Reg. Fees	04/09/03	467
DONNA HOGG	Licenses & Reg. Fees	04/30/03	50
MARK KRAUS	Licenses & Reg. Fees	04/03/03	230
LAURA SEABOLT	Licenses & Reg. Fees	04/30/03	80
LYNETTE SHERMAN	Licenses & Reg. Fees	04/03/03	50
JAMES HOLDER	Licenses & Reg. Fees	04/09/03	50
DONALD E JONES	Licenses & Reg. Fees	04/16/03	255
CONSUELO MATURANA	Licenses & Reg. Fees	04/16/03	188
LARRY MARSHALL	Licenses & Reg. Fees	04/16/03	140
TENNESSEE VITAL RECORDS	Licenses & Reg. Fees	04/08/03	140
TENNESSEE VITAL RECORDS	Licenses & Reg. Fees	04/08/03	140
IOS CAPITAL	Property Taxes	04/08/03	421
INFORMATION LEASING CORP	Sales & Use Taxes	04/14/03	1,282
INFORMATION LEASING CORP	Sales & Use Taxes	04/25/03	1,282
CITY OF PHILADELPHIA	State Installment 2002	04/14/03	81,666
CITY OF PHILADELPHIA	State Installment 2002	04/14/03	1,420
Total			<u>\$ 7,058,238</u>

MAGELLAN HEALTH SERVICES, INC. AND DEBTOR SUBSIDIARIES

Case No. 03-40514 through 03-40602

(DEBTORS IN POSSESSION)

STATEMENT ON INSURANCE FOR THE PERIOD APRIL 1, 2003 THROUGH APRIL 30, 2003

Magellan Health Services, Inc. has been paying its post-petition invoices in the ordinary course of business, including amounts for insurance coverage. All insurance coverage remains in place