

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

----- X
In re: : Case No. 06-51848
: (Jointly Administered)
CEP HOLDINGS, LLC, et al.,¹ :
: Chapter 11
Debtors. :
: Honorable Marilyn Shea-Stonum
: :
: Hearing Date: N/A
: Objection Deadline: 2/15/07 at 4:00 p.m.
----- X

**SETTLEMENT NOTICE OF RECONCILED
RECLAMATION CLAIM OF NOVA CHEMICALS, INC.**

Nova Chemicals, Inc. (“NOVA”) and CEP Holdings, LLC and its affiliated debtors and debtors in possession (each a “Debtor” and collectively, the “Debtors” or “CEP”) in the above-captioned Chapter 11 cases (the “Cases”), in accordance with the *Order Establishing Procedures for Resolving Reclamation Claims Asserted Against the Debtors and Granting Certain Related Relief* (Docket No. 127) (the “Reclamation Order”),² hereby AGREE, ACKNOWLEDGE and STIPULATE that NOVA is not entitled to a reclamation claim in these Cases because all payments made by CEP within forty-five (45) days of the Petition Date were made on cash in advance terms and thus were not payments on account of antecedent debt. It is further AGREED, ACKNOWLEDGED and STIPULATED that nothing contained herein shall prejudice the right of NOVA to assert a general unsecured claim in the amount of approximately

¹ The Debtors are: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

² Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Reclamation Order.

\$154,220.80 against CEP or the right of CEP to object to the allowance of such claim pursuant to section 502 of the Bankruptcy Code or otherwise.

Pursuant to Paragraph 2(h) of the Reclamation Order, NOVA's reclamation claim shall be treated in accordance with this Settlement Notice without further order of the Court unless a Settlement Objection is filed within 10 days from the entry of this Settlement Notice. Pursuant to Paragraph 2(g) of the Reclamation Order, the Debtors will serve a copy of this Settlement Notice on counsel to Wachovia Capital Finance Corporation (Central), counsel to the Committee, the U.S. Trustee and NOVA.

Respectfully submitted and agreed to:

/s/ Thomas D. Maxson
Thomas D. Maxson (63207)
COHEN & GRIGSBY, P.C.
11 Stanwix Street, 15th Floor
Pittsburgh, PA 15222
Phone: (412) 297-4706

Counsel for Nova Chemicals

/s/ Eric R. Goodman
Eric R. Goodman (0076035)
BAKER & HOSTETLER LLP
3200 National City Center
1900 East 9th Street
Cleveland, OH 44114-3485
Phone: (216) 621-0200

Counsel for the Debtors