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

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In re	:	
	:	Chapter 15
Petition of Jan C.H. Endresen, as foreign representative of	:	
	:	Case No. 07-12211
Oslo Reinsurance Company (UK) Limited and Oslo Reinsurance Company ASA,	:	Joint Administration Requested
	:	
Debtors in Foreign Proceedings.	:	
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**VERIFIED PETITION UNDER CHAPTER 15 FOR RECOGNITION OF  
 FOREIGN PROCEEDINGS AND MOTION FOR PERMANENT INJUNCTION**

Jan C.H. Endresen, (the “Petitioner”), as the duly appointed and authorized foreign representative of Oslo Reinsurance Company (UK) Limited (“Oslo Re UK”) and Oslo Reinsurance Company ASA (“Oslo Re ASA”) (collectively, the “Scheme Companies”), which are subject to a jointly administered adjustment of debt proceedings (the “English Proceedings”) and bound by those certain Schemes of Arrangement pursuant to section 425 of the Companies Act 1985 (the “Schemes of Arrangement” or the “Schemes”) sanctioned by the High Court of Justice of England and Wales (the “English Court”) on April 19, 2007 for Oslo Re UK and on June 13, 2007 for Oslo Re ASA, by his U.S. counsel, Sidley Austin LLP, respectfully submits this Verified Petition Under Chapter 15 For Recognition Of Foreign Proceedings And Motion For Permanent Injunction (the “Petition and Motion”) pursuant to sections 105(a), 1502, 1504,

1515, 1517, 1520 and 1521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 65 of the Federal Rules of Civil Procedure as made applicable by Rule 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) in furtherance of the Official Form Petitions (the “Petitions”) filed contemporaneously herewith pursuant to sections 1504 and 1515 commencing these chapter 15 cases seeking recognition of, and requesting permanent injunctive and other relief in aid of, the foreign proceedings described herein, and in support thereof respectfully represents as follows:

**PRELIMINARY STATEMENT**

1. The Petitioner has commenced these chapter 15 cases pursuant to section 1504 of the Bankruptcy Code by filing the Petitions contemporaneously herewith accompanied by all certifications, statements, lists and documents required pursuant to section 1515 of the Bankruptcy Code and Rule 1007(a)(4) of the Bankruptcy Rules, seeking recognition of, and requesting permanent injunctive and other relief necessary to aid, foreign main proceedings as defined in sections 101(23) and 1502(4) of the Bankruptcy Code pending in the English Courts.

2. The Declaration of Jan C.H. Endresen (the “Endresen Declaration”), filed contemporaneously herewith and incorporated by reference as if fully set forth herein, accurately recites the facts pertinent to, and necessary to sustain, the chapter 15 Petition and the relief requested thereby, including, without limitation, evidence that:

- (a) foreign proceedings respecting the Scheme Companies were duly commenced and are pending in the United Kingdom;
- (b) the center of main interests of the Scheme Companies is in the United Kingdom;
- (c) the Petitioner has been duly appointed and authorized to serve as the foreign representative of the Scheme Companies and to petition for relief under chapter 15; and

(d) the Petitioner is entitled to the relief requested.

3. Each of the Scheme Companies is an insurance company. Oslo Re UK is incorporated under the laws of England and Wales and Oslo Re ASA is incorporated under the laws of Norway. Oslo Re ASA owns 100% of the issued share capital of Oslo Re UK. The Scheme Companies are therefore “affiliates” within the meaning of section 101(2) of the Bankruptcy Code.<sup>1</sup> Based on each of the Scheme Companies’ most recent audited balance sheets, the board of each Scheme Company considers that it is solvent and will be able to meet its liabilities in full as and when those liabilities become due and payable.

4. The Scheme Companies ceased underwriting new and renewal insurance policies in 1994 and have since commenced a solvent “run-off.” A solvent run-off describes when a solvent insurance company ceases writing new business and continues to operate solely for the purpose of paying liabilities under policies previously written, including adjusting and settling creditors’ claims, managing investments and collecting reinsurance recoveries due from its reinsurers. Typically, a run-off of an insurance company will take 20 years or more to complete given that certain risks, by their nature, may not materialize, be known, be reported and be processed for some time. Since the Scheme Companies have been in run-off for over 12 years, and a significant amount of time remains before claims would mature in the normal course of business, the directors of the respective Scheme Companies concluded that the companies and their creditors, many of whom have claims against both Scheme Companies,

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<sup>1</sup> Section 101(2) of the Bankruptcy Code provides, in pertinent part, that the “term ‘affiliate’ means – (A) entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor, other than an entity that holds such securities— (i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or (ii) solely to secure a debt, if such entity has not in fact exercised such power to vote; (B) corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor...”

would benefit from shortening the Scheme Companies' run-off period and reducing administrative costs, by entering into Schemes of Arrangement with their creditors.

5. A scheme of arrangement is a statutory arrangement between a company and its creditors or any class of creditors to restructure their contractual rights and liabilities. If a scheme is approved by the requisite number of creditors (or class of creditors), sanctioned by the English Court and delivered for registration to the Registration of Companies in England and Wales, it becomes binding on all creditors, or class of creditors as set out in the scheme, and on the company, and supersedes any prior contracts or agreements between the parties. To be approved, the English Court must permit a meeting or meetings of creditors to be called and, at such meeting(s), favorable votes must be cast by creditors constituting, of those present and voting whether in person or by proxy, a majority in number representing at least three-fourths in value. The scheme of arrangement then must be sanctioned by the English Court. Once a scheme of arrangement is sanctioned by the English Court and a copy of the order sanctioning it is delivered for registration, as a matter of English law the scheme of arrangement becomes legally binding on all creditors that are affected by the scheme, wherever located and regardless of their votes on it.

6. The Schemes establish a method by which present and future claims of Scheme Creditors will be estimated and full and final payments, adjusted by the application of a time value discount, will be made to creditors holding such claims (the "Scheme Creditors")<sup>2</sup> considerably sooner than if the run-off of the Scheme Companies continued in the ordinary course. Thus, the Schemes of Arrangement will reduce costs for the Scheme Companies that otherwise would accrue from administering claims over a protracted period of time.

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<sup>2</sup> All capitalized terms not otherwise defined fully herein shall have the meaning ascribed to them in the Explanatory Statement and Schemes of Arrangement.

7. On February 12, 2007, the requisite majorities of the Scheme Creditors voted in favor of the Schemes. On April 19, 2007, the English Court, upon notice and a hearing, sanctioned Oslo Re UK's Scheme and adjourned the sanctioning hearing on Oslo Re ASA's Scheme to enable its sole objecting creditor to file supporting evidence in support of its objection. On June 19, 2007, the English Court, upon notice and a hearing, sanctioned Oslo Re ASA's Scheme, finding, among other things, that a settlement was reached with the sole objecting creditor. A true and correct copy of each of the Sanction Orders is attached hereto as Exhibit A.

8. The Effective Date of each of the Schemes is June 18, 2007, the date on which a copy of the Sanction Order for each Scheme was delivered for registration to the Registrar of Companies in England and Wales. See Exhibit B: Registrar of Companies Stamped Receipt of Sanction Order for each Scheme.

9. By this Petition and Motion, the Petitioner seeks recognition of the Schemes and a permanent injunction and other relief necessary to ensure the effective implementation of the Schemes through, *inter alia*, an Order of this Court, substantially in the form of the proposed Order Granting Recognition of Foreign Main Proceedings, a Permanent Injunction and Related Relief in Aid of the Schemes of Arrangements in the United States (the "Proposed Order"), a copy of which is annexed hereto as Exhibit C.

10. This Petition and Motion satisfies all the requirements set forth in section 1515 of the Bankruptcy Code. Moreover, given that the relief requested herein is necessary to give effect to the Schemes in the United States, the relief requested is appropriate under chapter 15 of the Bankruptcy Code. Granting recognition to the Schemes and the relief requested herein is consistent with the goals of international cooperation and assistance to foreign courts

embodied in chapter 15 of the Bankruptcy Code and is in the best interests of the Scheme Companies and the Scheme Creditors.

### **JURISDICTION AND VENUE**

11. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157 and the “Standing Order of Referral of Cases to Bankruptcy Judges” of the United States District Court for the Southern District of New York (Ward, Acting C.J.), dated July 10, 1984. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

12. Venue is properly located in this District pursuant to 28 U.S.C. § 1410.

### **FACTUAL BACKGROUND**

(i) *Oslo Re UK Background*

13. From 1972 until 1994, Oslo Re UK underwrote non-life insurance and reinsurance business in the London market under the following names:

- (a) Storebrand Insurance Company (UK) Limited (between 1972 and 1990);  
and
- (b) UNI Storebrand Insurance Company (UK) Limited (between 1991 and 1994).

14. Oslo Re UK also carries business written by Norden Insurance Company UK Limited and UNI Polaris Insurance Company Limited which was transferred to UNI Storebrand Insurance Company (UK) Limited in 1993 pursuant to section 51 of the Insurance Companies Act of 1982.

15. Subject to certain excluded business which is detailed in the Explanatory Statement, all of the insurance and reinsurance business of Oslo Re UK will be included in the Schemes. See Explanatory Statement and Schemes of Arrangement, attached hereto as Exhibit

D, pp. 15-18. For the avoidance of doubt, business written by Oslo Re UK through the Willis Faber (Underwriting Management) Limited Pools is not included in the Schemes.

16. On November 24, 1994, the directors of Oslo Re UK announced that the company would cease to write new and renewal business, and the company has been in run-off since. The company formally changed its name to Oslo Reinsurance Company (UK) Limited in 1995 and no underwriting was ever conducted under this name.

17. Oslo Re UK currently has approximately 691 potential Scheme Creditors worldwide and the values of their claims are likely to vary widely.

18. Oslo Re UK's balance sheet as of December 31, 2006 shows total assets of approximately \$79.8 million (using the exchange rate of £1: \$1.9804, published in the Financial Times as of June 1, 2007). See Oslo Reinsurance Company (UK) Limited, Reports and Accounts for the year ended 31<sup>st</sup> December 2006, attached hereto Exhibit E.

(ii) Oslo Re ASA Background

19. From 1972 until 1994, Oslo Re ASA underwrote insurance and reinsurance business under the following names:

- (a) Storebrand International Reinsurance Company Limited AS (between 1972 and 1982);
- (b) Storebrand-Norden Reinsurance Company Limited AS (between 1983 and 1985);
- (c) Storebrand Reinsurance Company Limited AS (between 1986 and 1987);
- (d) Storebrand International Insurance AS (between 1988 and 1990); and
- (e) Uni Storebrand International Insurance AS (between 1991 and 1994).

20. Oslo Re ASA also carries business written by Storebrand General Insurance Company AS, which was transferred to Storebrand International Reinsurance Company Limited AS in 1972. Following a merger between the Storebrand and Norden groups,

Oslo Re ASA also carries the international reinsurance portfolio written by Norden Insurance Company AS and the reinsurance treaty business written by Norden Marine Insurance Company Ltd. Following the merger between Storebrand International Insurance AS and UNI Polaris AS, all Polaris reinsurance business written in Oslo is also in run-off by Oslo Re ASA.

21. In 1993, all direct business was transferred out of Uni Storebrand International Insurance AS to Storebrand Skadeforsikring AS and is not covered by the Schemes.

22. In March 1994, Oslo Re ASA voluntarily ceased writing new business and commenced a solvent run-off. The company formally changed its name to Oslo Reinsurance Company ASA in 1995.

23. Although Oslo Re ASA is domiciled in Norway, the reinsurance business of Oslo Re ASA has a substantial connection with the London market. The majority (59%) of Oslo Re ASA's liabilities, totaling 103,693,577 Norwegian krone ("NOK"), relate to policyholders with a UK domicile who bought their policies through UK brokers. Of the remaining liabilities of Oslo Re ASA to non-UK domiciled policyholders (totaling NOK 73,442,333), NOK 23,195,170 relates to policies written by UK brokers. In all, the total business of Oslo Re ASA with a UK connection amounts to NOK 126,888,747, or 71.6% of its total liabilities. In addition, some 60% of Oslo Re ASA's assets in the form of reinsurance recoveries are due from UK reinsurers.

24. Oslo Re ASA has approximately 198 creditors domiciled in the UK representing a total value of 58.6% of its total liabilities. Oslo Re ASA has approximately 80 creditors in the United States representing a total value of 9 % of its total liabilities. Oslo Re ASA has approximately 10 creditors in Norway representing a total value of 0.02% of its total

Liabilities. Indeed, Oslo Re ASA has very few creditors based in Norway and the values of their claims are insignificant.

25. The business included in the Scheme of Oslo Re ASA constitutes substantially all of its reinsurance business, subject to the exclusion of certain UK compulsory insurance<sup>3</sup> and to one reinsured which will retain cover from Oslo Re ASA. For the avoidance of doubt, no direct insurance business will be included in the Oslo Re ASA Scheme.

26. Oslo Re ASA currently has approximately 876 potential Scheme Creditors worldwide and the values of their claims are likely to vary widely. Of the total number of potential Scheme Creditors, 112 are potential creditors of both Scheme Companies.

27. Oslo Re ASA's balance sheet as of December 31, 2006 shows total assets of approximately \$ 42.3 million (using the exchange rate \$1: 0.165967 (NOK) published in The Financial Times as of June 1, 2007). See Oslo Reinsurance Company ASA, Reports and Accounts for the year ended 31<sup>st</sup> December 2006, attached hereto Exhibit F. A total of 84% of Oslo Re ASA's total financial assets are connected to the UK, consisting of its investment in the UK subsidiary (Oslo Re UK) and foreign bonds held in custody by their UK custodian.

(iii) U.S. Property Located Within This District

28. As of May 31, 2007, Oslo Re UK had possession of a Trust Account held in this District with a cash closing balance of approximately \$2.4 million.

**THE SCHEMES OF ARRANGEMENT**

29. The respective boards of directors of the Scheme Companies, after due consideration, resolved that the Schemes of Arrangement would be the most efficient and effective method of making payment to the Scheme Creditors in the shortest practicable time. A

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<sup>3</sup> The Scheme Companies are unaware of any UK compulsory insurance business on their books, but it is conceivable that such business was sold incidentally as part of a package policy.

true and correct copy of the Explanatory Statement and Schemes of Arrangement applicable to the Scheme Companies is attached hereto as Exhibit D.

30. The Schemes for Oslo Re ASA and Oslo Re UK are separate schemes of arrangement, but since they are materially identical in their terms, the Schemes are set out in a single scheme document and are being jointly administered by the English Court.

31. The primary objective of the Schemes is to conclude the run-off of the Scheme Companies' businesses, and make payments to Scheme Creditors accordingly earlier than would be the case if run-off were to continue until all claims had been materialized and been agreed upon and paid in the ordinary course.

32. The Schemes of Arrangement establish an orderly process by which the present and future Scheme Claims of Scheme Creditors against the Scheme Companies will be estimated and satisfied at such estimated value, adjusted for time value discount.

33. Schedule I of the Explanatory Statement provides that the Scheme Companies will seek a permanent injunction from this Court, pursuant to chapter 15 of the Bankruptcy Code, inter alia, ordering that the Schemes of Arrangement be given full force and effect, and be binding on and enforceable against, all Scheme Creditors in the U.S.

34. Part 1 of the Schemes of Arrangement contains certain preliminary provisions, including definitions used in the Schemes of Arrangement and a guide to interpretation of the Scheme language.

35. Part 2 of the Schemes of Arrangement contains provisions regarding (i) the application and purpose of the Schemes of Arrangement, (ii) information regarding claim forms and the claims submission date, (iii) adjudication of disputed claims, (iv) determination of

the value of the claims net of adjustments (“Net Ascertained Claims,”) and (iii) the effect of the Scheme on the rights of Scheme Creditors.

36. Part 3 of the Schemes of Arrangement contains provisions regarding the procedures for the payment of Net Ascertained Claims.

37. Part 4 of the Schemes of Arrangement contains information regarding the stay of proceedings and acts prohibited by Scheme Creditors, claims for interest and payment by means of contract-based security right or a letter of credit.

38. Part 5 of the Schemes of Arrangement contains provisions regarding the Scheme Manager and its powers, duties and obligations. The Scheme Manager shall have the power to manage and control the business and affairs of the Scheme Companies for the purposes of implementing the Schemes together with the powers specifically conferred on it by the Schemes.

39. Part 6 of the Schemes of Arrangement contains provisions regarding the Scheme Adjudicator and instructions with respect to vacating and appointing a Scheme Adjudicator. For these Schemes of Arrangement, the first Scheme Adjudicator was Peter Matthews of EMB Consultancy LLP, however since the Schemes were sanctioned Peter Matthews resigned and George Maher of Towers Perrin was appointed as the current Scheme Adjudicator. The Scheme Adjudicator will act as an independent expert and not as an arbitrator and his specific function will be to resolve and finally determine disputes regarding claims under the Schemes of Arrangement.

40. Part 7 of the Schemes of Arrangement contains provisions regarding the Scheme Advisors and their rights, powers and duties. For these Schemes of Arrangement, the first Scheme Advisors are John Wardrop and Michael Walker of KPMG LLP, 8 Salisbury

Square, London EC4Y 8BB, United Kingdom. The Scheme Advisors will provide advice to the Scheme Manager and the Scheme Companies to facilitate the implementation of the Schemes.

41. Part 8 of the Schemes of Arrangement contains provisions regarding the Scheme Actuary and his rights, powers and duties. For these Schemes of Arrangement, the first Scheme Actuary was Daniel Sykes of KPMG LLP, 8 Salisbury Square, London EC4Y 8BB, United Kingdom; however since the Schemes were sanctioned Daniel Sykes resigned from KPMG LLP and therefore Philip Tippin of the same firm was appointed as the current Scheme Actuary. The Scheme Actuary will be responsible for providing guidance to the Scheme Manager and Scheme Companies, as requested, on matters concerning the assessment and valuation of Scheme Claims and, where appropriate, apply the actuarial methodology as set out in Appendix D of the Schemes to the claims of Scheme Creditors.

42. Part 9 of the Schemes of Arrangement contains provisions regarding the completion of the Schemes, co-operation between Scheme Creditors, Scheme Manager and Scheme Company, prohibited payments, notice and the governing law of the Scheme which is that of England.

#### *Scheme Approval and Sanctioning Process*

43. In preparation for the approval of the Schemes of Arrangement and the sanctioning process, the Scheme Companies caused an extensive and exhaustive investigation to be made to identify all the policyholders who may be Scheme Creditors based on the particular features of their policies, including claims history, the nature of the risks covered by their policies and the likelihood that claims might arise under them (the “Notice Parties”). A copy of the Policyholder Identification Report, which details the work done to identify policyholder addresses, and its results, is attached hereto as Exhibit G.

44. By a letter dated August 28, 2006 (the “Practice Statement Letter”), notice of the formulation of the Scheme of Arrangement and the Scheme Companies’ intent to seek approval of it by Scheme Creditors and sanction by the English Court was sent to all identified Notice Parties for whom an address had been obtained.<sup>4</sup> A true and correct copy of the Practice Statement Letter is attached hereto as Exhibit H.

45. The information contained in the Practice Statement Letter was published in a number of publications in August and September 2006. Specifically, the Practice Statement Letter was published in (i) England in (a) the Financial Times (UK and worldwide) on August 30, 2006, (b) Insurance Day on August 29, 2006, and (c) the London Gazette on August 30, 2006; (ii) the USA in (a) Business Insurance magazine on September 4, 2006, (b) The Wall Street Journal (USA National as part of Global) on August 31, 2006, (c) The Wall Street Journal (International as part of Global) on August 31, 2006; (iii) France in Les Echos on August 30, 2006; (iv) Germany in Handelsblatt on August 31, 2006; (v) Italy in II Sole 24 Ore on August 31, 2006; and (vi) Sweden in Dagens Industri on August 31, 2006. Notice was published in the press for these countries because they represent the countries with significant numbers of Scheme Creditors.

Commencement of the English Proceedings

46. On November 22, 2006, the Scheme Companies filed an application with the English Court seeking permission to convene a creditors’ meeting for the purpose of allowing Scheme Creditors to vote on the Schemes of Arrangement.

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<sup>4</sup> On September 27, 2006, the Scheme Companies issued a supplement to the Practice Statement letter (the “Letter Supplement”), attached hereto as Exhibit G, for 117 potential Scheme Creditors who did not receive the August 28, 2006 Practice Statement Letter. In the interest of fairness to these Scheme Creditors, the Scheme Companies deferred their application for permission to convene meetings of the creditors for the Schemes of Arrangement. A letter was also sent to the potential Scheme Creditors who had received the earlier Practice Statement Letter, informing them of the postponement of the court hearing for an order to convene creditors meetings.

47. On November 29, 2006, the English Court conducted a hearing and entered an order (the “Convening Order”), determining it has jurisdiction over the Scheme Companies and directing that creditors’ meetings relating to the Schemes of Arrangement (the “Creditors’ Meetings”) be convened for the purpose of considering and, if thought fit, approving the Schemes of Arrangement (with or without modification). A true and correct copy of the Convening Order is attached hereto as Exhibit I.

48. Among other things, the Convening Order required the Scheme Companies to, at least 56 days before the Creditors’ Meetings, send to all Notice Parties a Court approved cover letter with an enclosed CD-ROM containing copies of (a) the Scheme of Arrangement and appendices thereto, and the explanatory statement required to be provided pursuant to section 426 of the Companies Act 1985 and the schedules thereto; (b) the notice convening the Creditors’ Meetings; and (c) the Form of Proxy and Voting Form.<sup>5</sup> See Convening Order, at ¶ 8. The Convening Order further requires that the cover letter and CD-ROM be sent by pre-paid first class mail or airmail addressed to (i) each person or entity of which the Scheme Companies are aware and which they believe is or might be a Scheme Creditor, and for which they have a last known contact address; and (ii) those existing brokers believed by the Scheme Companies to have placed business falling within the ambit of the Scheme on their behalf. See id. The Scheme Companies duly complied with this notice requirement and publication notice as ordered by the Convening Order.<sup>6</sup> See Convening Order, at ¶¶ 8-12.

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<sup>5</sup> Copies of the foregoing documents have also been made available on the website of the Scheme Companies: [www.oslore.no](http://www.oslore.no). The Notice Parties were also given notice of the Scheme Companies intention to seek chapter 15 recognition of the sanctioned Schemes by Schedule 1 of the Scheme of Arrangement.

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49. The Convening Order also required that two Creditors' Meetings be held for the two classes of Scheme Creditors of Oslo Re UK and one Creditors' Meeting held for the Scheme Creditors of Oslo Re ASA. In each case, the meetings were held on February 12, 2007 at KPMG LLP, 1-2 Dorset Rise, London EC4Y 8EN, United Kingdom. See Convening Order, at ¶¶ 1-4. Pursuant to the Convening Order, Richard Whatton was appointed to act as chairman of each of the Creditors' Meetings since Stephen Adamson was unavailable to act as chairman. See Convening Order, at ¶ 5.

50. On February 12, 2007, the meetings for the respective Scheme Companies took place and the requisite majorities of the Scheme Creditors voted in favor of the Schemes. On April 19, 2007, the English Court, upon notice and a hearing, sanctioned Oslo Re UK's Scheme and adjourned the sanctioning hearing on Oslo Re ASA's Scheme to enable its sole objecting creditor to file supporting evidence in support of its objection. On June 13, 2007, the English Court, upon notice and a hearing, sanctioned Oslo Re ASA's Scheme, finding, among other things, that a settlement was reached with the sole objecting creditor. A true and correct copy of each of the Sanction Orders is attached hereto as Exhibit A.

51. The Effective Date of each of the Schemes is June 18, 2007, the date on which a copy of the Sanction Orders were delivered for registration to the Registrar of Companies in England and Wales. See Exhibit B: Registrar of Companies Stamped Receipt.

*Implementation of the Schemes of Arrangement*

52. On June 25, 2007, the Scheme Manager delivered, by post, to each Scheme Creditor known to it as of the Effective Date, and for whom it was aware and for whom it had a current address: notification of the Effective Date, a Claim Form and the Claims Submission Date. Such notice was also placed on the Scheme Companies' website and

advertised in (i) England in (a) the Financial Times (UK and worldwide) on June 22, 2007, (b) Insurance Day on June 22, 2007, (c) the London Gazette on June 22, 2007, and (d) Expansion on June 26, 2007; (ii) the USA in (a) Business Insurance magazine on June 25, 2007, (b) The Wall Street Journal (USA National as part of Global) on June 26, 2007 (c) The Wall Street Journal (International as part of Global) on June 26, 2007; (iii) France in Les Echos on June 26, 2007; (iv) Germany in Handelsblatt on June 25, 2007; (v) Italy in II Sole 24 Ore on June 26, 2007; and (vi) Sweden in Dagens Industri on June 27, 2007.

53. Claim Forms sent to Scheme Creditors include details of each Scheme Insurance Contract which, in the reasonable opinion of the Scheme Manager, might give rise to that Scheme Creditor having a Scheme Claim, together with details of any claims arising in relation to such Scheme Insurance Contracts which, as at the Effective Date, had been agreed or acknowledged by or on behalf of the Scheme Company, but which had not yet been paid by it (“Unpaid Agreed Claims”).

54. Scheme Creditors are required to submit their claims by the Claims Submission Date, which will be 180 days after the Effective Date (or the next Business Day thereafter). Where a Claim Form shows an Unpaid Agreed Claim this will be deemed to have been submitted by the Claims Submission Date even if the Scheme Creditor does not return its Claim Form by the Claims Submission Date. Scheme Creditors will therefore receive settlement of Unpaid Agreed Claims even if they do nothing.

55. As long as the completed Claim Form has been received by the Claims Submission Date, the Scheme Manager will review the Scheme Claims set out in it and, depending on how close a claim submitted is to its expected value, will either accept it or, if it is of unexpected value, review and negotiate it. To assist in this process, the Scheme Manager

may refer claims to the Scheme Actuary, who will apply the Actuarial Methodology (set out in Appendix D of the Scheme) to the referred claim. The process of agreement may begin prior to the Claims Submission Date if the Claim Form is submitted early, which may result in the relevant Scheme Creditor receiving earlier payment.

56. Within 42 days of the Claims Submission Date, the Scheme Manager must either inform each Scheme Creditor that it agrees with the Scheme Creditor's estimate of its Scheme Claims as set out on its Claim Form, or that it does not agree with the estimate. In the event that the Scheme Manager does not agree, it shall inform the Scheme Creditor of the reasons why it does not agree, and request further information or supporting evidence if necessary, which the Scheme Creditor must provide within 42 days of such request. The Scheme Manager and Scheme Creditor have a total of 182 days from the Claims Submission Date within which to attempt to agree upon the value of the Scheme Claims. If a value is agreed upon, it shall become that Scheme Creditor's Agreed Claim.

57. If no agreement has been reached by the end of this 182 day period, the Scheme Manager will send the Scheme Creditor a written notification of the value which it is prepared to accept as that Scheme Creditor's Agreed Claims. The Scheme Creditor has 42 days from such notification to request the valuation of its Scheme Claim to be referred to the Scheme Adjudicator, failing which it shall be deemed to have accepted the notified value. If a Scheme Creditor so requests, its Scheme Claim will be referred to the independent Scheme Adjudicator for resolution in accordance with the Scheme's adjudication procedure. The adjudication procedure is designed to deal with claims as expeditiously, economically and fairly as possible. Unless the Scheme Adjudicator acts dishonestly or beyond his remit, his decision will, so far as

English law permits, be final and binding on the Scheme Company and the Scheme Creditor concerned as that Scheme Creditor's Agreed Claim.

58. The valuation of Scheme Claims (other than Unpaid Agreed Claims) will be subject to a time-value discount to reflect the time-value of money as of the date of the Valuation Statement (described below). Discount rates are set out in the Actuarial Methodology.

59. The result of these processes will be that a Valuation Statement will be produced for each Scheme Creditor setting out the balance in favor of the Scheme Creditor or the Scheme Company. The Valuation Statement will be sent to each Scheme Creditor as soon as reasonably practicable. The Valuation Statement will set out the total value of each Scheme Creditor's Agreed Claims and for those who are reinsurers of the Scheme Companies or otherwise are susceptible to set-off under the Scheme, their offset balances. Certain other adjustments, as described in section 13 of the Explanatory Statement, will also be applied and the resulting amount will be the Scheme Creditor's Net Ascertained Claim or, if it shows a balance in favor of the Scheme Company, Net Debt. A Valuation Statement becomes binding upon the Scheme Creditor unless disputed within 42 days of its date. Any values shown on a Valuation Statement (to the extent that the Scheme Creditor has not seen them before) may be disputed on substantive grounds. The value of Agreed Claims, which the Scheme Creditor has had the chance to dispute prior to the Valuation Statement, may at this stage only be disputed on the grounds of Manifest Error. If agreement cannot be reached, the substantive disputes will be resolved by the Scheme Adjudicator. If the Valuation Statement shows a Net Debt, the Scheme does not purport to bind the Scheme Creditor to pay that amount to the Scheme Company.

60. Payment of Net Ascertained Claims will be made by the Scheme Companies when, in the reasonable determination of the Scheme Manager, substantially all Scheme Creditors' Net Ascertained Claims have been determined and have become binding. The Scheme Manager has the discretion to make payment to Scheme Creditors prior to this, if their Net Ascertained Claim has become binding at an earlier stage.

### **RELIEF REQUESTED**

61. The Petitioner seeks the entry of an order of this Court, pursuant to sections 105(a), 1502, 1504, 1515, 1517, 1520 and 1521 of the Bankruptcy Code and Rule 65 of the Federal Rules of Civil Procedure, as made applicable by Rule 7065 of the Bankruptcy Rules, substantially in the form of the Proposed Order, granting the following relief necessary to best advance the goals of the Schemes of Arrangement and to assure their effective implementation:

- (a) recognition of the Petitioner as a "foreign representative" pursuant to 11 U.S.C. § 101(24);
- (b) recognition of the English Proceedings as "foreign proceedings" pursuant to 11 U.S.C. § 1517(a);
- (c) recognition of the English Proceedings as "foreign main proceedings" pursuant to 11 U.S.C. § 1517(b)(1);<sup>7</sup>
- (d) all relief afforded foreign main proceedings automatically upon recognition pursuant to 11 U.S.C. § 1520;<sup>8</sup>

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<sup>7</sup> Should the Court determine that the foreign proceeding in respect of Oslo Re ASA is not a "foreign main proceeding," the Petitioner respectfully requests that the Court treat Oslo Re ASA's chapter 15 Petition as one requesting recognition and relief as a "foreign nonmain proceeding," as defined in section 1502(5) of the Bankruptcy Code, as the foreign proceeding is pending in the United Kingdom where the debtor clearly carries on a nontransitory economic activity and, therefore, has an "establishment" within the meaning of section 1502(2), thereby entitling it to recognition as a foreign nonmain proceeding pursuant to section 1517(b)(2) of the Bankruptcy Code.

<sup>8</sup> Should the Court determine that the foreign proceeding in respect of Oslo Re ASA is a foreign nonmain proceeding, the Petitioner respectfully requests that this Court grant, pursuant to section 1521 of the Bankruptcy Code, the same relief against individual creditors that Oslo Re UK will automatically enjoy under section 1520, including: (i) staying the commencement or continuation of any action or proceeding concerning the assets, rights, obligations or liabilities of Oslo Re ASA; (ii) staying execution against assets of Oslo Re ASA; (iii) suspending the right to transfer or otherwise dispose of any assets of Oslo Re ASA; and (iv) requiring all persons and entities in possession, custody or control of property in the United States, or the proceeds of such property of Oslo Re ASA to turn over and account for such property or proceeds to the Petitioner for administration in the United

- (e) otherwise granting comity to and giving full force and effect to the Schemes of Arrangement and Sanction Order;
- (f) awarding the Petitioner such other and further relief as this Court may deem just and proper;
- (g) additional relief, as authorized by section 1521 of the Bankruptcy Code, including, among other things:
  - (i) that the Schemes shall be given full force and effect in the United States, and shall be binding on and enforceable against all Scheme Creditors in the United States;
  - (ii) that the Schemes of Arrangement (including any amendments or modifications to the Schemes) shall be given full force and effect and be binding on and enforceable against all Scheme Creditors, including without limitation, against a Scheme Creditor in its capacity as a debtor of the Scheme Companies, in the United States;
  - (iii) that all Scheme Creditors are hereby permanently enjoined and restrained from:
    - (a) taking or continuing any act to obtain possession of, or exercise control over any Property of the Scheme Companies or the proceeds of such Property in the United States, and its territories, that is not in compliance with the Schemes of Arrangement, and seizing, repossessing, transferring, relinquishing, or disposing of any Property of the Scheme Companies, or the proceeds of such Property in the United States, and its territories that is not in compliance with the Schemes of Arrangement; and
    - (b) commencing or continuing any legal or equitable action or proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever), including by way of counterclaim, against the Scheme Companies or any of their Property in the United States, and their territories, that is involved in the English Proceedings, or the proceeds thereof, and seeking discovery of any nature against the Scheme Companies, that is not in compliance with the Schemes of Arrangement; and
    - (c) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award and commencing or continuing any act or any other legal or equitable action or proceedings (including, without limitation, arbitration,

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Kingdom in accordance with the Scheme of Arrangement and finding that the interests of the Scheme Creditors in the United States are sufficiently protected by such administration and that, under the law of the United States, such property and proceeds should be administered in the English Proceeding.

mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever) to create, perfect or enforce any lien or other security interest, set off, attachment, garnishment, or other claim against the Scheme Companies or any of its Property in the United States, and its territories, or any proceeds thereof, including, without limitation, rights under reinsurance or retrocession contracts; and

- (d) invoking, enforcing or relying on the benefits of any statute, rule or requirement of federal, state, or local law or regulation requiring the Scheme Companies to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever) and such statute, rule or requirement will be rendered null and void for Proceedings, provided, however, that nothing in the Order shall in any respect affect any Security in existence at the Effective Date or the replacements for such Security; and
  - (e) withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar agreement in which the Scheme Companies have an interest in excess of amounts expressly authorized by the terms of the trust, escrow, or similar agreement;
  - (f) drawing down any letter of credit established by, on behalf or at the request of, the Scheme Companies, in excess of amounts expressly authorized by the terms of the contract or other agreement pursuant to which such letter of credit has been established;
  - (g) declaring or treating the filing of the Chapter 15 Pleadings or the Schemes of Arrangement as a default or event of default under any agreement, contract or arrangement;
- (iv) that a Net Ascertained Claim or Net Debt determined under the Schemes of Arrangement shall be final and binding on the Scheme Companies and any person or entity that is a Scheme Creditor; and it is further
  - (v) that all persons and entities in possession, custody, or control of property of the Scheme Companies in the United States, or its territories, or the proceeds thereof, are required to turn over and account for such property or proceeds to the Scheme Companies; and it is further
  - (vi) that nothing in this Order would prevent the continuance or commencement of proceedings against any person, entity, or other

insurer other than the Scheme Companies, provided, however, that if any third party shall reach a settlement with, or obtain a judgment against, any person or entity other than the Scheme Companies, such settlement or judgment shall not be binding on or enforceable against the Scheme Companies or their Property, or any proceeds thereof;

- (vii) that the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, shall be, and the same hereby, are waived;
- (viii) that no action taken by the Scheme Companies, the Scheme Advisers, their successors, agents, representatives, advisers, or counsel, or any of them, in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the Schemes of Arrangement, this Order, these chapter 15 cases, any further order for additional relief in these chapter 15 cases, or any adversary proceedings in connection therewith will be deemed to constitute a waiver of the immunity afforded to the Scheme Companies, the Scheme Advisers, their successors, agents, representatives, advisers, or counsel under the law of the United States or otherwise;
- (ix) that all Scheme Creditors that are beneficiaries of letters of credit established by, on behalf or at the request of a Scheme Company or parties to any trust, escrow or similar arrangement in which a Scheme Company has an interest, are required to:
  - (a) provide notice to the Scheme Manager's United States counsel of any drawdown on any letter of credit established by, on behalf or at the request of, a Scheme Company, or any withdrawal from, setoff against, or other application of property that is the subject of any trust or escrow agreement or similar arrangement in which a Scheme Company has an interest, together with information sufficient to permit the Scheme Manager to assess the propriety of such drawdown, withdrawal, setoff or other application, including, without limitation, the date and amount of such drawdown, withdrawal, setoff or other application and a copy of any contract, related trust or other agreement pursuant to which any such drawdown, withdrawal, setoff, or other application was made, and provide such notice and other information contemporaneously therewith; and
  - (b) turn over and account to the Scheme Manager for any funds resulting from such drawdown, withdrawal, setoff, or other application in excess of amounts expressly authorized by the terms of the contract, any related trust or other agreement pursuant to which such letter of credit, trust, escrow or similar arrangement

has been established unless such Scheme Creditor has a bona fide defense to this obligation to turn over;

- (x) that every Scheme Creditor that has a claim of any nature or source arising out of a Scheme Claim and that is a party to any action or other legal proceedings (including, without limitation, arbitration or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever) in which a Scheme Company is or was named as a party, or as a result of which a liability of a Scheme Company may be established, is required to place the Petitioner's United States counsel (Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Geoffrey T. Raicht, Esq. and Alex R. Rovira, Esq.) on the master service list of any such action or other legal proceeding, and to take such other steps as may be necessary to ensure that such counsel receives: (a) copies of any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding; and (b) any and all correspondence, or other documents circulated to parties named in the master service list;
- (xi) that this Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of the Order or requests for any additional relief in these chapter 15 cases and all adversary proceedings in connection therewith properly commenced and within the jurisdiction of this Court;
- (xii) that the Order shall be served:
  - (a) by United States mail, first class prepaid, on or before [INSERT DATE] as prescribed by this Court upon all known potential Scheme Creditors in the U.S.; and
  - (b) by publication in *The Wall Street Journal (US Edition)* and *Business Insurance* magazine on or before [INSERT DATE]; and
- (xiii) that such service will be good and sufficient service and adequate notice of this Order for all purposes.

### **BASIS FOR RELIEF**

62. Chapter 15 of the Bankruptcy Code was specifically designed to assist foreign representatives such as the Petitioner in the performance of their duties. One of its express objectives is the “fair and efficient administration of cross-border insolvencies that

protects the interests of all creditors, and other interested entities, including the debtor.” 11  
U.S.C. § 1501(a)(3).

63. Under the auspices of the English Court, and with the ancillary assistance of this Court, the ultimate goal of the Petitioner and the Scheme Companies is to satisfy the claims of the Scheme Creditors in a fair and efficient manner sooner than would be achieved if the Scheme Companies remained in run-off.

64. The Petitioner submits that the relief sought herein is well within the scope of chapter 15 and that the criteria for recognition and the issuance of an injunction under chapter 15 are clearly satisfied under the facts of these cases. Relief under chapter 15 of the Bankruptcy Code is necessary to ensure that United States creditors will not be able to take action to their advantage and to the disadvantage of other creditors, thereby potentially jeopardizing the Schemes.

65. If the Scheme Companies’ United States creditors are permitted to seek their own remedies, assets of the Scheme Companies could be depleted unnecessarily to defend actions brought in the United States in contravention of the intent of the Schemes and sanctioning order granted by the English Court. In addition, those creditors could gain an advantage over others, and there would be no orderly and uniform administration of the assets of, and claims against, the Scheme Companies in one central forum.

66. In contrast to the hardships described above, preservation of the Scheme Companies’ assets for distribution in accordance with the terms of the Schemes will not prejudice United States creditors.

67. To preserve the Scheme Companies’ assets for equitable distribution among the Scheme Creditors pursuant to the Scheme, the Schemes bar any proceedings against

the Scheme Companies or its property, wherever located, seeking to establish the existence or amount of any liability or to obtain payment of any liability, unless the Scheme Companies consent to such proceedings. Recognition of the schemes under chapter 15 and the grant of the relief requested herein are necessary to promote the goals of the Schemes and to ensure its effective implementation. In order to best preserve assets that may be made available to satisfy claims of Scheme Creditors, it is imperative that all claims and distributions be administered in accordance with the terms of the Schemes. If Scheme Creditors are not stayed in the United States, the orderly determination and settlement of Scheme Claims may be jeopardized and the Scheme Companies may be forced to expend resources unnecessarily in order to defend collection and other actions brought by United States creditors.

68. In addition to the reasons set forth above, a Memorandum in Support of the Petition Under Chapter 15 For Recognition Of Foreign Proceedings And Motion For Permanent Injunction, filed contemporaneously herewith, sets forth more fully the Petitioner's legal support for, and position respecting entitlement to, recognition and the above-requested relief.

69. Granting the above relief and recognizing the Scheme will ensure that the Scheme Companies' affairs are expeditiously resolved, consistent with the goal of Chapter 15 to provide assistance to foreign courts.

#### **HEARING ON PETITION FOR RECOGNITION AND RELIEF**

70. By Application for Order Scheduling Hearing and Specifying the Form and Manner of Service of Notice filed contemporaneously with the Petition, the Petitioner has requested that the Court set the date for the hearing on recognition and relief at the earliest

possible time, pursuant to section 1517(c) of the Bankruptcy Code, preferably August 29th of this year, or thereafter as this Court is available (the “Hearing”).

**NOTICE**

71. As soon as the Hearing is scheduled, the Petitioner will cause to be sent by first-class mail to all U.S. based Notice Parties, a Notice of Filing and Hearing which shall append: (i) the Petition; (ii) the Verified Petition and Motion (without exhibits); (iii) the List submitted pursuant to Bankruptcy Rule 1007(a)(4); (iv) the Statement of Foreign Representative required pursuant to 11 U.S.C. §1515; and (v) the Proposed Order. The Notice shall be sent in order to provide notice by mail to the parties at least 20 days prior to the hearing date, as required by Bankruptcy Rule 2002(q).

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**CONCLUSION**

WHEREFORE, the Petitioner respectfully requests that this Court enter an order substantially in the form of the Proposed Order, attached hereto as Exhibit C, granting the relief requested herein and such other and further relief as is just and proper.

Dated: July 19, 2007  
New York, New York

SIDLEY AUSTIN LLP

By:     /s/ Geoffrey T. Raicht      
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Alex R. Rovira (AR 9837)  
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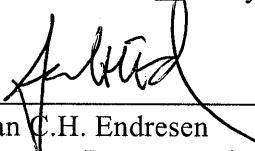
Attorneys for the Petitioner

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In re	:	
	:	Chapter 15
Petition of Jan C.H. Endresen, as foreign representative of	:	
	:	Case No. 07-____ (____)
Oslo Reinsurance Company (UK) Limited and Oslo Reinsurance Company ASA,	:	Joint Administration Requested
	:	
Debtors in Foreign Proceedings.	:	
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Jan C.H. Endresen, pursuant 10 28 U.S.C. § 1746 hereby declares under penalty of perjury of the laws of the United States as follows:

1. I am the duly authorized foreign representative of Oslo Reinsurance Company (UK) Limited and Oslo Reinsurance Company ASA and as such am duly authorized to commence these chapter 15 cases, request the relief sought thereby and make this Verified Petition in these cases.
2. I have read the foregoing Verified Petition and I am informed and believe that the factual allegations contained therein are true and correct.
3. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 17th day of July in 2007, Norway

  
 \_\_\_\_\_  
 Jan C.H. Endresen  
 Foreign Representative for  
 Oslo Reinsurance Company (UK) Limited and  
 Oslo Reinsurance Company ASA