

March 13, 2013

VIA HAND DELIVERY

Hon. Sean H. Lane
USBC, Southern District of New York
Courtroom 701
One Bowling Green
New York, NY 10004-1408

Re: *In re Arcapita Bank B.S.C.(c), et al. (collectively, the “Debtors”)*,
Case No. 12-11076 (SHL)

Dear Hon. Lane:

As directed by the Court on February 20, 2013, the Debtors and the Official Committee of Unsecured Creditors (the “Committee”) hereby provide the Court with this report of status of the *Debtors’ Motion for Order Confirming the Debtors’ Authority to Fund Non-Debtor EuroLog Affiliates* [Dkt. No. 872 in the Debtors’ chapter 11 cases] (the “Motion”).

The issues raised in the Motion have not been resolved and resolution by the Court is necessary.

The Committee filed its Opposition to the Motion on March 8, 2103, and the Debtors will file their Reply in support of the Motion on March 13, 2013.

No other party has filed any opposition to the Motion.

As provided in paragraph 45 of the Court-approved Case Management Procedures [Dkt. No. 21], with the Motion filed on February 27, 2013, the Debtors have submitted as direct testimony the declarations of four witnesses:

1. Matthew Elliott (Linklaters)
2. Andrew Pyle (KPMG)
3. Sarah Murphy (Freshfields)
4. Martin Tan (Arcapita)

Hon. Sean H. Lane
March 13, 2013
Page 2

The depositions of the witnesses are in progress and will be completed prior to the March 18, 2013 hearing.

Witnesses Elliott, Pyle and Murphy are also represented by counsel.

Pursuant to Local Rule 9014-2, the Committee requests an evidentiary hearing and reserves the right to cross examine each of the above witnesses at the March 18, 2013 hearing or later hearing.

The Debtors reserve the right to conduct re-direct examination as to any witness cross-examined by the Committee.

The Committee did not present any direct testimony by declaration with its Opposition and, therefore, will not present any direct testimony at the hearing.

The Committee and the Debtors expect the hearing on the Motion to require between two hours and a full day, depending on how many witnesses, if any, require cross-examination.

We appreciate the Court's consideration of the Motion, and are available to answer any questions the Court might have with respect to the foregoing.

/s/ Craig H. Millet

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