

**Petrostem Group Limited
Petrostem Rentals Limited
Petrostem International Limited
all in Liquidation (together “the Companies”)**

Six Monthly Progress Report

27 March 2019

Ernst & Young LLP



Abbreviations

The following abbreviations are used in this report:

BoS	Bank of Scotland plc
Court	The Royal Court of Jersey
Creditors' Report	Creditors' Meeting Report dated 3 October 2018
date of appointment	28 August 2018
EY	Ernst & Young LLP
Joint Liquidators	CP Dempster, GD Yuill and SA Gardner
Maxtube Group	Maxtube Holdings Limited and its subsidiary undertakings
MRS Group	Machine Rebuilding & Sales Limited and its subsidiary undertakings
PAL	Petrostem Assets Limited
PGL	Petrostem Group Limited - in Liquidation
PIL	Petrostem International Limited - in Liquidation
Pioneer Group	Pioneer Group Ventures Limited and its subsidiary undertakings
PRL	Petrostem Rentals Limited - in Liquidation
PUK	Petrostem (UK) Limited - In administration
the Banking Group	together, the PPG Group, the Petrostem Group and the Maxtube Group
the Companies	Petrostem Group Limited - in Liquidation Petrostem Rentals Limited - in Liquidation Petrostem International Limited - in Liquidation
the Innospection Group	Innospection Group Limited and its subsidiary undertakings
the Law	Companies (Jersey) Law 1991
the Major Creditors	Salzgitter Mannesmann International (USA) Inc. Salzgitter Mannesmann International GmbH Longulf Trading (UK) Limited Traxys North America LLC
the Petroleum Pipe Group	Petroleum Pipe Group Limited (In Liquidation) and its subsidiary undertakings
the Petrostem Group	The Petrostem Group of Companies, a structure chart for which is provided at Appendix B

Contents

1. Introduction and purpose of the meeting.....	2
2. Conduct of the liquidations since 28 August 2018	3
3. Outcome for creditors	10
4. Liquidators' receipts and payments.....	13
5. Costs of the liquidation, the Joint Liquidators' remuneration, disbursements and payments to other professionals.....	14
6. Other matters.....	17
Appendix A Statutory information	19
Appendix B Group structure	21
Appendix C Receipts and Payments - PGL	22
Appendix D Receipts and Payments - PIL.....	23
Appendix E Receipts and Payments - PRL	25
Appendix F Time properly given analysis - PGL.....	27
Appendix G Time properly given analysis - PIL	28
Appendix H Time properly given analysis - PIL	29

1. Introduction

1.1 Introduction

On 28 August 2018, the Royal Court of Jersey ('the Court') ordered that, pursuant to Article 155 of the Companies (Jersey) Law 1991 ('the Law'), Petrostem Group Limited ('PGL'), Petrostem International Limited ('PIL') and Petrostem Rentals Limited ('PRL') (together, 'the Companies') be placed into Just and Equitable Winding Up and that CP Dempster, SA Gardner and GD Yuill be appointed Joint Liquidators for the purposes of such winding up.

I write, in accordance with paragraph 11 of the Act of the Court under which the Joint Liquidators were appointed, to provide creditors with a report on the progress of the Liquidations. This report covers the period from 28 August 2018 to 27 February 2019 and should be read in conjunction with the Creditors' Report dated 3 October 2018.

Certain statutory information relating to the Companies and the appointment of the Joint Liquidators is provided at Appendix A.

SA Gardner, CP Dempster and GD Yuill are UK licenced insolvency practitioners and, consequently, are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the liquidations.

1.2 Creditors' Meeting and Liquidation Committee

By the Act of Court under which the Joint Liquidators were appointed, the Court instructed the Joint Liquidators to convene a meeting of creditors within 6 weeks of the date of appointment.

The purpose of the meeting was to lay before that meeting an account of the circumstances giving rise to the insolvency of the Companies, the Joint Liquidators' proposed strategy in relation to the liquidations and, in accordance with Article 162 of the Law, to afford creditors the opportunity elect a Liquidation Committee.

The meeting was held on 4 October 2018. No liquidation committee was elected for PGL, PIL or PRL. However, a Creditors' Steering Committee was elected in respect of the liquidations of the Companies and also of two related companies in the PPG Group.

We liaise with the Creditors' Steering Committee on a regular basis, as required, in relation to the liquidation of the Companies. In particular, we convened a first meeting of the Creditors' Steering Committee on 27 November 2018, and have provided the Committee with written updates on 20 December 2018 and 6 February 2019. We expect to convene a further meeting of the Committee in late April / early May 2019.

2. Conduct of the liquidations since 28 August 2018

2.1 Purpose of the liquidation

As detailed in the Creditors' Report, the Joint Liquidators strategy in respect of the insolvency of the Petrostem Group, including PGL, PRL and PIL, is to:

- ▶ Cease to trade the business of each of the entities to which the Joint Liquidators have been appointed (subject to the point noted below in relation to trade debtors);
- ▶ Collect in the trade debtor balances due to the Companies. In order to protect the collection of these trade debtor balances, the Joint Liquidators determined that it was appropriate to allow existing customers to continue to use existing equipment on hire whilst a managed handover of their rental contracts to a new supplier over an agreed period is arranged. No new rentals will, however, be commenced.
- ▶ Market for sale the individual assets, primarily the Petrostem Group's rental assets (drilling pipe).

To assist in the above the Joint Liquidators retained 20 of Petrostem Group's employees. Of these employees, 19 are paid by PIL (15 are based in Dubai and 4 in Erbil, Iraq) and one by PUK. The remaining employees of PIL (16) and PUK (2) were made redundant immediately prior to the appointment of the Joint Liquidators.

Further headcount reductions have been made throughout the period of the Liquidations and, as of the date of this report, three employees based in Dubai continue to support the liquidations.

2.2 Asset realisations - PGL

The principal assets of PGL comprise its shareholdings in its five wholly-owned subsidiaries, intragroup receivable balances due from certain of those entities and intergroup receivables due from the Pioneer and Innospection Groups.

2.2.1 Sale of Petrostem trade name

As detailed in the Creditors' Report, the Petrostem trade name was sold to Petrostem Qatar Limited for a consideration of \$20k. The agreed consideration in respect of the sale of the Petrostem trade name was supported by a valuation from an independent third party.

2.2.2 Shareholdings in subsidiaries

As detailed in the Creditors' Report each of the entities within the Petrostem Group will be wound-down in insolvency (in the case of PIL, PRL and PUK) or on a managed business by their existing directors, subject to the supervision of the Joint Liquidators of PGL. No sums will be realised from the shareholdings of PGL's subsidiaries.

2.2.3 Intragroup and intergroup balances

A summary of the intragroup and intergroup balances due to PGL as at 28 August 2018 is provided below.

Intragroup receivable balances

	At 28 August 2018 (\$m)	Estimated recovery
Petrostem UK Limited (In Administration)	4.2	0.9% of the balance
Petrostem Asia Pte Limited	12.7	Discussed below
Petrostem Malaysia Sdn Bhd	4.7	Discussed below
Total	21.6	

The operations of both Petrostem Asia Pte Limited ('PSA') and Petrostem Malaysia Sdn Bhd ('PSM') are being wound down by their existing directors on a managed basis, subject to the supervision of the Joint Liquidators of PGL.

The principal assets of both PSA and PSM are its rental assets. These assets, together with certain of the rental assets of PPC Limited (In Official Liquidation), were sold for a total consideration of c.\$4.0m of which c.\$1.3m and c.\$0.7m is attributable to PSA and PSM, respectively.

During the period covered by this report, the Joint Liquidators of PGL agreed with PSA and PSM that PGL should receive \$0.8m and \$0.5m of the balances due from PSA and PSM respectively as an interim repayment to PGL of its intergroup receivables. These funds were transferred to PGL in March 2018 and therefore are not shown in the Receipts and Payments account in Appendix C. Further repayments from PSA and PSM of the intergroup receivables due to PGL (c. \$0.3m in aggregate) are anticipated. However, these balances are yet to be finalised and are dependent on collection of debtor balances.

Intergroup receivable balances

	At 28 August 2018 (\$m)	Comments
Pioneer Group	28.3	Discussed below
Innospection Group	2.2	Discussed below
Total	30.5	

As detailed in the Creditors' Report, we were approached by the Pioneer and Innospection Groups with a proposed settlement offer of \$0.3m in relation to the amounts due to both the PPG and Petrostem Groups (Pioneer Group - \$38.0m; Innospection Group - \$10.6m).

The Joint Liquidators undertook a valuation of the assets of Pioneer and Innospection (including an independent valuation of fixed assets) and subsequently calculated an estimated outcome in an insolvency process which was materially in excess of the \$0.3m settlement offer. After consulting with the Creditors' Steering Committee, the Joint Liquidators formally rejected the \$0.3m settlement offer and have asked for a revised settlement proposal.

We understand that a further settlement is unlikely to be received from the Pioneer and Innospection Groups. As such, we are currently exploring other options for recovery of the substantial intragroup debts due to PGL, including the sale of this debt to third parties. We have received an offer in respect of Pioneer Group, which we are currently evaluating. No offers have yet been received in respect of Innospection Group.

2.3 Asset realisations - PIL

PIL's principal assets comprise fixed assets, debtor balances due by its customers and intragroup debtor balances due to it by other entities within the Petrostem Group, and certain entities within the Petroleum Pipe Group.

2.3.1 Fixed assets

At the date of our appointment, PIL held plant, machinery and office equipment with a net book value of £nil.

IT equipment

PIL sold its IT equipment and software to Maxtube ME Limited, a related party, for a consideration of \$7k.

The sale completed in October 2018 and funds were received shortly thereafter. In addition to the consideration, the purchaser made a contribution of \$2k in respect of our costs in completing the sale.

The consideration received is in excess of an independent third-party valuation of the various assets.

Vehicles

PIL held three vehicles at the date of appointment and during the period of this report one of the vehicles was sold for a consideration of \$6k. This vehicle was sold to one of PIL's former employees after an offer to purchase the vehicle was made by this individual. The offer made for the vehicle was in excess of a quote received from independent third party.

The two remaining vehicles are anticipated to be realised for \$2k within the next 1-2 weeks.

Plant and machinery

The Joint Liquidators have marketed PIL's plant and machinery for sale. However, interest in these assets has been low. Offers have been received and accepted for the assets and we anticipate realising these assets within the next 1-2 weeks for \$1k.

2.3.2 Trade debtor balances and post-appointment trading

As at the date of our appointment, trade debtor balances due to PIL aggregated \$0.4m; and this balance has been collected in full.

Accrued income, comprising uninvoiced amounts due in respect of the rental of assets to 28 August 2018, totalled \$0.3m. During the period covered by this report, c\$0.3m of these amounts had been collected. Further collections of c\$10k are anticipated.

As detailed in the Creditors' Report, the Joint Liquidators' strategy in relation to the collection of trade debtor balances from ongoing rentals was to seek to agree with the customer a managed handover of their rental contract. This was considered the best approach to facilitate full settlement of any receivable balances.

Consequently, PIL has invoiced post-appointment rentals aggregating \$0.2m, which have now been collected in full.

2.3.3 Deposits

As at the date of appointment, PIL had paid several deposits to local authorities in the UAE totalling \$72k, of which \$37k has been recovered. Further recoveries are anticipated to be minimal.

2.3.4 Prepayments

As at the date of appointment, PIL had prepayments of \$120k relating to prepaid rent. No recoveries are anticipated.

2.3.5 Intragroup and intergroup receivable balances

As at 28 August 2018, PIL's balance sheet detailed an intragroup receivable of \$7.6m from PGL.

As detailed above, PGL is subject to Jersey liquidation proceedings and a recovery of c.\$0.1m is currently estimated. We would highlight that the Bank holds an English law debenture over the whole property and undertaking of PGL. This estimated recovery assumes that the Bank's debenture does not create a valid security over the assets of PGL outside of the United Kingdom. The Bank is currently assessing the security provided by its debenture over these assets. If the Bank is able to demonstrate that its debenture provides it with valid security over all of the assets of PGL, there is unlikely to be any recovery for PIL from this intragroup receivable.

2.3.6 VAT and tax refunds

As at the date of appointment, PIL's accounts showed that it was due a refund of \$13k in relation to pre-appointment VAT in the UAE. Returns have been submitted and a refund received of \$11k.

Prior to the appointment of the Joint Liquidators a payment was made from PIL to HM Revenue & Customs in the United Kingdom on behalf of PUK for \$6k, which was subsequently recalled. This amount was returned to PIL following the appointment of the Joint Liquidators.

2.3.7 Cash on appointment

PIL had cash at bank totalling \$0.2m held at NBF and Standard Bank at the date of appointment. This amount has been transferred into the Joint Liquidators' bank accounts.

2.4 Asset realisations - PRL

PRL is the principal asset owning entity within the Petrostem Group. Its principal assets comprise rental assets, plant and machinery, debtor balances due by its customers and intragroup debtor balances due to it by other entities within the Petrostem Group. It also holds 100% of the shareholding in Petrostem Assets Limited ('PAL'), a non-trading subsidiary which holds few assets.

2.4.1 Transactions in advance of insolvency

As detailed in the Creditors' Report, prior to the appointment of the Joint Liquidators, the directors of PRL novated the contract held by PRL with RASGAS for the rental of drill pipe in Qatar to Petrostem Qatar Limited ('PQL') for a consideration based on the profit generated

from this contract until its expiry in 2021. A non-refundable deposit in respect of this consideration of \$0.1m has been agreed and received in the period.

Assignment of the contract also facilitated the collection in full of debtor balances and accrued income due to PRL totalling \$0.5m as at the date of the Joint Liquidators' appointment.

The Joint Liquidators are unable to provide an estimate at this stage of any potential further realisations due under the terms of the novation.

2.4.2 Rental assets

As at the date of our appointment, PRL held rental assets, principally comprising drill pipe and related tools / accessories, with a net book value of \$5.6m.

With assistance from ANM Group Limited (a firm of specialist plant and equipment disposal agents with experience of dealing with assets located in the Middle East) and Dean Foster (a director of Petrostem Group, with detailed knowledge of the rental assets), the Joint Liquidators launched a sale process in respect of these rental assets - and those held by all other companies within the Petrostem Group - on 7 September 2018. On that date, a list of these assets was issued to 41 interested parties across a range of market interests, with a deadline for offers of 11 September 2018.

On the closing date, offers from 11 interested parties were received, each of whom submitted offers over one or more of the eight asset packages. No offers were received from parties connected with the Petrostem Group or PPG Group. The Joint Administrators / Joint Liquidators accepted (subject to conditions) offers from five separate interested parties across the eight asset packages. Unfortunately, one offer was subsequently withdrawn. Each of the remaining four offers covering seven of the eight asset packages has now fully or partially completed.

The remaining asset package was subsequently re-marketed for sale in February 2019, in a number of individual lots. A closing date for offers of 4 March 2019 was set. On that date, eight offers across the individual lots were received. The Joint Administrators / Joint Liquidators accepted (subject to conditions) offers from three separate interested parties across the various lots. Each of these offers has now fully or partially completed.

In respect of PRL, five separate sales of assets have been agreed and completed with gross proceeds of \$1.0m for PRL.

In addition, there remains a further \$80k worth of assets in Egypt which had previously been consigned to a customer in Egypt. These assets are currently being shipped to Dubai in batches. A sale of these assets has been agreed, but will not complete until the assets have been transferred back to Dubai.

2.4.3 Other fixed assets

At the date of our appointment, PRL held plant, machinery and office equipment with a net book value of \$0.3m. These assets predominantly comprise plant and machinery located in Dubai and Saudi Arabia. The Joint Liquidators have marketed these assets for sale, however interest in these assets has been low. Offers have been received and accepted for the assets located in Dubai for \$26k.

An offer has been received for the assets located in Saudi Arabia which we are currently evaluating.

2.4.4 Trade debtor balances and post appointment trading

As at the date of our appointment, trade debtor balances due to PRL aggregated \$1.4m and accrued income totalled \$0.9m. To date, c\$1.9m of these amounts had been collected. The Joint Liquidators are continuing to pursue the remaining balances and further realisations of \$0.1m are expected.

As detailed in the Creditors' Report, the Joint Liquidators' strategy in relation to the collection of trade debtor balances from ongoing rentals was to seek to agree with the customer a managed handover of their rental contract. This was considered the best approach to facilitate full settlement of any receivable balances. Consequently, PRL has invoiced post-appointment rentals aggregating \$0.3m of which \$0.1m has been collected to date.

2.4.5 Intragroup and intergroup receivable balances

As at 28 August 2018, PRL had intragroup receivable balances totalling \$17.0m due to it by PGL. PGL is subject to liquidation proceedings in Jersey and the Joint Liquidators currently estimate a recovery of c.\$0.2m therefrom. As set out at Section 2.3.5, we highlight that the Bank holds an English law debenture over the whole property and undertaking of PGL. This estimated recovery assumes that the Bank's debenture does not create a valid security over the assets of PGL outside of the United Kingdom. The Bank is currently assessing the security provided by its debenture over these assets. If the Bank is able to demonstrate that its debenture provides it with valid security over all of the assets of PGL, there will be no recovery for PRL from this intragroup receivable.

As at 28 August 2018, PRL had intergroup receivable balances totalling \$1.9m due to it by Petroleum Pipe Middle East FZE, a related entity. No recoveries are anticipated.

2.4.6 VAT refund

As at the date of appointment, PRL's accounts showed that it was due a refund of \$23k in relation to pre-appointment VAT in the UAE. Returns have been submitted and a refund received of \$19k.

2.4.7 Deposits and prepayments

As at the date of appointment, PRL had deposits and prepayments totalling \$29k relating to a security deposit and lease payment in respect of PRL's operations in Erbil. No recoveries are anticipated.

2.4.8 Investments

PRL has one wholly-owned investment, Petrostem Assets Limited ('PAL'). No recovery from PRL's shareholding in PAL is anticipated and, accordingly, PAL will be dissolved in due course.

2.4.9 Cash on appointment

PRL had cash at bank totalling \$9k at the date of appointment. This amount has been transferred into the Joint Liquidators' bank accounts.

2.5 Asset realisations for the Petrostem Group

The other insolvent entity within the Petrostem Group - Petrostem (UK) Limited (In Administration) ('PUK') - is not registered in Jersey and is subject to the insolvency proceedings in the United Kingdom. Accordingly, PUK is not within the remit of this report. Notwithstanding this, the Joint Liquidators recognise the inter-linked nature of the

Petrostem Group and therefore detailed discussion of the insolvency proceedings and potential asset realisations for PUK is provided within the separate report to the creditors of PUK which is available from the following website:

<https://www.ey.com/uk/en/services/transactions/restructuring/ey-ppg-petrostem-insolvencies>

2.6 Investigations

The Joint Liquidators have performed a thorough review of the conduct of the directors in the lead up to the insolvency of the Companies. Matters reviewed have included:

- ▶ Analysis of funding provided to related parties in the years leading up to the insolvency of the Companies;
- ▶ Analysis of funding received from the Major Creditors;
- ▶ Review of transactions with related parties;
- ▶ Review of any disposals of assets in the lead up to the insolvency of the Companies;
- ▶ A review of the movement in trade creditor balances (both in aggregate and individually) from 1 April 2017 to the date of our appointment;
- ▶ A review of individual cash receipts and payments in the period from 1 April 2017 to the date of our appointment;
- ▶ Review of the level of remuneration received by each of the directors in the three financial years ending 31 March 2016, 2017 and 2018, and the five months to August 2018;
- ▶ Review of board minutes for each of the Companies;
- ▶ Review of questionnaires provided by the Directors detailing the circumstances which led to the insolvency of the Company; and
- ▶ Review of the Companies' compliance with statutory deadlines in respect of filing of annual returns and accounts and payment of taxes.

The Joint Liquidators continue to investigate certain aspects of the Directors' conduct and have formally written to the Directors in this regard. On receipt of their response, we will consider whether any further action is warranted.

No funding has been provided by any third parties meet the costs of these investigations.

3. Outcome for creditors

We provide below, for information, an indication of the current position with regard to creditors' claims. The figures have been compiled by the Companies' management and have not been subject to independent review or audit.

3.1 Secured creditors

The principal lender to the Companies is Bank of Scotland plc (BoS). As at 28 August 2018, the debt due by the Group to BoS was \$30.7m. This debt comprises amounts directly owed by the Petrostem Group to BoS, and amounts due to BoS by the Petrostem Group under cross-guarantees granted in favour of BoS in relation to lending to certain companies within the PPG and Maxtube Groups.

The details of the security held by BoS in relation to the Companies as follows:

- ▶ PGL - a share pledge in respect of PUK, and an English law debenture covering the whole property and undertaking of PGL. The Joint Liquidators' legal advice is that, notwithstanding its terms, this English law debenture only provides effective security to the Bank over the assets of PGL located in the United Kingdom. Such assets are, however, restricted to PGL's shareholding in and intragroup debtors due from PUK. However, BoS has recently advised that it is currently assessing whether its English law debenture does provide it with valid security over all of the assets of PGL.
- ▶ PIL - English law debenture covering the whole property and undertaking of PIL. As PIL predominantly trades with customers outside the United Kingdom and its rental assets are held predominantly outside the United Kingdom, as with PGL, our legal advice is that the debenture does not provide BoS with security over the key assets of PIL. However, as with PGL, BoS has recently advised that it is currently assessing whether its English law debenture does provide it with valid security over all of the assets of PGL.

The recovery for BoS will be dependent on the resolution of the security provided by its English law debentures. Should BoS be able to demonstrate that its security extends to the whole property and undertaking of PGL and PIL, the net realisations from the liquidation of each of PGL and PIL would fall to be paid to BoS. Should that not be the case, the recovery available to BoS in respect of its security would be limited to the net proceeds from PGL's shareholding in and intragroup debtors due from PUK.

BoS holds no security in relation to PRL.

3.2 Priority creditors

Neither PGL nor PRL employed any employees. Accordingly, the balance due to priority creditors for both PGL and PRL is \$Nil in respect of claims for employees' salaries and holiday pay. We are also currently not aware of any other priority creditors under the Law.

Whilst PIL paid 35 employees, their contracts of employment were held with and VISAs were issued by various entities, including some entities out with the Petrostem Group.

At present, we anticipate priority claims in respect of unpaid holiday pay for four employees totalling \$4k.

We are currently not aware of any other priority creditors under the Law.

3.3 Unsecured non-priority creditors

The records of PGL, PIL and PRL indicate that claims of non-priority creditors may aggregate \$100.8m, \$45.2m and \$102.7m respectively (including BoS's claim of \$30.7m).

As discussed further at Section 3.4 below, on 31 January 2019, we wrote to all known creditors of the Companies and advised them that any claims in the insolvency of the Companies required to be notified to the Joint Liquidators by 22 March 2019. We are currently reviewing the claims received. Therefore the final balance of creditor claims may be higher due to contingent claims and other non-priority creditor amounts not included in the Companies' records.

Based on the information available to us, creditors of PGL may recover c. 1.4% of the amounts due to them from its insolvency process. An interim dividend is anticipated to be paid in June 2019.

Based on the information available to us, creditors of PIL may recover c. 0.2% of the amounts due to them from its insolvency process. An interim dividend is anticipated to be paid in June 2019.

Based on the information available to us, creditors of PRL may recover c. 1.8% of the amounts due to them from its insolvency process. An interim dividend is anticipated to be paid in June 2019.

It should be noted that the estimates in respect of PGL and PIL assume that the Bank's security does not provide it with a valid security over the assets of the Companies outside of the United Kingdom. As discussed at Section 3.1 above, the Bank is currently assessing its security position. Should the Bank be able to demonstrate that it has a valid security over all of the assets of the PGL and PIL, no amounts would be available to distribute to the unsecured non-priority creditors of PGL and PIL.

3.4 Creditor claims

Please note that on 31 January 2019 the Joint Liquidators wrote to all known creditors of the Companies to inform them of their intention to declare an interim dividend in the liquidations of the Companies. The last date for proving claims was set at 22 March 2019.

As noted in Section 3.1, BoS has not yet submitted its claim in either PIL or PGL and has requested additional time to finalise its view on the security it holds. As the basis of its claim will have a material impact on the dividend prospects for all creditors, the Joint Liquidators have given BoS until 19 April 2019 to submit its formal claims. If creditors do not prove their debt by the last date for proving they may be excluded from the interim dividend.

If you have not yet submitted a formal claim in the Liquidation please complete and return the proof of debt form along with any supporting documentation (invoices, statements, contracts, etc.) to John Louden at this office or by email to petrostemgroup@uk.ey.com. The proof of debt form can be downloaded from the following web site:

<https://www.ey.com/uk/en/services/transactions/restructuring/ey-ppg-petrostem-insolvencies>

Certain debts due from the Companies may have priority in accordance with Article 166 of the Law. If you consider that you have a claim in this category, please advise me immediately. If you hold any security for your claim or you consider that you have title to

any assets in either Companies' possession, please forward details to me as soon as possible.

Any sums due to either company arising after our appointment must be paid in full and without set-off against any debts incurred by the relevant company prior to our appointment.

4. Liquidators' receipts and payments

A summary of the Liquidators' receipts and payments for the period from 28 August 2018 to 27 February 2019 is attached at Appendix C for PGL, Appendix D for PIL, and Appendix E for PRL.

5. Costs of the liquidation, the Joint Liquidators' remuneration, disbursements and payments to other professionals

5.1 Cost of the liquidation

In accordance with Article 165 of the Law, all costs, charges and expenses properly incurred in a winding up, including the remuneration of the liquidator, are payable out of the Companies' assets in priority to all other claims.

5.2 Remuneration and disbursements

By order of the Act of Court, the Joint Liquidators are permitted to charge their remuneration and any reasonable costs, charges and expenses of the Liquidation in accordance with Article 165 of the Law.

The above, in accordance with Article 163 of the Law, is subject to agreement between the Joint Liquidators and the Liquidation Committee or, if there is no Liquidation Committee, between the Joint Liquidators and the creditors or, failing such an agreement, as is fixed by the Court.

As no liquidation committee was formed, the Joint Liquidators wrote to the general body of creditors on 11 October 2018 seeking approval for (i) their remuneration to be fixed on the basis of time properly given at the hourly rates set out below; (ii) approval to draw their disbursements; (iii) for the Joint Liquidators to draw, as an interim amount, their remuneration for the period from the date of their appointment to 21 September 2018 and (iv) that the Joint Liquidators may draw their remuneration four weekly in arrears subject to the provision in advance of a statement of such costs.

These resolutions were passed by the general body of creditors on 26 October 2018.

Grade	Hourly rate (\$)	Equivalent hourly rate (£)
Partner	855	658
Executive Director / Director	700	538
Senior Manager	590	454
Manager	490	377
Senior (Level 3)	450	346
Senior (Level 1 / 2)	355	273
Analyst	210	162
Intern	185	142

Note: Equivalent hourly rate is based on exchange rate of £1 / \$1.30

To 27 February 2019, the Joint Liquidators have incurred time costs (based on the above hourly rates) of \$127,424, \$352,864 and \$368,265 in relation to PGL, PIL and PRL respectively. Attached at Appendices F, G and H are detailed analyses of these time costs. In the period of this report, \$Nil has been paid in respect of PGL; £Nil has been paid in respect of PIL; and \$225,380 has been paid in respect of PRL. A payment of \$207,279 was made in respect of PIL on 14 March 2019 and, accordingly, does not appear in the receipts and payments account at Appendix D, but will be included in the account provided in our next report.

The time has principally been spent in relation to the following activities:

- ▶ Fulfilling the statutory obligations required of the Joint Liquidators including preparation of this report, preparation of the Creditors' Meeting Report, and notifying the Joint Liquidators' appointment to all known creditors;
- ▶ Liasing with employees of the Companies, instructing payment to them of their employment costs and addressing queries received from them;
- ▶ Liasing with customers of the Companies and facilitating a handover of existing rentals to a new supplier, addressing ongoing requirements in relation to ongoing rentals, collecting amounts due to the Companies from these customers;
- ▶ Liasing with landlords of yards at which the Companies' rental assets are held and of offices occupied by the Companies;
- ▶ Marketing for sale the rental assets of the Companies, including preparing, in conjunction with our appointed agents, an appropriate sales and marketing strategy, appropriate asset lists and marketing documents, and reviewing offers received from interested parties;
- ▶ Finalising the novation of the RASGAS contract and Petrostem trade name to PQL; and
- ▶ Addressing correspondence and queries received from creditors.

Appendices F, G and H also include a breakdown of the Joint Liquidators' disbursements and a statement detailing the Joint Liquidators' policy for charging disbursements.

To 27 February 2019, the Joint Liquidators have incurred Category 1 disbursements of \$3,151, \$5,023 and \$6,646 in relation to PGL, PIL and PRL respectively. In the period of this report, \$Nil has been paid in respect of PGL; \$Nil has been paid in respect of PIL; and \$4,125 has been paid in respect of PRL. A payment of \$4,385 was made in respect of PIL on 14 March 2019, and, accordingly, does not appear in the receipts and payments account at Appendix D, but will be included in the account provided in our next report.

5.3 Statement of Liquidators' charging policy for remuneration

The Joint Liquidators have engaged managers and other staff to work on the Liquidations. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators.

All time spent by staff working directly on case-related matters is charged to a time code established each entity. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown at Appendices F, G and H. The current hourly rates are shown above.

5.4 Payments to other professionals

By order of the Act of Court the Joint Liquidators are permitted to engage other such professional advisors as the Joint Liquidators may deem appropriate or necessary and providing for their fees and expenses (whether incurred before or after the date on which the Companies were placed into liquidation in accordance with Article 155 of the Law) to be settled in accordance with Article 165 of the Law.

The Joint Liquidators have engaged the services of the following during the course of the liquidations:

Name of firm	Nature of service	How contracted to be paid
Pinsent Masons	Legal advisors - UK and UAE	Time costs
Carey Olsen	Legal advisors - Jersey and Cayman Islands	Time costs
ANM Group ('ANM')	Asset safeguarding and realisation strategy	Time costs
Dean Foster (former director of the Petrostem Group)	Asset marketing and realisation	Combination of day rate and commission

6. Other matters

6.1 Future conduct of the liquidations

The Joint Liquidators will continue to manage the affairs, business and property of the Companies to achieve the purpose of the liquidations. This will include, inter alia:

- ▶ Collecting in the remaining trade debtor balances due to PRL, and agreeing a formal handover of any residual ongoing rentals to a new supplier;
- ▶ Realising any other assets of the Companies, including the remaining rental assets of PRL, the other fixed assets of PIL and PRL, and the intragroup and intergroup debts due to the Companies;
- ▶ In their capacity as Joint Liquidators of PGL, supervising the managed wind-down of the other subsidiaries of PGL which are not subject to insolvency proceedings, most notably PSA and PSM;
- ▶ Dealing with tax matters, which includes filing returns;
- ▶ Dealing with creditor enquiries;
- ▶ Carrying out any further investigative procedures which may be required;
- ▶ Distributing realisations to the secured and priority creditors of the Companies;
- ▶ Agreeing unsecured creditor claims and making distributions to unsecured creditors;
- ▶ Ensuring all statutory reporting and compliance obligations are met; and
- ▶ Finalising the liquidations, including payment of all liquidation liabilities.

6.2 The end of the liquidations

At the end of the liquidations the Joint Liquidators shall apply to the Court to close the liquidations and will send a notice to that effect to the Jersey Registrar of Companies. The Companies will be dissolved shortly after registration of the notice.

6.3 Matters to be brought to the attention of the Joint Liquidators

In accordance with Article 184 of the Law, the Joint Liquidators are required to report possible misconduct to the Attorney General.

If there are any matters concerning the Companies' affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible

6.4 Reporting

I will report to you again at the conclusion of the Liquidations or in six months' time, whichever is the sooner.

The report will be made available on the following website:

<https://www.ey.com/uk/en/services/transactions/restructuring/ey-ppg-petrostem-insolvencies>

Should you wish to discuss any aspect of this report, please contact John Louden on 0113 298 2315.

Yours faithfully
for the Companies



Gavin Yuill
Joint Liquidator

C P Dempster and G D Yuill are licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland. S A Gardner is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales.

The Joint Liquidators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix A Statutory information

Company Information

Company Name:	Petrostem Group Limited - in Liquidation Petrostem Rentals Limited - in Liquidation Petrostem International Limited - in Liquidation
Registered Office Address:	c/o Ernst & Young LLP Liberation House Castle Street St Helier Jersey, JE1 1EY
Registered Number:	PGL - 102227 PRL - 101632 PIL - 99939
Trading Name(s):	Petrostem

Details of the Liquidators and of their appointment

Liquidators:	CP Dempster, GD Yuill and SA Gardner
Date of Appointment:	28 August 2018
By Whom Appointed:	The appointment was made by an Act of the Royal Court of Jersey
Court Reference:	220 of 2018.

All powers and obligations granted or imposed upon the Joint Liquidators by Acts of the Royal Court of Jersey, the Law or otherwise may be exercised by the Joint Liquidators on a joint and several basis such that both act together or one may act without the other (and by so doing will bind the other) in the exercise of their said powers and obligations.

Share capital

Petrostem Group Limited (in Liquidation) is wholly owned by Petrostem Holdings Limited, a company registered in Cyprus.

Both Petrostem Rentals Limited (in Liquidation) and Petrostem International Limited (in Liquidation) are wholly owned by Petrostem Group Limited (In Liquidation).

Directors and their shareholdings*Petrostem Group Limited*

Name	Date appointed	Date resigned	Current shareholding
Richard Gordon Morrice	2 December 2008	n/a	-
Julian Charles Tyacke	2 December 2008	n/a	-
Samuel Dennis Allan Taylor	12 June 2013	n/a	-
Dean Foster	5 September 2017	n/a	-
Peter Duthie	2 December 2008	1 December 2017	-

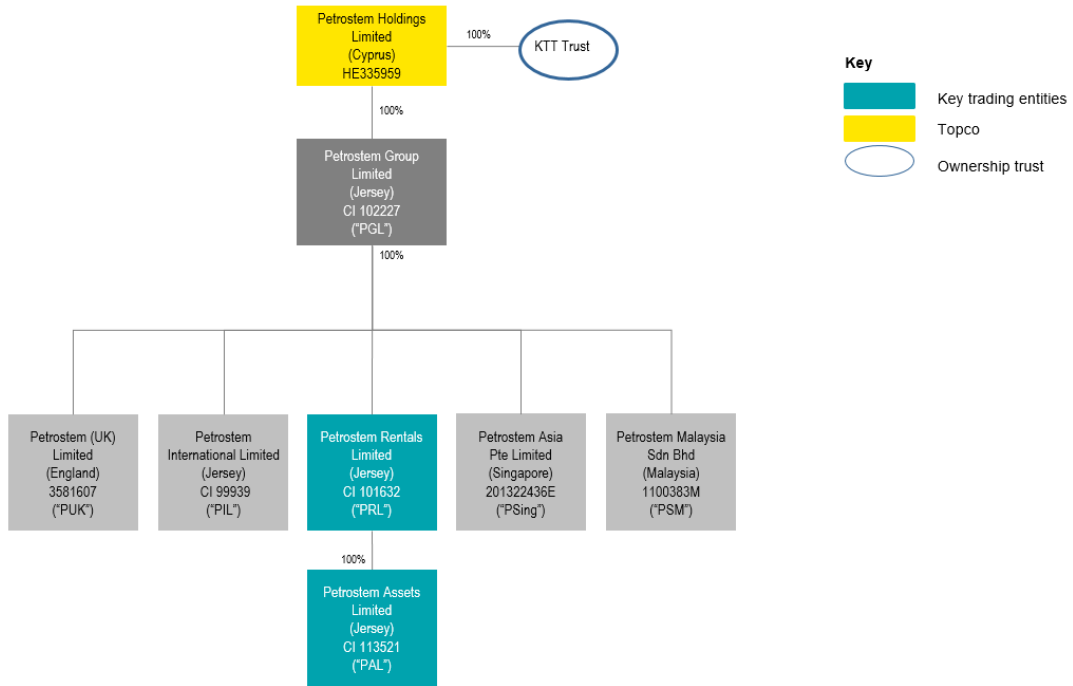
Petrostem Rentals Limited

Name	Date appointed	Date resigned	Current shareholding
Richard Gordon Morrice	28 August 2008	n/a	-
Julian Charles Tyacke	28 August 2008	n/a	-
Dean Foster	5 September 2017	n/a	-
Peter Duthie	28 August 2008	1 December 2017	-

Petrostem International Limited

Name	Date appointed	Date resigned	Current shareholding
Richard Gordon Morrice	8 February 2008	n/a	-
Julian Charles Tyacke	8 February 2008	n/a	-
Dean Foster	1 May 2016	n/a	-
Peter Duthie	8 February 2008	1 December 2017	-

Appendix B Group structure



Appendix C Receipts and Payments - PGL

Petrostem Group Limited (In Liquidation)

Receipts and Payments for the period from 28 August 2018 to 27 February 2019

	Period from 28 Aug 2018 to 21 Sep 2018	Period from 22 Sep 2018 to 27 Feb 2019	Total period from 28 Aug 2018 to 27 Feb 2019
	US\$	US\$	US\$
Receipts			
Sale of trading names	-	20,000	20,000
Total Receipts	-	20,000	20,000
Payments			
Total Payments	-	-	-
Net Receipts / (Payments) for the period	-	20,000	20,000
Represented by:			
Bank balances at at end of each period			
Royal Bank of Scotland	-		20,000
	-		20,000

Notes

1. Payments may require reapportionment between the four entities within the Petrostem Group which are subject to insolvency proceedings (e.g. where multiple entities utilise staff, yard space, etc. but are paid for by one entity) and as such are subject to amendment once final costs are known.
2. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
3. These accounts do not reflect estimated future realisations or associated costs.
4. The following exchange rates have been applied to the above: GB£:US\$, 1.3; and US\$:AED, 3.673.

Appendix D Receipts and Payments - PIL

Petrostem International Limited (In Liquidation)

Receipts and Payments for the period from 28 August 2018 to 27 February 2019

	Period from 28 Aug 2018 to 21 Sep 2018 US\$	Period from 22 Sep 2018 to 27 Feb 2019 US\$	Total period from 28 Aug 2018 to 27 Feb 2019 US\$
Receipts			
Cash on appointment	185,351	-	185,351
Sale of IT equipment	-	7,000	7,000
Motor vehicles	-	6,223	6,223
Pre-appointment debtor collections	67,451	360,475	427,926
Accrued income	-	320,186	320,186
Deposits	-	36,749	36,749
VAT refund	-	10,579	10,579
HMRC refund	5,705	-	5,705
Reimbursement of IT staff costs	-	10,484	10,484
Interaccount transfers	4,810	1,045,758	1,050,568
Trading surplus / (deficit) (see separate account)	-	98,321	98,321
	263,317	1,895,776	2,159,093
Payments			
Interaccount transfers	4,814	1,047,095	1,051,909
Sundry payments	3,413	-	3,413
Wages and salaries	1,217	374,558	375,775
Employee benefits	-	40,697	40,697
Employee expenses	541	6,224	6,765
Agents' fees and expenses	-	20,000	20,000
Office and yard rental	-	49,070	49,070
Office costs	-	5,250	5,250
Insurance	-	37,603	37,603
VAT payment	-	5,153	5,153
Telephone and IT	-	12,616	12,616
Bank charges and interest	157	2,685	2,841
	10,142	1,600,951	1,611,093
Net Receipts / (Payments) for the period	253,175	294,825	548,000
Represented by:			
Bank balances as at end of each period			
Royal Bank of Scotland	220,645	-	199,653
Standard Bank Jersey	33,614	-	117,813
National Bank of Fujairah	12,384	-	5,591
VAT receivable/(payable)	1	-	(9,773)
Legal and Liquidators' fees payable	0	-	(1,822)
Intragroup - PRL	(13,470)	-	188,112
Intragroup - PUK	0	-	48,425
	253,175		548,000

Summary of the Joint Liquidators' trading account for the period from 28 August 2018 to 27 February 2019

	Period from 28 Aug 2018 to 21 Sep 2018 US\$	Period from 22 Sep 2018 to 27 Feb 2019 US\$	Total period from 28 Aug 2018 to 27 Feb 2019 US\$
Trading receipts			
Post-appt trading income	-	141,416	141,416
	-	141,416	141,416
Trading Payments			
Rental of equipment	-	18,050	18,050
Trading suppliers	-	25,045	25,045
	-	43,095	43,095
Trading Surplus / (Deficit)	-	98,321	98,321

Notes

1. Payments may require reapportionment between the four entities within the Petrostem Group which are subject to insolvency proceedings (e.g. where multiple entities utilise staff, yard space, etc. but are paid for by one entity) and as such are subject to amendment once final costs are known.
2. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
3. These accounts do not reflect estimated future realisations or associated costs.
4. The following exchange rates have been applied to the above: GB£:US\$, 1.3; and US\$:AED, 3.673.
5. The difference between interaccount receipts and payments represents (i) bank transfer fees and/or (ii) exchange differences.
6. The difference between the amount due by PRL per the above (\$188,112) and the amount due to PIL in PRL's Receipts and Payments account (\$187,996) is due to (i) bank transfer fees and/or (ii) exchange differences.

Appendix E Receipts and Payments - PRL

Petrostem Rentals Limited (In Liquidation)

Receipts and Payments for the period from 28 August 2018 to 27 February 2019

	Period from 28 Aug 2018 to 21 Sep 2018 US\$	Period from 22 Sep 2018 to 27 Feb 2019 US\$	Total period from 28 Aug 2018 to 27 Feb 2019 US\$
Receipts			
Cash on appointment	8,921	255	9,175
Pre-appointment debtor collections	402,994	658,144	1,061,138
Accrued income	-	801,611	801,611
Other income	-	386	386
Stock and rental equipment	-	975,467	975,467
RASGAS assignment consideration	-	100,000	100,000
VAT refund	-	18,567	18,567
PSM/PSA - funding for insurance	-	7,541	7,541
Pioneer - funding for insurances and expenses	-	23,448	23,448
Interaccount transfers	-	2,054,661	2,054,661
Bank interest received	2	34	36
Trading surplus / (deficit) (see separate account)	(2,100)	128,925	126,825
	409,817	4,769,037	5,178,855
Payments			
Interaccount transfers	-	2,054,944	2,054,944
Security costs	2,100	-	2,100
Office and yard costs	-	200,914	200,914
Repairs and maintenance	750	2,362	3,112
Sundry payments	-	4,494	4,494
Petrostem Qatar Limited	-	448	448
Telephone and IT expenses	1,800	-	1,800
Joint Liquidators' fees	-	225,380	225,380
Joint Liquidators' disbursements	-	4,125	4,125
Agents' fees and expenses	-	152,469	152,469
Legal fees and expenses	-	455	455
Insurance	-	44,998	44,998
VAT Payment	-	5,444	5,444
Employee expenses and benefits	10,720	9,758	20,478
Utilities	5,700	2,900	8,600
Bank charges and interest	176	2,219	2,396
	21,246	2,710,910	2,732,156
Net Receipts / (Payments) for the period	388,571	2,058,127	2,446,698
Represented by:			
Bank balances as at end of each period			
Royal Bank of Scotland	-	-	2,345,071
Standard Bank Jersey	365,704	-	172,968
National Bank of Fujairah	9,364	-	36,399
VAT receivable / (payable)	-	-	(43,422)
Liquidators' and legal fees payable	-	-	(4,490)
Intergroup - PPC Cayman	-	-	128,623
Intragroup - PUK	-	-	(455)
Intragroup - PIL	13,504	-	(187,996)
	388,571		2,446,698

Summary of the Joint Liquidators' trading account for the period from 28 August 2018 to 27 February 2019

	Period from 28 Aug 2018 to 21 Sep 2018 US\$	Period from 22 Sep 2018 to 27 Feb 2019 US\$	Total period from 28 Aug 2018 to 27 Feb 2019 US\$
Trading receipts			
Post-appt trading income	-	132,143	132,143
	-	132,143	132,143
Trading Payments			
Equipment rental	2,100	2,100	4,200
Trading suppliers	-	1,117	1,117
	2,100	3,217	5,317
Trading Surplus / (Defecit)	(2,100)	128,925	126,825

Notes

1. Payments may require reapportionment between the four entities within the Petrostem Group which are subject to insolvency proceedings (e.g. where multiple entities utilise staff, yard space, etc. but are paid for by one entity) and as such are subject to amendment once final costs are known.
2. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
3. These accounts do not reflect estimated future realisations or associated costs.
4. The following exchange rates have been applied to the above: GBE:US\$, 1.3; and US\$:AED, 3.673.
5. The difference between interaccount receipts and payments represents (i) bank transfer fees and/or (ii) exchange differences.
6. The difference between the amount due to PIL per the above (\$188,112) and the amount due by PRL in PIL's Receipts and Payments account (\$187,996) is due to (i) bank transfer fees and/or (ii) exchange differences.

Appendix F Time properly given analysis – PGL

Summary of Joint Liquidators' time costs for the period from 28 August 2018 to 27 February 2019

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(\$)	(\$)
Accounting and Administration	1.5	0.3	0.8	-	21.1	1.0	24.7	9,665	391
Bank & Statutory Reporting	10.0	11.0	6.5	-	2.0	-	29.5	20,795	705
Creditors (Mandatory)	-	6.7	1.9	-	14.0	-	22.6	10,781	477
Debtors	2.0	9.9	0.5	-	4.0	-	16.4	10,355	631
Immediate Tasks	0.5	2.8	-	-	-	-	3.3	2,388	724
Investigation/CDDA (Mandatory)	6.5	12.0	0.8	2.0	22.0	-	43.3	23,220	536
Job Acceptance & Strategy (M)	-	0.7	-	-	-	-	0.7	490	700
Legal Issues	-	0.2	-	-	-	-	0.2	140	700
Other Assets (Mandatory)	4.0	15.7	4.0	-	2.0	-	25.7	17,480	680
Other Matters	-	12.0	5.6	-	-	-	17.6	11,704	665
Statutory Duties	0.5	4.2	0.6	-	33.0	-	38.3	15,437	403
Trading (Mandatory)	-	-	-	-	-	-	-	-	-
VAT & Taxation	-	0.1	-	1.2	-	-	1.3	658	506
Stock and Fixed Assets	-	-	-	8.8	-	-	8.8	4,312	490
Total Hours	25.0	75.6	20.7	12.0	98.1	1.0	232.4		
Time Costs (\$)	21,375	52,920	12,213	5,880	34,826	210		127,424	
Average Hourly Rate (\$)	855	700	590	490	355	210		548	
Category 1 Disbursements (\$)									
Accommodation	1,223								
Airfares	1,077								
Statutory notices	462								
Ground transportation - taxi	238								
Subsistence	151								
	3,151								
Category 2 Disbursements (\$)									
	3,151								

Note: Time is charged in 6 minute intervals

Joint Liquidators' charging policy for disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Liquidation Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

Appendix G Time properly given analysis – PIL

Summary of Joint Liquidators' time costs for the period from 28 August 2018 to 27 February 2019

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(\$)	(\$)
Accounting and Administration	1.5	0.5	21.9	40.5	71.0	2.3	137.7	60,087	436
Bank & Statutory Reporting	10.0	11.7	17.6	1.5	7.5	-	48.3	30,522	632
Creditors (Mandatory)	-	5.5	3.7	16.0	26.5	-	51.7	23,281	450
Debtors	-	0.1	12.3	87.5	18.5	-	118.4	56,770	479
Employee Matters	-	8.0	25.4	4.0	-	-	37.4	22,546	603
Immediate Tasks	0.5	2.8	6.1	2.5	-	-	11.9	7,212	606
Investigation/CDDA (Mandatory)	9.5	16.7	4.4	-	56.5	-	87.1	42,466	488
Job Acceptance & Strategy (M)	-	0.8	-	-	-	-	0.8	560	700
Legal Issues	-	0.3	4.9	-	-	-	5.2	3,101	596
Other Assets (Mandatory)	5.0	4.3	1.1	-	-	-	10.4	7,934	763
Other Matters	-	11.5	8.6	12.9	-	-	33.0	19,445	589
Property	-	-	0.5	-	-	-	0.5	295	590
Retention of Title	0.5	-	-	-	-	-	0.5	428	856
Statutory Duties	1.5	7.1	0.6	-	36.5	-	45.7	19,564	428
Trading (Mandatory)	-	4.9	49.8	12.0	-	2.7	69.4	39,259	566
VAT & Taxation	-	0.1	1.3	0.4	-	-	1.8	1,033	574
Stock and Fixed Assets	1.5	0.4	2.5	15.7	21.5	-	41.6	18,363	441
Total Hours	30.0	74.7	160.7	193.0	238.0	5.0	701.4		
Time Costs (\$)	25,650	52,290	94,813	94,570	84,490	1,050		352,864	
Average Hourly Rate (\$)	855	700	590	490	355	210		503	
Category 1 Disbursements (\$)									
Airfares	1,903								
Accommodation	994								
Subsistence	545								
Statutory notices	462								
Postage	496								
Ground transportation - rail	266								
Visa fees	261								
Ground transportation - taxi	95								
	5,023								
Category 2 Disbursements (\$)									
	5,023								

Note: Time is charged in 6 minute intervals

Joint Liquidators' charging policy for disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Liquidation Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

Appendix H Time properly given analysis – PRL

Summary of Joint Liquidators' time costs for the period from 28 August 2018 to 27 February 2019

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(\$)	(\$)
Accounting and Administration	1.5	0.6	19.0	38.1	57.5	1.7	118.4	52,351	442
Bank & Statutory Reporting	11.0	14.2	17.8	1.5	6.5	-	51.0	32,890	645
Creditors (Mandatory)	-	7.5	4.8	25.6	5.5	-	43.4	22,579	520
Debtors	-	1.8	16.3	111.0	33.0	-	162.1	76,982	475
Employee Matters	-	0.3	2.0	5.0	-	-	7.3	3,840	526
Immediate Tasks	0.5	2.8	6.1	2.5	-	-	11.9	7,212	606
Investigation/CDDA (Mandatory)	3.5	13.2	4.2	8.4	17.5	-	46.8	25,039	535
Job Acceptance & Strategy (M)	-	1.8	-	-	-	-	1.8	1,260	700
Legal Issues	-	0.2	-	-	-	-	0.2	140	700
Other Assets (Mandatory)	-	8.3	-	-	2.0	-	10.3	6,520	633
Other Matters	-	13.5	9.3	15.1	-	-	37.9	22,336	589
Property	-	-	0.9	-	-	-	0.9	531	590
Statutory Duties	0.5	4.8	0.9	-	32.6	-	38.8	15,892	410
Trading (Mandatory)	-	8.8	46.4	21.0	-	2.4	78.6	44,330	564
VAT & Taxation	-	0.1	0.3	0.3	1.4	-	2.1	891	424
Stock and Fixed Assets	1.5	16.6	9.7	58.9	22.5	-	109.2	55,474	508
Total Hours	18.5	94.5	137.7	287.4	178.5	4.1	720.7		
Time Costs (\$)	15,818	66,150	81,243	140,826	63,368	861		368,265	
Average Hourly Rate (\$)	855	700	590	490	355	210		511	
Category 1 Disbursements (\$)									
Accommodation	1,849								
Airfares	1,501								
Subsistence	853								
Ground transportation - taxi	701								
Statutory notices	462								
Postage	522								
Ground transportation - rail	451								
Phone expenses	124								
Visa fees	184								
	6,646								
Category 2 Disbursements (\$)	-								
	6,646								

Note: Time is charged in 6 minute intervals

Joint Liquidators' charging policy for disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Liquidation Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

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