

PPC Limited  
(In Official Liquidation)  
("the Company")

Second Report of the Joint Official Liquidators to all known  
creditors

28 October 2019



## Disclaimer

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In preparing this report the JOLs have relied upon information which they have obtained during the course of their appointment including certain statutory documentation and other information received from parties in possession of information, documents, or records pertaining to the Company and its affairs or other third parties. The JOLs have not performed an audit examination on this information.

The JOLs act as agents of the Company and without personal liability.

## Abbreviations

The following abbreviations are used in this report:

BoS/the Bank	Bank of Scotland plc
Connected Groups	Maxtube Group, MRS Group, Petrostem Group, Pioneer Group and Bright Morning Investments Inc, each of which is related to the PPG Group
Court	Grand Court of the Cayman Islands
CWR	Companies Winding Up Rules (as revised)
Date of Appointment	Date of appointment of the JVLs on 28 August 2018
First Report	First report of the JOLs to creditors dated 29 October 2018
Innospection Group	Innospection Group Limited and its subsidiary undertakings
JOLs	Keiran Hutchison, Colin Peter Dempster and Gavin David Yuill in their capacity as Joint Official Liquidators of the Company
JVLs	Keiran Hutchison, Colin Peter Dempster and Gavin David Yuill in their capacity as Joint Voluntary Liquidators of the Company
KTT trust	The KTT trust is the UBO of the Petrostem Group of companies. The beneficiary is the Tyacke family.
Law	Companies Law (as revised)
LC	Liquidation Committee
Maxtube	Maxtube ME Limited
Maxtube Group	Maxtube Holdings Limited and its subsidiary undertakings
MRS	MRS Group
Occidental	Occidental Mukhaizna LLC, Occidental of Oman Inc and Occidental Oman Gas Company LLC
Occidental Contracts	Contracts with Occidental
Petrostem Group	Petrostem Group Limited (In Liquidation) and its subsidiary undertakings
PIL	Petrostem International Limited
Pioneer Group	Pioneer Group Ventures Limited and its subsidiary undertakings
PPA	Petroleum Pipe Americas Corp
PPC Cayman/the Company	PPC Limited (In Official Liquidation)
PPC UK	Petroleum Pipe Company Limited (In Administration)
PPG	Petroleum Pipe Group Limited (In Liquidation)
PPG Group	Petroleum Pipe Group Limited and its subsidiary undertakings
PPME	Petroleum Pipe Middle East FZE
PPS	Petroleum Pipe Singapore Pte Limited
PRL	Petrostem Rentals Limited
Second Report	Second report of the JOLs to creditors dated 28 October 2019

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# 1. Introduction

This is the Second Report and account to creditors dated 28 October 2019. It represents an update to, is supplemental to and should be read in conjunction with the JOLs' First Report dated 29 October 2018. Should you require a copy of the First Report, please contact Gerard Somers via email at [gerard.somers@ky.ey.com](mailto:gerard.somers@ky.ey.com).

The purpose of this Second Report is to provide an update to creditors as to the progress of the liquidation of the Company.

In accordance with Order 8, Rule 2 of the CWR, the JOLs have convened the second meeting of creditors ("Second Meeting") of the Company to be held at 9:00 a.m. (Cayman Islands time) on 31 October 2019 by telephone conference call. The meeting has been convened for the purposes of:

- laying before the meeting this, the Second Report; and
- to deal with such other matters that may arise.

This Second Report, together with notice of the Second Meeting, is being circulated to all known creditors and potential creditors of the Company. It will also be filed with the Grand Court.

Statutory advertisements notifying all potential creditors of the Second Meeting were published in the Cayman Islands Gazette on 30 September 2019 and also in the Worldwide Edition of the Financial Times on 11 October 2019.

As advised in the First Report, the JOLs were obliged to seek the formation of an LC pursuant to Order 9 of the CWR. A combined liquidation committee and creditors' steering committee encompassing a number of the entities in insolvency proceedings in the Petrostem Group and the PPG Group was constituted at the first meeting of creditors. The latest LC meeting is scheduled to be convened on 30 October 2019.

All currency amounts included in this report are in United States Dollars (US\$), unless otherwise stated.

## 2. Purpose and conduct of the liquidation

As set out in the First Report, the directors of the PPG Group concluded that the trading performance of the PPG Group rendered all options (other than an insolvency and managed wind-down of the PPG Group) as unviable.

Furthermore, the JOLs formed the opinion that with the exception of the completion of a number of specific customer orders, it was not appropriate to continue to trade the business of the Company in insolvency. In the period since the issuance of the First Report the JOLs have completed the selected customer orders and also completed sales of the majority of the drilling rental and other assets owned by the Company.

The continued strategy of the JOLs, with a view to concluding the liquidation in an orderly manner and successfully dissolving the Company, is discussed in further detail in this report and is summarised as follows:

- Collect in the debtor balances, and intragroup / intergroup receivables due to the Company;
- Where possible, realise value from the Company's remaining stock of production tubing and casing, drilling pipes and related tools;
- Complete the investigation into the directors' conduct;
- Conclude the details around the Occidental contract assignment and associated work;
- Adjudicate on the validity and quantum of the BoS secured claim;
- Distribute the assets of the Company; and
- Submit an application to Court for final directions.

## 3. Assets

### 3.1 The Occidental contracts

As detailed in the First Report, the principal customer of the PPG Group was Occidental in Oman, for which the Company was the main trading entity. On 26 August 2018, the Company assigned the Occidental Contracts to Maxtube for a consideration based on the gross profit generated from these contracts until their expiry on 31 December 2019 (subject to a minimum payment of 50% of the net profit) and, if the contracts are extended, until 27 August 2023. This assignment of the Occidental Contracts was implemented by the directors of the Company prior to its insolvency.

Maxtube is part of the Maxtube Group and is connected to the PPG Group as both it and the Company are ultimately owned by Julian Tyacke (through a beneficial trust in both cases).

#### 3.1.1 Unrecorded credit notes

In January 2019 Occidental advised that it had identified credit notes aggregating \$2.0m which it intended to set against PPC Cayman's outstanding pre-appointment debtor book (\$0.5m) and invoices issued in respect of pre-appointment orders (\$1.5m).

Following a robust discussion with the directors, Maxtube agreed to reimburse to PPC Cayman the full value of these credit notes from the profit it derives from the Occidental Contracts. That reimbursement is to be made in five quarterly instalments of \$400k, commencing 31 December 2019.

The JOLs further agreed with the directors that, should the cumulative net profit of Maxtube exceed \$1m, Maxtube will be required to present a revised payment proposal to PPC Cayman aimed at accelerating reimbursement of these credit notes.

An amendment to the agreement between PPC Cayman and Maxtube in relation to the assignation of the Occidental Contracts documenting these terms was signed in June 2019.

#### 3.1.2 Pre-appointment debtor book

To date, we have collected \$4.5m of the \$5.0m pre-appointment debtor book. In light of the unrecorded credit notes discussed above, no further amounts in respect thereof will be received from Occidental.

#### 3.1.3 Outstanding pre-appointment orders

All outstanding pre-appointment orders have now been completed and invoiced. Invoices aggregating \$4.3m have been issued. With all invoices now paid and all costs now settled, we can now report a profit on completion of these orders of \$0.8m (May 19 estimate - \$0.8m), after accounting for the balance of the unrecorded credit notes.

#### 3.1.4 Occidental Contracts assignation

To date, we have received \$0.5m from Maxtube in respect of the assignation of the Occidental Contracts.

We continue to receive on a monthly basis a trading statement from Maxtube. At 30 September 2019, Maxtube had recorded revenues, gross profit and operating profit of \$109.3m, \$2.3m and \$0.7m respectively from the Occidental Contracts.

The margin earned on orders shows improvement from Dec 2018. However, it remains behind historical levels and is explained by management as being attributable to adverse PipeLogix index movements, Maxtube's need to place pipe orders through Dan Trading (and not directly on mills) and price reductions agreed with Occidental to secure future orders. We continue to agree recorded revenues and pipe costs to source documents each month.

Orders to the value of \$112.2m have been received but remain outstanding to deliver. Assuming a margin consistent with that to 30 September 2019 (2.1%) is recorded on these undelivered orders, PPC Cayman would receive full reimbursement of the unrecorded credit notes of \$2m, but no further profit share.

The Occidental contract is due to expire on 31 Dec 2019. During June 2019, Maxtube received notification from Occidental of its intention to invite tenders for the Occidental contract beyond 31 Dec 2019. Maxtube has now submitted its tender, but a date to award the contract to the successful bidder is not yet known.

### 3.2 Trade debtors

All other outstanding trade debtor balances, with the exception of \$31k due by one of the Company's suppliers, have now been collected in full. We continue to pursue the outstanding balance and will update creditors on progress in our next report.

### 3.3 Production tubing and casing stocks

As at the date of our appointment, PPC Cayman held stock of production pipe and casing with a book value of \$0.7m. All stock items have now been sold, realising \$0.3m net of fees and commission costs. We currently await receipt of \$50k in respect of these realisations.

### 3.4 Drilling rental asset sales

The JOLs completed the sale of the majority of the drilling rental assets owned by PPC Cayman by May 2019.

Certain assets with a realisable value of c\$40k are currently consigned with Wood International Limited in Egypt. Whilst we had anticipated that these assets would be repatriated to the UAE by July 2019, to date only a small amount of the equipment has been repatriated. The net benefit to creditors from the sale of these assets (after costs) is unlikely to be material.



A summary of all drilling rental asset sales completed to date is provided below:

\$000s		
Offering party	Asset package	Net sales proceeds
Tasman Tools	Asia 1 & 2	1,651
Traxys	Europe 1 & 2, Middle East 1	445
Saltire	Middle East 1	289
Petro Pipe	Middle East 1 & 2	132
WAMP International	Middle East 1 & 2	26
IOT	Middle East 2	28
Europiling	Iraq	46
		2,614

The balances shown above are net of fees and commission costs.

### 3.5 Intragroup and intergroup balances

As at 28 August 2018, the Company was due \$24.1m by other entities within the PPG Group and \$46.2m by companies in the Petrostem Group. The majority of the \$24.1m is due by PPG and based on current estimates, there is unlikely to be any dividend available for ordinary unsecured creditors from that liquidation. We have therefore assumed no recovery from this balance.

As at the date of this report, the JOLs estimate that recoveries from the Company's claims in the Petrostem Group may generate \$1.3m.

### 3.6 Other potential sources of realisation

Non-refundable advance payments aggregating \$1.2m in respect of the purchase of production tubing and casing had been made by the Company to its Chinese mill suppliers as at 28 Aug 2018.

Following our appointment, we negotiated with these Chinese suppliers the application of advance payments against the balances due by the Company in respect of the outstanding orders to Occidental discussed above. As a result, \$1.0m of advance payments were utilised in delivering these outstanding orders.

We have reached agreement with Maxtube to assign to it the remaining advance payments of \$0.2m, in consideration for which it will reimburse 50% of the advance payments to PPG by no later than August 2019. We await receipt of this outstanding amount and have been advised by Maxtube that it will be settled imminently.

## 4. Creditors

The JOLs detail below the current position with regard to creditors' claims.

### 4.1 Secured creditors

As set out in our First Report, the principal lender to the PPG Group is BoS. As at 28 August 2018, the financial records of the PPG Group set out that the debt due to BoS by the PPG Group was \$30.7m. This debt comprised amounts directly owed by the PPG Group to BoS and amounts due to BoS by the PPG Group under cross-guarantees granted in favour of BoS in relation to its lending to certain companies within the Petrostem and Maxtube Groups.

The Company has granted a debenture to BoS in respect of the above noted lending. We set out in our First Report that, on the basis of legal advice previously received by BoS, BoS believed that this debenture effectively secured to it only UK located assets. As the Company predominantly traded in countries outside the UK, BoS initially believed that this debenture did not provide it with security over the key assets of the Company.

However, BoS subsequently reviewed the legal effectiveness of its debenture. Following that review, in April 2019 BoS formally submitted a claim of \$28.0m in the insolvency of the Company. In that claim, BoS set out that, on the basis of further legal advice received, it believed that the debenture granted in its favour by the Company provided to it a priority over the net realisations of all of the assets of the Company.

Given this change in view by BoS, we have taken legal advice from Senior Legal Counsel on the status of BoS's claim against the Company. After detailed consideration of that legal advice by both ourselves and our legal advisors, we have concluded that we are bound to accept that BoS holds effective security over the whole of the assets of the Company. We are not aware of any additional information, documentation or circumstances that could be put to Counsel which would alter Counsel's conclusions in relation to the status of BoS's claim.

We have also reviewed the quantum of BoS's claim against the Company and intend to adjudicate it at \$27.8m. We note that BoS will have continued to incur interest on its debt subsequent to the submission of its claim in April 2019. We are also aware that it paid legal fees of \$141k in May 2019. BoS may seek to include both of these amounts in its secured claim against PPC Cayman.

In light of the above the JOLs now intend to formally admit BoS's claim as a valid secured claim and will proceed with the preparation for the distribution of the PPC Cayman estate's assets to them.

### 4.2 Priority creditors

The JOLs continue to retain one employee, an accountant, on a reduced-hours working arrangement. This employee originally had a contract of employment and visa with other entities in the PPG Group and, in turn, does not have any priority claim for employees' salaries or holiday pay against the Company.

### 4.3 Unsecured creditors

The following table is a summary of the current status of our adjudication of the claims of unsecured creditors in respect of PPC Cayman.

Statement of Affairs		Claims received		Claims adjudicated		Outstanding to adjudicate		Accepted creditor claims
\$000s	Qty	\$000s	Qty	\$000s	Qty	\$000s	\$000s	
95,081	14	76,888	14	61,746	-	-	61,746	

Based on the quantum of the secured creditor claims against the Company and the estimated value of realisable assets, the JOLs do not expect there to be a distribution to be made to creditors of the Company unless the Occidental contracts are extended.

### 4.4 Creditor claims

Please note that debts incurred by the Company prior to 28 August 2018 will rank as unsecured claims against the Company. If you have a claim against the Company, please complete and return the enclosed proof of debt form at Appendix B together with supporting documentation (e.g. invoices, statements and agreements) to [ppcgroup@uk.ey.com](mailto:ppcgroup@uk.ey.com).

Certain debts due from the Company may have priority pursuant to the Law. If you consider that you have a claim in this category, please advise the JOLs immediately. If you hold any security for your claim or you consider that you have title to any assets in the Company's possession, please forward details to the JOLs as soon as possible.

Any sums due to the Company arising after 28 August 2018 must be paid in full and without set-off against any debts incurred by the Company prior to the Date of Appointment.

## 5. Fees and disbursements

The JVLs fees for the period up to 2 October 2018 of \$246,903, have been approved by the LC and the Court. An analysis of these fees is attached at Appendix A.

The basis of remuneration, documented in the remuneration agreement, of the Joint Official Liquidators for the period from 3 October 2018 onwards was agreed with the LC in a meeting held on 11 December 2018. The Grand Court of Cayman subsequently endorsed that agreement. Both the Liquidation Committee and the Grant Court of Cayman have also approved the JOLs' fees of \$311,137, for the period 3 October 2018 to 16 November 2018, bringing total approved fees for the liquidation for the period to 16 November 2018 to \$558,040, as shown in the table below.

\$s	5 weeks to 2 Oct 18	3 weeks to 19 Oct 18	4 weeks to 16 Nov 18	12 weeks Total
Voluntary Liquidation	246,903	-	-	246,903
Official Liquidation	-	126,219	184,918	311,137
Total	246,903	126,219	184,918	558,040

In a subsequent meeting, the LC approved the JOL's fees to 5 April 2019, summarised as follows:

\$s	4 weeks to 14 Dec 18	4 weeks to 11 Jan 19	4 weeks to 8 Feb 19	4 weeks to 8 Mar 19	4 weeks to 5 Apr 19	20 weeks Total
Official Liquidation	134,976	54,947	111,553	97,601	62,897	461,974

The JOLs now intend to seek the LC's approval to their fees for the periods to 23 August 2019, as set out in the table below.

\$s	4 weeks to 3 May 19	4 weeks to 31 May 19	4 weeks to 28 Jun 19	4 weeks to 26 Jul 19	4 weeks to 23 Aug 19	20 weeks Total
Official Liquidation	78,132	84,622	57,331	28,134	25,317	273,535

The JOLs' hourly rates, hours incurred and disbursements for the entire Official Liquidation period 3 October 2018 to 23 August 2019 are summarised below and more details are also attached at Appendix A:

JOLs' fees			
Staff Description	Hours	Rate (\$)	Total (\$)
Joint Official Liquidator	153.6	855.00	131,328
Director	239.9	700.00	167,930
Senior Manager	508.3	590.00	299,897
Manager	323.8	490.00	158,662
Executive / Assistant Manager	654.9	385.00	252,288
Analyst	174.0	210.00	36,530
Total	2,054.5		1,046,637

JOLs' disbursements	
Description	Total (\$)
Accommodation	5,594
Airfare	6,016
Ground transportation - rail	1,541
Ground transportation - taxi	2,240
Ground transportation - tolls	52
Ground transportation - mileage	279
Insolvency Practitioner levy	608
Postage / Courier	708
Parking	7
Subsistence	2,197
Bank charges	78
Visa fees, costs, etc.	217
Document charges	2,584
<b>Total</b>	<b>22,121</b>

In accordance with the above noted remuneration agreement, we have approval to raise fee notes for 80% of our fees for each four-week period. The 20% balance of our fees can only be drawn with the approval of the Liquidation Committee and the Grand Court of Cayman. Notwithstanding that agreement, to date, we have only raised fee notes covering the period to 8 March 2019.

## 6. Other matters

### 6.1 Future conduct of the liquidation

The JOLs will continue to manage the affairs, business and property of the Company to achieve the purpose of the liquidation. This will include, inter alia:

- Collecting any remaining balances and intragroup / intergroup receivables due to the Company;
- Dealing with creditor enquiries;
- Completion of our investigative procedures, including finalising the investigation into the conduct of the directors leading up to the Date of Appointment;
- Distributing realisations to the secured creditor of the Company;
- If applicable, adjudicating unsecured creditor claims and making distributions to unsecured creditors;
- Ensuring all statutory reporting and compliance obligations are met; and
- Finalising the liquidation, including payment of all liquidation liabilities.

A summary of the JOLs' receipts and payments account is enclosed at Appendix D.

### 6.2 Conclusion

In due course, the JOLs will provide further updates to creditors as well as to the duly formed LC on the progress of the matters outlined in this report and any other matters arising during the course of the liquidation.

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 Gerard Somers on +1 (345) 814 8902 or at [gerard.somers@ky.ey.com](mailto:gerard.somers@ky.ey.com).

Yours faithfully

For and on behalf of PPC Limited (In Official Liquidation)

Keiran Hutchison  
Joint Official Liquidator

Encl.

The business, affairs and property of the Company are being managed by the Joint Official Liquidators who act as agents of the Company only and without personal liability. Keiran Hutchison, Colin Peter Dempster and Gavin David Yuill are authorized to act as Insolvency Practitioners in accordance with Rule 4 of the IPR in the Cayman Islands. The Institute of Chartered Accountants of Scotland authorizes Colin Peter Dempster and Gavin David Yuill to act as Insolvency Practitioners under section 390 (2) of the Insolvency Act 1986.

## Appendix A Fee analyses

JVL fees for the period 28 August 2018 to 2 October 2018

	Staff Grade							Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Assistant Manager	Executive	Analyst			
Accounting and Administration	1.2	-	1.9	-	-	84.0	14.1	101.2	40,391	399
Bank & Statutory Reporting	4.5	0.1	7.7	1.0	-	0.2	-	13.5	9,022	668
Creditors (Mandatory)	1.0	8.5	3.5	-	-	6.0	-	19.0	11,570	609
Debtors	-	4.7	13.9	-	-	-	-	18.6	11,491	618
Employee Matters	-	-	6.2	-	-	-	-	6.2	3,658	590
Environmental Issues	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-
Immediate Tasks	0.5	6.7	1.1	-	-	8.0	-	16.3	9,367	575
Investigation/CDDA (Mandatory)	-	-	-	-	-	0	-	0.0	-	-
Job Acceptance & Strategy (M)	0.3	-	-	1.0	-	19.0	-	20.3	9,297	458
Legal Issues	1.4	-	0.4	-	-	10.0	-	11.8	5,933	503
Members	-	-	-	-	-	-	-	-	-	-
Other Assets (Mandatory)	-	-	-	-	-	-	-	-	-	-
Other Matters	-	5.9	-	16.1	-	16.0	-	38.0	19,219	506
Out of scope	-	-	-	-	-	-	-	-	-	-
Property	-	-	1.2	-	-	-	-	1.2	708	590
Public Relations issues	-	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-	-
Statutory Duties	0.5	3.4	-	5.2	-	3.2	-	12.3	6,606	537
Trading (Mandatory)	9.3	35.4	41.7	10.5	-	108.4	11.6	216.9	104,103	480
VAT & Taxation	-	-	1.1	-	-	1.4	-	2.5	1,146	458
Sale of Business	-	-	-	-	-	-	-	-	-	-
Prescribed Part Distribution	-	-	-	-	-	-	-	-	-	-
Stock and Fixed Assets	-	0.9	1.5	6.0	-	28.0	-	36.4	14,395	395
Extra Category 2	-	-	-	-	-	-	-	-	-	-
Extra Category 3	-	-	-	-	-	-	-	-	-	-
Extra Category 4	-	-	-	-	-	-	-	-	-	-
Extra Category 5	-	-	-	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>18.7</b>	<b>65.6</b>	<b>80.2</b>	<b>39.8</b>	<b>-</b>	<b>284.2</b>	<b>25.7</b>	<b>514.2</b>		
<b>Time Costs (\$)</b>	<b>15,989</b>	<b>45,920</b>	<b>47,318</b>	<b>19,502</b>	<b>0</b>	<b>112,785</b>	<b>5,390</b>		<b>246,903</b>	
<b>Average Hourly Rate (\$)</b>	855	700	590	490	#DIV/0!	397	210		480	
<b>Category 1 Disbursements (\$)</b>	<b>8,482</b>									
<b>Category 2 Disbursements (\$)</b>										
	<b>8,482</b>									

Note: Time is charged in 6 minute intervals

JOL fees for the period 3 October 2018 to 23 August 2019

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(\$)	(\$)
Accounting and Administration	3.7	3.8	14.4	9.1	212.4	98.9	342.3	121,581	355
Bank & Statutory Reporting	22.8	19.2	98.5	-	9.1	0.5	150.1	94,432	629
Creditors (Mandatory)	52.4	79.9	63.9	17.5	124.8	0.8	339.3	195,917	577
Debtors	14.0	1.9	33.0	-	3.5	4.1	56.5	35,206	623
Employee Matters	-	1.3	16.9	-	-	-	18.2	10,881	598
Immediate Tasks	5.8	-	2.6	-	11.0	-	19.4	11,443	590
Investigation/CDDA (Mandatory)	29.3	23.0	33.2	33.9	50.5	-	169.9	96,342	567
Job Acceptance & Strategy (M)	-	5.7	-	-	6.9	-	12.6	6,696	531
Legal Issues	11.2	-	2.7	7.0	19.5	-	40.4	23,374	579
Other Assets (Mandatory)	-	1.4	15.5	-	-	-	16.9	10,125	599
Other Matters	-	17.0	8.6	-	1.9	-	27.5	17,791	647
Property	-	-	-	-	0.2	-	0.2	71	355
Statutory Duties	1.1	1.3	5.4	12.6	47.5	6.1	74.0	33,249	449
Trading (Mandatory)	13.3	43.7	180.8	4.7	129.1	58.2	429.8	209,075	486
VAT & Taxation	-	-	1.6	5.2	3.5	3.8	14.1	5,533	392
Stock and Fixed Assets	-	41.7	31.2	233.8	35.0	1.6	343.3	174,921	510
<b>Total Hours</b>	<b>153.6</b>	<b>239.9</b>	<b>508.3</b>	<b>323.8</b>	<b>654.9</b>	<b>174.0</b>	<b>2,054.5</b>		
<b>Time Costs (\$)</b>	<b>131,328</b>	<b>167,930</b>	<b>299,897</b>	<b>158,662</b>	<b>252,288</b>	<b>36,530</b>		<b>1,046,637</b>	
<b>Average Hourly Rate (\$)</b>	855	700	590	490	385	210		509	
<b>Category 1 Disbursements (\$)</b>	<b>21,842</b>								
<b>Category 2 Disbursements (\$)</b>	<b>279</b>								
	<b>22,121</b>								

Note: Time is charged in 6 minute intervals



## Appendix B Proof of Debt

COMPANIES LAW (2018 REVISION)

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PROOF OF DEBT

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PPC Limited (In Official Liquidation)

1	Creditor's Name	
2	Creditor's Address and relevant contact details	
3	Amount of claim	
	Principal	
	Interest (if any)	
	Total	
4	Summarise the basis upon which the claim arises	
5	List of supporting documentation (copies of which must be attached)	
6	Summarise basis for interest claim	
7	Interest calculation	

Proof of Debt

8	Particulars of any security held including a list of the relevant documentation	
9	Value of the security and date of valuation	

Dated:

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[Signature of Creditor]

[State the name of the person signing the proof of debt, the capacity in which he is authorised to sign on behalf of the creditor and his contact details.]

# Appendix C Proxy Form

The Companies Law (2018 Revision)  
PROXY FORM

Notes to help completion of this form

PPC LIMITED (IN OFFICIAL LIQUIDATION)

Please give full name and address for communication.

NAME OF CREDITOR \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please insert name of person (who must be 18 or over) or the "Chairman of the Meeting" (see note below). If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternative(s).

NAME OF PROXY FOR CREDITOR  
1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. if he/she has no discretion.

I appoint the above person to be the creditor's proxy-holder at the meeting of creditors to be held at 7:00 am Cayman Islands time on 1 November 2018 or at any adjournment of that meeting. The proxy-holder is to propose or vote as below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

**This form must be signed**

SIGNATURE \_\_\_\_\_  
DATE \_\_\_\_\_  
NAME IN CAPITAL LETTERS \_\_\_\_\_

Only to be completed if the creditor has not signed in person.

POSITION WITH CREDITOR OR RELATIONSHIP TO CREDITOR OR OTHER AUTHORITY FOR SIGNATURE  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PLEASE NOTE THAT IF YOU NOMINATE THE CHAIRMAN OF THE MEETING TO BE YOUR PROXY-HOLDER HE/SHE WILL BE ONE OF THE JOINT OFFICIAL LIQUIDATORS OR A MEMBER OF THE JOINT OFFICIAL LIQUIDATORS' STAFF

## Appendix D Receipts and Payments – 28 August 2018 to 27 August 2019

	Period 28 August 2018 to 2 October 2018	Period 3 October 2018 to 27 August 2019	Total period 28 August 2018 to 27 August 2019
	US\$	US\$	US\$
<b>Receipts</b>			
Assignment of Occidental customer contract	200,000	300,000	500,000
Post-appointment sales	-	2,517,664	2,517,664
Pre-appointment debtors	3,653,879	814,905	4,468,784
Cash at Date of Appointment	-	203	203
Stock sales - Rental assets	-	2,983,349	2,983,349
Stock sales - Production tubing	-	270,990	270,990
Recovery of Stock Realisation costs	-	156,482	156,482
Bank interest received	-	74	74
Inter-company - Petrostem Rentals Limited (In Liquidation)	-	128,515	128,515
Inter-company - Petrostem Asia	-	53,743	53,743
Inter-company - Petrostem Malaysia	-	82,085	82,085
	3,853,879	7,308,011	11,161,889
<b>Payments</b>			
Bank charges	270	2,350	2,620
Consultants fees & expenses	1,625	12,099	13,724
Employee expenses	-	2,921	2,921
Employee healthcare	-	19,745	19,745
Exchange rate difference on f/x payments	-	(938)	(938)
Inspection fees	-	450	450
Legal fees & expenses	-	139,726	139,726
Liquidators' fees and expenses	-	946,765	946,765
Material purchases	-	908,042	908,042
Pipe coating	114,457	372,989	487,446
Pipe handling / packing / shipment charges	43,732	145,191	188,923
Repairs	14,000	15,272	29,272
Statutory advertising	-	5,274	5,274
Stock agents' fees & commission	-	531,873	531,873
Branch closure fees and expenses	-	10,088	10,088
Sundry expenses	500	-	500
Wages & salaries	53,115	134,490	187,605
Yard storage costs	-	26,024	26,024
VAT & GST (Payable) / Recoverable	-	2,466	2,466
Inter-company - Petroleum Pipe Company Limited (In Administration)	193,030	(169,656)	23,374
Inter-company - Petroleum Pipe Group Limited (In Liquidation)	-	72,828	72,828
Inter-company - Pipeline Supplies Bahrain Limited (In Liquidation)	102,566	1,047,456	1,150,022
Inter-company - Petrostem Group Limited (In Liquidation)	-	-	-
Inter-company - Petrostem International Limited (In Liquidation)	-	107	107
	523,295	4,225,561	4,748,857
	3,330,584	3,082,450	6,413,032
<b>Represented by:</b>			
<b>Bank balances</b>			
Royal Bank of Scotland	3,330,584	-	6,378,664
Bank of Scotland	-	-	-
Butterfield Bank (Cayman)	-	-	34,368
	3,330,584	-	6,413,032

### Notes

1. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
2. These accounts do not reflect estimated future realisations or associated costs.
3. The Inter-company balances shown above reflect cash receipts or payments in respect of other group companies and will be settled by the relevant company in due course.