

**Killarnee Civil & Concrete Contractors Pty Ltd
(Administrators Appointed)
ACN 085 230 486**

**Killarnee Contracting Pty Ltd
(Administrators Appointed)
ACN 109 535 686**

**Killarnee Equipment Holdings Pty Ltd
(Administrators Appointed)
ACN 125 969 502**

(Collectively referred to as “the “Companies”)

Minutes of the First Concurrent Meetings of Creditors of the Companies held at the Holiday Inn Hotel, 778-788 Hay Street, PERTH WA 6000 on Wednesday, 10 September 2014 at 11:00am AWST.

1 PRESENT

See **Annexure “A”** for details of the Attendance Register.

2 CHAIRPERSON

Martin Jones, one of the Joint and Several Voluntary Administrators of the Companies opened the meetings and introduced himself to the floor and advised that he, together with two other partners, Darren Weaver and Ben Johnson, were appointed as the Companies Administrators' by a resolution of the sole director of the Companies on 1 September 2014. Accordingly, he advised that he would act as Chairman of the meeting in accordance with Regulation 5.6.17(1) of the Corporations Regulations. The Chairman also advised that alongside him was Kieran Chu of his office who would be taking the minutes today.

3 ATTENDANCE SHEET/PROXIES

The Chairman noted that he was required to consider and either admit or reject the proxies submitted for the purpose of voting for the meeting. In that regard, he noted that all proxies were admitted for the purpose of voting at the meeting other than:

- A proxy had been received in respect to a claim lodged by Downers EDI Engineering Power Pty Ltd (“Downers EDI”) in the amount of \$3,377,849.30. The Chairman noted the claim by Downers EDI is subject to a legal dispute and counter-claim by KCCC, which would notionally mean that Downers EDI would owe money back to KCCC. Steps are being taken to ensure the proper quantification of claim and a future determination will be made at a latter point in time based upon facts to be provided by both the parties.

In this regard, due to issue regarding the proper quantification of that claim, the complex legal issues that may arise and the potential counter claim by KCCC, the Chairman advised that he would mark that claim as “objected to” and so as not to disenfranchise that creditor, he would admit it for voting purposes at this meeting for a nominal sum of \$1.

All proxies or instruments appointing proxies and attorneys were made available for inspection by those present.

4 QUORUM

The Chairman then advised that, in accordance with Regulation 5.6.14, the meeting was being held at a date, time and place convenient to the majority of persons entitled to receive notice of the meetings and that in accordance with Regulation 5.6.16(2) of the Corporations Regulations, that a quorum was present for the following companies:

Company	ACN
Killarnee Civil & Concrete Contractors Pty Ltd	085 230 486
Killarnee Contracting Pty Ltd	109 535 686
Killarnee Equipment Holdings Pty Ltd	125 969 502

5 NOTICE OF MEETINGS

The Chairman advised that the first concurrent meetings of creditors for the Companies had been called in accordance with the notice of meeting dated 2 September 2014, the meeting having been advertised in the Australian Securities and Investment Commissions website on 2 September 2014.

The Chairman advised that he chose to hold the meetings concurrently to allow for efficient communication to all stakeholders with common interests and in order to minimise costs and generally allow an efficient Administration process without prejudicing creditor rights.

The Chairman then sought the following resolutions for each of the following companies:

“That the notice of the meetings be taken as read”.

Company	Moved	Resolution - carried / not carried
Killarnee Civil & Concrete Contractors Pty Ltd	Barry Woodhouse	Carried
Killarnee Contracting Pty Ltd	Barry Woodhouse	Carried
Killarnee Equipment Holdings Pty Ltd	Barry Woodhouse	Carried

6 PURPOSE OF MEETING

The Chairman advised that the purpose of the meeting was to determine:

- Whether to appoint a Committee of Creditors and, if so, who are to be the committee members; and
- Confirm the appointment of the Administrators
- Any other business.

7 MOTIONS

The Chairman advised that all motions were to be resolved on the voices, unless a poll was demanded (Regulation 5.6.19)

8 RESOLUTIONS

The Chairman advised that a resolution is carried if:

- A majority of creditors voting (whether in person, by attorney or by proxy) vote in favour; and
- The value of the debts owed by the corporation to those voting in favour is more than half the total debts owed to all creditors voting.

The Chairman advised that a resolution put to the vote of the meeting must be decided on the voices unless a poll is demanded, before or on the declaration of the result of the voices (Regulation 5.6.19):

- (a) By the Chairman; or
- (b) By at least two persons present in person, by proxy or by attorney that are entitled to vote at the meeting; or
- (c) By a person present in person, by proxy or by attorney representing not less than 10% of the total voting rights of all the persons entitled to vote at the meeting.

9 VOTING

The Chairman noted that he may exercise a "casting vote" if no result is reached for or against (Regulation 5.6.21). The Chairman's decision to exercise this vote is subject to review by the Court upon application by a creditor (Section 600B and Section 600C).

10 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

The Chairman tabled the Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) and noted that:

- (a) A copy of the DIRRI had been provided to creditors with the notice of meeting dated 2 September 2014.
- (b) There has been no change to the declaration since the date the Administrators signed it.

11 REPORT TO ADMINISTRATORS

The Chairman advised that the second meeting of creditors of the Company will be held on Tuesday, 7 October 2014 unless that date is extended by an application to Court.

Prior to the second creditors meeting, the Administrators will provide a detailed report to Creditors that will address a full assessment of the Company's financial position, investigations conducted into the Company's affairs and any proposal for a deed of company arrangement that may be put forward, the merits of the deed and how that would compare to the alternative of a winding up of the company.

Creditors would have the opportunity to decide on one of the following:

- (a) To consider if the deed of company arrangement, if one is presented, should be adopted; or

- (b) Company should go into liquidation as creditors voluntary winding up with the administrators becoming the liquidators; or
- (c) The voluntary administration should come to an end and control of company to revert to the directors having satisfied the issues that initially led to the appointment of the administrators.

The Chairman then discussed PowerPoint slide numbers 5 to 9 attached in **Annexure "B"** (of 15 pages). The Chairman also advised that a copy of the slides would be annexed to the minutes.

12 DISCUSSION

The meeting was then opened for discussion.

Sarah Bracegirdle How much is owed to the secured creditor, Westpac?

- Statewide Steel Pty Ltd:

Chairman: Westpac's debt comprises of:

- \$2.5M in bank guarantees for the CB&I Contract; and
- \$1.8 M for fully drawn overdraft; and
- \$0.8M for equipment finance.

Based upon how the Business Sale Agreement (BSA) has been constructed, Westpac would have the bank guarantee replaced by the incoming Purchaser. Westpac would then have to rely upon the recovery of other assets to retire the overdraft facility and equipment finance facilities.

Simon Brown – Downer EDI: What are the conditions and details of the BSA and what are the relevant milestone dates of the BSA?

Chairman: There were initially some conditions which were initially required to be satisfied by the 5th and 8th September 2014 and have since been varied to the 15th of September 2014.

The conditions, as you would expect, included items such as the consent of the contract principals to an assignment of contract on foot, the consent of the secured creditors and hire purchase creditors to the sale and the proper quantification of employee entitlements.

I understand that the Purchaser has been completing their due diligence on the Companies for quite a while and is familiar with the Companies' operations and its assets.

13 COMMITTEE OF CREDITORS

The Chairman advised that pursuant to Section 436F of the Corporations Act 2001, the functions of the Committee of Creditors are:

- To consult with the Administrators about matters relating to the Administration; and
- To receive and consider reports by the Administrators.

The Chairman called for nominations and for any view from the floor creditors as to whether or not they wish to form a committee and participate in it. There were no nominations received and the Chairman then put the following resolution to the meetings:

“That a Committee of Creditors of Killarnee Civil and Concrete Contractors Pty Ltd shall not be formed on the basis that no creditors were nominated to be part of such a Committee”.

Moved: Barry Woodhouse (employee)

The resolution was declared carried.

“That a Committee of Creditors of Killarnee Contracting Pty Ltd shall not be formed on the basis that no creditors were nominated to be part of such a Committee”.

Moved: Barry Woodhouse representing Killarnee Group Pty Ltd

The resolution was declared carried.

“That a Committee of Creditors of Killarnee Equipment Holdings Pty Ltd shall not be formed on the basis that no creditors were nominated to be part of such a Committee”.

Moved: Barry Woodhouse representing Killarnee Group Pty Ltd

The resolution was declared carried.

14 APPOINTMENT OF ALTERNATE ADMINISTRATORS

The Chairman advised that pursuant to an Instrument of Appointment dated 1 September 2014, the Chairman, Darren Weaver and Ben Johnson were appointed Joint and Several Administrators of the Companies.

The Chairman also advised that pursuant to Section 436E(4), creditors may, by resolution, appoint someone else as Administrator of the Companies.

The Chairman noted that there were no other nominations for Administrator and announced that the company's appointment stands and accordingly, Martin Jones, Darren Weaver and Ben Johnson remain as Joint and Several Administrators of the Companies.

15 CLOSURE OF MEETINGS

There being no further business, the Chairman thanked those present for attending and advised that a further meeting of creditors for the Companies would be held on or before 7 October 2014, to receive the Administrators' report on each Company's business, property, affairs and financial circumstances, and resolve:


- Whether a Deed of Company Arrangement shall be entered into; or
- Whether the administration should come to an end; or

- Whether the Companies should be wound up.

The Chairman advised that a circular would be forwarded to creditors advising them of the time and place of the meeting and that proxy forms would accompany the notice of meeting for any creditors who wished to send a proxy.

The Chairman declared the meeting closed at 11:40 am.

Signed as a correct record.



Martin Jones
Chairman

ANNEXURE "A"

Killarnee Civil & Concrete Contractors Pty Ltd (Administrators Appointed)

Creditor	Proxy	Represented by	Amount admitted to vote for (\$)
Martin Jones (Chairman)	N/A	N/A	N/A
Kieran Chu (Assisting Mr Jones)	N/A	N/A	N/A
Nirav Shah (Assisting Mr Jones)	N/A	N/A	N/A
William George (Assisting Mr Jones)	N/A	N/A	N/A
Australian Concrete Pumping Logistics (WA) Pty Ltd	General	Joe Benfatta	92,375.91
D&N Commercial Concrete Pty Ltd	General	Leanne Bradshaw	208,697.96
Downer EDI Engineering Power Pty Ltd	General	Simon Brown	1.00
JLG Industries (Australia)	General	Michael Still	5,888.66
Mobile Concreting Solutions Pty Ltd	General	Iain Wood	154,946.88
Plascorp Pty Ltd	General	Alistair Martin	124,375.29
Raw Hire Pty Ltd	General	Pauline Linda Freeman	144,442.02
Vantage Performance (WA) Pty Ltd	General	Richard John	101,708.24
Barry Woodhouse	N/A	Himself	10,867.00
Samantha Hoelscher	N/A	Herself	50,280.44
Anthony Seymour	N/A	Himself	37,220.58
Capital Finance Australia Ltd	Special	The Chairman	10,439.18
D&E Solutions Pty Ltd T/As Intime Mechanical	General	The Chairman	33,181.42
Direct Trades Supply Pty Ltd	General	The Chairman	47,096.34
Gemec Pty Ltd	General	The Chairman	734.68
McIntosh & Son	Special	The Chairman	2,343.39
Mitrefinch (Aust) Pty Ltd	Special	The Chairman	2,344.65
National Australia Bank	Special	The Chairman	896,669.33
Panos Safety	General	The Chairman	7,657.93
Observer	Proxy	Company Name	Amount admitted to vote for (\$)
Simon Morgan	N/A	CBI Construction	N/A
Doug Hanson	N/A	CBI Construction	N/A
Sarah Bracegirdle	N/A	Statewide Steel Pty Ltd	N/A
Ken Hutchings	N/A	Vicus Commercial Group	N/A
Mick Hewitt	N/A	Boltmakers (WA) 1976	N/A
Richie Hewitt	N/A	Boltmakers (WA) 1976	N/A
Mitch Thompson	N/A	N/A	N/A
Johnathon Post	N/A	Downer EDI Engineering Power Pty Ltd	N/A
Mario D'Angelo	N/A	Australian Concrete Pumping Logistics (WA) Pty Ltd	N/A
Matthew McLean	N/A	Matrix Partners	N/A

Killarnee Contracting Pty Ltd (Administrators Appointed)

Creditor	Proxy	Represented by	Amount admitted to vote for (\$)
Martin Jones (Chairman)	N/A	N/A	N/A
Kieran Chu (Assisting Mr Jones)	N/A	N/A	N/A
Nirav Shah (Assisting Mr Jones)	N/A	N/A	N/A
William George (Assisting Mr Jones)	N/A	N/A	N/A
Killarnee Group Pty Ltd	General	Barry Woodhouse	171,681.00
National Australia Bank	Special	The Chairman	896,669.33

Killarnee Equipment Holdings Pty Ltd (Administrators Appointed)

Creditor	Proxy	Represented by	Amount admitted to vote for (\$)
Martin Jones (Chairman)	N/A	N/A	N/A
Kieran Chu (Assisting Mr Jones)	N/A	N/A	N/A
Nirav Shah (Assisting Mr Jones)	N/A	N/A	N/A
William George (Assisting Mr Jones)	N/A	N/A	N/A
Killarnee Group Pty Ltd	General	Barry Woodhouse	1,726,875.00
Capital Finance Australia Ltd	Special	The Chairman	47,413.17
De Lage Landen Pty Ltd	General	The Chairman	254,498.91
National Australia Bank	Special	The Chairman	896,669.33

**Killarnee Civil & Concrete Contractors Pty Ltd
Killarnee Contracting Pty Ltd
Killarnee Equipment Holdings Pty Ltd
(All Administrators Appointed)
(Referred to as "the Group")**

**Concurrent First Meetings of Creditors
Wednesday, 10 September 2014**

Procedural Matters

Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson were appointed as joint and several voluntary administrators on Monday, 1 September 2014.

Procedural Matters:

- First concurrent meetings of creditors.
- Purpose of meetings.
- Notice of meetings.
- Admission of proxies for voting purposes.
- Determination of Quorum.
- Voting and resolutions.

Purpose and Conduct of Meetings

- Purpose of Meetings

The main purpose of the concurrent meetings of creditors today is:

For creditors to resolve pursuant to Section 436E(1) of the Act:

- ☐ Whether to appoint a Committee of Creditors and;
- ☐ If so, who are to be the committees members

AND

For creditors to resolve pursuant to Section 436E(4) of the Act that:

- ☐ to remove the Administrator from office; and
- ☐ to appoint someone else as the Administrator of company.

- Declaration of independence, relationships and indemnities was enclosed in the first circular to creditors dated 2 September 2014.
- Appointment referred to us by Andrew Birch of Vantage Performance. From time to time we are referred jobs from company accountants / business advisors . We do not believe that this relationship results in conflict.
- Met with the Director prior to our appointment to provide preliminary advice on finance position and, sale and restructure alternatives. We not believe that this meeting affects our independence.
- Within the preceding two years we have had a relationship with Westpac Banking Corporation, the secured creditors of the Group. Do not believe that this relationship is conflict of interest of duty.
- No indemnities provided.

The Voluntary Administration (“VA”) Process

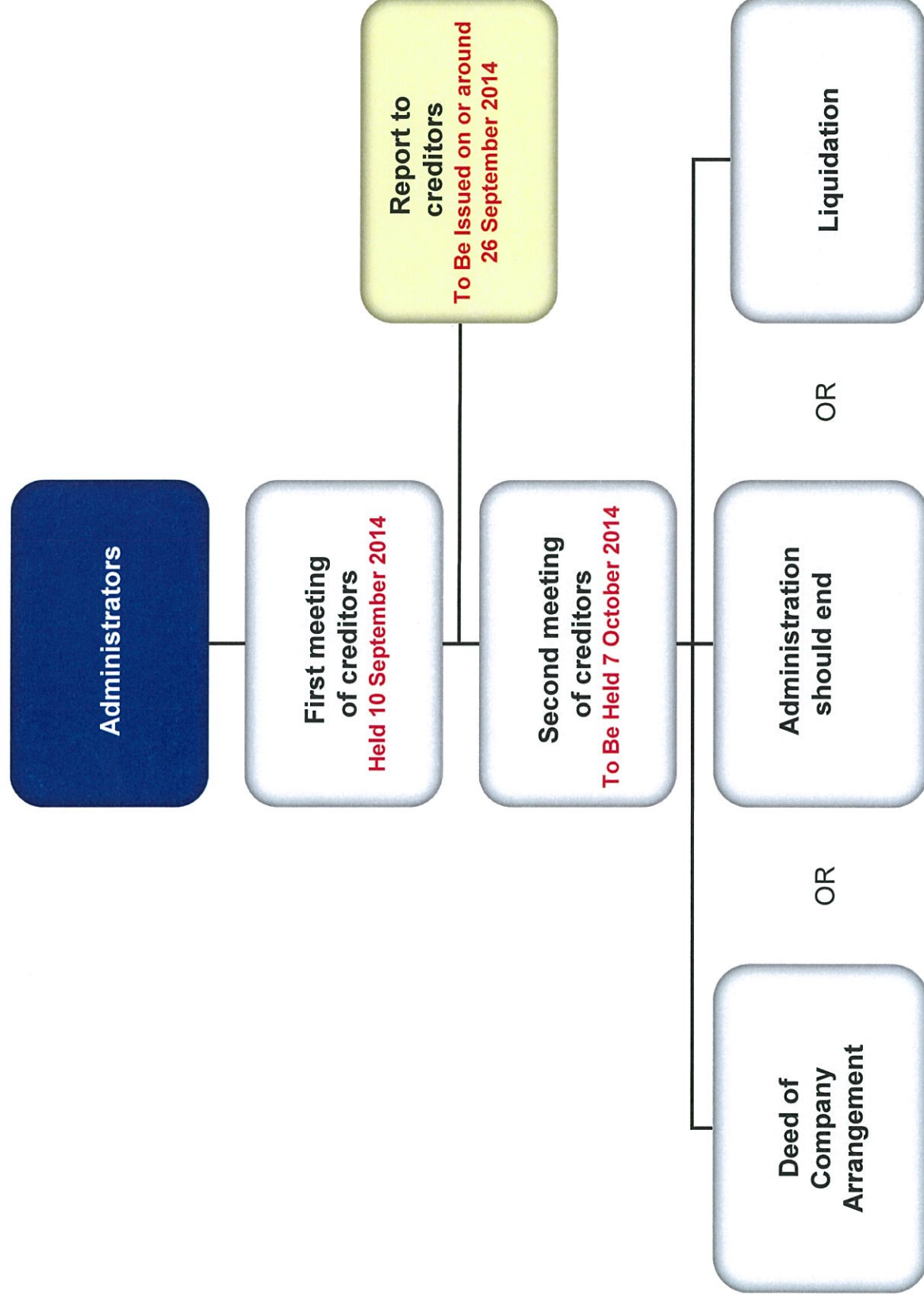
- The Voluntary Administration process allows a company time (up to 25 business days) to either:
 - Restructure its affairs and continue in existence where such will provide a better return for the company’s creditors than an immediate winding up; or
 - Provide a mechanism for an orderly winding up of the company where it is not possible for the business to continue.

- The ultimate outcome of the VA process is either the restructure of the company through a deed of company arrangement or the liquidation of the company.

- Creditors claims are “frozen”, or subject to a statutory moratorium during the administration process.

- The administration may also be terminated should the company be determined to be solvent at the second creditors meeting.

- Creditors may also decide to adjourn the second meeting for a period of up to 45 business days.



Events leading to appointment

Killarnee Group:

- Head office in Osborne Park, WA.
- Operations in Barrow Island (Gorgon LNG Tanks), Karratha and Geraldton.
- Provides concrete and civil construction services to resource, energy and infrastructure sectors.

Events leading to appointment:

- Prior to our appointment, a business sale agreement (“BSA”) entered into with Central Systems Pty Ltd.
- Administrators currently assessing the terms of the BSA with a view to firm up the terms and conditions of the sale (including the timing of the settlement).
- Required to undertake certain investigations and will report to creditors prior to the next meeting, however as an overview the main causes of failure includes:
 - Lack of adequate working capital; and
 - Potential tax shortfall identified.

Task completed to date

- Attended to initial trading issues, statutory obligations and undertook a review of Companies' business operations.
- Took control of the Companies' assets including bank accounts, receivables, plant & equipment and contracts.
- Undertaking an urgent assessment of the viability of each contract which was on foot at the time of our appointment.
- Contacted all contract principals / customers and currently engaged in discussions with them regarding the continuity of the projects during the Administration.
- Continue to trade the business with appropriate control systems in place - i.e. purchase order system authorised by the Administrators.

Task completed to date (cont.)

- Plant, equipment and stock are being quantified and valuers have been engaged to value these items.
- Liaised with the secured creditor, Westpac regarding their secured charge over the assets of the Companies.
- Engaged with Central Systems to obtain funding of operations to the second meeting of creditors to preserve the business as a going concern.
- Commenced statutory investigations into the affairs of the Companies.

Questions and Discussions

- All questions to be directed to Chairman.
- When asking a question, please clearly state your name and the name of the company or creditor you represent.

- The first matter that is required to be addressed by the meeting is whether or not to appoint a Committee of Creditors.
- As outlined earlier creditors are required to consider and resolve whether pursuant to Section 436E(1) of the Corporations Act 2001:
 - i. To appoint a Committee of Creditors; and
 - ii. If so, who are to be the members of the Committee.

Role of Committee of Creditors

- Specific to companies
- Consult with and receive reports from the Administrators
- Assist the Administrators as a “sounding board” for any proposals
- Approve the Administrators’ remuneration

Ferrier Hodgson

Resolutions (cont.)

- The second matter for creditors to resolve pursuant to Section 436E(4) of the Act is (if an alternate Administrator has been nominated and has consented to act) whether or not:
 - i. To remove the Administrators from office; and
 - ii. To appoint someone else as the Administrator of the Company.

- **Ongoing trading** - The company continues to trade as usual under the Administrators control.
- **Sale process** - Continue negotiating with Central Systems with a view to complete sale process, and compare potential returns to any other reconstruction options (subject to outcome on continued operations).
- **Reporting to Committee of Creditors** - Correspond and meet with members of the COC (should one be established).
- **Report to Creditors** - Issue s439A Report to creditors Administrators at least 5 business days prior to second creditors meeting:
 - Companies' estimated asset position
 - Statutory investigations undertaken
 - Status of sale / restructuring program (if appropriate)
 - Any other material matters.
- **Second Creditors' Meeting** - To be held on 7 October 2014 (unless extended by the Court).

Thank you for your attendance

Any further queries may be directed to the Administrators' office or to our staff at the end of the meeting.

Our contact details are below:

Ferrier Hodgson

**Level 28, 108 St Georges Terrace
Perth, WA 6000**

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Facsimile: (08) 9214 1400

Email: Nirav.Shah@fh.com.au

Ferrier
Hodgson
