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7 May 2020

To Creditors

Dear Sir/Madam

Northern Oil & Gas Australia Pty Ltd (In Liquidation)
ACN 607 646 579 (NOGA)

Timor Sea Oil & Gas Australia Pty Ltd (In Liquidation)
ACN 111 708 868 (TSOGA)

TOGA Services Pty Ltd (In Liquidation)
ACN 629 073 365 (TOGA Services)

(Collectively the "Companies")

We refer to our appointment as Liquidators of the Companies on 7 February 2020.

Please find enclosed our Statutory Report to creditors in relation to the conduct of the liquidation to date. Included as attachments to this report are the following:

- An account of the receipts and payments in the liquidations to date (**Annexure A**)
- Remuneration approval request report (**Annexure B**), which sets out:
 - The remuneration claims that we intend to seek approval for by way of proposal
 - The internal disbursements claims that we intend to seek approval for by way of proposal
- Notices of proposals in respect of our remuneration and disbursements (**Annexure C**) to be **completed and returned by 3 June 2020**
- Proof of debt form (**Annexure D**) for the purposes of proving creditor claims.

Should you have any questions, please contact Mary Arguelles on marguelles@kpmg.com.au or 02 9273 5377.

Yours faithfully

Robyn Duggan and Peter Gothard
Joint and Several Liquidators

Encl.



Northern Oil & Gas Australia Pty Ltd
(In Liquidation)
ACN 607 646 579 (NOGA)

Timor Sea Oil & Gas Australia Pty Ltd
(In Liquidation) (Receivers and Managers
Appointed)
ACN 111 708 868 (TSOGA)

TOGA Services Pty Ltd (In Liquidation)
ACN 629 073 365 (TOGA Services)

Collectively the “Companies” or “Group”

Statutory Report by Liquidators

7 May 2020

Level 38 Tower Three, 300
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Please return the Notice of Proposals and Proof of Debt forms to my office by **3 June 2020** via one of the following methods:

Contact name:	Mary Arguelles
By email (preferred):	marguelles@kpmg.com.au
By post:	ATT: Mary Arguelles, KPMG PO Box H67 Australia Square Sydney NSW 1215

1 Introduction

We refer to the VA Report dated 23 January 2020 and to our circular to creditors dated 7 February 2020.

At the meeting of creditors held on 7 February 2020, creditors resolved that the Companies be wound up under section 439C(c) of the Act, and we were appointed as Liquidators of the Companies.

We now take this opportunity to report to you on the following matters:

- An update on the progress of the liquidation
- The current position in relation to the realisation of assets
- The results of our investigations into the Companies' affairs
- The likelihood of a dividend being paid in the liquidations.

This report should be read in conjunction with the information contained in the VA Report.

There is no prospect for the payment of a dividend to creditors of the Companies at this time. Further details can be found at section 2.2.

This report also includes information to enable you to consider and approve our remuneration by way of proposal without holding a meeting. Please refer to section 5 for further information.

Due to the current Covid-19 restrictions, this report will be issued only electronically to creditors with a known email address. Creditors will receive a physical copy of this report only if their email address is not known. A copy of the report will also be uploaded on the KPMG website and can be accessed at the following link:
www.kpmg.com/au/noga.

2 Current position

2.1 Matters addressed during the liquidation

Since our appointment, the following matters have been attended to:

- Communications with the Director of the Companies
- Communications with creditors of the Companies
- Review of the books and records of the Companies
- Undertake forensic image and deletion of all computers and servers and prepare image for search purposes
- Communications with regulators and statutory bodies in relation to requests for records
- Communications with representatives for the Minister for Resources, Water and Northern Australia in relation to a review of the circumstances leading to the VA of the Companies
- Tasks associated with the realisation of the assets of the Companies including communications with the R&M
- Liaising with employees and the office of the Attorney-General regarding payment of employee entitlements under the FEG Scheme
- Investigation into the affairs of the Companies and lodgement of statutory reports with ASIC
- Investigations into the recovery of potential voidable transactions
- Attendance to statutory requirements

2.2 Funding arrangements with CCMA and return to creditors

Creditors will recall that during the course of the VA, we entered into four funding agreements with CCMA to meet operating expenses while opportunities were explored for:

- the sale of assets owned by the Companies
- recapitalisation of the Companies
- an acceptable Deed of Company Arrangement to be entered into

CCMA advanced \$16,826,569 during the VA period pursuant to the terms of the funding agreements which were approved by the Supreme Court of New South Wales.

Whilst CCMA did not hold a registered security interest over TOGA Services, a term of the funding agreements required TOGA Services to guarantee the funds advanced to NOGA and TSOGA during the VA period as well as the original facilities that had been provided to NOGA and TSOGA.

The advances made by CCMA during the VA period must be repaid from the proceeds of assets realised or recoveries made in the liquidation of the Companies before any funds become available to other creditors of the Companies.

For this reason, until we have recovered sufficient funds to repay the CCMA funding during the VA period, no funds will be available for the payment of a dividend to any class of creditor in the liquidations of the Companies.

3 Financial position of the Companies

The Director has provided a ROCAP made up as at 20 September 2019 for each of the Companies. A detailed breakdown of each ROCAP was provided in the VA Report. A further update on the status of the Companies' assets is set out below.

3.1 NOGA

The assets held by NOGA are as follows:

Asset	Notes	Liquidators' ERV or Actual Value (excl. GST) \$
Cash at bank	3.1.1	1,089,918
Pre-appointment diesel fuel tax credits	3.1.1	83,600
Plant and equipment	3.1.2	Unknown
Loan account	3.1.3	Unknown
Total		1,173,518

3.1.1 Assets recovered

As advised in the VA Report, the cash at bank and pre-appointment diesel fuel tax credits were recovered during the VA.

3.1.2 Plant and equipment

Asset	Status	Liquidator's ERV or Actual Value (excl. GST) \$
Office furniture and equipment formerly located at the Perth Office (Office Equipment)	Fully realised	12,259
2011 Toyota Hilux	Fully realised	2,455
2012 Volkswagen Amarok	Fully realised	8,182
Other parts and equipment	Being realised	Unknown

3.1.2.1 Office equipment

On liquidation the Companies' operations ceased and steps were taken to vacate the Perth Office.

We engaged Slattery to collect, value and auction the Office Equipment. Certain items were sold to NOGA's former employees, whose offers were assessed with reference to the valuation conducted by Slattery.

A total amount of \$12,259 (excl. GST) has been realised from the sale of the Office Equipment. No further realisations are expected.

3.1.2.2 Motor vehicles

NOGA's motor vehicles were in poor condition and required repairs to bring them to working order. Accordingly, in order to minimise the associated costs of realising the vehicles, they were sold on an 'as is' basis and with reference to appraisals obtained from Slattery.

\$10,637 (excl. GST) has been realised from the sale of the motor vehicles. No further realisations are expected.

3.1.2.3 Other parts and equipment

NOGA is the owner of a number of residual parts and equipment including some spare parts, a subsea tree and associated equipment.

We have consented to the R&M coordinating the realisation of the other parts and equipment. Given the R&M are also realising the TSOGA plant and equipment, we believe this approach results in a more efficient and cost effective sale process and the opportunity to maximise the potential realisable value of those assets.

The R&M have advised that the equipment and spares are currently being inspected and valued and a realisation strategy will be determined shortly. We will continue to monitor the outcome of that sale process.

3.1.3 Loan account

The balance sheet for NOGA discloses a shareholder loan account owed by NOGAH with a balance of \$2,016,939.65. A further analysis of the loan account transactions has been conducted which reveals the following breakdown for the transactions making up the loan account:

Category	Amount \$
Expenses subject to further analysis	382,027.84
Advances to shareholder	1,631,998.76
Business expenses	2,913.05
Total	2,016,939.65

We have written to the Director in his own capacity and as a director of NOGAH demanding repayment of the loan amount. The Director has engaged solicitors to act on his behalf.

The Director has made an offer to settle transactions which he has identified to be of a personal nature. That offer has not been accepted at this stage pending receipt of further documentation to finalise our analysis of the loan account transactions. We are also awaiting details of the financial position of NOGAH to assess its ability to repay the loan.

At this time, we are unable to estimate the ERV of the loan account. We will provide an update in future reports to creditors.

3.1.4 Liabilities

3.1.4.1 Secured creditors

A summary of debts owed to secured creditors for NOGA is shown below:

	Amount \$
CCMA (pre-appointment debt)	107,548,445
CCMA (post-appointment funds advanced during the Administration)	16,826,569
Total	124,375,014

3.1.4.2 Priority creditors

A summary of pre-appointment employee entitlements for NOGA is shown below:

Employee entitlements	Number of Claims	Amount \$
Wages	1	687
Annual leave	22	312,664
Retrenchment	16	642,081
Total	39	955,432

The Attorney General's office is presently assessing claims lodged to date under the FEG Scheme. Employees who have not done so should submit a claim under the FEG scheme urgently. Further details can be found at: www.ag.gov.au/industrial-relations/fair-entitlements-guarantee/Pages/default.aspx.

3.1.4.3 Unsecured creditors

A summary of the debts owed to unsecured creditors for NOGA is set out below:

	Number of Claims	Amount \$
Trade creditors	84	7,526,207
Statutory creditors	3	43,023
Related party creditors	1	138,500
Total	88	7,707,730

3.2 TSOGA

The assets held by TSOGA are as follows:

Asset	Notes	Liquidator's ERV or Actual Value (excl. GST) \$
Cash at bank	3.2.1	2,481,280
Pre-appointment GST refund	3.2.1	430,918
Plant and equipment (Onshore)	3.2.2	Unknown
Offshore assets	3.2.3	Unknown
Petroleum Resource Rent Tax (PRRT) credits	3.2.4	-
Total		2,912,198

3.2.1 Assets recovered

As advised in the VA Report, the cash at bank and pre-appointment GST refund were recovered during the VA.

3.2.2 Plant and equipment (onshore)

The R&M were appointed on 24 February 2020 and have taken control of TSOGA's plant and equipment that were located in Australia.

The R&M have advised that the TSOGA plant and equipment has been inspected by valuers and that they are in the process of determining a realisation strategy. We will continue to monitor the outcome of that sale process.

3.2.3 Offshore assets

As envisaged in the VA Report, upon our appointment as Liquidator, steps were taken to disclaim all offshore assets including the NE, inventory, production licences and related infrastructure (**Offshore Assets**). Given the stringent regulatory environment and the lack of funding to continue operations, there was no alternative but to disclaim all Offshore Assets.

Since the assets were disclaimed, the Commonwealth Government has taken control of the Offshore Assets and engaged UPS to man the NE to protect and preserve the Offshore Assets and the surrounding marine environment. UPS will continue to operate the NE in lighthouse mode with no production until a longer term solution is determined. Lighthouse mode operations will support the vessel and the associated subsea infrastructure and critical maintenance is being undertaken as required.

The Government is working closely with industry to undertake the necessary planning for detailed possible solutions such as decommissioning, including costings, scheduling and environmental management documentation.

In addition, the Government has appointed Mr Steve Walker, an expert with almost 40 years of offshore regulation and industry experience, to conduct a review of the circumstances that led to the VA of the Companies. We are assisting Mr Walker in his enquiries as required.

3.2.4 Petroleum Resource Rent Tax credits

As discussed in the VA Report, the PRRT credits are available to apply to ABEX by allowing for a refund of 40% of total ABEX. The PRRT credits are unable to be transferred to another entity. For the purposes of this report, we have not attributed any value to the PRRT credits.

3.2.5 Liabilities

3.2.5.1 Secured creditors

A summary of debts owed to secured creditors for TSOGA is shown below:

	Amount \$
CCMA (pre-appointment debt)	107,548,445
CCMA (post-appointment funded amounts)	16,826,569
UPS	19,306,584
Total	143,681,598

3.2.5.2 Unsecured creditors

A summary of the debts owed to unsecured creditors for TSOGA is shown below:

	Number of Claims	Amount \$
Trade creditors	18	12,603,275
Statutory creditors	1	465
Related party creditors	-	-
Total	19	12,603,740

3.3 TOGA Services

The assets held by TOGA Services are as follows:

Asset	Liquidator's ERV (excl. GST) \$
Spare parts and consumables	-

The ROCAP indicates an estimated realisable value of \$37,572 for the spare parts and consumables. These assets are held in both onshore and offshore locations.

A significant amount of the parts located onshore were depleted during the period of the administration. Any remaining onshore spare parts and consumables are of nominal value and are not commercial to realise.

3.3.1 Liabilities

3.3.1.1 Secured creditors

A summary of debts owed to secured creditors for TOGA Services is shown below:

	Amount \$
CCMA (pre-appointment debt)	107,548,445
CCMA (post-appointment funded amounts)	16,826,569
Other secured creditors	50,297
Total	124,425,311

3.3.1.2 Unsecured creditors

A summary of the debts owed to unsecured creditors for TOGA Services is shown below:

	Number of Claims	Amount \$
Trade creditors	29	646,354
Statutory creditors	-	-
Related party creditors	-	-
Total	29	646,354

4 Investigation into the Companies' affairs

Our reports pursuant to section 533 of the Act on the outcome of our investigation into the affairs of the Companies have been filed with ASIC. ASIC is considering the information contained in those reports.

Creditors should refer to the VA Report for details on our preliminary investigations. The following provides an update on detailed investigations into the affairs of the Companies.

Please also refer to the ARITA Creditor Information Sheet at **Annexure E** for details of the type of transactions recoverable by the Liquidators.

4.1 Solvency analysis

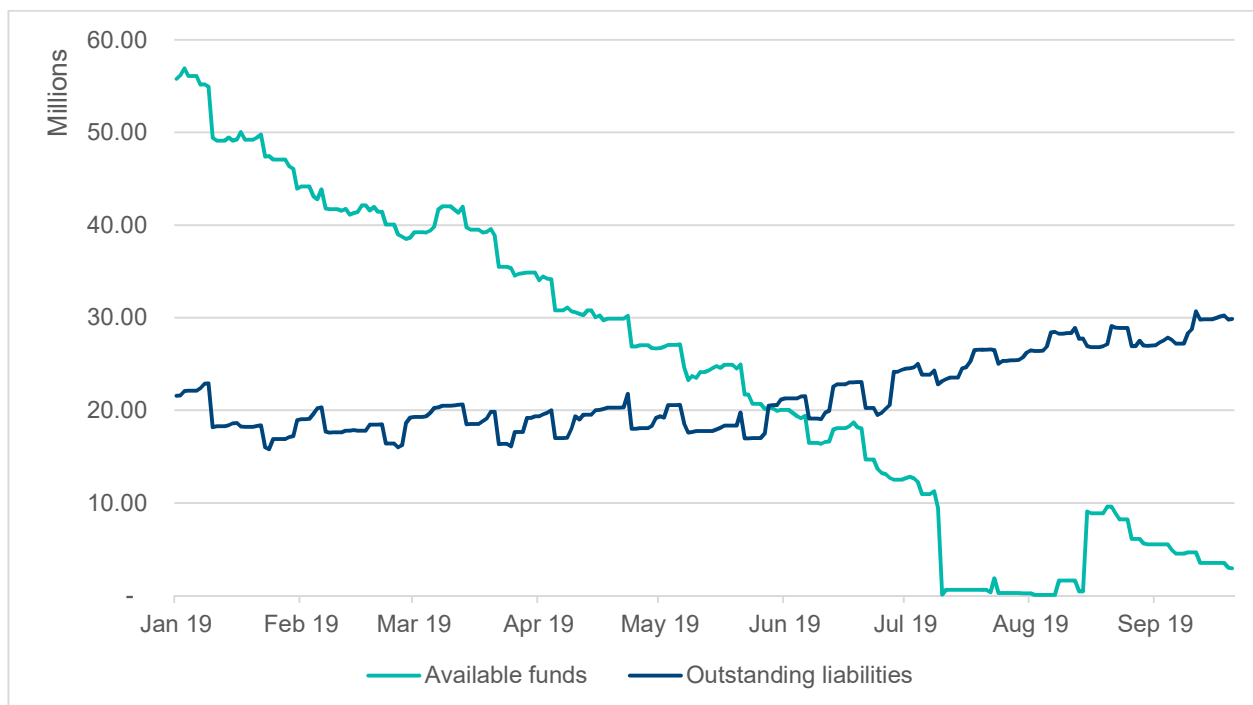
Some actions available to us as Liquidators to recover funds through the voiding of certain transactions or other legal action require the solvency of the Companies to be established at the relevant time.

The VA Report provides a detailed assessment of the key insolvency indicators commonly considered by the Courts in determining a company's solvency at a particular date. The Courts have, however, widely accepted the cash flow or commercial test as being determinative of a company's solvency at any point in time.

Our investigations reveal that the primary source of available funds for the Companies was a revolving credit facility provided by CCMA with a limit of US\$50m (**RCF**). Our investigations indicate the Companies utilised the RCF to fund daily operations and repaid the RCF using offtake proceeds.

The availability of the RCF resulted in the Companies having access to available funds to meet outstanding liabilities.

We have analysed the Companies' available funds against the Companies' outstanding liabilities as follows:



This analysis indicates that the Companies had sufficient available funds to meet liabilities until around June 2019. At that time, it appears that the position deteriorated due to increasing liabilities and the headroom under the RCF being fully utilised. This position was further exacerbated after NOPSEMA issued the Prohibition Notice on 10 July 2019, preventing the Companies from continuing to operate pending completion of essential repair works. In August 2019, an offtake was conducted and net proceeds of approximately AU\$50m were applied in reduction of the RCF.

Critically, the availability of the RCF was dependent on the quantity of oil onboard the NE. Given the issuance of the Prohibition Notice on 10 July 2019 the Companies were unable to produce any oil and thus the headroom under the RCF was not available after 10 July 2019.

In or around 15 August 2019, a further facility of AU\$9.5m was extended by CCMA to the Companies but it was not sufficient to allow the Companies to satisfy their outstanding liabilities.

Having regard to the above, we are of the opinion that the Companies became insolvent from 10 July 2019 and continued to remain insolvent up to the date of our appointment as Administrators on 20 September 2019. A further detailed analysis of the unpaid liabilities of the Companies will need to be conducted in order to determine the debts which were due and payable and not subject to any forbearance agreements.

As set out in section 2.2, any antecedent recovery will, in the first instance, be paid to CCMA in reduction of the funding provided during the VA period.

4.2 Voidable transactions

4.2.1 Unfair preferences

Section 588FA of the Act gives a liquidator the power to recover certain transactions that have had the effect of conferring a priority, preference or advantage to the creditor within six months of the commencement of the winding up (the relation back period).

As discussed in the VA Report, our investigations have identified potential unfair preference payments made to 6 creditors for \$2,304,039. Our investigations in respect to these unfair preference payments are continuing. Any decision to progress these claims will be subject to the availability of funding and the outcome of the solvency analysis referred to at section 4.1.

As set out in section 2.2, any unfair preference recovery will, in the first instance, be paid to CCMA in reduction of the funding provided during the VA period.

4.2.2 Uncommercial transactions

Section 588FB of the Act requires us to investigate transactions which may be deemed to be uncommercial, having regard to the detriment to the Companies (if any) suffered as a consequence of the transaction in the period two years prior to the appointment.

In addition, section 588FDA of the Act refers to “unreasonable director-related transactions” and requires us to investigate such transactions, having regard to the detriment to the Companies (if any) suffered as a consequence of the transaction.

From the information available to us, we have not, at this stage, identified any transactions which would constitute uncommercial transactions or unreasonable director-related transactions.

4.2.3 Unfair loans

Section 588FD of the Act requires investigations of transactions which may be deemed to be unfair loans to the Companies. A loan to the Companies is considered to be unfair if and only if, interest on the loan is extortionate, or the charges in relation to the loan were extortionate.

From the information available to us, we have not identified any transactions which would constitute unfair loans to the Companies.

4.2.4 Voidable transactions – related parties

Section 588FE(4) of the Act requires investigations of transactions which may be deemed to be insolvent transactions with a related party entered into within four years of the commencement of the winding up.

From the information available to us, we have not, at this stage, identified any transactions which would constitute voidable transactions with related parties.

4.3 Insolvent trading

Section 588G of the Act provides that directors are obliged to prevent a company from:

- Incurring a debt whilst insolvent; or
- Becoming insolvent by incurring a debt.

If a contravention of section 588G can be established, then section 588M empowers a Liquidator (or a creditor under certain circumstances) to recover compensation from a director for any loss or damage suffered as a consequence of any such contravention.

We note that section 588R entitles creditors to commence proceedings under section 588M against the Director in their own right, subject to our consent as Liquidators.

Section 588GA of the Act provides a director with a “safe harbour” defence from an insolvent trading claim if certain criteria are met. In order to rely on a “safe harbour” defence, a director must formulate one or more courses of action that are reasonably likely to lead to a better outcome for the company. When determining whether a course of action is likely to lead to a better outcome, the following elements will be considered:

- whether the director is properly informed of the company’s financial position
- whether appropriate steps are taken to prevent misconduct by officers or employees of the company
- whether appropriate financial records are being maintained
- whether advice is obtained from an appropriately qualified professional
- whether a plan is being developed or implemented for restructuring the company to improve its financial position.

To rely on a “safe harbour” defence, the company must also:

- be compliant with its tax reporting obligations
- pay all employee entitlements as and when they fall due.

Prior to the VA, the Group had prepared a corporate structuring plan (**CSP**) and the Director had engaged an independent advisor to assess whether the CSP would result in a better outcome and advise on any alternative options available to the Group. The CSP relied heavily on the support of CCMA’s continued funding. Upon the withdrawal of funding by CCMA, the CSP was no longer viable and Administrators were immediately appointed.

Based on our review, we believe the Director will be able to rely on the “safe harbour” defence for any potential insolvent trading claim.

4.4 Funding and indemnities

At this stage, the liquidations do not have sufficient funds to undertake any further action in relation to potential recoveries. Should any creditor be willing to provide funding and/or indemnity for the costs and expenses of conducting investigations and recovery of voidable transactions, please contact Mary Arguelles of our office within 21 days.

Pursuant to Section 564 of the Act, where property is recovered as a result of funding and/or an indemnity, the Court may make orders with a view to giving the indemnifying creditor(s) an advantage over other creditors in consideration of the risk assumed by them.

5 Liquidators’ remuneration and internal disbursements

Creditors will recall from the VA Report that we estimated that our total remuneration for the liquidations of the Companies to be the combined amount of \$245,000 plus GST. At the meeting of creditors on 7 February 2020, creditors did not approve our proposed remuneration for the liquidations of NOGA and TSOGA.

Pursuant to Section 75-40 of Schedule 2 to the Act, we propose to have our remuneration for the conduct of the liquidations of NOGA and TSOGA approved by a proposal without holding a meeting. The main purpose of this method is to reduce the costs of the liquidation associated with convening a meeting of creditors when it is not necessary to do so.

A summary of the proposed remuneration and internal disbursements approval sought is set out below:

Northern Oil & Gas Australia Pty Ltd		Amount (excl. GST) \$
Remuneration		
7 February 2020 to 1 May 2020		80,911.00
2 May 2020 to completion		45,000.00

Timor Sea Oil & Gas Australia Pty Ltd	Amount (excl. GST) \$
Remuneration	
7 February 2020 to 1 May 2020	169,992.00
2 May 2020 to completion	52,500.00
Internal disbursements	
20 September 2019 to 6 February 2020	1,269.00
7 February 2020 to completion	5,000.00

Creditors have previously approved our remuneration for the liquidation of TOGA Services and we will not be seeking further approval at this time.

Further details of our proposed remuneration and internal disbursements are contained in the attached Remuneration Approval Request (**Annexure B**). Also attached are Notices of Proposal to Creditors (**Annexure C**) and a Proof of Debt form (**Annexure D**) for the purposes of making particulars of your claim known.

If you have already lodged a Proof of Debt during the VA period, you are **not** required to resend details of your claim.

Creditors have the option of approving, not approving and/or objecting to the proposals being resolved without a meeting of creditors.

Please return the Notice of Proposals and Proof of Debt forms to my office by **3 June 2020** via one of the following methods:

Contact name: Mary Arguelles

By email (preferred): marguelles@kpmg.com.au

By post: C/- Mary Arguelles, KPMG
PO Box H67 Australia Square
Sydney NSW 1215

Please note that you may only vote on:

- Resolutions 1 and 2 if you are a creditor of NOGA
- Resolutions 3, 4, 5 and 6 if you are a creditor of TSOGA

You are invited to either:

- vote YES or NO on the enclosed Notices of Proposal to Creditors; or
- object to the proposal being resolved upon without a meeting of creditors.

If your vote or objection to the proposal being resolved upon without a meeting is to be considered, your completed Notices of Proposal to Creditors must be received at this office by close of business, **3 June 2020**.

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. In this case, the proposal cannot be put to creditors again without a meeting. In this instance, there will be additional costs associated with convening a meeting of creditors or with seeking the approval of the Court. These costs will normally be paid from the available assets in the liquidation.

We do not propose to hold a meeting of creditors at this stage unless a creditor specifically requests us to do so pursuant to Section 75-15 of Schedule 2 to the Act.

6 Conclusion

The following matters will continue to be progressed:

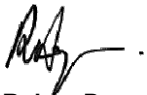
- Recovering the NOGAH loan account
- Monitoring the sale of the remaining onshore assets by the R&M
- Completing investigations into the date of insolvency of the Companies and recovery of any potential antecedent transactions (subject to funding)
- Responding to statutory notices for the production of documents from statutory and regulatory bodies
- Assisting the Attorney-General's office with assessment of employee claims under the FEG Scheme; and
- Attending to statutory obligations.

We will provide a further update on the progress of the liquidation in any future correspondence to creditors.

Having regard to the matters to be completed, we expect to have completed this liquidation within twelve to eighteen months.

Should you have any questions, please contact Ms Arguelles on 02 9273 5377 or marguelles@kpmg.com.au.

Dated this 7th day of May 2020



Robyn Duggan and Peter Gothard
Joint and Several Liquidators

Glossary

Abbreviation	Description
ABEX	Abandonment and decommission costs
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Robyn Louise Duggan and Peter James Gothard
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
CCMA	Castleton Commodities Merchant Asia Co Pte Ltd (secured creditor)
Code	ARITA Code of Professional Practice
Companies	Northern Oil & Gas Australia Pty Ltd (In Liquidation) ACN 607 646 579; Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed) ACN 629 073 365; and TOGA Services Pty Ltd (In Liquidation) ACN 111 708 868
Court	Supreme Court of New South Wales
Director	Angus Karoll
ERV	Estimated realisable value
FEG Scheme	Fair Entitlements Guarantee Scheme
GST	Goods and services tax
Group	Northern Oil & Gas Australia Pty Ltd (In Liquidation) ACN 607 646 579; Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed) ACN 629 073 365; and TOGA Services Pty Ltd (In Liquidation) ACN 111 708 868
IPR	Insolvency Practice Rules (Corporations) 2016
Liquidators	Robyn Louise Duggan and Peter James Gothard
NE	Northern Endeavour, a floating production storage and offloading facility
NOGA	Northern Oil & Gas Australia Pty Ltd (In Liquidation) ACN 607 646 579
NOGAH	NOGA Holdings Pty Ltd ACN 609 551 671, the sole shareholder of NOGA
Perth Office	The Companies' former head office at Level 3, 1138 Hay Street, West Perth WA 6005
Production Licences	Licences WA-18-L and Ac/L5 that allow access to the Laminaria-Corallina oilfields
R&M	Robert Kirman and Jason Preston of McGrathNicol, who were appointed Receivers and Managers of TSOGA on 24 February 2020 by CCMA
ROCAP	Report on Company Activities and Property
Slattery	Slattery Asset Advisory
TOGA Services	TOGA Services Pty Ltd (In Liquidation) ACN 629 077 365
TSOGA	Timor Sea Oil & Gas Australia Pty Ltd (In Liquidation) (Receivers and Managers Appointed) ACN 111 708 868
UPS	Upstream Production Solutions Pty Ltd
VA, VA Report	Voluntary Administration, Voluntary Administrators' Report dated 23 January 2020

Annexures

A – Receipts & Payments

NOGA (7 February 2020 to 1 May 2020)	Total incl GST AU\$
Receipts	
Transfer from Voluntary Administration	462,371.66
Net GST refunds received	143.00
Proceeds from sale of plant & equipment	24,965.00
Total receipts	487,479.66
Payments	
Advertising	(250.00)
Agent's Fees	(550.00)
Auctioneer's Charges	(2,023.21)
Bank Charges	(3.60)
PAYG Control (Trading): PAYG Paid (Received)	(16,475.00)
Payroll Tax	(11,667.12)
Removalists	(330.00)
Super Control (Trading): Super Paid (Received)	(1,991.92)
Wages & Salaries	(55,272.50)
Total payments	(88,563.35)
Balance of cash at bank as at 1 May 2020	398,916.31

TSOGA (7 February 2020 to 1 May 2020)	Total incl GST AU\$
Receipts	
Funding from Receivers and Managers	23,349.46
Insurance refunds received	2,000.50
Net GST refunds received	400,810.00
Refund of Bond (Catering)	220,000.00
Transfer from Voluntary Administration	3,217,564.20
Total receipts	3,863,724.16
Payments	
Accommodation and Transport	(2,034.76)
Bank Charges	(575.50)
Catering - Northern Endeavour	(95,508.95)
Document Storage	(15,855.78)
Helicopter, flights and related costs	(200,302.50)
Hire and Leasing	(2,248.87)
Insurance	(9,936.38)
IT equipment and support	(176.00)
Labour Hire	(57,477.90)
Legal Fees	(96,563.97)
Motor Vehicle Expenses	(99.00)
Office Cleaning	(308.00)
Operator Fees	(142,080.40)
Planning, Surveying and Compliance	(1,832.60)
Regulatory Levies	(13,506.73)
Rent & Rates	(18,918.41)
Repairs & Maintenance	(383,937.27)
Satellite and Offshore Internet	(12,662.62)
Security Expenses	(762.73)
Storage Fees	(28,052.62)
Telephone and Internet	(183.06)
Utilities	(1,663.61)
Waste Removal	(10,744.31)
Total payments	(1,095,431.97)
Balance of cash at bank as at 1 May 2020	2,768,292.19

B – Remuneration approval request

Schedule 2 to the Corporations Act 2001, Section 60-10
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Northern Oil & Gas Australia Pty Ltd (In Liquidation)
ACN 607 646 579 (NOGA)

Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed)
ACN 111 708 868 (TSOGA)

TOGA Services Pty Ltd (In Liquidation)
ACN 629 073 365 (TOGA Services)

(Collectively the “Companies” or “Group”)

Remuneration Approval Request

This report contains the following information:

- Part 1: Declaration
- Part 2: Executive summary
- Part 3: Remuneration
- Part 4: Disbursements
- Part 5: Report on progress of the administration
- Part 6: Summary of receipts and payments
- Part 7: Questions
- Part 8: Approval of remuneration and internal disbursements
- Schedule A: Resolutions 1 and 3
- Schedule B: Resolutions 2 and 4

Next steps for creditors:

- Please review the contents of this report, which sets out the proposals to be approved by creditors without a meeting.
- Refer to section 5 of the accompanying report for details as to how you can submit your vote on the proposals contained in this Remuneration Approval Request.

1 Declaration

We, Robyn Duggan and Peter Gothard of KPMG, have undertaken a proper assessment of this remuneration claim for our appointment as Liquidators of the Companies in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

2 Executive summary

2.1 Previous remuneration approval for the Companies

To date, we have had the following remuneration approved in relation to the administration of TOGA Services:

Period	Amount (excl. GST) \$
TOGA Services	
20 September 2019 to 17 January 2020 (Voluntary Administration)	31,710.00
18 January 2020 to completion of the administration (Voluntary Administration)	10,000.00
Commencement to completion of the liquidation (Liquidation)	20,000.00
<i>Less: amounts paid</i>	-
Remuneration approval remaining	61,710.00

There has been no remuneration approval in the administrations of NOGA and TSOGA.

2.2 Summary of remuneration approval sought for NOGA and TSOGA

This report details approval sought for the following remuneration and internal disbursements for our conduct during the liquidation of NOGA and TSOGA:

Period	Amount (excl. GST) \$
Current remuneration approval sought:	
NOGA	
Resolution 1: 7 February 2020 to 1 May 2020	80,911.00
Resolution 2: 2 May 2020 to completion	45,000.00
TSOGA	
Resolution 3: 7 February 2020 to 1 May 2020	169,992.00
Resolution 4: 2 May 2020 to completion	52,500.00
Total remuneration approval sought	348,403.00
Current internal disbursements approval sought:	
TSOGA	
Resolution 5: 20 September 2019 to 6 February 2020 (voluntary administration)	1,269.00
Resolution 6: 7 February 2019 to completion	5,000.00
Total internal disbursements approval sought	6,269.00
<i>* Approval for the future remuneration and internal disbursements sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.</i>	

Please refer to Parts 3 and 4 for full details of the calculation and composition of the remuneration and internal disbursements approval being sought.

2.3 Comparison to estimate of costs provided to creditors in previous remuneration notice

The remuneration approval sought differs to the estimate of costs provided to creditors in the Remuneration Approval Request included in the VA Report for the following reasons:

- Additional time expended on dealing with statutory notices to produce books and records from the Commonwealth (represented by regulatory bodies), which were not originally contemplated in our previous costs estimate
- Additional time expended on liaising with the R&M regarding their appointment over TSOGA, and also regarding the sale process for remaining NOGA assets than originally anticipated
- Additional time expended on liaising with CCMA regarding the storage of books and records and funding for same

- Additional time expended on discussions with the Director and other parties and related tasks regarding a proposal for a second Voluntary Administration and Deed of Company Arrangement, which was not originally contemplated in our previous costs estimate
- Additional time expended on securing server data including and wiping computer equipment for privacy and confidentiality purposes
- Additional time expended on finalising voluntary administration supplier and payment issues than original anticipated due to, amongst other things, the transition of the NE's operations to the Commonwealth and UPS.

3 Remuneration

3.1 Remuneration claim resolutions

We will be seeking approval of the following resolutions with respect to our remuneration. Details to support these resolutions are included in Part **Error! Reference source not found.**

Northern Oil & Gas Australia Pty Ltd

Resolution 1:

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 7 February 2020 to 1 May 2020 be fixed in the amount of \$80,911.00 plus any applicable GST, and may be paid."

Resolution 2:

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 2 May 2020 to completion be fixed up to a maximum amount of \$45,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Timor Sea Oil & Gas Australia Pty Ltd

Resolution 3:

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 7 February 2020 to 1 May 2020 be fixed in the amount of \$169,992.00 plus any applicable GST, and may be paid."

Resolution 4:

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 2 May 2020 to completion be fixed up to a maximum amount of \$52,500.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

3.2 Details of remuneration

The below tables sets out the time charged to each major task area performed by the Liquidators and their staff for the relevant period. Please refer to the schedules below for further details with respect to the tasks performed.

3.2.1 NOGA

3.2.1.1 Resolution 1: 7 February 2020 to 1 May 2020

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area											
					Assets		Creditors		Employees		Trade On		Investigations		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	Hrs	Hrs	\$	Hrs	\$
Duggan Robyn	Partner	695	16.30	11,328.50	5.30	3,683.50	2.30	1,598.50	1.80	1,251.00	0.50	347.50	0.80	556.00	5.60	3,892.00
Gothard Peter	Partner	695	2.00	1,390.00	-	-	0.50	347.50	-	-	-	-	-	-	1.50	1,042.50
Ho Ben	Associate Director	575	40.50	23,287.50	13.20	7,590.00	7.90	4,542.50	5.60	3,220.00	2.00	1,150.00	7.70	4,427.50	4.10	2,357.50
Kordel Sabine	Manager	525	28.30	14,857.50	14.50	7,612.50	-	-	0.60	315.00	-	-	-	-	13.20	6,930.00
Arguelles Mary	Executive	450	49.10	22,095.00	11.10	4,995.00	11.90	5,355.00	5.30	2,385.00	7.10	3,195.00	7.30	3,285.00	6.40	2,880.00
Khomeini Omeed	Executive	450	0.70	315.00	-	-	0.70	315.00	-	-	-	-	-	-	-	-
Hughes John	Analyst	375	0.50	187.50	-	-	-	-	-	-	-	-	0.50	187.50	-	-
Lee Tommy	Analyst	375	3.10	1,162.50	-	-	0.20	75.00	-	-	-	-	-	-	2.90	1,087.50
Prasad Jaya	Analyst	375	9.40	3,525.00	-	-	-	-	-	-	-	-	-	-	9.40	3,525.00
Rompotis Alex	Analyst	375	6.10	2,287.50	1.90	712.50	-	-	-	-	-	-	-	-	4.20	1,575.00
Delaguado Astra	Bookkeeper	250	1.90	475.00	-	-	-	-	-	-	-	-	-	-	1.90	475.00
Total (excl. GST)			157.90	80,911.00	46.00	24,593.50	23.50	12,233.50	13.30	7,171.00	9.60	4,692.50	16.30	8,456.00	49.20	23,764.50
GST				8,091.10				1,223.35						845.60		2,376.45
Total (incl. GST)				89,002.10				13,456.85						9,301.60		26,140.95
Average Hourly Rate (excl. GST)				512.42		534.64		520.57		539.17		488.80		518.77		483.02

3.2.1.2 Resolution 2: 2 May 2020 to completion

Task	Hours	Amount \$
Assets	30	15,000.00
Creditors	15	7,500.00
Employees	5	2,500.00
Trade on	5	2,500.00
Investigation	20	10,000.00
Administration	15	7,500.00
Total	90	45,000.00

3.2.2 TSOGA

3.2.2.1 Resolution 3: 7 February 2020 to 1 May 2020

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area									
					Assets		Creditors		Trade On		Investigations		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	Hrs	Hrs	\$	Hrs	\$
Duggan Robyn	Partner	695	44.30	30,788.50	8.10	5,629.50	5.50	3,822.50	9.90	6,880.50	3.50	2,432.50	17.30	12,023.50
Gothard Peter	Partner	695	17.80	12,371.00	-	-	-	-	-	-	3.00	2,085.00	14.80	10,286.00
Ho Ben	Associate Director	575	127.10	73,082.50	18.50	10,637.50	14.90	8,567.50	43.60	25,070.00	28.30	16,272.50	21.80	12,535.00
Powell Sean	Associate Director	575	8.00	4,600.00	-	-	-	-	-	-	5.60	3,220.00	2.40	1,380.00
Kordel Sabine	Manager	525	23.70	12,442.50	6.60	3,465.00	-	-	-	-	-	-	17.10	8,977.50
Arguelles Mary	Executive	450	48.40	21,780.00	1.70	765.00	4.80	2,160.00	24.30	10,935.00	6.40	2,880.00	11.20	5,040.00
Khomeini Omeed	Executive	450	0.70	315.00	-	-	0.70	315.00	-	-	-	-	-	-
Burns Andrew	Analyst	375	31.00	11,625.00	-	-	-	-	-	-	31.00	11,625.00	-	-
Hughes John	Analyst	375	0.50	187.50	-	-	-	-	-	-	0.50	187.50	-	-
Lee Tommy	Analyst	375	2.90	1,087.50	-	-	0.20	75.00	-	-	-	-	2.70	1,012.50
Rompotis Alex	Analyst	375	1.70	637.50	-	-	1.70	637.50	-	-	-	-	-	-
Davies Lauren	Personal Assistant	250	1.00	250.00	-	-	-	-	-	-	-	-	1.00	250.00
Delaguiado Astra	Bookkeeper	250	3.30	825.00	-	-	-	-	-	-	-	-	3.30	825.00
Total (excluding GST)			310.40	169,992.00	34.90	20,497.00	27.80	15,577.50	77.80	42,885.50	78.30	38,702.50	91.60	52,329.50
GST				16,999.20				1,557.75				3,870.25		5,232.95
Total (including GST)				186,991.20				17,135.25				42,572.75		57,562.45
Average Hourly Rate (exc GST)				547.65		587.31		560.34		551.23		494.28		571.28

3.2.2.2 Resolution 4: 2 May 2020 to completion

Task	Hours	Amount \$
Assets	10	5,000.00
Creditors	15	7,500.00
Trade on	40	20,000.00
Investigation	20	10,000.00
Administration	20	10,000.00
Total	105	52,500.00

3.3 Schedule of rates

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Rate \$/hour	Experience
Partner / Appointee	\$695	The Partner / Appointee is a registered liquidator and member of CAANZ and, generally, ARITA, bringing specialist skills to the liquidation or insolvency task. Generally in excess of 15 years' experience.
Director	\$625	Generally, minimum of 10 years' experience at least 2 years of which is to be at Manager level. University degree; member of CAANZ and, generally, ARITA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues. Answerable to the appointee, but otherwise responsible for all aspects of an Administration.
Associate Director	\$575	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of CAANZ and, generally, ARITA; very strong knowledge of relevant insolvency legislation and issues. Will have conduct of minor to medium administrations and experience in control of small to medium team of staff. Assists with the planning and control of large administrations.
Manager	\$525	Generally, 5 to 7 years' chartered accounting or insolvency management experience. University degree; member of CAANZ and, generally, ARITA; sound knowledge of relevant insolvency legislation and issues. Will have conduct of minor administrations and experience in control of a small team of staff. Assists with the planning and control of medium to large administrations.
Executive	\$450	Generally, 3 to 5 years' chartered accounting or insolvency management experience. University degree; completing CAANZ's CA program. Good knowledge of basic insolvency legislation and issues. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Analyst	\$375	Generally, one to 2 years' chartered accounting or insolvency management experience. University degree, CAANZ's CA program commenced. Required to control tasks on small administrations and is responsible for assisting with medium to large administrations under the supervision of more senior staff.
Personal Assistant / Other	\$250	Appropriate skills, including books and records management and accounts processing particular to the administration.

3.4 Total remuneration reconciliation

3.4.1 Comparison between current total and previous estimates

At this point in time we estimate that the total remuneration for the liquidation of the Companies to be within the range of \$360,000 to \$400,000 plus GST. This includes the current approval amount being sought.

The above estimate differs to the estimate of costs provided to creditors in the Remuneration Approval Request provided in the VA Report for the reasons set out at section 2.3.

3.4.2 Future remuneration requests

In preparing this report, we have made our best estimate at what we believe the liquidations will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the liquidation not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and the cost of the liquidation, include:

- Whether our further investigations identify any voidable transactions or claims which can be pursued, and if funding is received to enable us to pursue the recovery of same

- Whether a dividend becomes payable to creditors
- Whether the sale of assets by the R&M are finalised in an orderly manner and whether any active engagement by the Liquidators is required
- Whether a resolution of the Director / shareholder loan account can be reached, and if not, whether legal proceedings are required to be commenced for the recovery of same
- Whether a meeting of creditors will need to be convened.

3.5 Likely impact on dividends

The Act sets the order for payment of claims against the Companies and it provides for the remuneration and disbursements of the Liquidators be paid in priority to other claims. This is to ensure that when there are sufficient funds, the liquidator receives payment for the work completed to recover assets, investigate the Companies' affairs, report to creditors, complete statutory tasks and distribute any available funds. Even if creditors approve our remuneration, this will not guarantee that the Liquidators are paid, as the Liquidators will only be paid if there are sufficient assets to be recovered.

Any dividend to creditors will also be impacted by the amount of assets that the Liquidators are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including claims by priority creditors such as employees.

4 Disbursements

4.1 Types of disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the liquidation, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by KPMG may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting). The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
Data room hosting – Option C	\$63.45 per user, per month, per workspace
eDiscovery services	Variable
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost

Disbursement type	Charges (excl GST)
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2020. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

4.2 Disbursements paid from the administration/liquidation to KPMG to date

To date, we have paid \$1,269.00 and incurred \$1,015.20 plus GST in internal disbursements in the voluntary administration and liquidation of TSOGA, respectively. We are seeking retrospective approval of the VA disbursements and future internal disbursements.

4.3 Disbursement claim resolutions

We will be seeking approval of the following resolutions with respect to our internal disbursements. Details to support these resolutions are included in Part 4.1.

Timor Sea Oil & Gas Australia Pty Ltd

Resolution 5:

"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 20 September 2019 to 6 February 2020 be fixed in the amount of \$1,269.00, plus any applicable GST, and may be paid."

Resolution 6:

"That the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 7 February 2020 to completion be fixed up to a maximum amount of \$5,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."

4.4 Details of disbursements

4.4.1 Retrospective internal disbursement claim

The following internal disbursements have been claimed by our firm, KPMG, for the period 20 September 2019 to 6 February 2020 which is the basis of the Resolution 1 claim.

Disbursements claimed	Basis	Total (excl. GST) \$
Data room hosting	\$63.45 per user, per month, per workspace	1,269.00
Total		1,269.00

4.4.2 Prospective internal disbursement claim

Future disbursements provided by our firm, KPMG, will be charged to the liquidation on the same basis as set out in Part 4.1. Approval of the payment of these disbursements at those rates to a capped amount of \$5,000.00 is being sought.

5 Report on progress of the liquidation

The Remuneration Approval Request must be read in conjunction with the accompanying Statutory Report which outlines the progress of the liquidation.

6 Summary of receipts and payments

A summary of receipts and payments is set out at **Annexure A** of the accompanying Statutory Report.

7 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to section 5 of the accompanying Statutory Report and the information sheets at **Annexure E**.

8 Questions

If you require further information in respect of the above, or have other questions, please contact Mary Arguelles of this office on 02 9273 5377 or marguelles@kpmg.com.au.

The restructuring partners of KPMG are members of ARITA. KPMG follows the Code. A copy of the Code may be found on the ARITA website at www.arita.com.au.

An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at www.asic.gov.au.

Dated this 7th day of May 2020



Robyn Duggan and Peter Gothard
Joint and Several Liquidators

Schedule A – Resolutions 1 and 3

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Liquidators and their staff for the period 7 February 2020 to 1 May 2020, which is the basis of the claims for Resolutions 1 and 3

Task area	General description	Includes
Assets	Plant and equipment	– Liaising with valuers, auctioneers and interested parties – Reviewing asset listings and valuations – Liaising with interested parties and negotiating sale prices – Preparing sale invoices and receipting monies and general cashbook maintenance relating to same – Liaise with the R&M in respect to sale of assets including agreeing to sale process for NOGA assets – Monitoring sale process undertaken by R&M and obtain updates – Liaise with third party storage operators regarding ongoing storage and liaise with R&M regarding funding for storage – Preparing and issuing notice of disclaimers for offshore assets
	Debtors / Loan account	– Correspondence with Director and his representatives regarding recovery of loan account – Review loan account ledger transactions and categorise same – Internal meetings to discuss recovery status and strategy
	Other assets	– Tasks associated with realising other assets
	Leasing	– Reviewing leasing documents – Liaising with owners / lessors – Tasks associated with disclaiming leases – Liaising with owners regarding collection of leased assets
Creditors	Creditor enquiries, requests and directions	– Receive and respond to creditor enquiries – Maintaining creditor request log – Review and prepare initial correspondence to creditors and their representatives – Documenting – Considering reasonableness of creditor requests – Obtaining legal advice on requests, where necessary – Documenting reasons for complying or not complying with requests or directions

Task area	General description	Includes
		– Compiling information requested by creditors
	Secured creditor reporting	– Correspondence with secured creditor – Responding to secured creditor's queries
	Creditor reports	– Preparing reports on results of investigation (including statutory reports) – General reports to creditors
	Dealing with proofs of debt	– Receipting and filing proofs of debt when not related to a dividend – Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend
	Proposals to creditors	– Preparing proposal notices and voting forms
Employees	Employee enquiries	– Receive and follow up employee enquiries via telephone – Maintain employee enquiry register – Review and prepare correspondence to creditors and their representatives via facsimile, email and post as required – Preparation of correspondence to employees
	Calculation of entitlements	– Calculating employee entitlements – Reviewing employee files and Companies' books and records – Reviewing awards
	Other employee issues	– General correspondence
	Trade-on management	– Tasks associated with finalisation of administration trade-on phase – Liaising with suppliers to request final invoices and related tasks – Liaising with former staff – Attendance on site – Authorising final purchase orders – Maintaining purchase order registry – Preparing and authorising receipt vouchers – Preparing and authorising payment vouchers
Trade on	Processing receipts and payments	– Entering receipts and payments into accounting system
	Budgeting and financial reporting	– Preparing available cash reconciliations – Preparing and monitoring cash flows
	Conducting investigation	– Review of Company financial records and books and records – Review of specific transactions and consider potential voidable transactions or claims – Preparation of investigation file – Conduct solvency analysis including detailed "cash flow" tests and comparisons. – Investigate potential voidable transaction claims
Investigation	ASIC reporting	– Preparing statutory investigation reports

Task area	General description	Includes
Administration		– Liaising with ASIC
	Correspondence	– General correspondence
	Compliance	– Complying with statutory notices to produce books and records from government authorities – Review server image and obtaining documents – Preparing hard drive and data room with relevant documents and providing access to government – Liaising with government regulators
	Document maintenance / file review / checklist	– Administration reviews – Filing of documents – File reviews – Updating checklists
	Insurance	– Identification of potential issues requiring attention of insurance specialists – Correspondence with insurer regarding initial and ongoing insurance requirements – Liaise with insurer and R&M regarding insurance requirements and funding for same
	Bank account administration	– Preparing correspondence amending bank accounts – Requesting bank statements – Bank account reconciliations – Correspondence with bank regarding specific transfers
	ASIC forms	– Preparing and lodging ASIC forms – Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	– Notification of appointment – Preparing BASs
	Planning / review	– Discussions regarding status / strategy of administration
	Books and records / storage	– Dealing with records in storage

Schedule B – Resolutions 2 and 4

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Liquidators and their staff for the period 2 May 2020 to completion which is the basis of the claims set out at Resolutions 2 and 4

Task area	General description	Includes
Assets	Plant and equipment	– Monitoring sale process undertaken by R&M and obtain updates – Reviewing asset listings and valuations – Liaise with third party storage operators regarding ongoing storage and liaise with R&M regarding funding for storage – Receipting funds from sale of NOGA assets and review accounting for same. Distribute funds as required.
	Debtors / Loan account	– Correspondence with Director and his representatives regarding recovery of loan account – Internal meetings to discuss recovery status and strategy
	Other assets	– Tasks associated with realising other assets
Creditors	Creditor enquiries, requests and directions	– Receive and respond to creditor enquiries – Maintaining creditor request log – Review and prepare initial correspondence to creditors and their representatives – Documenting – Considering reasonableness of creditor requests – Obtaining legal advice on requests, where necessary – Documenting reasons for complying or not complying with requests or directions – Compiling information requested by creditors
	Secured creditor reporting	– Correspondence with secured creditor – Responding to secured creditor's queries
	Creditor reports	– Preparing reports on results of investigation (including statutory reports) – General reports to creditors
	Dealing with proofs of debt	– Receipting and filing proofs of debt when not related to a dividend – Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend
	Proposals to creditors	– Preparing proposal notices and voting forms
Employees	Employee enquiries	– Receive and follow up employee enquiries via telephone – Maintain employee enquiry register

Task area	General description	Includes
Trade on		– Review and prepare correspondence to creditors and their representatives via facsimile, email and post as required – Preparation of correspondence to employees
	Other employee issues	– General correspondence
	Trade-on management	– Tasks associated with finalisation of administration trade-on phase – Liaising with suppliers to request final invoices and related tasks – Liaising with former staff – Maintaining purchase order registry – Preparing and authorising receipt vouchers – Preparing and authorising payment vouchers
	Processing receipts and payments	– Entering receipts and payments into accounting system
	Budgeting and financial reporting	– Preparing available cash reconciliations – Preparing and monitoring cash flows
Investigation	Conducting investigation	– Review of Company financial records and books and records – Review of specific transactions and consider potential voidable transactions or claims – Preparation of investigation file – Conduct solvency analysis including analysis of records and accounts payable to determine “due and payable” dates and finalise “cash” analysis – Further Investigate potential voidable transaction claims
	ASIC reporting	– Preparing and finalising statutory investigation reports – Liaising with ASIC
	Correspondence	– General correspondence
Administration	Compliance	– Complying with statutory notices to produce books and records from government authorities – Review server image and obtaining documents – Preparing hard drive and data room with relevant documents and providing access to government – Liaising with government regulators
	Document maintenance / file review / checklist	– Administration reviews – Filing of documents – File reviews – Updating checklists
	Insurance	– Identification of potential issues requiring attention of insurance specialists – Correspondence with insurer regarding ongoing insurance requirements

Task area	General description	Includes
		– Liaise with insurer and R&M regarding insurance requirements and funding for same
	Bank account administration	– Preparing correspondence closing bank accounts – Requesting bank statements – Bank account reconciliations – Correspondence with bank regarding specific transfers
	ASIC forms	– Preparing and lodging ASIC forms – Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	– Notification of finalisation – Preparing BASs
	Planning / review	– Discussions regarding status / strategy of administration
	Books and records / storage	– Dealing with records in storage – Sending job files to storage

C – Notices of proposal to creditors

Resolution 1 - Notice of Proposal to Creditors

Date: 7 May 2020

Corporations Act 2001

Insolvency Practice Schedule 75-40

Return to no later than 3 June 2020 to:

KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215

Tel: +61 2 9335 7000

Fax: +61 2 9335 7001

Email: marguelles@kpmg.com.au

Indebted Company: Northern Oil & Gas Australia Pty Limited (In Liquidation) ACN 607 646 579

Date of Appointment: 7/02/2020

A. Name and Contact Details of Creditor

¹ _____ (the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(insert address)

³ Tel:

⁴ Email:

☐ Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

⁵ Select one of the following options:

☐ I am not a related creditor of the Company

☐ I am a related party creditor of the Company, relationship: _____

B. Details of Debt or Claim

¹ Select one of the following options:

☐ I have previously submitted a proof of debt form and supporting documents

☐ I have enclosed a proof of debt form and supporting documents with this proposal form

C. Proposal for creditor approval

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 7 February 2020 to 1 May 2020 be fixed in the amount of \$80,911.00 plus any applicable GST, and may be paid."

D. Reasons for the proposal and the likely impact it will have on creditors if it is passed

A Liquidator's remuneration and internal disbursements are a priority expense that ranks ahead of the payment of creditors. The work performed is necessary in the conduct of the liquidation. The payment of a Liquidator's remuneration and internal disbursements will have the effect of reducing the dividend payable to creditors (in the event of a dividend of less than 100 cents in the dollar).

E. Vote on proposal

Creditor are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors. Please place an "X" in one (only) of the following options to indicate your vote¹:

Yes – I approve the proposal

No – I do not approve the proposal

I object to the proposal being resolved without a meeting

☐

☐

☐

F. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Resolution 2 - Notice of Proposal to Creditors**Date: 7 May 2020***Corporations Act 2001**Insolvency Practice Schedule 75-40*Return to no later than **3 June 2020** to:

KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215

Tel: +61 2 9335 7000

Fax: +61 2 9335 7001

Email: marguelles@kpmg.com.au

Indebted Company: Northern Oil & Gas Australia Pty Limited (In Liquidation) ACN 607 646 579**Date of Appointment: 7/02/2020****A. Name and Contact Details of Creditor**¹**(the Creditor)***(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)*² of*(insert address)*³ Tel:⁴ Email:☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

⁵ Select one of the following options:☐

I am not a related creditor of the Company

☐

I am a related party creditor of the Company, relationship: _____

B. Details of Debt or Claim¹ Select one of the following options:☐

I have previously submitted a proof of debt form and supporting documents

☐

I have enclosed a proof of debt form and supporting documents with this proposal form

C. Proposal for creditor approval

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 2 May 2020 to completion be fixed up to a maximum amount of \$45,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

D. Reasons for the proposal and the likely impact it will have on creditors if it is passed

A Liquidator's remuneration and internal disbursements are a priority expense that ranks ahead of the payment of creditors. The work performed is necessary in the conduct of the liquidation. The payment of a Liquidator's remuneration and internal disbursements will have the effect of reducing the dividend payable to creditors (in the event of a dividend of less than 100 cents in the dollar).

E. Vote on proposal

Creditor are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors. Please place an "X" in one (only) of the following options to indicate your vote¹:

Yes – I approve the proposal

No – I do not approve the proposal

I object to the proposal being
resolved without a meeting☐☐☐**F. Signature**¹ Dated:² Signature:³ Name / Capacity:

Resolution 3 - Notice of Proposal to Creditors**Date: 7 May 2020***Corporations Act 2001**Insolvency Practice Schedule 75-40*Return to no later than **3 June 2020** to:

KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215

Tel: +61 2 9335 7000

Fax: +61 2 9335 7001

Email: marguelles@kpmg.com.au

Indebted Company: Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed) ACN 111 708 868**Date of Appointment: 7/02/2020****A. Name and Contact Details of Creditor**¹**(the Creditor)***(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)*² of*(insert address)*³ Tel:⁴ Email:☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

⁵ Select one of the following options:☐

I am not a related creditor of the Company

☐

I am a related party creditor of the Company, relationship: _____

B. Details of Debt or Claim¹ Select one of the following options:☐

I have previously submitted a proof of debt form and supporting documents

☐

I have enclosed a proof of debt form and supporting documents with this proposal form

C. Proposal for creditor approval*That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 7 February 2020 to 1 May 2020 be fixed in the amount of \$169,992.00 plus any applicable GST, and may be paid."***D. Reasons for the proposal and the likely impact it will have on creditors if it is passed**

A Liquidator's remuneration and internal disbursements are a priority expense that ranks ahead of the payment of creditors. The work performed is necessary in the conduct of the liquidation. The payment of a Liquidator's remuneration and internal disbursements will have the effect of reducing the dividend payable to creditors (in the event of a dividend of less than 100 cents in the dollar).

E. Vote on proposal

Creditor are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors. Please place an "X" in one (only) of the following options to indicate your vote¹:

Yes – I approve the proposal**No – I do not approve the proposal****I object to the proposal being resolved without a meeting**☐☐☐**F. Signature**¹ Dated:² Signature:³ Name / Capacity:

Resolution 4 - Notice of Proposal to Creditors**Date: 7 May 2020***Corporations Act 2001**Insolvency Practice Schedule 75-40*Return to no later than **3 June 2020** to:

KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215

Tel: +61 2 9335 7000

Fax: +61 2 9335 7001

Email: marguelles@kpmg.com.au

Indebted Company: Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed) ACN 111 708 868**Date of Appointment:** 7/02/2020**A. Name and Contact Details of Creditor**¹

(the Creditor)

*(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)*² of*(insert address)*³ Tel:⁴ Email:☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

⁵ Select one of the following options:☐

I am not a related creditor of the Company

☐

I am a related party creditor of the Company, relationship: _____

B. Details of Debt or Claim¹ Select one of the following options:☐

I have previously submitted a proof of debt form and supporting documents

☐

I have enclosed a proof of debt form and supporting documents with this proposal form

C. Proposal for creditor approval

"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 2 May 2020 to completion be fixed up to a maximum amount of \$52,500.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

D. Reasons for the proposal and the likely impact it will have on creditors if it is passed

A Liquidator's remuneration and internal disbursements are a priority expense that ranks ahead of the payment of creditors. The work performed is necessary in the conduct of the liquidation. The payment of a Liquidator's remuneration and internal disbursements will have the effect of reducing the dividend payable to creditors (in the event of a dividend of less than 100 cents in the dollar).

E. Vote on proposal

Creditor are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors. Please place an "X" in one (only) of the following options to indicate your vote¹:

Yes – I approve the proposal

No – I do not approve the proposal

I object to the proposal being resolved without a meeting

☐☐☐**F. Signature**¹ Dated:² Signature:³ Name / Capacity:

Resolution 5 - Notice of Proposal to Creditors**Date: 7 May 2020***Corporations Act 2001**Insolvency Practice Schedule 75-40*Return to no later than **3 June 2020** to:

KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215

Tel: +61 2 9335 7000

Fax: +61 2 9335 7001

Email: marguelles@kpmg.com.au

Indebted Company: Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed) ACN 111 708 868**Date of Appointment: 7/02/2020****A. Name and Contact Details of Creditor**¹**(the Creditor)***(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)*² of*(insert address)*³ Tel:⁴ Email:☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

⁵ Select one of the following options:☐

I am not a related creditor of the Company

☐

I am a related party creditor of the Company, relationship: _____

B. Details of Debt or Claim¹ Select one of the following options:☐

I have previously submitted a proof of debt form and supporting documents

☐

I have enclosed a proof of debt form and supporting documents with this proposal form

C. Proposal for creditor approval*"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 20 September 2019 to 6 February 2020 be fixed in the amount of \$1,269.00, plus any applicable GST, and may be paid."***D. Reasons for the proposal and the likely impact it will have on creditors if it is passed**

A Liquidator's remuneration and internal disbursements are a priority expense that ranks ahead of the payment of creditors. The work performed is necessary in the conduct of the liquidation. The payment of a Liquidator's remuneration and internal disbursements will have the effect of reducing the dividend payable to creditors (in the event of a dividend of less than 100 cents in the dollar).

E. Vote on proposal

Creditor are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors. Please place an "X" in one (only) of the following options to indicate your vote¹:

Yes – I approve the proposal**No – I do not approve the proposal****I object to the proposal being resolved without a meeting**☐☐☐**F. Signature**¹ Dated:² Signature:³ Name / Capacity:

Resolution 6 - Notice of Proposal to Creditors**Date: 7 May 2020***Corporations Act 2001**Insolvency Practice Schedule 75-40*Return to no later than **3 June 2020** to:

KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215

Tel: +61 2 9335 7000

Fax: +61 2 9335 7001

Email: marguelles@kpmg.com.au

Indebted Company: Timor Sea Oil & Gas Australia Pty Limited (In Liquidation) (Receivers and Managers Appointed) ACN 111 708 868**Date of Appointment:** 7/02/2020**A. Name and Contact Details of Creditor**¹

(the Creditor)

*(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)*² of*(insert address)*³ Tel:⁴ Email:☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

⁵ Select one of the following options:☐

I am not a related creditor of the Company

☐

I am a related party creditor of the Company, relationship: _____

B. Details of Debt or Claim¹ Select one of the following options:☐

I have previously submitted a proof of debt form and supporting documents

☐

I have enclosed a proof of debt form and supporting documents with this proposal form

C. Proposal for creditor approval*"That the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request dated 7 May 2020, for the period from 7 February 2020 to completion be fixed up to a maximum amount of \$5,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."***D. Reasons for the proposal and the likely impact it will have on creditors if it is passed**

A Liquidator's remuneration and internal disbursements are a priority expense that ranks ahead of the payment of creditors. The work performed is necessary in the conduct of the liquidation. The payment of a Liquidator's remuneration and internal disbursements will have the effect of reducing the dividend payable to creditors (in the event of a dividend of less than 100 cents in the dollar).

E. Vote on proposal

Creditor are given the option of approving, not approving or objecting to the proposed resolution being resolved without a meeting of creditors. Please place an "X" in one (only) of the following options to indicate your vote¹:

Yes – I approve the proposal

No – I do not approve the proposal

I object to the proposal being resolved without a meeting

☐☐☐**F. Signature**¹ Dated:² Signature:³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proposal Form

Section A – Name and Contact Details of Person or Entity

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.
5. Indicate whether or not you are a related party creditor of the Company (including its directors and officers). Provide details of your relationship to the Company (if applicable)

Section B – Details of Debt or Claim

1. Ensure that you have previously completed a Form 535 – Proof of Debt or Claim. If you have not previously done so, please complete the Form 535 which is attached to this letter and submit it to the Liquidator with this proposal form.

Section E – Voting Instructions

1. Insert an 'X' in one (only) of the boxes to indicate your vote – i.e. 'Yes – I approve the proposal', 'No – I do not approve the proposal' or 'I object to the proposal being resolved without a meeting'.

Section D – Signature Instructions

1. Insert the date that the proposal form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised officer of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"

D – Proof of debt

Form 535 Formal Proof of Debt or Claim Form Corporations Act 2001, Regulation 5.6.49(2)

Return to:
KPMG PO Box H67, Australia Square, SYDNEY NSW 1215
Tel: +61 2 9335 7000
Fax: +61 2 9335 7001
Email: marguelles@kpmg.com.au

Indebted Company: Please tick relevant company box below
Date of Appointment: 7 February 2020

☐ Northern Oil & Gas Australia Pty Ltd
ACN 607 646 579 ☐ Timor Sea Oil & Gas Australia Pty Ltd
ACN 111 708 868 ☐ TOGA Services Pty Ltd
ACN 629 073 365

A. Name and Contact Details of Creditor

¹

(the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(insert address)

³ Tel:

⁴ Email:

☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

B. Details of Debt or Claim

¹ Amount owing:

(insert dollars and cents, inclusive of GST if applicable)

² Nature of Debt or Claim:

(insert description of debt and/or reference any supporting documentation)

³ Select one of the following options:

☐

The Creditor is an unsecured creditor of the indebted Company

☐

The Creditor is a secured creditor of the indebted Company

☐

The Creditor is an employee / former employee of the indebted Company

☐

The Creditor is a related party (please indicate: secured / unsecured)

For all claims:

☐

⁴ I have attached supporting documentation to substantiate the Creditor's claim (secured creditors must attach evidence of security)

☐

⁵ To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following:

(insert details and value of security where relevant)

C. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proof of Debt Form

Section A – Name and Contact Details of Creditor

6. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
7. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
8. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
9. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Details of Debt or Claim

2. The amount owing should only include debts or claims which arose prior to the date of appointment.
3. Insert the currency if not Australian dollars.
4. Type of creditor: tick one of the options only.
5. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
6. For secured creditors, insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate “refer attached” above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

Section C – Signature Instructions

1. Insert the date that the proof of debt form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised officer of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

E – Information sheets

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim ‘unreasonable payments’ made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company’s liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

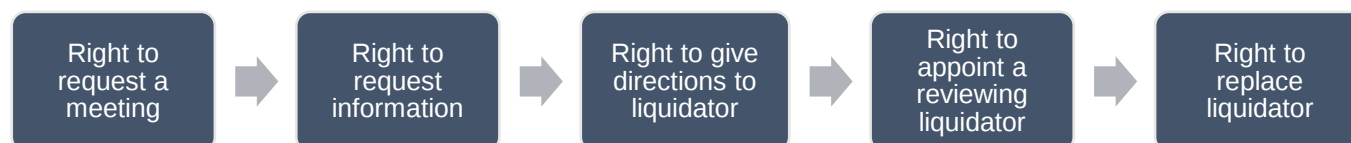
- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

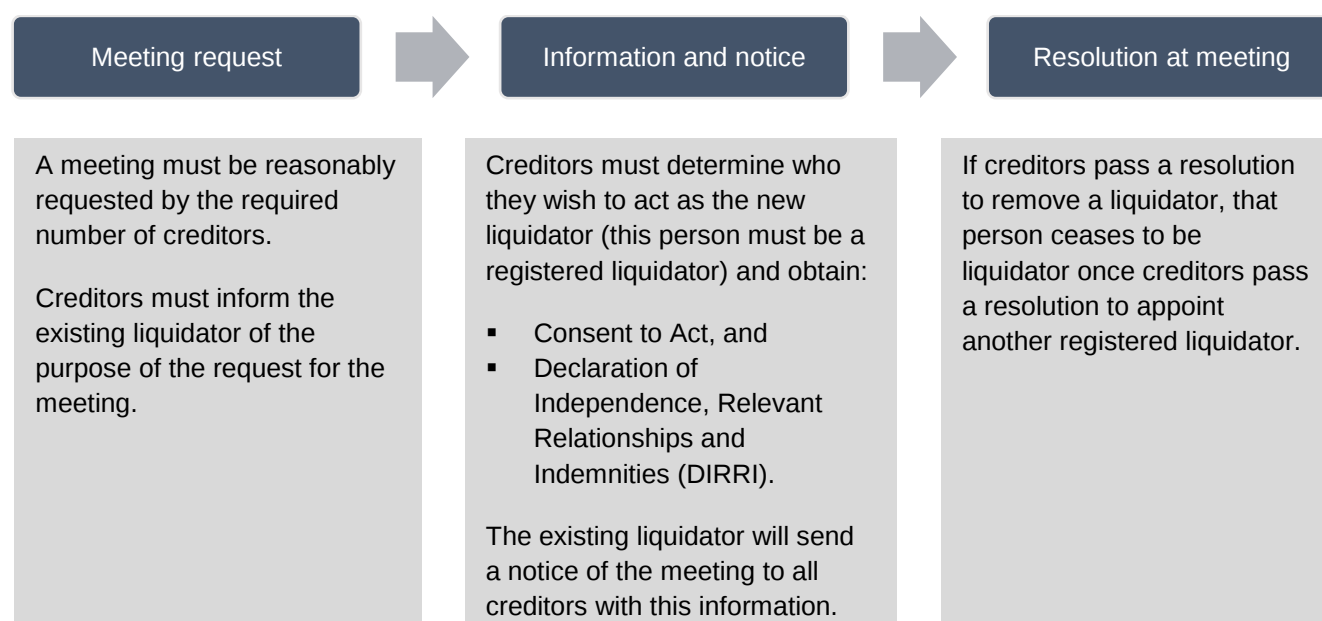
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

Information sheet: Approving remuneration of an external administrator

If you are a creditor in a liquidation, voluntary administration or deed of company arrangement you may be asked to approve the external administrator's remuneration. An external administrator can be a liquidator, voluntary administrator or deed administrator. The process for approving the remuneration for each of these is the same.

This information sheet gives general information to help you understand the process of approving an external administrator's remuneration and your rights in this process. The following topics are covered in this information sheet:

- About external administrations
- External administrator's remuneration and costs
- Calculating remuneration
- Information you will receive
- Approving remuneration
- Who may approve remuneration
- Deciding if remuneration is reasonable
- What can you do if you decide the remuneration is unreasonable?
- Reimbursement of out of pocket costs
- Queries and complaints
- More information.

About external administrations

If a company goes into liquidation, voluntary administration or enters into a deed of company arrangement, an independent person is appointed to oversee the administration. They are called an external administrator and include a liquidator, voluntary administrator and deed administrator, depending on the type of administration involved. In this information sheet they are simply referred to as an external administrator.

The duties of an external administrator are specified in legislation and they must adhere to certain standards while conducting the administration.

All external administrators are required by law to undertake certain tasks which may not benefit creditors directly (e.g. investigating whether any offences have been committed and reporting to the Australian Securities and Investments Commission (ASIC)).

External administrator's remuneration and costs

External administrators are entitled to be paid for the necessary work they properly perform in the administration.

An external administrator is entitled:

- to be paid reasonable remuneration, for the work they perform, once this remuneration has been approved,
- to be paid for internal disbursements they incur in performing their role (these costs do need approval), and
- to be reimbursed for out-of-pocket costs incurred in performing their role (these costs do not need approval).

Common internal disbursements are stationery, photocopying and telephone costs.

Commonly reimbursed out-of-pocket costs include:

- legal fees
- a valuer's, real administration agent's and auctioneer's fees
- postage costs
- retrieval costs for recovering the company's computer records, and
- storage costs for the company's books and records.

Creditors have a direct interest in the amount of an external administrator's remuneration and costs, as these will generally be paid from the administration before any payments are made to creditors.

Remuneration and internal disbursements must be approved in accordance with the Corporations Act and Insolvency Practice Rules (Corporations) before it can be paid.

If there is a shortfall between the external administrator's remuneration and the assets available from the administration, in certain circumstances the external administrator may arrange for a third party to pay the shortfall. As a creditor, you will be provided details of any such arrangement.

If there are not enough assets to pay the external administrator's remuneration and costs, and there is no third party payment arrangement, the external administrator remains unpaid.

Calculating remuneration

An external administrator may calculate their remuneration using one (or a combination) of a number of methods, such as:

- on the basis of time spent working on the administration, according to hourly rates
- a quoted fixed fee, based on an estimate of the costs
- a percentage (usually of asset realisations), or
- a contingent basis on a particular outcome being achieved.

Charging on the basis of time spent is the most common method used. External administrators have a set of hourly rates that they will seek to charge. These rates are set to reflect the seniority, skills and experience of staff and, where applicable, the complexity and risks of the bankruptcy. They cover staff costs and overheads.

If remuneration is being charged on a time basis, the external administrator must keep time sheets noting the number of hours spent on the tasks performed.

Creditors have a right to question the external administrator about the remuneration and the rates to be charged. They also have a right to question the external administrator about the fee calculation method used and how the calculation was made. The external administrator must justify why the chosen fee calculation method is appropriate for the administration.

Information you will receive

There are different types of remuneration reports that you may receive during the course of an external administration. The following table details the reports and when you might receive them.

Document	Information it contains	When you will receive it
Initial Remuneration Notice (IRN)	- A brief explanation of the types of methods that may be used to calculate fees. - The external administrator's chosen fee calculation method(s) and why it is appropriate. - Details of the external administrator's rates, including hourly rates if time spent basis is used. - An estimate of the external administrator's remuneration. - The method that will be used to calculate disbursements.	Voluntary Administration – with the notice of first meeting. Creditors' voluntary liquidation – within 10 business days of appointment. Court liquidation – within 20 business days of appointment.
Remuneration Approval Report (RAR)	- A summary description of the major tasks performed, or likely to be performed. - The costs associated with each of those major tasks and the method of calculation. - The periods at which the external administrator proposes to withdraw funds from the administration for remuneration. - An estimated total amount, or range of total amounts, of the external administrator's remuneration. - An explanation of the likely impact of that remuneration on the dividends (if any) to creditors. - Where internal disbursements are being claimed, the external administrator will report to creditors on the amount and method of calculation of these disbursements.	Sent at the same time as: - the notice to creditors of the meeting at which approval of remuneration will be sought; or - the notice to creditors of the proposal without a meeting by which approval of remuneration will be sought If approval of remuneration is not being sought, a RAR will not be provided.

Approving remuneration

The meeting of creditors (or committee of inspection) gives a chance for those participating to ask questions about the external administrator's remuneration. Fees are then approved by a vote of the creditors. Alternatively, the external administrator may seek approval of remuneration via a proposal without a meeting. Whichever method is used, the external administrator must provide the same report to creditors about their remuneration (Remuneration Approval Report).

Creditors may be asked to approve remuneration for work already performed and/or remuneration estimate for work not yet carried out. If the work is yet to be carried out, the external administrator must set a maximum limit (cap) on the future remuneration approval. For example, 'future remuneration is approved, calculated on hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X'.

If the remuneration for work done then exceeds this figure, the external administrator will have to ask the creditors to approve a further amount of remuneration, after accounting for the amount already incurred.

If an external administrator can't get the creditors' approval, an application can be made to the Court to determine their remuneration.

When there are limited funds available in the administration, or the external administrator's remuneration is below a statutory threshold, an external administrator is entitled to draw a one-off amount of up to that threshold plus GST, without creditor approval. This amount is currently \$5,000 (indexed).

Who may approve remuneration?

Committee of inspection approval

A committee of inspection will generally only be established where there are a large number of creditors and/or complex matters which make having a committee desirable. Committee members are chosen by a vote of all creditors and work with the external administrator to represent the creditors' interests.

If there is a committee, the external administrator will ask it to approve the remuneration. A committee makes its decision by a majority in number of its members present in person at a meeting, but it can only vote if a majority of its members attend.

In approving the remuneration, it is important that committee members understand that they represent all the creditors, not just their own individual interests.

Creditors' approval

Creditors approve remuneration by passing a resolution at a creditors' meeting. Creditors may vote according to their individual interests.

To approve an external administrator's remuneration, a resolution is put to the meeting to be decided on the voices or by a 'poll' (if requested by the external administrator or a person participating and entitled to vote at the meeting). A poll requires a count of each vote and its value to be taken and recorded for each creditor present and voting.

A proxy is a document whereby a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the external administrator as a proxy to vote on the creditor's behalf. An external administrator is only able to vote on remuneration if they hold a special proxy.

There are provisions for a resolution to be passed by creditors without a meeting. This still requires a majority in value and number of creditors voting to vote in favour of the resolution. Creditors representing at least 25% in value of those responding to the external administrator's proposal can object to the proposal being resolved without a meeting of creditors.

Deciding if remuneration is reasonable

If you are asked to approve an external administrator's remuneration, your task is to decide if the amount of remuneration is reasonable, given the work carried out in the administration and the results of that work.

You may find the following information from the external administrator useful in deciding if the remuneration claimed is reasonable:

- the method used to calculate remuneration
- the major tasks that have been performed, or are likely to be performed, for the remuneration
- the remuneration/estimated remuneration (as applicable) for each of the major tasks
- the size and complexity (or otherwise) of the administration
- the amount of remuneration (if any) that has previously been approved
- if the remuneration is calculated, in whole or in part, on a time basis:
 - the period over which the work was, or is likely to be performed
 - if the remuneration is for work that has already been carried out, the time spent by each level of staff on each of the major tasks
 - if the remuneration is for work that is yet to be carried out, whether the remuneration is capped.

ARITA's Code of Professional Practice ('the Code') outlines the steps external administrators should take to make sure they fulfil their responsibilities to creditors when asking creditors to approve remuneration, including when those creditors are acting in their capacity as committee members. The Code is available on the ARITA website at www.arita.com.au.

If you need more information about remuneration than is provided in the external administrator's report, you should let them know before the meeting at which remuneration will be voted on.

What can you do if you think the remuneration is unreasonable?

If you think the remuneration being claimed is unreasonable, you should raise your concerns with the external administrator. It is your decision whether to vote in favour of, or against, a resolution to approve remuneration. You may also choose to not vote on the resolution (abstain).

You also have the power to put a resolution to the meeting. For example, you could put forward a resolution to change the way the external administrator charges for remuneration, or the periods at which the external administrator may withdraw funds. Any amending resolution must occur before the vote being taken on the resolution to approve remuneration. If the amended proposal is passed, the resolution is binding on the external administrator. However, such an amendment may result in the external administrator seeking to be replaced by another external administrator.

If the external administrator is seeking approval of remuneration via a resolution without a meeting and more than 25% in value of the creditors responding object using the form provided by the external administrator, the proposal will not pass. If the external administrator wants the proposal passed, a meeting will need to be convened and any creditor entitled to participate in the meeting has the right, before the vote is taken, to put a resolution to the meeting as mentioned above.

A creditor may apply to Court for a review of an external administrator's remuneration. Creditors also have the power to appoint, by resolution, a reviewing liquidator to review any remuneration approved within the six months and any disbursements incurred in the 12 months before the reviewing liquidator's appointment. The cost of a reviewing liquidator is paid from the assets of the external administration. An individual creditor may also appoint a reviewing liquidator with the external administrator's consent. An individual creditor seeking the appointment of a reviewing liquidator must pay the cost of the reviewing liquidator.

Reimbursement of out-of-pocket costs

An external administrator should be very careful incurring costs that must be paid from the administration; as careful as if they were incurring the expenses on their own behalf. Their report on remuneration sent to creditors must also include information on the out-of-pocket costs of the administration (disbursements).

Where these out-of-pocket costs are internal disbursements paid to the external administrator's firm (for example photocopying and phone calls) the external administrator must request creditor approval of these amounts. The external administrator may also ask for approval of internal disbursements in advance. If they do so, they will set the rates for those disbursements and a cap on the maximum amount that can be drawn.

If you have questions about any of these costs, you should ask the external administrator and, if necessary, bring it up at a creditors' or committee meeting. If you are still concerned, you have the right to seek the appointment of a reviewing liquidator (refer above).

Queries and complaints

You should first raise any queries or complaints with the external administrator or their firm.

If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a complaint with ARITA at www.arita.com.au or with ASIC at www.asic.gov.au. ARITA is only able to deal with complaints in respect of their members.

More information

The [ARITA website](http://www.arita.com.au) contains the ARITA Code of Professional Practice which is applicable to all its members. ARITA also provides general information to assist creditors at www.arita.com.au/creditors.

ASIC includes information on its website which may assist creditors. Go to www.asic.gov.au and search for 'insolvency information sheets'.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").