

ATLAS DRILLING CO PTY LTD (IN LIQUIDATION) ACN 127 647 689

Pursuant to Section 1603 (Section 508 (1)(b)(ii) [Repealed])
of the *Corporations Act 2001 (Cth)*

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1. Introduction

I refer to the appointment of Stefan Dopking and I, Joanne Dunn, as Liquidators of the Company on 5 February 2016 and to my previous reports to creditors dated 22 December 2015, 28 January 2016, and 28 February 2017. On 17 July 2017, Stefan Dopking resigned as Liquidator of the Company leaving myself as sole Liquidator.

The purpose of this report is for the Liquidator to provide an account of their acts and dealings and of the conduct of the winding up during the year, a description of acts and dealings to be carried out to complete the liquidation and an estimate of when the winding up is to be completed. Accordingly, an account of acts and dealings is ***attached** to this report as **Annexure A**. This report will also provide an update on the likely return to creditors.

An annual meeting of creditors of the Company will be held at FTI Consulting, 22 Market Street, Brisbane, Queensland at **10:30AM** on **7 March 2018**. Further details concerning the meeting appear in Section 4 below.

In accordance with Section 1592 (Section 539(5) [Repealed]) of the *Corporations Act 2001 (Cth)* ("the Act"), I give notice that six monthly statements of receipts and payments have been lodged with the Australian Securities and Investments Commission ("ASIC").

1.1 Your rights as a Creditor

Information regarding your rights as a creditor is contained in the *attached information sheet. This includes your right to:

- Make reasonable requests for a meeting;
- Make reasonable requests for information;
- Give directions to me;
- Appoint a reviewing liquidator; and
- To replace me as liquidator.

2. Progress of Liquidation

2.1 Preference Payment Recoveries

Two preference payments have been pursued during the liquidation.

Firstly, a preference claim against the Australian Taxation Office ("ATO") was made in November 2016 for \$36,556. Following discussions and communication with the ATO, the claim was agreed to be settled on a commercial basis for \$25,000, which was paid by the ATO on 21 March 2017.

A second preferential payment claim of \$1,031,436.24 was identified as having been paid to Express Cargo Services Pty Ltd ("Express Cargo"). Following several unsuccessful attempts to settle the claim, a mediation was held on 6 December 2017 between the Liquidator and Express Cargo. After considering the costs to litigate, and the defenses available to Express Cargo in defending the claim, a \$60,000 settlement sum was agreed to on a commercial basis. The \$60,000 has been paid.

2.2 Receivers' Surplus Proceeds

The Receivers, Jarrod Villani and Cassandra Matthews of KordaMentha, who were appointed on 15 January 2016, had advised our office of a number of issues delaying their retirement as Receivers of the Company and accordingly preventing the distribution of monies to the Liquidator to enable a distribution to priority creditors. \$374,032.42 was received in surplus proceeds on 3 August 2017 and the Receivers later retired on 14 August 2017.

2.3 Plant & Equipment

On 23 May 2017, the Receivers of the Company provided a release of security over the remaining assets of the Company to allow the Liquidator to realise them for the benefit of creditors without further delay. On 30 May 2017 an agreement was reached for the sale of the remaining assets comprising Rig 1, Rig 4 and associated parts for \$190,000. Sale proceeds were received on 27 July 2017. As the assets were exported from Australia, there was no GST payable on receipt of these monies.

2.4 Employee Claim Adjudications and Distributions

Over the course of the Liquidation, I have received a total of 43 Proofs of Debt from employees claiming a total of \$1,631,890.58.

The majority of the entitlements claimed by employees were not shown as owing in the records of the Company and as such, a detailed review, including obtaining legal advice was required to ascertain the rightful claims of employees.

A summary of the matters which I was required to consider in my adjudication of the proofs of debt appears below:

Additional Hours (Underpaid Wages)

Substantially all of the entitlements of the former employees of the Company were dictated by the Atlas Drilling Co Pty Ltd Onshore Drilling Employees Workplace Agreement 2009 ("Agreement"). Under the Agreement employees would be rostered to work swing shifts, typically in a 'two weeks on – two weeks off' fashion.

Employees were paid a Daily Roster Rate for each work day depending on their employment classification under the Agreement.

Pursuant to the Agreement, employees who worked additional days outside their rostered period were entitled to receive payment for these additional days at a rate equal to double the Daily Base Rate (approx. 70% of the Daily Roster Rate).

The Liquidator received a number of formal proofs of debt from former employees of the Company in relation to underpaid wages claiming the additional days worked were not paid for at the appropriate rate.

Time Off In Lieu ("TOIL")

The Agreement also provided employees with an entitlement to TOIL for additional hours worked, if not paid at the loaded Daily Base Rate.

As TOIL is an entitlement provided to the employees pursuant to an industrial agreement, its priority as a creditor pursuant to Section 556(g)(ii) of the Act is taken to be that of 'wages'. Wages and superannuation are the highest level of priority employee creditor entitlements and must be paid before leave and retrenchment entitlements.

A number of employees held claims for TOIL against the Company which was reflected in the Company's records. However, as the majority of TOIL entitlements were accrued outside a thirteen (13) week period prior to the appointment of Voluntary Administrators on 21 December 2015, employees were unable to access the Fair Entitlement Guarantee Scheme ("FEG") for these entitlements. As a result, employees were directed to submit a formal proof of debt with respect to their TOIL entitlements.

Annual Leave

In or about July 2015, a number of former full-time employees of the Company raised concerns with the Fair Work Ombudsman ("FWO") which related to the way in which the Company accrued for and paid annual leave entitlements.

The employees believed the Company was not accruing annual leave as required for full time employees under the National Employment Standards ("NES").

Under the Agreement, employees were only entitled to take annual leave during the 'off-swing' periods of their roster; the Daily Base Rate also provided for an 'upfront' payment for annual leave entitlements.

The effective result was employees would accrue and immediately be paid for their annual leave entitlements through the Daily Base Rate.

Records of the Company show the FWO informed the Company that the ability to pay 'upfront' annual leave payments contravened Section 88(1) of the Fair Work Act 2009 ("FWA") as the employee did not receive the full benefit of deciding when to take annual leave.

The FWO also informed the Company it was satisfied that the Company was accruing and paying for annual leave as required under Section 90 of the FWA.

Accordingly, all claims for annual leave by former employees of the Company subject to the Agreement were rejected where annual leave claimed was not reflected in the Company's records.

One claim for annual leave was admitted as a priority creditor as the employee's entitlements were not governed by the Agreement, and the employee's annual leave was not pre-paid through a daily rate or otherwise.

Redundancy and Payment in Lieu of Notice ("PILN")

Several claims were received by former employees claiming to be entitled to redundancy payments as a result of the termination of their employment.

The Company made a number of employment terminations in or about March 2015 as a result of a failure to secure further drilling contracts with which to utilise employee services.

Legal advice was obtained prior to rejecting claims for redundancy entitlements claimed pursuant to Section 119(1)(a) of the FWA due to the 'customary labour turnover' observed in the gas drilling sector.

One claim for PILN was rejected on the basis the employee's employment was terminated on the grounds of misconduct.

Summary

An extensive and exhaustive adjudication process was undertaken with respect to all employee claims. I obtained legal advice with respect to all aspects of the employee entitlements provided for under the Agreement and by the NES with regard to the proofs of debt received in the Liquidation.

Employee proofs of debt were formally adjudicated upon on 24 November 2017; employees were provided with fourteen (14) days to object to the adjudication of their proofs of debt with the Courts, no objections were made.

Below appears a summary of the employee entitlement classes which received a partial distribution on 15 December 2017 following the adjudication process.

Employee Entitlement Class	Total Claimed (\$)	Total Admitted (\$)	Distribution Amount (\$)	Distribution Percent of Admitted (%)
'Wages' & Superannuation	522,881.58	232,081.12	232,081.12	100.00
Leave Entitlements	769,909.55	203,944.77	199,489.16	97.81
Total	1,292,721.13	436,025.89	431,570.28	N/A

Significant time cost, approximately \$48,500 (excl. GST), have been incurred in dealing with the employee proofs of debt as a result of the following:

1. The number of individual employee claims submitted.
2. The degree to which the information supplied in each formal proof of debt was sufficient in terms of claim quantification and workings for same.
3. The degree of communications held with individual employees concerning their claims, including the direction to provide further information or workings to support their claims.

3. Estimated Return to Creditors

3.1 Creditor Claims and Dividends

The Estimated Statement of Position for creditors of the Company is summarised in the below table. There will be no further distributions to any class of creditor.

Atlas Drilling Co Pty Ltd (In Liquidation)			
Estimated Return to Creditors			
	Optimistic	Pessimistic	Notes
Assets			
Cash at Bank as at 4-Feb-2018	80,658	80,658	(i)
Total Assets	80,658	80,658	
Less: Liquidators' Remuneration and Disbursements			(ii)
Outstanding Remuneration for the period 20-Feb-2017 to 4-Feb-2018	(94,463)	(94,463)	
Outstanding Disbursements as at 4-Feb-2018	(3,940)	(3,940)	
Future Disbursements	(150)	(300)	
Total Administration Costs	(98,552)	(98,702)	
Surplus/(deficit) available for priority creditors	(17,894)	(18,044)	
Priority creditors (Employees):			(iii)
Annual Leave & Long Service Leave	(4,456)	(4,456)	
Payment in Lieu of Notice & Redundancy	(57,061)	(57,061)	
Repayment of FEG fixed fee agreement (inc GST)	(11,259)	(11,259)	
Total Employee Entitlements	(72,775)	(72,775)	
Surplus/(deficit) available for unsecured creditors	(90,670)	(90,820)	
Unsecured Creditors			(iv)
Trade Creditors (excluding related party claims)	651,674	651,674	
Related Party Creditors	Nil	74,443,730	
Total Unsecured Creditors	651,674	75,095,404	
Total surplus/(deficit)	(742,344)	(75,186,223)	
Distribution to unsecured creditors (c/n \$)	Nil	Nil	

Notes:

(i) Cash at Bank

Balance as at 4 February 2018

(ii) Liquidator's Remuneration and Disbursements

Please refer to the **attached** Remuneration Request Approval Report for further information.

(iii) Priority Creditors

Priority creditor balances following a distribution of funds on 15 December 2017.

(iv) Unsecured Creditors

Unsecured creditor claims as at 4 February 2018.

4. Meeting of Creditors

A meeting of creditors convened under Section 1603 (Section 508 [Repealed]) of the Act will be held on 7 March 2018 at FTI Consulting, 22 Market Street, Brisbane, Queensland, at **10:30 AM**. Formal notice of this meeting is ***attached** to this report.

A Form 532 – Appointment of Proxy also accompanies this report. If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are **required** to complete and return the Proxy form appointing your representative to FTI Consulting, GPO Box 3127, Brisbane, Queensland, 4001 or by facsimile 07 3225 4999 no later than 4:00 PM, 6 March 2018.

If you are representing a company, please ensure that your proxy is executed pursuant to Section 127 of the Corporations Act or your representative is appointed pursuant to Section 250D of the Corporations Act, otherwise you will not be entitled to vote at the meeting.

Teleconference facilities are available for the meeting, details may be obtained by contacting our office.

5. Remuneration of Liquidator

Remuneration Approval Request

Please refer to the ***attached** Remuneration Request Approval Report.

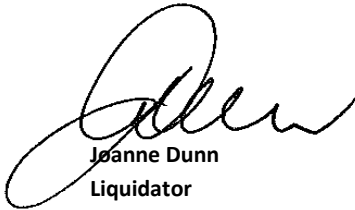
Declaration by Liquidator

I, Joanne Dunn, have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of Atlas Drilling Co Pty Ltd in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed in conduct of the administration.

Should you have any queries in relation to the above, please contact Neil Dempster of this office on (07) 3225 4953 or Neil.Dempster@fticonsulting.com.

Dated 16 February 2018.

FTI Consulting



Joanne Dunn
Liquidator

***Attach.**

Our Ref: RCL_437198.0017r4 - Annual Report RTC.docx



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About FTI Consulting

FTI Consulting, LLP. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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ANNEXURE A

ATLAS DRILLING CO PTY LTD (IN LIQUIDATION) ACN 127 647 689 LIQUIDATOR'S ACCOUNT OF ACTS AND DEALINGS IN THE WINDING UP OF THE COMPANY FROM 5 FEBRUARY 2017 TO 4 FEBRUARY 2018

Stefan Dopking and I, Joanne Dunn, were appointed Liquidators of the Company on 5 February 2016. As noted earlier in this report, Stefan Dopking resigned as Liquidator of the Company on 17 July 2017. This account, which has been prepared in accordance with the provisions of Pursuant to Section 1603 (Section 508 (1) [Repealed]) of the Act, covers the period from 5 February 2017 to 4 February 2018.

Receipts and Payments

A statement of my receipts and payments from 5 February 2017 to 4 February 2018 appears below.

Atlas Drilling Co Pty Ltd (In Liquidation)		
Receipts & Payments From 5 February 2017 To 4 February 2018 (inclusive)		
Type	Account	Total
RECEIPTS		
	Accounts Receivable (Post-Appointment)	11,471.94
	GST Control: GST Paid (Received)	21,879.00
	GST Held	19,000.00
	Interest Income	17.72
	Plant and Equipment Sales	573,252.42
	Preference Recoveries	85,000.00
	Refunds	2,000.00
	Inventory Claim Settlement (Receivers and Managers)	7,500.00
	Total Receipts	720,121.08
PAYMENTS		
	Appointee Disbursements	(785.59)
	Bank Charges	(134.36)
	Buyers Premium	(16,720.00)
	Fees: Appointee Fees	(176,764.17)
	First Dividend for Preferred (Employee) Creditors (Wages/TOIL)	(91,620.44)
	First Dividend for Preferred (Employee) Creditors (Leave Entitlements)	(176,889.17)
	GST Control: GST Paid (Received)	1,233.00
	GST Held	(19,000.00)
	Insurance	(517.00)
	Legal Fees	(31,822.45)
	PAYG Control (Non-Trading): PAYG Paid (Received)	(69,380.00)
	Stamp Duty	(30.69)
	Superannuation Withheld (Preferred Dividend)	(91,660.67)
	Repairs & Maintenance	(1,540.00)
	Total Payments	(675,631.54)
	Net Receipts (Payments)	44,489.54

Creditors' Claims

The following Proofs of Debts from creditors have been received to date:-

Creditor Type	Number of Proofs	Amount (\$)
Priority	43	1,631,890.58
Unsecured	22	75,095,428.39
Total	88	82,022,921.23

Investigation into the Affairs of the Company

Our investigations into the affairs of the Company are now complete. It is my intention to finalise the Liquidation of the Company shortly after the annual meeting of creditors is held.

Liquidator's Remuneration and Disbursements

Please refer to the ***attached** Remuneration Request Approval Report.

Outstanding Issues

The following issues remain outstanding in the conduct of the file:

- Convene and hold an annual meeting of creditors of the Company and lodge the minutes of same with the ASIC.

The resolution of these matters is estimated to take two (2) months, with the Liquidation anticipated to be finalised by May 2018.

Dated 16 February 2018


Joanne Dunn
Liquidator

16 FEBRUARY 2018

REMUNERATION APPROVAL REPORT

ATLAS DRILLING CO PTY LTD
(IN LIQUIDATION)
ACN 127 647 689

Introduction

Information included in report

This remuneration approval report provides you with the information that the Corporations Act 2001 (“Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of my remuneration and the cost of my internal disbursements for undertaking the liquidation of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689.

This report has the following information included:

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Part 1: Declaration

I, Joanne Dunn of FTI Consulting have undertaken a proper assessment of the claims for remuneration and payment of our internal disbursements for the appointment as Liquidator of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689 in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements claimed are necessary and proper.

Part 2: Executive Summary

Remuneration

I currently estimate the total remuneration for this appointment for the period from 21 December 2015 to the finalisation of the Liquidation to be \$316,742.90 (excl. GST).

The increase in remuneration compared to my previous estimate results from:

- The quantity of creditors who held PPSR security registrations over assets supplied to, or hired by, the Company, who were required to be notified of our appointment, and the subsequent communications with same.
- The trade-on of the 'Buru' project, which involved the ongoing employment of a number of the Company's staff to the completion of the project late February 2016.
- Attendance on site and coordination of staff to conduct an inventory of assets available to auction from the Carole Park site when closed.
- Communications with the Receivers of the Company concerning the classification of inventory assets in their possession. Working with the Receivers' to auction circulating (inventory) assets for the benefit of creditors in the Liquidation. Negotiations to settle auction proceeds of circulating assets. Continued follow up of the Receivers regarding surplus proceeds to be remitted.
- Time costs incurred in pursuing and attending a mediation to recover a series of significant preferential payments made to Express Cargo Pty Ltd by the Company. Further details in relation to the preference payments may be found in Section 2.1 of the annual report to creditors of the Company, which accompanies this correspondence.
- Time costs incurred in corresponding with the Receivers of the Company, KordaMentha, concerning their retirement as Receivers of the Company, and the surplus funds to be received by the Company as a result of their appointment.
- Time costs incurred in liaising with a foreign purchaser of the Company's assets (Rig 1 and Rig 4), including making an application to extend the period for GST free exports and obtaining documents to prove the rig assets left the Australian port prior to the expiry date of the extension. Remission of GST held to purchaser upon receipt of documentation.
- The extent to which time costs were necessarily incurred in reviewing and adjudicating on proofs of debt received by a significant number of priority creditors. The issues required to be considered in adjudicating on the proofs of debt are detailed in Section 2.4 of the annual report to creditors of the Company, which accompanies this correspondence. The requirement to produce and issue further reports to creditors.

Remuneration claimed and previously approved is summarised below in Table 1 and Table 2 below:

Table 1: Current claim for remuneration

Period	Report Reference	Amount (ex GST)
Liquidation		
Resolution 1: 20 February 2017 to 4 February 2018 (inclusive)*	Schedule 1	\$159,286.40
Total		\$159,286.40

* \$70,000 of remuneration (excl. GST) has previously been approved by creditors for this approval period. The Liquidators seek to amend the resolution previously passed at the meeting of creditors held on 15 March 2017 to reflect the actual remuneration incurred for this period.

Table 2: Remuneration previously approved

The amount of remuneration previously fixed in this external administration is \$227,456.50 (excl. GST) as summarised in Table 1 below.

Period	Amount (ex GST)
Voluntary Administration: 21-Dec-2015 to 21-Jan-2016	\$26,816.50
Voluntary Administration: 22-Jan-2016 to 4-Feb-2016	\$10,000.00
Liquidation: 5 February 2016 to 19 February 2017	\$120,640.00
Liquidation: 20 February 2017 to Finalisation of Liquidation	\$70,000.00
Total past remuneration approved	\$227,456.50

Table 3: Current claim for internal disbursements

Internal disbursements currently claimed are summarised below in Table 3.

Period	Report Reference	Amount (ex GST)
Liquidation		
Resolution 2: 31 August 2017 to 4 February 2018 (incl.)	Table 6	\$448.40

Please refer to report section references detailed in Table 1 and Table 3 for full details of the calculation and composition of the remuneration and internal disbursement approval sought.

Part 3: Remuneration

Remuneration claim resolutions

I will be seeking approval of the following resolutions to approve my remuneration. Details to support these resolutions are shown immediately below the resolutions and in the schedules to this report.

Resolution 1: Remuneration from 20 February 2017 to 4 February 2018 (inclusive)

The remuneration of the Liquidator of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689 previously fixed for the period 20 February 2017 to the Finalisation of the Liquidation in the amount of \$70,000.00 (excl. GST) be amended to be fixed for the period 20 February 2017 to 4 February 2018 (inclusive) at an amount calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 January 2016 and 1 March 2017, and is determined and approved for payment in the amount of \$159,286.40 (excl. GST) and the Liquidator can draw the remuneration.

Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedules of Standard Rates which appear at Schedule 2 to this report. FTI Consulting's standard charge rates have subsequently been increased since the commencement of the external administration. Future remuneration claims will be sought based upon the rates effective 1 March 2017.

At this stage, based on the information presently available to me, I consider that it will not be necessary to convene a further meeting of creditors to seek further approval from creditors.

Details to support resolutions

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedule 1.

Resolution 1: Remuneration from 20 February 2017 to 4 February 2018 (inclusive)

Table 4 below table sets out time charged to each major task area by staff members working on the Liquidation for the period 20 February 2017 to 4 February 2018 (inclusive) which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

Table 4: Time charged to each major task area

Employee	Position	Rate/hour excl GST \$	Total actual hours	Total (excl GST) \$	Task Area					
					Assets \$	Creditors \$	Employees \$	Investigation \$	Dividend \$	Administration \$
Joanne Dunn	Senior Managing Director	625.00	59.50	37,187.50	3,375.00	750.00	15,562.50	8,375.00	375.00	8,750.00
Joanne Dunn	Senior Managing Director	600.00	1.81	1,086.00	0.00	600.00	60.00	426.00	0.00	0.00
Christine Stead	Senior Director	565.00	0.50	282.50	0.00	0.00	0.00	0.00	0.00	282.50
Renee Lobb	Senior Director	565.00	99.47	56,203.00	11,356.50	1,864.50	8,814.00	11,582.50	15,085.50	7,500.00
Renee Lobb	Senior Director	560.00	20.60	11,536.00	616.00	3,920.00	504.00	4,592.00	0.00	1,904.00
Neil Dempster	Consultant II	360.00	95.70	34,452.00	540.00	828.00	27,360.00	144.00	3,564.00	2,016.00
Neil Dempster	Consultant I	305.00	0.20	61.00	0.00	0.00	61.00	0.00	0.00	0.00
Neil Dempster	Consultant I	300.00	17.25	5,173.80	0.00	3,690.00	630.00	840.00	0.00	13.80
Carly Young	Associate I	255.00	1.80	459.00	0.00	0.00	0.00	0.00	0.00	459.00
Samuel Baillie	Associate I	255.00	38.19	9,738.10	0.00	6,910.50	0.00	841.50	1,071.00	915.10
Samuel Baillie	Associate I	250.00	3.60	900.00	0.00	900.00	0.00	0.00	0.00	0.00
Ashleigh Ubank	Administration II	180.00	7.40	1,332.00	0.00	180.00	0.00	0.00	0.00	1,152.00
Caroline Halcoop	Administration II	180.00	0.60	108.00	0.00	0.00	0.00	0.00	0.00	108.00
Tanya Kratz	Administration II	180.00	0.10	18.00	0.00	0.00	0.00	0.00	0.00	18.00
Ashleigh Ubank	Administration II	175.00	1.72	301.00	0.00	301.00	0.00	0.00	0.00	0.00
Talia Glover	Administration I	145.00	3.00	435.00	0.00	0.00	0.00	0.00	0.00	435.00
Melinda Jones	Administration I	135.00	0.10	13.50	0.00	13.50	0.00	0.00	0.00	0.00
Total			351.54	159,286.40	15,887.50	19,957.50	52,991.50	26,801.00	20,095.50	23,553.40
GST				15,928.64						
Total (including GST)				175,215.04						
Average hourly rate (excluding GST)				453.1	565.4	329.2	442.3	543.5	485.4	450.3

Total remuneration reconciliation

At this point in time, I estimate that the total remuneration for the Liquidation will be \$316,742.90 (excl. GST). This includes the current approval amount being sought of \$159,286.40 (excl. GST).

In my previous remuneration approval report of 28 February 2017, I estimated that I was likely to make one further request for the approval of remuneration and at that time estimated that the total cost to complete the Liquidation was going to be \$227,456.50 (excl. GST). The total remuneration required to complete the Liquidation differs from my previous estimate for the reasons outlined in Part 2 of this remuneration report.

Comparison between current and previous remuneration approvals

At the creditors meeting on 15 March 2017, creditors approved my prospective remuneration of \$70,000.00 (excl. GST) for the period 20 February 2017 to the Finalisation of the Liquidation. To date, I have drawn \$70,000.00 (excl. GST) and applied it in payment of my remuneration for this time period. My remuneration has exceeded this cap and in this report, I am now seeking approval of a further capped amount of \$89,286.40 (excl. GST).

In the following table overleaf I compare, on a task basis, my estimate from my report of 28 February 2017 to my actual costs as at 4 February 2018 and provide an explanation for the difference in cost.

Table 5: Comparison between current and previous remuneration approvals

Task	Estimate (excl. GST) (\$)	Actual (excl. GST) (\$)	Reasons for differences
Assets	20,000.00	15,887.50	N/A
Creditors	7,500.00	19,957.50	<ul style="list-style-type: none"> Increased levels of communications with creditors (including employee creditors) in relation to proof of debt adjudication Preparation of draft annual report for creditors for 2018
Employees	3,500.00	52,991.50	<ul style="list-style-type: none"> A large number of former employees lodged formal proofs of debt with the Liquidator of the Company. Complexities in adjudicating on employee proofs of debt are detailed in Section 2.4 of the annual report to creditors which accompanies this report.
Investigation	25,000.00	26,801.00	<ul style="list-style-type: none"> Additional work required in mediation and settlement of preference claim.
Dividend	6,000.00	20,095.50	<ul style="list-style-type: none"> The first distribution to priority creditors was initially anticipated to be paid only with respect to outstanding wages and superannuation entitlements. Due to the receipt of surplus proceeds from the Receivers, the Liquidators were required to look at the validity of all employee claims, including those for annual leave and redundancy which were not previously required to be considered given the funds held and priority of payments to be made in accordance with section 556 of the Act. The increased number of claims to be adjudicated on as well of the complexities of the claim led to considerably higher costs that initially anticipated.
Administration	8,000.00	23,553.40	<ul style="list-style-type: none"> Administration costs increase the longer a winding up continues due to statutory compliance, tax lodgements and other administrative burdens of file maintenance.

I have provided an explanation of tasks completed to support my current remuneration approval request at Schedule 1 of this report.

Likely impact on dividends

The Act sets the order for payment of claims against the company and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date,
- my remuneration to complete the Liquidation and
- the distributions previously issued to priority creditors

No further distributions of funds will be made from the Liquidation of the Company.

Remuneration recovered from external sources

On 17 February 2016, the Department of Employment engaged FTI Consulting to assist with the administration of the *Fair Entitlements Guarantee Act 2012* as it applied to the former employees of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689 pursuant to a fixed fee agreement of \$15,130.00 (excl. GST).

To date, FTI Consulting has received \$10,235.00 (excl. GST) from the Department under the agreed fixed fee arrangement, no further amounts will be invoiced.

Remuneration payments received in relation to the administration of the *Fair Entitlements Guarantee Act 2012* are not subject to creditor approval but are disclosed to provide creditors with full disclosure of the remuneration paid and/or recoverable from external sources.

Part 4: Disbursements

Explanatory note on disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

Internal disbursements not charged at cost must be approved by creditors before I can draw the cost of those disbursements from this external administration.

Creditor approval is not required in relation to externally provided professional and non-professional costs or disbursements charged at cost. Where payments to third parties have been made from the bank account of the external administration, those payments are disclosed in the summary of receipts and payments. Creditors have the right to question the incurring of the disbursements and can challenge disbursements in Court.

Internal disbursement claim resolutions

I will be seeking approval of the following resolution with respect to our internal disbursements. Details to support these resolutions are shown immediately below the resolutions and in the schedules to this report.

Resolution 2: Internal disbursements from 20 February 2017 to 4 February 2018 (inclusive)

The cost of the internal disbursements of the Liquidator of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689 for the period 20 February 2017 to 4 February 2018 (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$448.40 (excl. GST) and the Liquidator can draw the cost of those internal disbursements.

Details to support resolutions

Resolution 2: Internal disbursements from 20 February 2017 to 4 February 2018 (inclusive)

The cost of the internal disbursements that are the subject of Resolution 2 have be calculated in the manner shown in Table 6 below.

Table 6: Cost of internal disbursements claimed

Disbursements claimed	Basis of charge excl GST (\$)	Amount excl GST (\$)
Printing, photocopying and facsimile costs	0.09/unit of time charged	212.40
Telephone costs	0.10/unit of time charged	236.00
Total		448.40

Future basis of internal disbursements

Future internal disbursements will be charged to the administration on the basis of the Schedule of Brisbane FTI Consulting Internal Disbursement Rates as shown in Table 8 below.

Table 7: Schedule of Brisbane FTI Consulting Internal Disbursement Rates

Disbursement	Note	Amount ex GST
Advertising and search fees		At cost
Courier		At cost
Postage		At cost
Printing and photocopying		\$0.09 per unit of time charged
Telephone calls and facsimile		\$0.10 per unit of time charged
Storage and storage recall		At cost
Staff travel – mileage	Per ATO rates	Cents per km method
Other staff travel/out of pockets		At cost

Part 4: Summary of Receipts and Payments

A summary of receipts and payments to and from the bank account for the Liquidation for 21 December 2015 to 4 February 2018 appears as Schedule 3. If any large or exceptional receipts and payments are received or made after this report is prepared but before the meeting at which this claim for remuneration will be considered, additional information will be provided at the meeting.

Part 5: Queries

If you have any queries or require any further information concerning my claim for remuneration please contact Neil Dempster on (07) 3225 4953 or via email on neil.dempster@fticonsulting.com.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for “insolvency information sheets”).

Yours faithfully
FTI Consulting



Joanne Dunn
Liquidator



Neil Dempster
(07) 3225 4953
Neil.Dempster@fticonsulting.com

About FTI Consulting

FTI Consulting, LLP, is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

www.fticonsulting.com

Schedule 1: Table of major tasks for resolution 1 remuneration approval

Table 8 provides a description of the work undertaken in each major task area for the period 20 February 2017 to 4 February 2018 (inclusive).

Table 8: Work undertaken for the period 20 February 2017 to 4 February 2018 (inclusive)

Task Area	General Description	Includes
Assets 28.1 hours \$15,887.50	Inventory	<ul style="list-style-type: none"> Time spent liaising with KordaMentha (“KM”) as Receivers and Managers (“R&M”) of the Company with respect to assets classified as ‘inventory’ to which the Liquidators of the Company have a priority to funds. <p>This time includes reviewing asset registers to appropriately determine which assets are ‘inventory’ and corresponding with KM to received sale proceeds of inventory assets.</p>
	Receiver and Manager Surplus	<ul style="list-style-type: none"> Liaising with KM from time to time to assess the completion of their role as R&M of the Company, and any surplus funds which may be attributable to the Liquidators of the Company. Receipt of surplus R&M funds.
	Rig 1 & 4	<ul style="list-style-type: none"> Notification from KM that secured creditor, Royal Wolf, their appointor, had been paid out in full and surplus assets were available to the Liquidators. Arrange insurance of Rig 1 & 4 from time KM retired as R&M. Appointment of sale agent for sale of Rig 1 & 4 Sale of Rig 1 & 4 to foreign purchaser. Liaising with purchaser to ensure goods exported from Australia to avoid GST implications. Application to the Australian Taxation Office to extend the period for GST free exports to enable the purchaser to transport the rigs from Australia without paying GST. Collection of rental for storage of rigs beyond agreed pickup time and remission of balance of GST held to purchaser once documentation received to show the rigs were removed from Australia prior to the expiry of the extended GST free export period granted.

Creditors 61.0 hours \$20,024.00	Creditor enquiries	<ul style="list-style-type: none"> ▪ Receiving creditor enquiries from unsecured and employee creditors ▪ Responding to creditor enquiries by telephone, email, facsimile and post
	Annual Report to Creditors	<ul style="list-style-type: none"> ▪ Preparation and issuance of annual report to creditors (2017) including statement of acts and dealings, notice of meeting, proof of debt and proxy forms, remuneration request approval report ▪ Commence drafting 2018 annual report to creditors. ▪ Lodgement of annual report with ASIC
	Creditor Meetings	<ul style="list-style-type: none"> ▪ Preparation of meeting notices, proxies and advertisements ▪ Preparation of agenda and other documents for meeting ▪ Preparation & lodgement of meeting minutes with ASIC
Employees 119.8 hours \$52,991.50	Employee enquiries	<ul style="list-style-type: none"> ▪ Receiving enquiries from former employees of the Company in relation to the liquidation generally – providing responses as required ▪ Initial review of material supplied by former employees of the Company in relation to their proofs of debt ▪ Communications with employees concerning entitlements claimed to be owed. ▪ Issuing correspondence to employees explaining in detail claims made and additional information required to consider claim validity.
	Calculating entitlements	<ul style="list-style-type: none"> ▪ Reviewing employee files and company books and records ▪ Reviewing awards ▪ Determining employee entitlements
Investigation 50.9 hours \$27,755.00	Litigation/Recoveries	<ul style="list-style-type: none"> ▪ Identification of potential actions/recoveries ▪ Considerable correspondence with Express Cargo and our solicitors in an attempt to settle the preference claim made and arrange for mediation.

		<ul style="list-style-type: none"> ▪ Travel to Adelaide to attend full day mediation of preference against Express Cargo. ▪ Attending to execution of settlement deed, receipting of funds and finalisation of claim.
Dividend 41.4 hours \$20,095.50	Processing proofs of debt (PODs)	<ul style="list-style-type: none"> ▪ Communications with creditors inviting them to lodge PODs ▪ Receiving PODs ▪ Review, consideration and adjudication of PODs ▪ Maintaining POD register ▪ Communications with creditors seeking further information ▪ Advising creditors of POD adjudication
	Dividend procedures	<ul style="list-style-type: none"> ▪ Meeting with lawyers, compiling a brief to obtain advice on employee claims made and reasons for admission or rejection of same. ▪ Correspondence issued to employee creditors requesting further information. ▪ Correspondence to employee creditors adjudicating on their proof of debts submitted which included comprehensive reasoning to support the adjudication decision. ▪ Ongoing discussions with employees throughout the dividend process to answer queries on information required and reasoning in correspondence.
Administration 49.5 hours \$22,532.90	General	<ul style="list-style-type: none"> ▪ Word processing including correspondence, file notes, agendas and minutes ▪ Care and maintenance of the file
	File review/checklist/document maintenance	<ul style="list-style-type: none"> ▪ File reviews ▪ Updating checklist
	Insurance	<ul style="list-style-type: none"> ▪ Communications with broker concerning general insurance requirements ▪ Communications with Company's broker
	Bank accounts	<ul style="list-style-type: none"> ▪ Bank account reconciliations

	ASIC lodgements	<ul style="list-style-type: none"> ▪ Preparation and lodging necessary forms with ASIC (505, 524 etc)
	ATO lodgements	<ul style="list-style-type: none"> ▪ Preparation and submission of BAS

Schedule 2: FTI Consulting Schedules of Rates

FTI Consulting Standard Rates effective 1 March 2017 (excluding GST)		
Typical classification	All Offices \$/hour	General guide to classifications
Senior Managing Director	625	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	580	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	570	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	440	Typically an ARITA professional member. Well-developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	380	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	360	Typically ICAA qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	315	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	280	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	260	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	185	Undergraduate in the latter stage of their university degree.
Administration 2	185	Well-developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	155	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to review at 1 January each year.

FTI Consulting Standard Rates effective 1 January 2016 (excluding GST)		
Typical classification	\$/hour	General guide to classifications
Senior Managing Director	625	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	575	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	565	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	425	Typically an ARITA professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	370	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	350	Typically CAANZ qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	305	Qualified accountant with several years experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	275	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	255	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	180	Undergraduate in the latter stage of their university degree.
Administration 2	180	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Junior Accountant	145	Undergraduate in the early stage of their university degree.
Administration 1	145	Has appropriate skills and experience to support professional staff in an administrative capacity.

Schedule 3: Statement of receipts and payments from 21 December 2015 to 4 February 2018

Atlas Drilling Co Pty Ltd (In Liquidation)		
Receipts & Payments From 21 December 2015 To 4 February 2018 (inclusive)		
Type	Account	Total
RECEIPTS		
	FEG Fees (Verification & Distribution Services)	11,258.50
	Accounts Receivable (Post-Appointment)	11,471.94
	Cash at Bank (NAB)	136,912.84
	FEG Liability	182,954.33
	GST Control: GST Paid (Received)	25,271.00
	GST Held	19,000.00
	Interest Income	21.50
	Payroll Tax Adjustment	19,757.11
	Plant and Equipment	573,252.42
	Preference Recoveries	85,000.00
	Refunds	3,161.46
	Reimbursement from Atlas Drilling Services	289,607.27
	Stock/Inventory on Hand	67,343.00
	Total Receipts	1,425,011.37
PAYMENTS		
	Wages & Salaries: Salary Sacrifice	10,271.15
	Annual Leave	(15,827.36)
	Employee Expense Reimbursements	(10.50)
	Fuel & Oil	(189.44)
	Hire & Leasing	(14,029.25)
	PAYG Control (Trading): PAYG Paid (Received)	(149,850.00)
	PAYG Control (Trading): PAYG Withheld	37,276.75
	Payroll Tax	(17,726.95)
	Rent & Rates	(4,887.66)
	Repairs & Maintenance	(1,540.00)
	Security	(847.00)
	Subcontractors	(2,385.00)
	Superannuation	(7,266.98)
	Superannuation Control (Trading)	(840.37)
	Superannuation Control (Trading): Salary Sacrifice Withheld	2,128.41
	Superannuation Control (Trading): Superannuation Paid (Received)	(33,325.38)
	Superannuation Control (Trading): Superannuation Withheld	8,107.35
	Telephone & Fax	(10,906.41)
	Wages & Salaries	(89,000.10)
	Wages & Salaries: Salary Sacrifice	(14,688.86)
	Appointee Disbursements	(4,486.07)
	Bank Charges	(269.96)
	Buyers Premium	(16,720.00)
	Fees: Appointee Fees	(238,914.17)
	FEG Distribution 1	(42,033.25)
	FEG Distribution 2	(82,253.50)
	FEG Distribution 3	(13,464.19)
	FEG Liability	(2,310.39)
	FEG Verification and Distribution Expenses	(11,258.50)
	First Dividend for Preferred (Employee) Creditors (Wages/TOI)	(91,620.44)
	First Dividend for Preferred (Employee) Creditors (Leave Entitlements)	(176,889.17)
	GST Control: GST Paid (Received)	1,233.00
	GST Held	(19,000.00)
	Insurance	(14,296.90)
	Legal Fees	(41,324.25)
	PAYG Control (Non-Trading): PAYG Paid (Received)	(69,380.00)

Atlas Drilling Co Pty Ltd (In Liquidation) Receipts & Payments From 21 December 2015 To 4 February 2018 (inclusive)	
Reimbursement from Atlas Drilling Services	(120,505.02)
Stamp Duty	(707.45)
Superannuation Withheld (Preferred Dividend)	(91,660.67)
Valuation Fees	(2,954.77)
Total Receipts	<u>(1,344,353.30)</u>
Net Receipts and Payments	<u><u>80,658.07</u></u>

Corporations Act 2001 (Cth)

NOTICE OF MEETING

ATLAS DRILLING CO PTY LTD (IN LIQUIDATION)

ACN 127 647 689 ("the Company")

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the creditors of the Company will be held at FTI Consulting, 22 Market Street, Brisbane, Queensland on 7 March 2018 at 10:30AM.

AGENDA

1. To lay before the meeting an account of the Liquidators' acts and dealings for the period 5 February 2017 to 4 February 2018, and the conduct of the winding up and to hear any explanations thereof.
2. To consider the remuneration of the Liquidators.
3. To consider any other matters which may properly be brought before the meeting.

Creditors wishing to vote at the meeting who will not be attending in person or are a company, must complete and return a Proxy Form to me by no later than 4.00pm on the last business day prior to the meeting. A form of proxy is ***attached**.

Dated 16 February 2018



Joanne Dunn
Liquidator

***Attach.**

APPOINTMENT OF PROXY	Form 532
Atlas Drilling Co Pty Ltd Pty Limited (In Liquidation) ("the Company") ACN 127 647 689	Regulation 5.6.29 Corporations Act 2001 (Cth)

A. Insert Full Name and Contact Details (please print)

Given Name _____ Surname _____

Company Name _____ Telephone Number _____

Address _____

B. Appointment of a Proxy (please complete)

I/We, a member/creditor of the Company appoint:

_____ of _____

as my/our proxy, or in his/her absence _____, to vote at the meeting of creditors to be held on **7 March 2018** at FTI Consulting, 22 Market Street, Brisbane at **10:30AM** or at any adjournment of that meeting.

C. Voting by Your Proxy

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf.

AND/OR

Option 2: If appointed as a special proxy for some or all resolutions, specifically in the manner set out below (**please tick**).

	Resolution (please specify the particular resolution)	For	Against	Abstain
1.	The remuneration of the Liquidator of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689 previously fixed for the period 20 February 2017 to the Finalisation of the Liquidation in the amount of \$70,000.00 (excl. GST) be amended to be fixed for the period 20 February 2017 to 4 February 2018 (inclusive) at an amount calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 January 2016 and 1 March 2017, and is determined and approved for payment in the amount of \$159,286.40 (excl. GST) and the Liquidator can draw the remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	The cost of the internal disbursements of the Liquidator of Atlas Drilling Co Pty Ltd (In Liquidation) ACN 127 647 689 for the period 20 February 2017 to 4 February 2018 (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$448.40 (excl. GST) and the Liquidator can draw the cost of those internal disbursements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature Section (in accordance with Sections 82A, 127 or 250D of the *Corporations Act 2001 (Cth)*)

Signature of individual or person authorised by corporate resolution to represent corporation

Print Name:

The common seal was affixed hereto in the presence of:

Director

Director/Company Secretary

Dated this _____ day of _____.

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy. I, _____ of _____ certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: _____

Our Ref: RCL_437198.0017proxy.doc

FORM 535 - FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

Subregulation 5.6.49(2)
Corporations Act 2001

ATLAS DRILLING CO PTY LTD (IN LIQUIDATION) ACN 127 647 689 (THE 'COMPANY')

To the Liquidators of Atlas Drilling Co Pty Ltd

1. This is to state that the Company was on 21 December 2015, and still is, justly and truly indebted to:

Name of Creditor: _____

Address of Creditor: _____

Debt Owed: \$ _____ and _____ cents

Particulars of the debt are:

Date	Consideration <i>(state how the debt arose)</i>	Amount <i>(incl. GST)</i> \$ c	GST \$ c	Remarks <i>(include details of voucher substantiating payment)</i>
-------------	---	---	--------------------	--

2. 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 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, show them in a schedule in the following form.)*

Date	Drawer	Acceptor	Amount	Due Date
-------------	---------------	-----------------	---------------	-----------------

- 3. * I am the creditor personally OR
 - 3. * I am employed by the creditor and authorised in writing by the creditor to make this statement OR
 - 3. * I am the creditor's agent authorised in writing to make this statement in writing.
- * Omit if inapplicable

I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated: _____

Name of authorised Person

Signature of Authorised person

Occupation

Address

Email

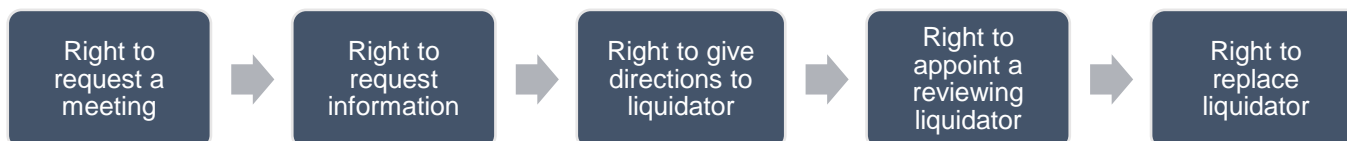
Telephone

I/we nominate to receive electronic notification of notices or documents by email at the following address:

Email address: _____

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.

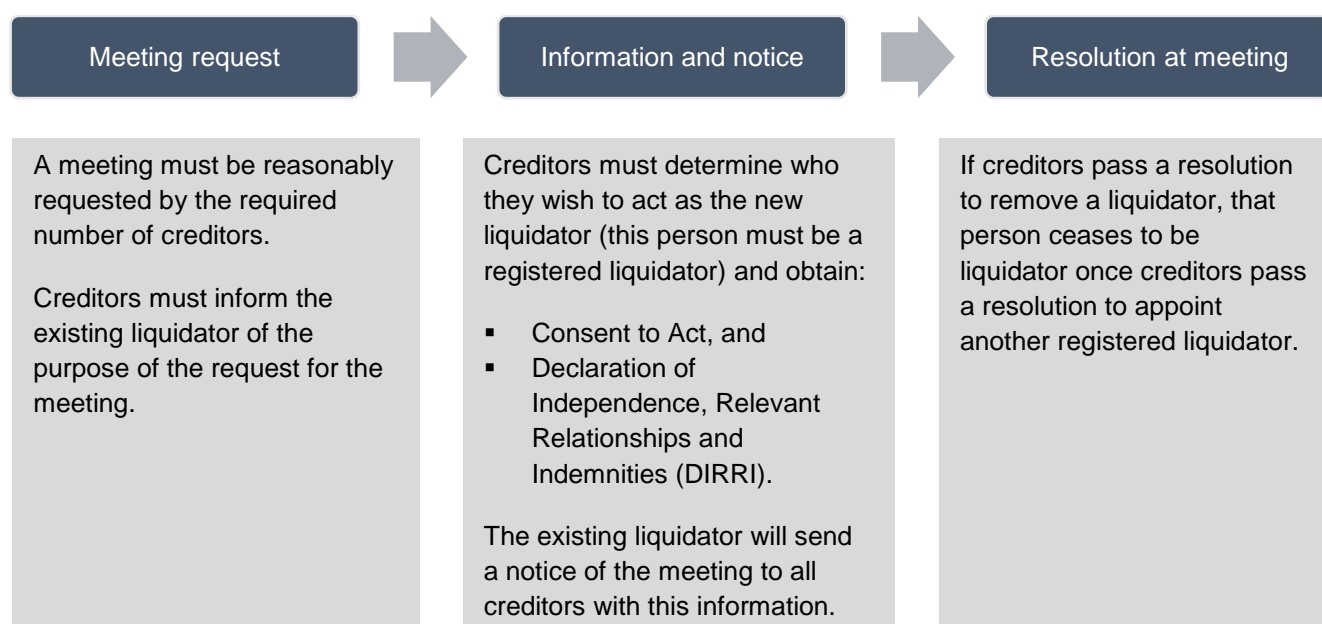
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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