

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

Third Report of the Joint Official Liquidators to all known  
creditors

28 October 2020



Building a better  
working world

## Disclaimer

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

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

## Abbreviations

The following abbreviations are used in this report:

BoS/the Bank	Bank of Scotland plc
Connected Groups	Maxtube Group, MRS Group, Petrostem Group, Pioneer Group and Bright Morning Investments Inc, each of which is related to the PPG Group
Court	Grand Court of the Cayman Islands
CWR	Companies Winding Up Rules (as revised)
Date of Appointment	Date of appointment of the JVLs on 28 August 2018
First Report	First report of the JOLs to creditors dated 29 October 2018
Innospection Group	Innospection Group Limited and its subsidiary undertakings
JOLs	Keiran Hutchison, Colin Peter Dempster and Gavin David Yuill in their capacity as Joint Official Liquidators of the Company
JVLs	Keiran Hutchison, Colin Peter Dempster and Gavin David Yuill in their capacity as Joint Voluntary Liquidators of the Company
KTT trust	The KTT trust is the UBO of the Petrostem Group of companies. The beneficiary is the Tyacke family.
Law	Companies Law (as revised)
LC	Liquidation Committee
Maxtube	Maxtube ME Limited
Maxtube Group	Maxtube Holdings Limited and its subsidiary undertakings
MRS	MRS Group
Occidental	Occidental Mukhaizna LLC, Occidental of Oman Inc and Occidental Oman Gas Company LLC
Occidental Contracts	Contracts with Occidental
Petrostem Group	Petrostem Group Limited (In Liquidation) and its subsidiary undertakings
PIL	Petrostem International Limited
Pioneer Group	Pioneer Group Ventures Limited and its subsidiary undertakings
PPA	Petroleum Pipe Americas Corp
PPC Cayman/the Company	PPC Limited (In Official Liquidation)
PPC UK	Petroleum Pipe Company Limited (In Administration)
PPG	Petroleum Pipe Group Limited (In Liquidation)
PPG Group	Petroleum Pipe Group Limited and its subsidiary undertakings
PPME	Petroleum Pipe Middle East FZE
PPS	Petroleum Pipe Singapore Pte Limited
PRL	Petrostem Rentals Limited
Second Report	Second report of the JOLs to creditors dated 28 October 2019
Third Report	Third report of the JOLs to creditors dated 28 October 2020

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## 1. Introduction

This is the Third Report and account to creditors dated 28 October 2020. It represents an update to, is supplemental to and should be read in conjunction with the JOLs' First Report dated 29 October 2018 and Second Report dated 28 October 2019. Should you require a copy of the First Report or Second Report, please contact Gerard Somers via email at [gerard.somers@ky.ey.com](mailto:gerard.somers@ky.ey.com).

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

In accordance with Order 8, Rule 2 of the CWR, the JOLs have convened the third meeting of creditors ("Third Meeting") of the Company to be held at 10:00 a.m. (Cayman Islands time) on 28 October 2020 by telephone conference call. The meeting has been convened for the purposes of:

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

This Third Report will be circulated to all known creditors and potential creditors of the Company. It will also be filed with the Grand Court.

Notice of the Third Meeting was given by email to all known creditors on 6 October 2020. In addition, statutory advertisements notifying all potential creditors of the Third Meeting were published in the Cayman Islands Gazette on 28 September 2020 and also in the Worldwide Edition of the Financial Times on 16 September 2020.

As advised in the First Report, the JOLs were obliged to seek the formation of an LC pursuant to Order 9 of the CWR. A combined liquidation committee and creditors' steering committee encompassing a number of the entities in insolvency proceedings in the Petrostem Group and the PPG Group was constituted at the first meeting of creditors. The latest LC meeting is scheduled to be convened on 28 October 2020.

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

## 2. Purpose and conduct of the liquidation

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

Furthermore, the JOLs formed the opinion that with the exception of the completion of a number of specific customer orders, it was not appropriate to continue to trade the business of the Company in insolvency. In the Second Report the JOLs advised they had completed the selected customer orders and also completed sales of the majority of the drilling rental and other assets owned by the Company. Accordingly, physical asset realisations in respect of the Company are now largely complete.

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

- Collect in the debtor balances, and intragroup / intergroup receivables due to the Company;
- Complete the investigation into the directors' conduct;
- Conclude the details around the Occidental contract assignment and associated work;
- Distribute the assets of the Company; and
- Submit an application to Court for final directions.

## 3. Assets

### 3.1 The Occidental contracts

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

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

#### *3.1.1 Unrecorded credit notes*

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

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

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

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

To date, the JOLs have received \$400k from Maxtube in this regard. It is clear, however, that Occidental's cost and cash squeeze following its acquisition of Anadarko Petroleum Corporation in August 2019 has led to a significant delay in Occidental's order requirements in Oman. This has only been exacerbated by the subsequent collapse in the oil price and the impact of the coronavirus pandemic. This combination of factors has put stress on Maxtube's cash flow such that they have been unable to make the agreed quarterly instalments.

The JOLs are liaising closely with the management team at Maxtube to better understand when payments are likely to recommence but with Occidental requesting that outstanding deliveries be delayed until Q4 of 2021 and into Q1 and Q2 of 2022, it is clear that it will be some time yet before Maxtube will be in a position to agree a realistic revised payment plan.

#### *3.1.2 Pre-appointment debtor book*

As set out in the Second Report, we have collected \$4.5m of the \$5.0m pre-appointment debtor book and do not anticipate making any further recoveries in this regard.

#### *3.1.3 Outstanding pre-appointment orders*

The reported profit of \$0.8m detailed in our Second Report from the completion of certain orders post appointment has not changed and no further recoveries in this regard are anticipated.

#### 3.1.4 Occidental Contracts assignment

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

We continue to receive on a monthly basis a trading statement from Maxtube. At 30 September 2020, Maxtube had recorded revenues, gross profit and operating profit of \$159.6m, \$3.4m and \$0.5m respectively from the Occidental Contracts. These figures do not take account of the payments due from Maxtube in respect of the unrecorded credit notes discussed at paragraph 3.1.1 above.

The margin earned on orders remains significantly behind historical levels and is explained by management as being attributable to adverse PipeLogix index movements, Maxtube's need to place pipe orders through Dan Trading (and not directly on mills) and price reductions agreed with Occidental to secure future orders. It should be noted that sales of only \$8.6m have been achieved in the nine months to 30 September 2020.

Creditors may recall from our Second report that the Occidental contract was due to expire on 31 Dec 2019. I am pleased to report that Maxtube was awarded a further contract with Occidental that means that the Company has a retained interest in the gross profit derived from the contract through until 27 August 2023. However, due to the uncertainty regarding the timing of further orders and deliveries under the new contract, it is not clear what further sums in excess of the payment of \$0.5m already received will be recovered.

### 3.2 Trade debtors

We continue to pursue the small remaining balance of \$31k due by one of the Company's suppliers and will update creditors on progress in our next report.

### 3.3 Production tubing and casing stocks

I am pleased to confirm that the final balance of \$60k which was noted as outstanding in our Second Report in respect of the realisation of the Company's stock of production pipe and casing has now been received. No further realisations are anticipated.

### 3.4 Drilling rental asset sales

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

No further realisations have been made from these assets and none are anticipated. However, I am pleased to report that rental income of \$99k has been received from associated companies in the Petrostem Group who continued to utilise some of the Company's assets after the JOLs' appointment and prior to the sale of the assets.



### 3.5 Intragroup and intergroup balances

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

I am pleased to report that the Company has received an interim distribution of \$1.1m from the liquidation of Petrostem Rentals Limited ("PRL"). Although a final distribution from PRL is anticipated in due course, the further recovery is unlikely to be material.

### 3.6 Other potential sources of realisation

As set out in the Second Report, the Company had made non-refundable advance payments aggregating \$1.2m in respect of the purchase of production tubing and casing to its Chinese mill suppliers as at 28 Aug 2018.

The JOLs were able to utilise \$1.0m of these advance payments in completing a limited number of orders following their appointment. I am pleased to advise that we have been able to recover a further \$150k from these deposits following agreement reached with Maxtube. These funds have now been received and are shown in the Receipts and Payments account at Appendix D.

The JoLs continue to review prospects for potential rights of action that may exist in PPC Cayman against various parties. Various avenues of enquiry continue in relation to the conduct of the affairs of PPC Cayman and other entities within the group.

## 4. Creditors

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

### 4.1 Secured creditors

Our Second Report narrated the background to our acceptance that BoS holds effective security over the whole of the assets of the Company.

We had also reviewed the quantum of BoS's claim against the Company and, following the identification of an error in the interest that had been applied to some of the PPG Group's foreign currency balances, we have now adjudicated the BoS secured claim at the reduced figure of \$27.3m. We note that BoS will have continued to incur interest on its debt subsequent to the submission of its claim in April 2019. We are also aware that it paid legal fees of \$141k in May 2019. BoS may seek to include both of these amounts in its secured claim against PPC Cayman.

We have now distributed a total of \$7.6m of the Company's estate realisations to BoS under the terms of their security.

### 4.2 Priority creditors

The remaining employee who was working on a reduced-hours working arrangement, left the business in March 2020. However, as the Company's employees had contracts of employment and visas with other entities in the PPG Group there are no priority claims for employees' salaries or holiday pay against the Company.

### 4.3 Unsecured creditors

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

Statement of Affairs	Claims received		Claims adjudicated		Outstanding to adjudicate		Accepted creditor claims
	\$000s	Qty	\$000s	Qty	\$000s	Qty	\$000s
	95,081	14	76,888	14	59,467	-	-
							59,467

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

## 4.4 Creditor claims

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

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

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

## 5. Fees and disbursements

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

The basis of remuneration, documented in the remuneration agreement, of the Joint Official Liquidators for the period from 3 October 2018 onwards was agreed with the LC in a meeting held on 11 December 2018. The Grand Court of Cayman subsequently endorsed that agreement.

The LC has approved the extension of that agreement through to 31 December 2020 and the JOLs intend to seek their approval for a further extension to 31 December 2021 at the next meeting of the LC.

Both the Liquidation Committee and the Grand Court of Cayman have now also approved the JOLs' fees of \$1,081,652 for the period 3 October 2018 to 27 September 2019, bringing total approved fees for the liquidation for the period to 27 September 2019 to \$1,328,555, as shown in the table below.

\$s	12 weeks to 16 Nov 19	20 weeks to 5 Apr 19	20 weeks to 23 Aug 19	5 weeks to 27 Sep 19	57 weeks Total
Voluntary Liquidation	246,903	-	-		246,903
Official Liquidation	311,137	461,974	273,535	35,006	1,081,652
Total	558,040	461,974	273,535	35,006	1,328,555

In a meeting on 29 April 2020, the LC approved the JOL's fees to 3 April 2020, summarised as follows:

\$s	7 weeks to 15 Nov 19	4 weeks to 13 Dec 19	4 weeks to 10 Jan 20	4 weeks to 7 Feb 20	4 weeks to 6 Mar 20	4 weeks to 3 Apr 20	27 weeks Total
Official Liquidation	52,371	20,672	14,391	29,530	19,056	23,358	159,378

The JOLs now intend to seek the LC's approval to their fees for the periods to 28 August 2020, as set out in the table below.

\$s	4 weeks to 1 May 20	4 weeks to 29 May 20	4 weeks to 26 Jun 20	4 weeks to 24 Jul 20	4 weeks to 21 Aug 20	1 week to 28 Aug 20	21 weeks Total
Official Liquidation	80,823	26,629	18,151	7,718	8,350	770	142,441

The JOLs' fees for the 27 week period to 3 April 2020 and the 21 week period to 28 August 2020 are still subject to the approval of the Grand Court of Cayman. If approved, this will bring the total liquidation fees to \$1,630,374.

In accordance with the above noted remuneration agreement, we have approval to raise fee notes for 80% of our fees for each four-week period. The 20% balance of our fees can only be drawn with the approval of the Liquidation Committee and the Grand Court of Cayman. In line with that agreement, to date, we have drawn fees of \$1,366,821.

The JOLs' hourly rates and hours incurred for both the Voluntary Liquidation period from 28 August 2018 to 3 October 2018 and for the Official Liquidation period from 3 October 2018 to 27 August 2020 are set out in detail at Appendix A.

The JOLs' disbursements for the period from 3 October 2018 to 27 August 2020 are set out in the table below:

JOLs' disbursements	
Description	Total (\$)
Accommodation	5,594
Airfare	6,016
Ground transportation - rail	1,691
Ground transportation - taxi	2,265
Ground transportation - tolls	52
Ground transportation - mileage	279
Insolvency Practitioner levy	608
Postage / Courier	708
Parking	7
Subsistence	2,202
Bank charges	78
Visa fees, costs, etc.	217
Document charges	2,617
Total	22,334

## 6. Other matters

### 6.1 Future conduct of the liquidation

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

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

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

### 6.2 Conclusion

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

The report will be made available on the following website:

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

Should you wish to discuss any aspect of this report, please contact Gerard Somers on +1 (345) 814 8902 or at [gerard.somers@ky.ey.com](mailto:gerard.somers@ky.ey.com).

Yours faithfully

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



Keiran Hutchison  
Joint Official Liquidator

Encl.

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

## Appendix A Fee analyses

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

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

Note: Time is charged in 6 minute intervals

JOL fees for the period 3 October 2018 to 27 August 2020

	Staff Grade							Total Hours	Total Cost \$	Average Rate \$
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Analyst			
Accounting and Administration	8.2	0.9	6.3	49.8	11.1	294.1	162.8	533.2	181,476.8	340.4
Bank & Statutory Reporting	42.3	-	39.1	154.5	7.0	15.9	6.5	265.3	165,704.0	624.6
Creditors (Mandatory)	74.9	-	96.6	69.6	20.4	155.0	11.8	428.3	247,528.0	577.9
Debtors	14.0	-	1.9	33.0	-	3.5	4.1	56.5	35,206.0	623.1
Employee Matters	-	-	1.5	20.1	-	-	-	21.6	12,909.0	597.6
Immediate Tasks	5.8	-	-	2.6	1.3	11.0	-	20.7	12,079.5	583.6
Investigation/CDDA	69.7	-	76.7	33.2	46.8	60.8	-	287.2	178,623.2	621.9
Job Acceptance & Strategy (M)	1.2	-	10.1	-	-	6.9	-	18.2	10,801.5	593.5
Legal Issues	16.5	-	0.5	2.7	7.8	29.5	-	57.0	33,100.0	580.7
Other Assets	-	-	2.2	16.8	-	-	-	19.0	11,452.0	602.7
Other Matters	-	-	17.6	24.7	-	1.9	-	44.2	25,946.7	587.0
Property	-	-	-	-	-	0.2	-	0.2	71.0	355.0
Statutory Duties	1.4	-	1.3	13.3	21.1	78.5	-	115.6	52,377.0	453.1
Stock and Fixed Assets	-	-	41.7	31.6	237.1	7.0	1.6	319.0	163,270.0	511.8
Tasman Tools Handover	-	-	-	-	46.0	-	-	46.0	22,337.5	485.6
Trading (Mandatory)	5.7	-	48.4	186.8	-	123.0	55.8	419.7	204,155.8	486.4
VAT & Taxation	-	-	-	9.6	7.3	4.6	73.6	95.1	26,432.5	277.9
Sale of Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>239.7</b>	<b>0.9</b>	<b>343.9</b>	<b>648.3</b>	<b>405.9</b>	<b>791.9</b>	<b>316.2</b>	<b>2,746.8</b>		
<b>Time Costs (\$)</b>	<b>204,943.50</b>	<b>630.00</b>	<b>240,717.00</b>	<b>380,917.00</b>	<b>194,183.00</b>	<b>295,783.00</b>	<b>66,297.00</b>		<b>1,383,470.50</b>	
<b>Average Hourly Rate (\$)</b>	855.0	700.0	700.0	587.6	478.4	373.5	209.7		502.5	
<b>Category 1 Disbursements (\$)</b>		<b>22,334</b>								
<b>Category 2 Disbursements (\$)</b>		<b>-</b>								
		<b>22,334</b>								

Note: Time is charged in 6 minute intervals



## Appendix B    Proof of Debt

COMPANIES LAW (2018 REVISION)

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### PROOF OF DEBT

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PPC Limited (In Official Liquidation)

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

Proof of Debt

9	Value of the security and date of valuation	

Dated:

\_\_\_\_\_

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

## Appendix C Proxy Form

The Companies Law (2018 Revision)  
PROXY FORM

Notes to help completion  
of this form

PPC LIMITED (IN OFFICIAL LIQUIDATION)

Please give full name and  
address for  
communication.

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

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

NAME OF PROXY FOR CREDITOR

1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
\_\_\_\_\_

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

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

**This form must  
be signed**

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

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

## Appendix D Receipts and Payments Period 28 August 2018 to 27 August 2020

	Period 28 August 2018 to 27 August 2019	Period 28 August 2019 to 27 August 2020	Total period 28 August 2018 to 27 August 2020
Receipts	US\$		
Assignment of Occidental customer contract	500,000	400,000	900,000
Post-appointment sales	2,517,664	-	2,517,664
Pre-appointment debtors	4,468,784	-	4,468,784
Recovery of Pre-Appointment Deposits	-	150,312	150,312
Cash at Date of Appointment	203	-	203
Stock sales - Rental assets	2,983,349	-	2,983,349
Stock sales - Production tubing	270,990	59,060	330,050
Stock Rental Income	-	99,195	99,195
Recovery of Stock Realisation costs	156,482	-	156,482
Dividend from liquidation of Pipeline Supplies Bahrain	-	64	64
Dividend from liquidation of Petrostem Rentals Ltd	-	1,137,127	1,137,127
Bank interest received	74	151	225
Inter-company - Petrostem Rentals Limited (In Liquidation)	128,515	(128,515)	-
Inter-company - Petrostem Asia	53,743	-	53,743
Inter-company - Petrostem Malaysia	82,085	-	82,085
	11,161,889	1,717,394	12,879,283
Payments			
Bank charges	2,620	1,046	3,666
Consultants fees & expenses	13,724	-	13,724
Employee expenses	2,921	-	2,921
Employee healthcare	19,745	1,635	21,380
Exchange rate difference on f/x payments	(938)	1,121	183
Inspection fees	450	-	450
Legal fees & expenses	139,726	162,181	301,907
Liquidators' fees and expenses	946,765	450,872	1,397,637
Material purchases	908,042	-	908,042
Pipe coating	487,446	-	487,446
Pipe handling / packing / shipment charges	188,923	4,900	193,823
Repairs	29,272	-	29,272
Statutory advertising	5,274	2,394	7,668
Stock agents' fees & commission	531,873	2,174	534,047
Branch closure fees and expenses	10,088	-	10,088
Sundry expenses	500	-	500
Wages & salaries	187,605	(78,634)	108,971
Yard storage costs	26,024	998	27,022
VAT & GST (Payable) / Recoverable	2,466	5,999	8,465
Prepayments - Inter-company settlement	-	61,251	61,251
Insurance - Inter-company settlement	-	71,000	71,000
Inter-company - Petroleum Pipe Company Limited (In Administration)	23,374	(23,374)	-
Inter-company - Petroleum Pipe Group Limited (In Liquidation)	72,828	(72,828)	-
Inter-company - Pipeline Supplies Bahrain Limited (In Liquidation)	1,150,022	(1,150,022)	-
Inter-company - Petrostem International Limited (In Liquidation)	107	(107)	-
Distribution to the Bank of Scotland Plc	-	7,600,000	7,600,000
	4,748,857	7,040,606	11,789,463
	6,413,032	(5,323,212)	1,089,820
Represented by:			
Bank balances			
Royal Bank of Scotland	6,378,664		1,076,741
Butterfield Bank (Cayman)	34,368		13,079
	6,413,032		1,089,820

### Notes

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