

Petroleum Pipe Company Limited

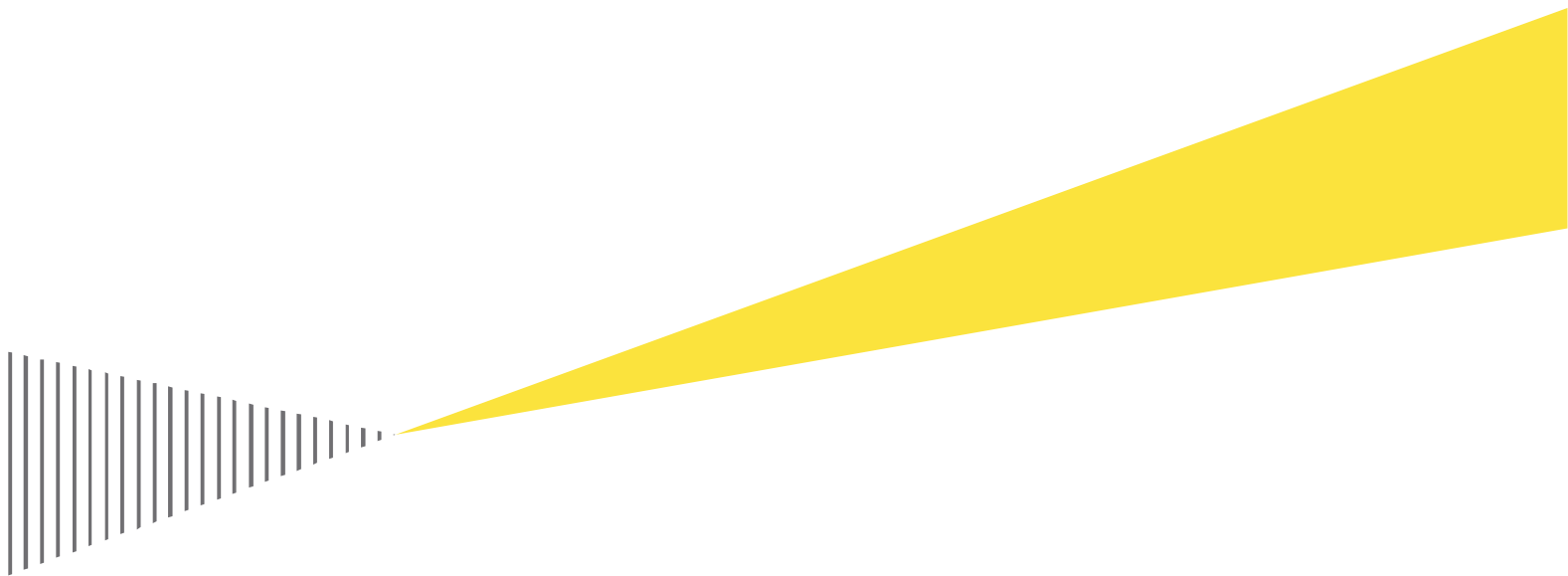
In Administration (the "Company")

Six Monthly Progress Report

In accordance with Rule 18.3 of The Insolvency (England and Wales) Rules 2016

28 February 2025

Ernst & Young LLP



Building a better
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Abbreviations

The following abbreviations are used in this report:

Act	the Insolvency Act 1986
BoS	Bank of Scotland plc
date of appointment	29 August 2018
EY	Ernst & Young LLP
PGL	Petrostem Group Limited – in Liquidation
PIL	Petrostem International Limited – in Liquidation
PPC Cayman	PPC Limited – in Official Liquidation
PPG	Petroleum Pipe Group Limited – in Liquidation
PRL	Petrostem Rentals Limited – in Liquidation
PSB	Pipeline Supplies Bahrain WLL Limited – in Liquidation
Joint Administrators	To 18 June 2023: C P Dempster and G D Yuill From 19 June 2023: K S Aspin and G D Yuill
the Company	Petroleum Pipe Company Limited - in Administration
the Petrostem Group	Petrostem Group Limited (In Liquidation) and its subsidiary undertakings
the PPG Group	The Petroleum Pipe Group of companies, a structure chart for which is provided at Appendix B
the Proposals	Joint Administrators' Statement of Proposals, dated 19 October 2018
the Rules	the Insolvency (England and Wales) Rules 2016

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1. Introduction

1.1 Introduction

I write, in accordance with Rule 18.3 of the Rules, to provide creditors with a report on the progress of the Administration. This report covers the period from 29 August 2024 to 28 February 2025 and should be read in conjunction with the Proposals dated 19 October 2018 and the previous progress reports covering each six month period from 29 August 2018 to 28 August 2024.

On 29 August 2018 the Company entered Administration and C P Dempster and G D Yuill were appointed to act as Joint Administrators.

The appointment was made by the Company's Directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by either of them.

As previously advised, due to C P Dempster's retirement from EY, K S Aspin of EY was appointed as Joint Administrator on 19 June 2023.

K S Aspin and G D Yuill are UK licenced insolvency practitioners and, consequently, are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Statutory information about the Company, the Administration, and the office holders is given at Appendix A.

1.2 Extensions to the initial period of appointment

In accordance with paragraph 76 of Schedule B1 to the Insolvency Act 1986, the Administration of the Company was initially due to end automatically on 28 August 2019.

As previously reported, the Administration was extended to 28 August 2020 by the consent of the Company's creditors, and subsequently to 28 August 2021, to 28 August 2023 and to 28 August 2025 by the Court.

A further extension to the period of administration is not envisaged to be required at this stage. However, this is dependent on the timing of the outcome of the Representation to the Royal Court of Jersey – see section 3.3 below. If a decision of the Royal Court of Jersey in respect of the Representation is not received by 30 April 2025, the Court objects to the Representation, or we are unable to assign to PPC Cayman the outstanding trade debtor balances described at section 2.2.1 below, it may become necessary to make an application to Court for an extension of the administration by a further 12 months. Should any creditors have an objection to such an application being made, they should provide details of their objection to the Joint Administrators by writing to Ernst & Young LLP, G1 Building, 5 George Square, Glasgow, G2 1DY, by no later than 30 April 2025.

2. Progress since the six month report to 28 August 2024

2.1 Purpose of the Administration

As detailed in the Proposals and the previous progress reports, the Joint Administrators' strategy in respect of the insolvency of the Company is to:

- ▶ Cease to trade the business to which the Joint Administrators have been appointed (with the exception of one customer order where it was deemed to be in the best interests of creditors that the order be completed);
- ▶ Collect in the trade debtor balances due to the Company; and
- ▶ Market for sale the individual assets, primarily the Company's production tubing and casing stocks.

2.2 Asset realisations

With the exception of two trade debtor balances due from Nigerian customers and the recovery of intragroup balances (updates below) all asset realisations have now been completed.

2.2.1 Trade debtors

We set out below an update on the two balances being pursued through court proceedings in Nigeria:

- ▶ Lahor Limited ("Lahor") (\$1.7m): In our previous report we explained judgment on this case was set to be delivered on 6 December 2024. However, the Court requested further clarifications on certain points and adjourned the matter to 17 December 2024. At that hearing, the Court extended the constitutional time-limit for a further period. On 17 March 2025 judgment was delivered, and we are pleased to report that we were successful, with the judgment awarding us the full balance, legal fees (\$52k) and interest from the date of the judgment. We will update creditors on progress of collecting the amounts due in our next report.
- ▶ LBD International Limited ("LBD") (\$0.8m): As detailed in our previous report, the Court of Appeal handed down its judgment which partly upheld LBD's appeal and ordered that the case be returned to the High Court for trial by a new judge. The Joint Administrators have now instructed our Nigerian legal advisors to progress with the legal case against LBD.

The Joint Administrators are currently considering assigning these debtors to PPC Cayman, as, based on the Joint Administrators' detailed modelling work (see section 3.3 below), the benefit of any recoveries from these debtors is due to PPC Cayman in full. Such an assignation will help to reduce the ongoing costs of the insolvency process of PPC UK.

2.2.2 Intra and intergroup balances

As at the date of appointment, the Company was due \$20.3m from companies in the Petrostem Group and PPG Group which are also subject to insolvency proceedings.

Details of claims submitted in certain insolvencies in the Petrostem Group and PPG Group, and interim distributions received to date were set out in our previous reports. No further distributions were received in the period covered by this report.

As detailed further below, a complex subrogation modelling exercise has been undertaken to determine the final amounts due to/from each of the companies in the PPG and Petrostem Group following BoS being repaid in full. The quantum of any further distributions to the Company has not yet been finalised – see section 3.3 below

2.2.3 Bank interest

During the period covered by this report, bank interest of \$7,281 was received.

2.3 Expenditure

In our last report we set out details of expenses of \$1,144k (net of VAT) incurred in the period to 28 August 2024, excluding distributions to secured and preferential creditors, irrecoverable VAT, and the Joint Administrators' fees and expenses.

Expenses of \$9k were incurred in the period from 29 August 2024 to 28 February 2025. A breakdown of expenses incurred is provided at Appendices C and D to this report.

As previously reported, total expenses have exceeded the original estimate provided with the Proposals. We anticipate that total expenses are likely to be c.\$1,201k, broadly in line with the estimate provided in the previous progress report.

2.4 Other PPG Group insolvencies

The other insolvent entities within the PPG Group are not registered in England and Wales and are therefore subject to the insolvency proceedings of other jurisdictions. They are not within the remit of this report. Notwithstanding this, the Joint Administrators recognise the inter-linked nature of the PPG Group and therefore detailed discussion of the insolvency proceedings and potential asset realisations for these entities is provided within the separate reports to the creditors of these companies which are available from the following website:

https://www.ey.com/en_uk/administrations/ey-ppg-and-petrostem-insolvencies

3. Outcome for creditors

We provide below an indication of the current position with regard to creditors' claims and the process for determining the outcome for creditors.

3.1 Secured creditors

As previously advised, in November 2023, a final distribution of c.\$1.7m was paid to BoS from PPG, in full and final settlement of its secured claim against the Company of \$27.3m. Of the total distributions made to BoS, \$1.9m was distributed by the Company.

3.2 Preferential creditors

Preferential creditor claims of \$36k in respect of claims for employees' holiday pay have been paid in full. There are no further claims from preferential creditors pending payment.

3.3 Unsecured non-preferential creditors

We anticipate that the total level of unsecured non-preferential creditors will be \$26.6m.

As previously reported, following full settlement of the debt due to BoS by the PPG and Petrostem Groups there are now surplus funds held across the Groups which fall to be distributed to unsecured creditors. The Joint Administrators have undertaken detailed modelling work (the "Proposed Model") to determine to which of the companies within the PPG and Petrostem Groups these funds properly belong and, therefore, the potential outcomes for unsecured non-preferential creditors of the Company and of the related insolvent entities in the PPG Group (PPG, PPC Cayman and PSB) and Petrostem Group (PRL, PIL and PGL).

Based on the Proposed Model, we currently forecast that no funds will be available for the unsecured non-preferential creditors of the Company,

As advised in our previous progress report, in respect of PPG, PSB, PRL, PIL and PGL (together, the "Jersey Companies"), the Joint Liquidators of the Jersey Companies made a Representation to the Royal Court of Jersey seeking the Court's sanction to make distributions to unsecured non-priority creditors.

A hearing in respect of that Representation was held before the Royal Court of Jersey on 6 December 2024. We currently await the outcome of the Representation.

For the avoidance of doubt, the Royal Court of Jersey is only being asked to provide sanction in respect of the Jersey Companies. Whilst the modelling of outcomes for creditors also impacts the insolvencies of the Company and PPC Cayman (which are incorporated under the laws of England and Wales, and the Cayman Islands, respectively), at this time, it is not the intention of the Joint Official Liquidators of PPC Cayman or the Joint Administrators of the Company to seek the sanction of the Cayman or English Courts, respectively. The Joint Official Liquidators of PPC Cayman and the Joint Administrators of the Company intend that, if sanction of the Royal Court of Jersey is received in respect of the Jersey Companies, they will proceed to make distributions to creditors of PPC Cayman and PPC UK in the manner, and applying the methodology, set out in the Proposed Model.

We will write to all unsecured non-preferential creditors of the Company in due course to update them on (i) the outcome of the Representation; (ii) the quantum of any distributions;

and (iii) the estimated timing of those distributions. However, as stated above, we currently forecast that no funds will be available for the unsecured non-preferential creditors of the Company.

3.4 Creditor claims

If you have a claim, please forward details together with supporting documentation (e.g. invoices, statements and agreements) to Alastair Casey at this office or by email to ppcgroup@uk.ey.com.

The proof of debt form can be downloaded from the following web site:

https://www.ey.com/en_uk/administrations/ey-ppg-and-petrostem-insolvencies

Certain debts due from the Company may be preferential in accordance with Section 386 of the Insolvency Act 1986. If you consider that you have a claim in this category, please advise us immediately. If you hold any security for your claim or consider that you have title to any assets in the Company's possession, please forward details to us as soon as possible.

Any sums due to the Company arising after our appointment must be paid in full and without set-off against any debts incurred by the relevant company prior to our appointment.

3.5 The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

As the debenture granted in favour of BoS was created on 19 June 2000, the Prescribed Part provisions do not apply to the administration of the Company. Accordingly, there will be no Prescribed Part available for distribution to the unsecured non-preferential creditors of the Company.

4. Joint Administrators' receipts and payments

A summary of the Joint Administrators' receipts and payments for the period from 29 August 2024 to 28 February 2025 is attached at Appendix C.

5. Joint Administrators' remuneration, expenses and payments to other professionals

5.1 Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the website of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to the Joint Administrators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

The Joint Administrators' remuneration was fixed on the basis of time properly given by the Joint Administrators and their staff in dealing with matters arising in the Administration at the hourly rates set out below (and in accordance with the fee estimate dated 19 October 2018) by a resolution of the preferential creditors and secured creditor on 21 December 2018.

In addition, the Joint Administrators were permitted to draw, as an interim claim, their remuneration for the period from the date of their appointment to Friday 5 October 2018 and thereafter to draw their remuneration four weekly in arrears subject to the provision in advance of a statement of such costs.

Grade	Hourly rate (\$)	Equivalent hourly rate (£)
Partner	855	658
Executive Director / Director	700	538
Senior Manager	590	454
Manager	490	377
Senior (Level 3)	450	346
Senior (Level 1 / 2)	355	273
Analyst	210	162
Intern	185	142

During the period covered by this report, the Joint Administrators incurred time costs of \$33,881. Total time costs to 28 February 2025 are \$1,196,443. Of this sum, \$450,000 has been approved by the secured and preferential creditors and paid.

On 4 March 2024 we wrote to the secured and preferential creditors to seek approval for an increase in our fee estimate to \$1,312,914 plus VAT. On 22 April 2024 this approval was received.

We will not draw remuneration in excess of the revised fee estimate without the prior approval of the secured and preferential creditors of the Company.

Attached at Appendices E to H are detailed analyses of time spent and charge out rates for each grade of staff for the various areas of work carried out to 28 February 2025 as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No. 9.

5.2 Joint Administrators' statement of expenses incurred

During the period covered by this report, the Joint Administrators incurred expenses of \$9,132 (excluding irrecoverable VAT). Expenses in the period from our appointment to 28 February 2025 total \$1,152,865 (excluding distributions to secured and preferential creditors, irrecoverable VAT, and the Joint Administrators' fees and expenses). A breakdown of these expenses is provided at Appendix D.

Total expenses have exceeded the original estimate provided with the Proposals. We anticipate that final expenses are likely to be c.\$1,200k, which is c.\$594k higher than our original estimate.

5.3 Disbursements

Appendix D also includes a breakdown of the Joint Administrators' Category 1 and 2 disbursements.

On 21 December 2018, the Joint Administrators received the approval of the secured creditor and preferential creditors to charge and draw disbursements in accordance with the charging policy set out in Appendix H and the estimate provided with the Proposals.

During the period covered by this report, the Joint Administrators incurred Category 1 and 2 disbursements of \$127. To 28 February 2024, the Joint Administrators have incurred Category 1 and 2 disbursements of \$5,103, of which \$2,610 has been paid to the Joint Administrators to 28 August 2024.

5.4 Payments to other professionals

The Joint Administrators have engaged the services of the following during the course of the Administrations:

Name of firm	Nature of service	How contracted to be paid
Pinsent Masons	Legal advisors – UK and UAE	Time costs
CMS Cameron McKenna	Legal advisors – UK	Time costs
Advocaat Law (formerly AOA Legal)	Legal advisors – Nigeria	Time costs
Carey Olsen	Legal advisors – Jersey and Cayman Islands	Time costs
ANM Group	Asset safeguarding and realisation strategy	Time costs
Calash Limited	Energy sector strategy consultants	Time costs
Wallbrook Advisory Limited	Diligence	Time costs
Wynterhill LLP	Legal advice – UK	Time costs

6. Other matters

6.1 Replacement of Administrator

Due to C P Dempster's retirement from EY, K S Aspin of EY was appointed as Joint Administrator on 19 June 2023 by the Court.

6.2 Future conduct of the Administration

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

- ▶ Realising the remaining assets of the Company, most notably the books debts due to the Company by LBD and Lahor and inter/intra group debtor balances;
- ▶ Dealing with corporation tax and VAT matters, which includes filing statutory returns;
- ▶ Dealing with unsecured creditor enquiries;
- ▶ Finalising the outcome for unsecured non-preferential creditors;
- ▶ Ensuring all statutory reporting and compliance obligations are met; and
- ▶ Finalising the Administration, including payment of all Administration liabilities.

6.3 The end of the Administration

Following the extensions of the Administration of the Company as noted in paragraph 1.2 above, the Administration will end on 28 August 2025, although this period can be further extended by an application to Court.

It is proposed that the Administration will end either through a subsequent Liquidation or via Dissolution depending on whether there are any assets remaining at the end of the Administration.

As detailed at section 3.3 above, the Joint Administrators are currently in the process of determining the outcome for unsecured non-preferential creditors. Should funds become available, the Joint Administrators will consider whether the funds should be distributed in the Administration (which will require an application to Court) or whether the Company should move into Liquidation. We will write to all to unsecured non-preferential creditors with details of any distributions in due course.

6.4 Matters to be brought to the attention of the Joint Administrators

If there are any matters concerning the Company's affairs which you consider may require investigation, please forward the details to me in writing as soon as possible.

6.5 Reporting

I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

The report will be made available on the following website:

https://www.ey.com/en_uk/administrations/ey-ppg-and-petrostem-insolvencies

Should you wish to discuss any aspect of this report, please contact Alastair Casey by email (acasey1@parthenon.ey.com) or by telephone (+44 (0) 141 226 9320).

Yours faithfully
for the Company



Gavin Yuill
Joint Administrator

K S Aspin and G D Yuill are licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, K S Aspin and G D Yuill, who act as agents of the Company only and without personal liability. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointments.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix A Statutory information

Company Information

Company Name:	Petroleum Pipe Company Limited – in Administration
Registered Office Address:	c/o Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR
Registered Number:	03022675
Date of incorporation:	16 February 1995
Trading Name(s):	n/a
Trading Address(es):	9-11 Grosvenor Gardens, London, SW1W 0BD Morgan Properties, 7 Queens Garden, Aberdeen

Details of the Joint Administrators and of their appointment

Administrators:	Gavin David Yuill
IP number:	14218
Date of Appointment:	29 August 2018
By Whom Appointed:	The appointment was made by the Company's Directors
Court Reference:	High Court of Justice, Business and Property Courts of England and Wales: CR-2018-007196

Administrators:	Kristopher Stewart Aspin
IP number:	25250
Date of Appointment:	19 June 2023
By Whom Appointed:	The appointment was made by the Court
Court Reference:	High Court of Justice, Business and Property Courts of England and Wales: CR-2023-003179

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

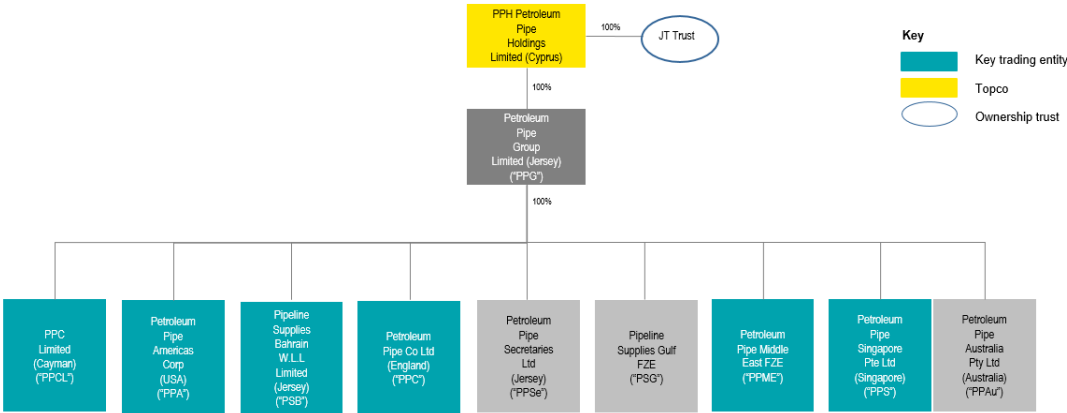
Share capital

Class	Authorised		Issued and fully paid	
	Number	\$000	Number	\$000
Ordinary (£1 translated to USD)	10,000,000	15,253	1,500,000	2,288

Directors and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Richard Mark Farnfield	Director	20 September 2004	-	-
Richard Gordon Morrice	Director	18 April 2007	-	-
Andrew John Martin	Director	15 August 2003	15 September 2003	-
Petroleum Pipe Secretaries Limited	Company secretary	9 October 2008	-	-

Appendix B The PPG Group structure



Appendix C Joint Administrators' receipts and payments account for the period from 29 August 2018 to 28 February 2025

Estimated to realise as per Directors' Statement of Affairs	US\$	US\$			GB£ equivalent		
		Period	Period	Total period	Period	Period	Total period
		29 August 2018	29 August 2024	29 August 2018	29 August 2018	29 August 2024	29 August 2018
		to	to	to	to	to	to
		28 August 2024	28 February 2025	28 February 2025	28 August 2024	28 February 2025	28 February 2025
	Receipts						
1,345	Cash at date of appointment		1,140	1,140	906		906
688,097	Pre-appointment debtors	1,708,536		1,708,536	1,358,353		1,358,353
51,670	Stock	71,964		71,964	57,214		57,214
183,728	VAT receivable	36,530		36,530	29,043		29,043
	Pre-appointment deposits	351,628		351,628	279,558		279,558
	Cancellation of exchange rate swap	191,991		191,991	152,640		152,640
	Recovery of IT costs	35,361		35,361	28,113		28,113
	Recovery of stock realisation costs	29,171		29,171	23,192		23,192
	Sale of IT equipment	43,497		43,497	34,582		34,582
	Bank Interest	21,848	7,281	29,129	17,370	5,789	23,159
	Balance on Administrators' trading account (see separate account)	157,772		157,772	125,435		125,435
	Distribution from Liquidation of Petrostem Rentals Ltd	264,448		264,448	210,246		210,246
	Distribution from Liquidation of Pipeline Supplies Bahrain WLL Ltd	8,471		8,471	6,735		6,735
	Litigation settlement proceeds	910,695		910,695	724,038		724,038
	Total receipts	3,833,053	7,281	3,840,334	3,047,426	5,789	3,053,215
	Payments						
	Preferential creditors	35,645		35,645	28,339		28,339
	Administrators' fees and expenses	452,610		452,610	359,843		359,843
	Legal fees and expenses	377,605	8,449	386,054	300,211	6,717	306,928
	Stock agent's fees & commission	2,955		2,955	2,349		2,349
	Statutory advertising	110		110	87		87
	Storage costs	1,409		1,409	1,120		1,120
	Consultant's fees and expenses	56,640		56,640	45,031		45,031
	Litigation settlement costs	276,723		276,723	220,005		220,005
	Corporation tax	152		152	121		121
	Irrecoverable VAT - Nigeria	6,338		6,338	5,039		5,039
	Bank charges	27		28	22		22
	Exchange rate (gain) / loss	1,154	682	1,836	917	543	1,460
	Distribution to secured creditor - Bank of Scotland plc	1,900,000		1,900,000	1,510,574		1,510,574
	Total payments	3,111,368	9,132	3,120,501	2,473,659	7,260	2,480,920
	Net receipts / (payments) for the period	721,684	(1,851)	719,833	573,767	(1,472)	572,295
	Represented by:						
	Bank balances						
	Royal Bank of Scotland			715,724			569,029
	Inter-company - Petroleum Pipe Group Limited (In Liquidation)			641			509
	Inter-company - PPC Limited (In Liquidation)			1,411			1,122
	Inter-company - Pipeline Supplies (Bahrain) WLL Limited (In Liquidation)			1,411			1,122
	Inter-company - Petrostem Group Limited (In Liquidation)			(5,895)			(4,687)
	Inter-company - Petrostem International Limited (In Liquidation)			1,411			1,122
	Inter-company - Petrostem Rentals Limited (In Liquidation)			1,411			1,122
	VAT recoverable			3,718			2,956
				719,833			572,295

Summary of Joint Administrators' trading account for the period from 29 August 2018 to 28 February 2025

	Period	Period	Total period	Period	Period	Total period
	29 August 2018	29 August 2024	29 August 2018	29 August 2018	29 August 2024	29 August 2018
	to	to	to	to	to	to
	28 August 2024	28 February 2025	28 February 2025	28 August 2024	28 February 2025	28 February 2025
Receipts						
Trading sales	584,730	-	584,730	464,883	-	464,883
Total receipts	584,730	-	584,730	464,883	-	464,883
Payments						
Shipping / Freight charges	267,924	-	267,924	213,010	-	213,010
Wages / Salaries	64,522	-	64,522	51,298	-	51,298
Software licence	51,353	-	51,353	40,828	-	40,828
Insurance	43,285	-	43,285	34,413	-	34,413
Property costs - Office rent and rates	4,825	-	4,825	3,836	-	3,836
Sundry expenses	234	-	234	186	-	186
Bank charges / exchange rate (gain)/loss	(5,185)	-	(5,185)	(4,122)	-	(4,122)
Total payments	426,958	-	426,958	339,448	-	339,448
Balance on Administrators' trading account	157,772	-	157,772	125,435	-	125,435

Notes

1. Certain payments have been apportioned between the entities within the PPG Group and Petrostem Group which are subject to insolvency proceedings (e.g. where multiple entities utilise staff, yard space, etc. but are paid for by one entity). Further apportionment may, however, be required once final costs are known.
2. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
3. These accounts do not reflect estimated future realisations or associated costs.
4. During the Administration, the Company had bank accounts in GB£, US\$ and AED. Funds are held in non-GB£ denominations to discharge non-GB£ payments to minimise any FX losses.

5. The Company's functional currency was US Dollars and the majority of the Company's funds are held in US Dollars. Accordingly, the receipts and payments account above is presented in US Dollars, with the GB£ equivalent presented for information purposes only.
6. The following exchange rates have been applied to non-US\$ denominations in the US Dollar receipts and payments account: GB£:US\$, 1.3; and US\$:AED, 3.673.
7. The GB£ equivalent amounts shown in the GB£ equivalent receipts and payments account above are translated from the US Dollar receipts and payments account at the FX rate on 28 February 2025 (GB£:US\$, 1.2578) and are provided for information purposes only.

Appendix D Summary of Joint Administrators' expenses incurred for the period from 29 August 2018 to 28 February 2025

Payments made from the estate which are not disbursements (see notes at the end of this table)

\$	Estimate dated 19 October 2018	Paid to 28 February 2025	Outstanding	Total ¹
Shipping / freight charges	275,000	267,924	Nil	267,924
Employee costs	62,500	64,522	Nil	64,522
Motor & travel	2,500	234	Nil	234
Software license	21,000	51,353	Nil	51,353
Rent	150,000	4,825	Nil	4,825
Utility charges	4,000	Nil	Nil	0
Agents' fees	10,000	59,595	Nil	59,595
Legal fees	45,000	386,054	44,051	430,105
Litigation settlement costs	0	276,723	Nil	276,723
Storage	5,000	1,409	Nil	1,409
Insurance	25,000	43,285	Nil	43,285
Statutory costs	3,000	110	1,000	1,110
Bank charges	800	(3,321)	1,000	(2,321)
Corporation tax	1,500	152	1,356	1,500
Total	605,300	1,152,865	47,399	1,200,264

Notes

1. Bank charges in the period to 28 February 2025 include foreign exchange (gains) / losses

Category 1 disbursements

\$	Estimate Dated 19 October 2018	Paid to 28 February 2025	Outstanding	Total
Accommodation and subsistence costs	5,000	1,263	1,207	2,500
Travel costs (excluding mileage)	2,000	1,159	200	1,359
Specific Bond	150	104	896	1,000
Postage and printing	500	54	302	356
Legal fees	-	-	1,667	1,667
Total	7,650	2,610	4,272	6,882

Category 2 disbursements

\$	Estimate Dated 19 October 2018	Paid to 28 February 2025	Outstanding	Total
Mileage	Nil	Nil	Nil	Nil
Totals	Nil	Nil	Nil	Nil

Notes

Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.

Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
- Category 2 expenses are payments to associates or which have an element of shared costs.

Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.

Exceeding estimates of remuneration, disbursements and expenses

As required by the Rules, the Proposals included the Joint Administrators' estimate of remuneration, disbursements and expenses.

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The Joint Administrators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 of the Insolvency (England and Wales) Rules 2016.

Appendix E Joint Administrators' time costs for the period from 29 August 2024 to 28 February 2025 and cumulative from 29 August 2018 to 28 February 2025

Joint Administrators' time costs for the period from 29 August 2024 to 28 February 2025

	Staff Grade							Total hours	Total cost \$	Average rate \$
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Analyst			
Accounting and Administration	-	-	-	1.9	-	17.0	0.7	19.6	7,303.0	372.6
Bank & Statutory Reporting	-	-	1.5	3.5	-	0.7	-	5.7	3,363.5	590.1
Creditors (Mandatory)	0.3	0.3	2.0	2.8	-	1.9	-	7.3	4,193.0	574.4
Debtors	-	-	1.0	4.1	-	-	-	5.1	3,119.0	611.6
Other Matters	-	-	-	0.1	-	-	-	0.1	59.0	590.0
Statutory Duties	-	-	-	-	-	0.6	-	0.6	213.0	355.0
VAT & Taxation	-	-	-	15.7	5.5	6.5	6.5	34.2	15,630.5	457.0
Total hours	0.3	0.3	4.5	28.1	5.5	26.7	7.2	72.6		
Time costs (\$)	256.50	210.00	3,150.00	16,579.00	2,695.00	9,478.50	1,512.00		33,881.00	
Average hourly rate (\$)	855.0	700.0	700.0	590.0	490.0	355.0	210.0		466.7	
Category 1 disbursements (\$)	126.57									
Category 2 disbursements (\$)	-									
	126.57									
Note: Time is charged in 6 minute intervals										

Joint Administrators' cumulative time costs for the period from 29 August 2018 to 28 February 2025

	Staff Grade							Total hours	Total cost \$	Average rate \$
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Analyst			
Accounting and Administration	4.5	0.3	8.0	92.8	0.5	251.7	110.7	468.5	177,255.00	378.3
Bank & Statutory Reporting	60.1	-	45.4	370.3	-	37.4	26.0	539.2	320,379.50	594.2
Creditors	10.8	0.3	25.7	31.1	-	36.2	5.7	109.8	59,831.00	544.9
Debtors	9.0	-	33.5	116.6	-	2.5	1.0	162.6	101,036.50	621.4
Director Litigation	2.6	-	70.2	32.5	-	26.2	-	131.5	99,783.15	758.8
Employee Matters	-	-	3.3	13.3	6.5	14.0	0.3	37.4	18,375.00	491.3
Immediate Tasks	0.5	-	9.7	1.1	22.5	-	1.0	34.8	19,101.50	548.9
Investigation/CDDA	20.0	-	113.4	42.8	-	19.0	1.1	196.3	128,708.00	655.7
Job Acceptance & Strategy	-	-	10.8	0.1	-	-	-	10.9	7,619.00	699.0
Legal Issues	2.5	-	-	-	-	-	-	2.5	2,137.50	855.0
Other Assets	-	-	3.9	24.0	-	-	-	27.9	16,890.00	605.4
Other Matters	-	-	13.0	15.6	14.6	2.6	-	45.8	26,381.00	576.0
Property	-	-	-	11.3	-	3.0	0.8	15.1	7,900.00	523.2
Statutory Duties	4.0	-	4.2	39.5	12.9	67.7	8.1	136.4	61,720.50	452.5
Stock and Fixed Assets	-	-	2.2	7.9	29.9	9.0	0.9	49.9	24,236.00	485.7
Trading	-	-	2.7	57.6	0.4	-	6.4	67.1	37,414.00	557.6
VAT & Taxation	-	-	0.4	99.4	7.6	46.3	40.9	194.6	87,675.50	450.5
Total hours	114.0	0.6	346.4	955.9	94.9	515.6	202.9	2,230.3		
Time costs (\$)	98,010.15	420.00	254,765.00	568,774.75	46,501.00	185,363.25	42,609.00		1,196,443.15	
Average hourly rate (\$)	859.7	700.0	735.5	595.0	490.0	359.5	210.0		536.4	
Category 1 disbursements (\$)	5,103.18									
Category 2 disbursements (\$)	5,103.18									

Note: Time is charged in 6 minute intervals

Appendix F Joint Administrators' time costs for the period from 29 August 2024 to 28 February 2025 and a comparison with the fee estimate

	Per Fee Estimate			Actuals in this period			Total Actuals to date		
	Total Hours	Total Cost (\$)	Average Rate	Total Hours	Total Cost (\$)	Average Rate	Total Hours	Total Cost (\$)	Average Rate
Accounting and Administration	509.4	198,862.00	390.4	19.6	7,303.0	372.6	468.5	177,255.00	378.3
Bank & Statutory Reporting	605.6	348,827.00	576.0	5.7	3,363.5	590.1	539.2	320,379.50	594.2
Creditors	190.0	99,569.50	524.1	7.3	4,193.0	574.4	109.8	59,831.00	544.9
Debtors	201.6	127,786.50	633.9	5.1	3,119.0	611.6	162.6	101,036.50	621.4
Director Litigation	131.5	99,783.15	758.8	-	-	-	131.5	99,783.15	758.8
Employee Matters	37.4	18,375.00	491.3	-	-	-	37.4	18,375.00	491.3
Immediate Tasks	34.8	19,101.50	548.9	-	-	-	34.8	19,101.50	548.9
Investigation/CDDA	196.3	128,708.00	655.7	-	-	-	196.3	128,708.00	655.7
Job Acceptance & Strategy	10.9	7,619.00	699.0	-	-	-	10.9	7,619.00	699.0
Legal Issues	2.5	2,137.50	855.0	-	-	-	2.5	2,137.50	855.0
Other Assets	27.9	16,890.00	605.4	-	-	-	27.9	16,890.00	605.4
Other Matters	45.7	26,322.00	576.0	0.1	59.0	590.0	45.8	26,381.00	576.0
Property	15.1	7,900.00	523.2	-	-	-	15.1	7,900.00	523.2
Statutory Duties	150.8	69,530.00	461.1	0.6	213.0	355.0	136.4	61,720.50	452.5
Stock and Fixed Assets	49.9	24,236.00	485.7	-	-	-	49.9	24,236.00	485.7
Trading	67.1	37,414.00	557.6	-	-	-	67.1	37,414.00	557.6
VAT & Taxation	183.5	79,853.00	435.2	34.2	15,630.5	457.0	194.6	87,675.50	450.5
Total	2,460.0	1,312,914.15	533.7	72.6	33,881.00	466.7	2,230.3	1,196,443.15	536.4

Appendix G Joint Administrators' time costs – explanation of the work done and ongoing

Basis of work	Category of work	Status of work	Description of work done and ongoing
Statutory	Accounting & Administration	▶ Ongoing	▶ Overall management of the case, treasury and accounting functions.
Statutory	Bank and Statutory Reporting	▶ Ongoing	<ul style="list-style-type: none"> ▶ Regular reporting to the Company's secured creditor (now complete). ▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.
Statutory	Creditors	▶ Ongoing	<ul style="list-style-type: none"> ▶ Receipt and recording of creditor claims. ▶ Correspondence with creditors. ▶ Adjudication of creditor claims. ▶ Modelling of subrogated creditor claims. ▶ Processing distributions to creditors.
Asset realisation	Debtors	▶ Ongoing	<ul style="list-style-type: none"> ▶ Reviewing the Company's debtor's ledger, collating information on the outstanding balances and realising the book debts. ▶ Reviewing the amounts due by related parties, investigating how best to realise value from these balances and negotiating recoveries where possible including the LBD International and Lahor debts.
Statutory	Employee Matters	▶ Completed	<ul style="list-style-type: none"> ▶ Dealing with any employee enquiries. ▶ Processing employee claims.
Statutory	Immediate Tasks	▶ Completed	▶ Completion of work streams requiring immediate attention following the appointments, in order to execute the strategy outlined in the Proposals.
Statutory	Investigations	▶ Completed	<ul style="list-style-type: none"> ▶ Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". ▶ The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986.
Asset Realisation	Director Litigation	▶ Completed	▶ Challenging certain transactions that took place across both the PPG Group and Petrostem Group in the period prior to our appointment.
Statutory	Legal Issues	▶ Ongoing	▶ Dealing with any ad hoc legal issues.

Asset Realisation	Other Assets	▶ Completed	<ul style="list-style-type: none"> ▶ Realising value from the Company's other assets (excluding debtors, property, stock and fixed assets). ▶ Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Company at the date of appointment.
Asset Realisation	Property	▶ Completed	<ul style="list-style-type: none"> ▶ Liaising with the landlords of the Company's offices and yards and exiting the properties when appropriate.
Statutory	Statutory Duties	▶ Ongoing	<ul style="list-style-type: none"> ▶ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, reporting to creditors on a 6-monthly basis and at the conclusion of the Administration together with appropriate filing at Companies House.
Asset Realisation	Stock and Fixed Assets	▶ Completed	<ul style="list-style-type: none"> ▶ Marketing for sale the production tubing and casing stocks together with the negotiation and completion of sales thereafter.
Asset Realisation	Trading	▶ Completed	<ul style="list-style-type: none"> ▶ Reviewing outstanding customer orders and liaising with suppliers and customers thereto with a view to completing these orders where acceptable terms can be agreed and completion of the orders would support the strategy set out in the Proposals. ▶ Reviewing the pre-payments made to suppliers in connection with customer orders and negotiating recovery of these balances where possible. ▶ Managing staff to support the Joint Administrators in completion of their various duties.
Statutory	VAT & Taxation	▶ Ongoing	<ul style="list-style-type: none"> ▶ Preparing corporation tax and VAT returns. ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration.

Appendix H Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below:

Grade	Hourly rate (\$)	Equivalent hourly rate (£)
Partner	855	658
Executive Director / Director	700	538
Senior Manager	590	454
Manager	490	377
Senior (Level 3)	450	346
Senior (Level 1 / 2)	355	273
Analyst	210	162
Intern	185	142

Note: Equivalent hourly rate is based on exchange rate of £1 / \$1.30

Administrators' charging policy for disbursements

Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.

Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
- Category 2 expenses are payments to associates or which have an element of shared costs.

Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.

It is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn. It is our policy, to seek approval for Category 2 disbursements before they are drawn.

Details of Category 1 or Category 2 Expenses incurred to date are included at Appendix D.

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Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

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