

# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



A09 \*A7BL2LEH\* 03/08/2018 #380  
COMPANIES HOUSE

### 1 Company details

Company number 0 1 0 2 1 4 8 6

Company name in full First Oil Expro Limited ✓

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Ben Maitland

Surname Leith

### 3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

### 4 Administrator's name ①

Full forename(s) James Robert

Surname Tucker

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

### 7 Progress report

☐ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Erin Manson**

Company name **KPMG LLP**

Address **Arlington Business Park  
Theale**

Post town **Reading**

County/Region **Berkshire**

Postcode **R G 7 4 S D**

Country

DX

Telephone **Tel +44 (0) 118 964 2000**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Blair Carnegie  
Surname Nimmo

## 3 Insolvency practitioner's address

Building name/number Arlington Business Park  
Street Theale  
Post town Reading  
County/Region Berkshire  
Postcode R G 7 4 S D  
Country



Joint  
Administrators'  
progress  
report for the  
period 7  
January 2018  
to 6 July 2018

First Oil Expro Limited - in  
Administration

6 August 2018

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+FG12950527.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 8).**

# Contents

<b>1</b>	<b>Executive summary</b>	<b>1</b>
<b>2</b>	<b>Progress to date</b>	<b>2</b>
<b>3</b>	<b>Dividend prospects</b>	<b>3</b>
<b>4</b>	<b>Joint Administrators' remuneration, disbursements and pre-administration costs</b>	<b>4</b>
<b>5</b>	<b>Future strategy</b>	<b>5</b>
<b>Appendix 1</b>	<b>Statutory information</b>	<b>6</b>
<b>Appendix 2</b>	<b>Joint Administrators' receipts and payments account</b>	<b>7</b>
<b>Appendix 3</b>	<b>Schedule of expenses</b>	<b>10</b>
<b>Appendix 4</b>	<b>Joint Administrators' revised fees estimate</b>	<b>11</b>
<b>Appendix 5</b>	<b>Joint Administrators' revised expenses estimate</b>	<b>13</b>
<b>Appendix 6</b>	<b>Joint Administrators' charging and disbursements policy</b>	<b>15</b>
<b>Appendix 7</b>	<b>Glossary</b>	<b>20</b>
<b>Appendix 8</b>	<b>Notice: About this report</b>	<b>21</b>

# 1 Executive summary

- This progress report covers the period from 7 January 2018 to 6 July 2018.
- We are working to finalise the transfer of one remaining licence interest, and progress the wind down of the estate. There have been no significant asset realisations in the period (Section 2 - Progress to date).
- Distributions totalling £30.7 million have been made to the Secured Creditors in the administration. A further distribution is anticipated (Section 3 - Dividend prospects).
- We are not aware of any preferential claims against the Company (Section 3 - Dividend prospects).
- Based on current estimates, we anticipate that unsecured creditors should receive a dividend in relation to the Prescribed Part and we currently anticipate making this distribution by 31 August 2018 (Section 3 - Dividend prospects).
- During the period, the Court granted a 12 month extension to the period of the administration.
- Please note that on 5 April 2018 an order was made in the High Court appointing Ben Leith as Joint Administrator of the Company in place of Richard Beard, following Richard Beard's resignation from KPMG LLP. In accordance with the order, creditors/members were given notice of the replacement of Richard Beard as Joint Administrator by advertisement in the London Gazette.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+FG12950527.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Ben Leith  
Joint Administrator

## **2 Progress to date**

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

### **2.1 Strategy and progress to date**

#### **Strategy**

We continue to finalise matters and to progress the wind down of the estate. These complex issues continue to involve numerous third parties and have proved to be more protracted than envisaged at the outset of the administration.

In respect of the Company's licence and related interests in other oil and gas field assets, we are working to finalise the consensual transfer of one remaining licence interest to the other field partners, which we anticipate will conclude shortly. A further update will be provided in our next report.

Once these matters are resolved, we will undertake our remaining statutory duties so we can exit from the administration.

### **2.2 Asset realisations**

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

There have been no substantial realisations during the period.

#### **Investigations**

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

### **2.3 Costs**

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

#### **Legal fees**

In the period, we have paid legal fees of £19,610.

#### **Contractors**

During the period covered by this report, we have paid contractors £8,200 in respect of their ongoing advice through the administration.

#### **Insurance of assets**

£22,426 was paid in the period in respect of ongoing insurance cover for the Company's residual interest in its oil and gas fields.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

### **Administrators' fees**

We have incurred time costs of £134,555 in the period, all of which remains unpaid.

## **3 Dividend prospects**

### **3.1 Secured creditors**

The Company, together with other group companies, has granted security in favour of the Secured Creditors as follows;

An English law debenture granted by FOPLC, FOUHL, FOEL and FOGL dated 5 October 2011 and registered on 25 October 2011 and acceded to by ARNIL by an accession deed dated 17 April 2014 and registered on 30 April 2014.

As per our Statement of Proposals, Ian Alexander Suttie holds a number of securities over the Company and other group companies.

No distributions have been made to the Secured Creditors in the period, however it is anticipated that there will be a further distribution.

### **3.2 Preferential creditors**

We are not aware of any preferential claims against the Company.

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors should receive a dividend in relation to the Prescribed Part. A Notice of Intended Distribution has been issued to unsecured creditors which has set a final date for proving in the estate of 16 July 2018. Following this date, we will commence the adjudication of claims where the sum of the final dividend payable will be dependent on the level of final claims admitted. We anticipate completing the distribution to unsecured creditors by 31 August 2018.

## **4 Joint Administrators' remuneration, disbursements and pre-administration costs**

### **4.1 Joint Administrators' remuneration and disbursements**

*It has become apparent during the period that we will exceed our previous fees estimate. We have therefore disclosed our revised fees estimate included in Appendix 4. We are not seeking approval to draw any additional remuneration.*

#### **Time costs**

From 7 January 2018 to 6 July 2018, we have incurred time costs of £134,555. These represent 317 hours at an average rate of £424 per hour.

#### **Disbursements**

We have not incurred any disbursements during the period.

#### **Additional information**

We have attached a revised fees estimate at Appendix 4. Our time costs have increased mainly due to ongoing complexities in the administration, including in relation to the consensual transfer of the Company's residual interest in its oil and gas field assets, as described in this report and our previous reports. This increase also reflects our costs incurred in ensuring ongoing compliance with our statutory, VAT and tax requirements. We will not be seeking approval in respect of the additional costs disclosed in the revised fees estimate.

We have attached a revised expenses estimate at Appendix 5.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 7 January 2018 to 6 July 2018. We have also attached our charging and disbursements policy.

## **5 Future strategy**

### **5.1 Future conduct of the administration**

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- negotiating the transfer of the Company's remaining field interest to the other field partners;
- payment of a further distribution to the Secured Creditors; and
- making a distribution under the Prescribed Part, including agreeing unsecured creditors' claims.

### **5.2 Extension of the administration**

During the period the Court granted a 12 month extension to the period of the administration.

The administration is currently due to end on 16 February 2019.

### **5.3 Future reporting**

We will provide a further progress report within one month of 6 January 2019 or earlier if the administration has been completed prior to that time.

## Appendix 1      Statutory information

### Company information

Company name	First Oil Expro Limited
Date of incorporation	18 August 1971
Company registration number	01021486
Present registered office	KPMG LLP, 15 Canada Square, London, E14 5GL

### Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 000958 of 2016
Appointor	Secured Creditors
Date of appointment	19 February 2016
Joint Administrators' details	Ben Leith, Jim Tucker and Blair Nimmo
Former Administrator	Richard Beard
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £1,500,000. Estimated Prescribed Part is £325,000. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	16 February 2019

## Appendix 2 Joint Administrators' receipts and payments account

First Oil Expro Limited - in Administration			
Trading accounts			
Statement of Affairs (£)		From 07/01/2018 To 06/07/2018 (£)	From 19/02/2016 To 06/07/2018 (£)
OTHER DIRECT COSTS			
	Direct labour	NIL	(633,454.12)
	Direct expenses	NIL	(810.88)
		NIL	(634,265.00)
	<b>Trading surplus/(deficit)</b>	<b>NIL</b>	<b>(634,265.00)</b>

First Oil Expro Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 07/01/2018 To 06/07/2018 (£)	From 19/02/2016 To 06/07/2018 (£)
FIXED CHARGE ASSETS			
970,000.00	Tangible assets	NIL	NIL
600,000.00	Intangible assets	NIL	NIL
32,773,319.00	Sale of shares	NIL	33,000,000.00
	Sale of field assets	NIL	2,221,483.02
4,517,269.00	Cash at bank	NIL	NIL
		NIL	35,221,483.02
FIXED CHARGE COSTS			
	Administrators' fees	NIL	(550,000.00)
	Administrators' expenses	NIL	(8,717.00)
	Legal fees	(9,804.89)	(292,318.03)
	Costs in relation to sale of assets	NIL	(35,166.64)
	Consideration adjustments	NIL	(836,430.87)
	MIP	NIL	(719,195.99)
	Contractors	(200.00)	(6,047.68)
	PLC Funding	NIL	(371,479.52)
	Field billings	NIL	(194,150.14)
	Share completion payments	NIL	(709,929.34)
		(10,004.89)	(3,723,435.21)
FIXED CHARGE CREDITORS			
	Fixed charge creditor	NIL	(30,715,708.25)

# First Oil Expro Limited - in Administration

## Abstract of receipts & payments

Statement of affairs (£)		From 07/01/2018 To 06/07/2018 (£)	From 19/02/2016 To 06/07/2018 (£)
		NIL	(30,715,708.25)
	ASSET REALISATIONS		
	Sale of field assets	NIL	1,543,483.02
	IT assets	NIL	1,733.33
2,040,000.00	Plant & machinery (oil and gas)	NIL	NIL
109,472.00	Plant & machinery (non oil and gas)	NIL	NIL
	Motor vehicles	NIL	133,333.33
282,090.00	Pre appointment debtors	NIL	244,322.39
	Administration funding	NIL	1,100,000.00
249,873.00	Inventory/underlift	NIL	NIL
100,000.00	Field revenue	NIL	755,642.49
109,244.00	VAT refunds (pre-app'ent)	NIL	NIL
376,167.00	Cash at bank	NIL	363,206.02
97,872.00	PLC funding repayment	NIL	127,904.85
		NIL	4,269,625.43
	OTHER REALISATIONS		
	Bank interest, gross	4,282.82	30,091.97
	Sundry refunds	NIL	2,834.85
	Trading surplus/(deficit)	NIL	(634,265.00)
	Third party settlement	NIL	600,000.00
	BP Exploration	NIL	615.71
		4,282.82	(722.47)
	COST OF REALISATIONS		
	Motor Vehicle costs	NIL	(5.00)
	Administrators' fees	NIL	(634,000.00)
	Administrators' expenses	NIL	(8,716.99)
	Consideration adjustments	NIL	(14,156.18)
	Boat expenses	NIL	(23,714.07)
	Contractors	(8,000.00)	(14,125.00)
	Agents'/Valuers' fees (2)	NIL	(9,600.00)
	Legal fees	(9,804.88)	(463,904.05)
	Costs in relation to sale of assets	NIL	(31,053.61)
	Telephone/Telex/Fax	NIL	(551.56)
	Storage costs	(1,013.78)	(2,320.37)

**First Oil Expro Limited - in Administration**
**Abstract of receipts & payments**

Statement of affairs (£)		From 07/01/2018 To 06/07/2018 (£)	From 19/02/2016 To 06/07/2018 (£)
	Re-direction of mail	NIL	(500.00)
	Statutory advertising	NIL	(90.60)
	Rent	NIL	(23,256.00)
	Rates	NIL	(5,071.36)
	Other property expenses	NIL	(4,258.88)
	Insurance of assets	(22,426.20)	(168,972.78)
	Bank charges	(43.00)	(1,743.90)
	Repayment of administration funding	NIL	(1,100,000.00)
	Employee Life Assurance & PMI	NIL	(1,406.13)
		(41,287.86)	(2,507,446.48)
	<b>FLOATING CHARGE CREDITORS</b>		
(161,120,567.00)	Floating charge	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(72,074,323.00)	Trade & expense	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(2.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(190,969,586.00)</b>		<b>(47,009.93)</b>	<b>2,543,796.04</b>
	<b>REPRESENTED BY</b>		
	Floating ch. VAT rec'able		86,020.68
	Current Account - NIB 05.04.2018		2,532,176.92
	Fixed charge VAT rec'able		4,966.49
	Floating ch. VAT payable		(48,187.34)
	Floating ch. VAT control		(34,489.13)
	Fixed charge VAT control		(432.86)
	Payroll Deductions		3,741.28
			<b>2,543,796.04</b>

## Appendix 3      Schedule of expenses

Schedule of expenses (07/01/2018 to 06/07/2018)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
<b>Fixed charge costs</b>			
Legal fees	9,804.89	360.00	<b>10,164.89.89</b>
Contractors	200.00	0.00	<b>200.00</b>
<b>Cost of realisations</b>			
Administrators' fees	0.00	134,555.00	<b>134,555.00</b>
Contractors	8,000.00	0.00	<b>8,000.00</b>
Legal fees	9,804.88	0.00	<b>9,804.88</b>
Storage costs	1,013.78	0.00	<b>1,013.78</b>
Insurance of assets	22,426.20	0.00	<b>22,426.20</b>
Bank charges	43.00	0.00	<b>43.00</b>
<b>TOTAL</b>	<b>51,292.75</b>	<b>134,915.00</b>	<b>186,207.75</b>

### Requests for further information and right to challenge our remuneration and expenses

#### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

#### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Erin Manson at KPMG LLP, 15 Canada Square, London, E14 5GL.

## Appendix 4 Joint Administrators' revised fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
<b>Administration &amp; Planning</b>				
<b>Bankrupt/Director/Member</b>		22.60	6,603.50	292.19
<b>Cashiering</b> - processing receipts, payments and bank reconciliations		211.00	87,534.50	414.86
<b>General</b> - books & records, fees & work in progress		265.50	91,283.00	343.82
<b>Statutory and compliance</b> - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 1	314.75	152,060.75	483.12
<b>Tax</b> - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 2	896.20	341,617.75	381.18
<b>Creditors</b>				
<b>Committees</b> - committee meetings and reports to the committee		1.80	1,269.00	705.00
<b>Creditors and claims</b> - general correspondence, notification of appointment, statutory reports	Note 3	639.10	311,840.25	487.94
<b>Employees</b> - correspondence		34.75	12,527.00	360.49
<b>Investigations</b>				
<b>Directors</b> - correspondence, statement of affairs, questionnaires		60.90	24,677.00	405.21
<b>Investigations</b> - director conduct and affairs of the Company		10.00	4,745.50	474.55
<b>Realisation of Assets</b>				
<b>Asset Realisation</b> - including insurance of assets	Note 4	1,083.90	656,624.00	605.80
<b>Trading</b>				
<b>Trading</b> - purchases, sales, cash projections		160.40	62,743.50	391.17
<b>Total</b>		<b>3,700.90</b>	<b>1,753,525.75</b>	<b>473.81</b>

Below is further detail of the work to be undertaken for this engagement:

### Note 1

We continue to comply with our ongoing statutory compliance including preparing statutory reports to creditors inclusive of receipts and payments accounts, posting information on a dedicated web page for creditors.

### Note 2

We continue to manage the Company's ongoing tax and VAT compliance and will shortly prepare the relevant documents to obtain final tax clearance from HMRC.

### Note 3

There will now be a return to unsecured creditors under the Prescribed Part and additional work will be incurred in communicating with creditors, whilst seeking to both agree their claims and make a distribution.

### Note 4

The asset realisation process has been more complex than envisaged at the outset of the administration. At times this process has involved numerous third parties which has added to the protracted nature of this work stream, such matters including the negotiation of a

settlement from a third party field operator and our continued endeavours to seek a consensual transfer of the Company's remaining oil and gas field assets, which remains ongoing but which we anticipate will shortly be drawn to a conclusion.

Please also refer to our proposals and previous progress reports for details of work previously provided.

We are not proposing to draw any further fees.

## Appendix 5 Joint Administrators' revised expenses estimate

Expenses (£)	Narrative	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
<b>Other direct costs</b>					
Direct labour		0.00	633,454.12	0.00	633,454.12
Direct expenses		0.00	810.88	0.00	810.88
<b>Fixed charge costs</b>					
Administrators' fees		375,250.00	550,000.00	0.00	550,000.00
Administrators' expenses		0.00	8,717.00	0.00	8,717.00
Legal fees	Note 1	300,000.00	292,318.03	35,000.00	327,318.03
Costs in relation to sale of assets		630,000.00	35,166.64	0.00	35,166.64
Consideration adjustments		0.00	836,430.87	0.00	836,430.87
MIP		0.00	719,195.99	0.00	719,195.99
Contractors		0.00	6,047.68	0.00	6,047.68
PLC Funding		722,000.00	371,479.52	0.00	371,479.52
Field billings		500,641.00	194,150.14	0.00	194,150.14
Share completion payments		762,894.00	709,929.34	0.00	709,929.34
Other Costs		1,500,000.00	0.00	0.00	0.00
<b>Cost of realisations</b>					
Motor Vehicle costs		0.00	5.00	0.00	5.00
Administrators' fees		1,125,750.00	634,000.00	0.00	634,000.00
Administrators' expenses		0.00	8,716.99	0.00	8,716.99
Consideration adjustments		0.00	14,156.18	0.00	14,156.18
Boat expenses		0.00	23,714.07	0.00	23,714.07
Contractors		0.00	14,125.00	0.00	14,125.00
Agents'/Valuers' fees (2)		0.00	9,600.00	0.00	9,600.00
Legal fees	Note 1	300,000.00	463,904.05	40,000.00	503,904.05
Costs in relation to sale of assets		0.00	31,053.61	0.00	31,053.61
PLC Funding		28,000.00	0.00	0.00	0.00
Telephone/Telex/Fax		0.00	551.56	0.00	551.56
Field Billings		356,000.00	0.00	0.00	0.00
Storage costs		0.00	2,320.37	2,000.00	4,320.37
Re-direction of mail		300.00	500.00	0.00	500.00
Statutory advertising		0.00	90.60	0.00	90.60
Rent		0.00	27,132.00	0.00	27,132.00
Rates		0.00	5,071.36	0.00	5,071.36
Other property expenses		0.00	4,338.76	0.00	4,338.76
Insurance of assets	Note 2	50,000.00	168,972.78	29,911.00	198,883.78

Bank charges	100.00	1,743.90	0.00	1,743.90
Repayment of administration funding	0.00	1,100,000.00	0.00	1,100,000.00
Employee Life Assurance & PMI	7,000.00	1,406.13	0.00	1,406.13
<b>TOTAL</b>	<b>6,657,935.00</b>	<b>6,869,102.57</b>	<b>106,911.00</b>	<b>6,976,013.57</b>

#### **Note 1**

Future legal costs in connection to advice regarding our continued endeavours to secure a consensual transfer of the Company's remaining residual interests in its oil and gas fields, together with ongoing legal advice in dealing with other current matters.

#### **Note 2**

Insurance costs in respect of ongoing cover of the Company's residual interest in its oil and gas fields.

## Appendix 6 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Erin Manson on 0118 9642419.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring	
Grade	From 01 Oct 2015 £/hr
Partner	795
Associate Partner	705
Director	705
Senior Manager	615
Manager	490
Senior Administrator	355
Administrator	270
Support	135
Work Experience	45

## Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

No disbursements have been incurred in the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Narrative of work carried out for the period 7 January 2018 to 6 July 2018

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"><li>■ collating information to enable us to carry out our statutory duties, including creditor information;</li><li>■ preparing statutory receipts and payments accounts;</li><li>■ complying with statutory requirements;</li><li>■ obtaining approval from the Court of a 12-month extension of the administration;</li><li>■ progressing closure related formalities;</li><li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li></ul>
Strategy documents,	<ul style="list-style-type: none"><li>■ formulating, monitoring and reviewing the administration strategy;</li><li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li></ul>

Checklist and reviews	<ul style="list-style-type: none"> <li>■ regular case management and reviewing of progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> <li>■ liaising with legal advisors regarding the various instructions;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of Secured Creditors regarding the progress of the administration and case strategy.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ analysing VAT related transactions;</li> <li>■ reviewing the Company's duty position to ensure compliance with duty requirements;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ liaising with the joint appointee in relation to the potential pursuit of possible asset realisations.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ reviewing the potential recovery of possible recoveries from third parties.</li> </ul>
Open cover insurance	<ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Company's business and assets;</li> <li>■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</li> <li>■ assessing the level of insurance premiums.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ drafting our progress report.</li> </ul>

#### Time costs

Pre-Administration costs (17/02/2016 to 19/02/2016)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Pre-Administration Sale of business - preparation	30.50	13.40			43.90	31,327.50
Appointment documents	7.60	3.40			11.00	7,836.00
<b>Total</b>	<b>38.10</b>	<b>16.80</b>	<b>0.00</b>	<b>0.00</b>	<b>54.90</b>	<b>39,163.50</b>

**SIP 9 –Time costs analysis (07/01/2018 to 06/07/2018)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	<b>9.70</b>	3,754.00	387.01
Reconciliations (& IPS accounting reviews)	<b>4.70</b>	1,668.50	355.00
General			
Books and records	<b>0.60</b>	294.00	490.00
Fees and WIP	<b>5.80</b>	1,931.50	333.02
Statutory and compliance			
Bonding & Cover Schedule	<b>0.40</b>	108.00	270.00
Checklist & reviews	<b>4.50</b>	1,876.50	417.00
Closure and related formalities	<b>4.90</b>	3,347.00	683.06
Pre-administration checks	<b>5.00</b>	1,775.00	355.00
Reports to debenture holders	<b>2.00</b>	1,590.00	795.00
Statutory advertising	<b>0.60</b>	81.00	135.00
Statutory receipts and payments accounts	<b>0.20</b>	54.00	270.00
Strategy documents	<b>37.70</b>	23,054.50	611.53
Tax			
Post appointment corporation tax	<b>88.90</b>	32,463.00	365.16
Post appointment VAT	<b>24.50</b>	5,252.50	214.39
<b>Creditors</b>			
Committees			
Meetings	<b>1.80</b>	1,269.00	705.00
Creditors and claims			
Agreement of unsecured claims	<b>26.30</b>	13,094.50	497.89
General correspondence	<b>10.10</b>	3,942.50	390.35
Secured creditors	<b>7.60</b>	4,455.00	586.18
Statutory reports	<b>56.70</b>	22,850.50	403.01
<b>Realisation of assets</b>			
Asset Realisation			
Insurance	<b>3.50</b>	1,715.00	490.00
Other assets	<b>11.30</b>	5,656.00	500.53
Cash & profit projections & strategy	<b>4.00</b>	2,605.00	651.25
Purchases and trading costs	<b>6.20</b>	1,718.00	277.10
<b>Total in period</b>	<b>317.00</b>	<b>134,555.00</b>	<b>424.46</b>

**SIP 9 –Time costs analysis (07/01/2018 to 06/07/2018)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	3,145.50	1,490,283.75	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	317.00	134,555.00	
Carry forward time (appointment date to SIP 9 period end date)	3,462.50	1,624,838.75	

## Appendix 7      Glossary

<b>ARNIL</b>	Antrim Resources (NI) Limited
<b>Bank/Secured Creditors</b>	(1) Syndicate of lenders with BNP Paribas as agent bank and (2) Ian Suttie
<b>Company/FOEL</b>	First Oil Expro Limited - in Administration
<b>FOGL</b>	First Oil & Gas Limited - Dissolved
<b>FOPLC</b>	First Oil Plc – Dissolved
<b>FOUHL</b>	First Oil UK Holdings Limited - Dissolved
<b>Joint Administrators/we/our/us</b>	Ben Leith, Jim Tucker and Blair Nimmo
<b>KPMG</b>	KPMG LLP

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

## Appendix 8      Notice: About this report

This report has been prepared by Ben Leith, Jim Tucker and Blair Nimmo, the Joint Administrators of First Oil Expro Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Ben Maitland Leith and James Robert Tucker are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html](https://home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html).

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

**[www.kpmg.com](http://www.kpmg.com)**

© 2018 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at [www.kpmg.com/uk](http://www.kpmg.com/uk)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

**The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.**

