

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****S.106****Pursuant to Section 106 of the Insolvency Act 1986**

To the Registrar of Companies

Company number

05806076

Name of company

(a) Insert full name of
company

(a) Vostok Energy Public Limited Company ✓

(b) Insert full name(s)
and address(es)

We (b) Peter David Dickens and Michael John Andrew Jervis

(c) Delete as applicable

of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

(d) Insert date

(e) The copy account
must be authenticated by
the written signature(s) of
the liquidator(s)

1 give notice that a general meeting of the company was duly (c) summoned for (d) 20 February 2015 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached (e) laid before it showing how the winding up of the company has been disposed of and (c) no quorum was present at the meeting,

2 give notice that a meeting of the creditors of the company was duly (c) summoned for (d) 20 February 2015 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up of the company has been conducted and the property of the company has been disposed of and (c) no quorum was present at the meeting

(f) Insert venue of the
meeting

The meeting was held at (f) PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

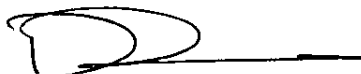
The winding up covers the period from (d) 7 February 2014 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

No quorum was present at the meetings and hence, in accordance with S173 of the Insolvency Act 1986, the liquidators will be released and discharged from all liabilities when they submit the final return to the Registrar of Companies

Presenter's name,
address and reference (if
any)

Signed



Date 26 FEBRUARY 2015

SATURDAY



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A07

28/02/2015

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COMPANIES HOUSE



Final report to members & creditors

9 December 2014

Company Vostok Energy Public Limited Company - in liquidation

Registered Number 05806076

Registered address 7 More London Riverside, London SE1 2RT

Type of Insolvency Creditors' Voluntary Liquidation

Date of Appointment 7 February 2014

Appointees Peter David Dickens and Michael John Andrew Jervis

Address PricewaterhouseCoopers LLP
7 More London Riverside, London SE1 2RT

Dividends

Unsecured Creditors 100% plus statutory interest

Shareholders

- Interim 6 6 cents in the \$

- Final (Estimated) 2 4 cents in the \$

Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.

Vostok Energy Public Limited Company - in liquidation

Report to Members & Creditors

This is the Joint Liquidators' final report to members and all known creditors

Appendices

A - Estimated Final Outcome as at 8 December 2014

B - Analysis of time costs and disbursements for the period 7 February 2014 to 31 October 2014

Appointment of Administrators and appointment of Liquidators

On 14 October 2013 Peter David Dickens and Michael John Andrew Jervis of PricewaterhouseCoopers LLP were appointed Joint Administrators ("the Administrators") of the Company. The administration concluded on 7 February 2014, being the date the Company moved into Creditors' Voluntary Liquidation. Peter David Dickens and Michael John Andrew Jervis were appointed Joint Liquidators ("the Liquidators") on that date in accordance with the Proposals approved by creditors.

Assets realised in the liquidation

- **Funds transferred from Administration** - Funds of circa \$27.3m were transferred from the administration account to the liquidation account
- **VAT** - As mentioned in the Administrators' final progress report, pre-administration VAT returns showing a refund of circa \$100k due to the Company were submitted by the Administrators. Following the move to liquidation the VAT refund was received.

Outcome for Creditors

- **Secured Creditors** – European Bank for Restructuring and Development and the Bondholders were repaid in full during the administration
- **Preferential Creditors** - There were no preferential claims
- **Unsecured Creditors** – Sufficient funds were available to pay all known creditors of the Company in full, together with statutory interest

As a result of the Liquidators' (and former Administrators') enquiries 18 claims were received from creditors. Notice of the First and Final Dividend was issued on 13 February 2014 with the final date for submitting claims fixed for 10 March 2014, no additional claims were received.

Following the Liquidators' adjudication of creditors' claims, 1 creditor commenced legal proceedings to challenge the Liquidators' decision to partially reject its claim. This challenge was resolved, resulting in claims totalling circa \$8.8m being admitted.

On 14 March 2014 the Liquidators declared a dividend at a rate of 100%, which together with the statutory interest payable on the agreed claims, resulted in a total distribution of circa \$9.0m being paid to the unsecured creditors.

- **Shareholders** – Shareholders have received a first interim dividend of 6.6 cents per share, and it is anticipated that a second and final dividend of approximately 2.4 cents per share will be declared and paid made during the week commencing 2 February 2015. This will bring the total return to shareholders to approximately 9.0 cents per share.

Investigations

The Liquidators reviewed the affairs of the company prior to liquidation and also considered the points raised by creditors in discharging their duties under the Company Directors' Disqualification Act 1986

Creditors are reminded that the Liquidators have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. The Liquidators have complied with this requirement.

Professional Advisors

On this assignment the Liquidators have used the professional advisors listed below

Name of Professional Advisor	Nature of Work	Basis of Fee Arrangement
Ashursts LLP	Legal Advice	Time costs
Elian (formerly Ogier)	Professional Advice	Time costs

The Liquidators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Liquidators' remuneration

During the Administration, the Creditors' Committee ("the Committee") resolved that the Administrators be remunerated by reference to a combination of the time properly given by them as Administrators, plus a percentage of the value of the property realised. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administration continued for the liquidation.

Given that the Committee ceased to exist once creditors' claims had been paid in full, prior to the distribution to creditors being made, the Liquidators sought and received the Committee's approval to cap their remuneration at \$500k, subject to certain conditions, which included the Company not becoming involved in any legal proceedings. As a result of the legal proceedings commenced by a creditor, the cap placed on the Liquidators' remuneration was removed to allow the costs of dealing with that extra work to be met.

As at 31 October 2014, the Liquidators had incurred time costs of \$682,408. This represents 991 hours at an average hourly rate of \$688. Against this \$452,301 has been drawn to date. It is estimated that the Liquidators will incur further time costs of \$48,000 dealing with the remaining matters to the conclusion of the liquidation, including the final distribution to shareholders. Accordingly, the Liquidators intend to draw the balance of their fees, together with the estimated closure costs, totalling approximately \$278,000.

It has been the Liquidators' policy to delegate the routine administration of the liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

Details of the time costs incurred from the Liquidators' appointment to 31 October 2014, by work category, are attached at Appendix B.

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves

the right to change the rates and grade structure. Following the passing of the fee resolution during the administration the charge out rates were increased on 1 July 2014. Full details of the charge out rates charged to this case from the Liquidators appointment are included at Appendix B. Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the Liquidators require their expert advice. Their rates vary, however, the figures given provide an indication of the maximum rate per hour.

Final meetings of members and creditors

The Liquidators are required to convene final meetings of the company's members and creditors in accordance with Section 106 of the Insolvency Act 1986. Attached to this report is a notice of these meetings, together with a proxy form.

The purpose of the meetings is to present the report enclosed herewith, and for creditors to consider the Liquidators' release. No formal resolutions will be put to the meetings, however, creditors may propose a resolution against the Liquidators' release. In the absence of such a resolution, the Liquidators will automatically be released from any liabilities they may have incurred as Liquidators.

If any creditor requires further explanations on any aspect of the Liquidators' report, and does not wish to attend the meeting, then please telephone or write to Bala Venkatasamy who will be pleased to deal with such enquiries.

Should any creditor wish to attend the meeting, it would be helpful for administration reasons if they could telephone Bala Venkatasamy so that the appropriate arrangements can be made.

Voting at the meeting

Should creditors propose a resolution against the Liquidators' release the following paragraphs will apply:

- Votes at the meeting are based on the value of your debt as evidenced by a written statement of your claim.
- If you are not a limited company, you may vote if
 - (a) you attend the meeting and have either submitted or bring with you a statement of your claim, or
 - (b) you do not attend the meeting but nominate someone else to attend on your behalf and return the proxy form by midday on the business day before the meeting. You can nominate the chairman of the meeting to act as your proxy and vote in accordance with your wishes. You must submit a statement of claim either at or before the meeting.
- If you are a limited company, you must ensure the enclosed proxy is received no later than midday on the business day before the meeting. It may be posted or sent by facsimile.

Additional information

Any creditor has the right to request further information from the Liquidators with regard to any part of this report (Rule 4.49E IR1986), in addition, should any creditor consider that the Liquidators' remuneration or disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR86.

Vostok Energy Public Limited Company - in liquidation

Estimated Final Outcome as at 8 December 2014

Notes	Administration 14-Oct-13 to 7-Feb-14	Liquidation 8-Feb-14 to 8-Dec-14	Cumulative Administration & liquidation 14-Oct-13 to 8-Dec-14	Estimated future receipts and payments	Estimated final outcome
	\$m	\$m	\$m	\$m	\$m
Receipts					
Investments in subsidiaries	170.0		170.0		170.0
Less principal owed to secured creditors	(118.0)		(118.0)		(118.0)
contractual interest thereon	(11.0)		(11.0)		(11.0)
secured creditors' legal & trustee's costs	(2.1)		(2.1)		(2.1)
	38.9		38.9	0.0	38.9
Pre appointment VAT refunds		0.1	0.1		0.1
Cash balances taken over	0.5		0.5		0.5
	39.4	0.1	39.5	0.0	39.5
Payments					
Salaries including termination packages	(1.8)	(0.3)	(2.1)		(2.1)
Rent, communications & other head office/liquidation expenses	(0.5)	(0.1)	(0.6)		(0.6)
Legal & Professional	(2.6)	(0.3)	(2.9)		(2.9)
Joint Administrators					
To sale of the business	(5.2)		(5.2)		(5.2)
Distribution planning including finalising the administration	(0.4)	(0.7)	(1.1)		(1.1)
Liquidation costs					
Liquidators remuneration & liquidation expenses	(1.6)	(0.5)	(0.5)	(0.3)	(0.8)
Input VAT net of refunded	(12.1)	1.6	0.0	(0.3)	0.0
		(0.3)	(12.4)		(12.7)
Distributions					
Distribution to unsecured creditors including statutory interest		(9.0)	(9.0)		(9.0)
First interim distribution to shareholders		(13.0)	(13.0)		(13.0)
Estimated second and final distribution to shareholders	0.0	(22.0)	(22.0)	(4.8)	(4.8)
				(4.8)	(26.8)
Inter - Estate Transfers	(27.3)	27.3	0.0		0.0
Cash at bank / net future movements	0.0	5.1	5.1	(5.1)	(0.0)

Summary of position for shareholders

Estimated surplus available for shareholders' second and final distribution

4.8

Ordinary shares in issue

196.6

First distribution - paid

6.6 cents

Second and final distribution - estimated

2.4 cents

Total estimated dividends per share**9.0 cents**

Previously, 7 February 2014

Low - 7.6 cents, High - 9.7 cents

Vostok Energy Public Limited Company - in liquidation

Estimated Final Outcome as at 8 December 2014

Notes to illustrative outcome statement

- 1 An exchange rate of £1 \$1.5717 has been used in preparing the illustrative outcome statement. The operational currency for this liquidation has been US Dollars as all realisations were in US Dollars and shareholders required distributions to be in US Dollars because they hold US Dollar shares.
- 2 The statement of affairs for the Company drawn up as at 14 October 2013 and certified by one of the directors, was filed with the Registrar of Companies on 22 January 2014. It showed anticipated realisations, before costs, in respect to investments in subsidiaries at \$170m.
- 3 The interest paid to the secured creditors excluded that due under the draft eighth supplemental deed of approximately \$5m which was not executed by the Company.
- 4 Legal and professional costs includes legal costs and the costs of the members' voluntary liquidation of Vostok Energy Resources Ltd and contributions to the costs of winding up the Cypriot subsidiary.
- 5 Further details regarding the Liquidators remuneration can be found at Appendix B.
- 6 Dividend of 100% declared on 14 March 2014. 18 unsecured claims agreed totalling c\$8.8m. Statutory interest paid totalled c\$0.2m.
- 7 Of the cash at bank \$4.5m is held in US Dollars and the US dollar equivalent of \$0.6m is held in Sterling. Only the balance held in Sterling is held on an interest bearing account.
- 8 All ordinary shares in issue are of 1 cent nominal value and the total ranking for dividend excludes approximately 7.1 million shares held as unallocated by the employee benefit share trust which the Trustee waived the dividend rights to.
- 9 The second and final dividend is estimated at 2.4 cents per share and may be more or less than this depending on prevailing exchange rate when the remaining Sterling balance is converted into US Dollars.
- 10 \$1,300 was spent on statutory advertising.
- 11 To date there are unclaimed dividends of \$138k which will be paid into the Insolvency Service unclaimed dividend account if this remains unclaimed at the close of the liquidation.

Vostok Energy Public Limited Company - in liquidation
Analysis of time costs and disbursements for the period 7 February 2014 to 31 October 2014

Hourly rates

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Liquidators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs. The underlying currency of the charge out rates used by the Liquidators is Sterling but the US Dollar equivalent using an exchange rate of £1 \$1.5717 is also given.

Grade	Max Rate per hour From 07/02/14		Max Rate per hour From 01/07/14	
	£	USD \$	£	USD \$
Partner	775 00	1,218 00	795 00	1,250 00
Director	680 00	1,069 00	695 00	1,092 00
Senior Manager	525 00	825 00	540 00	849 00
Manager	444 00	698 00	460 00	723 00
Senior Associate	370 00	582 00	380 00	597 00
Senior Associate unqualified	275 00	432 00	285 00	448 00
Associate	230 00	361 00	240 00	377 00
Support	115 00	181 00	120 00	189 00
Secretary	112 00	176 00		-

Specialist departments within the Liquidators' firm such as Tax and VAT may charge time if and when the Liquidators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Max Rate per hour From 07/02/14		Max Rate per hour From 01/07/14	
	£	USD \$	£	USD \$
Partner	914 00	1,437 00	961 00	1,510 00
Director	842 00	1,323 00	884 00	1,389 00
Senior Manager - VAT	642 00	1,009 00	744 00	1,169 00
Senior Manager	463 00	728 00	536 00	842 00
Manager	349 00	549 00	395 00	621 00
Senior Associate	213 00	335 00	225 00	354 00
Senior Associate unqualified	179 00	281 00	191 00	300 00
Associate 2	149 00	234 00	157 00	247 00
Associate 1	102 00	160 00	111 00	174 00

APPENDIX B

Vostok Energy Public Limited Company - in liquidation Analysis of time costs and disbursements for the period 7 February 2014 to 31 October 2014

Aspect of assignment	Hours							Cost	
	Partner	Director	Senior Manager	Manager	Associate	Senior Associate	Support/ Secretary	Totals	Average hourly rate
Statutory costs of commencing and maintaining the liquidation Strategy, planning, notifications and other compliance	21.30	13.75	46.50	49.20	44.00	44.00	13.45	188.20	188.20
	21.30	13.75	46.50	49.20	44.00	44.00	13.45	188.20	188.20
Accounting and concluding operations of the Company Accounting and treasury Employees Suppliers	-	-	8.48	10.10	42.25	41.45	-	102.28	102.28
	-	-	8.48	10.10	42.25	41.45	-	102.28	102.28
Subsidiary/Group Companies Subsidiary/Group Companies	-	2.41	17.60	0.30	0.50	0.50	4.25	25.06	25.06
	-	2.41	17.60	0.30	0.50	0.50	4.25	25.06	25.06
Tax advice Tax and VAT	3.05	13.80	54.20	12.15	86.80	42.90	17.90	230.80	230.80
	3.05	13.80	54.20	12.15	86.80	42.90	17.90	230.80	230.80
Stakeholder liaison Claims adjudication & liaison with creditors and shareholders Reporting to creditors & the Creditors Committee	1.50	73.33	145.75	27.45	60.00	83.35	-	391.38	391.38
	1.50	73.33	145.75	27.45	60.00	83.35	-	391.38	391.38
Totals	25.85	114.29	284.63	118.10	245.00	185.40	17.90	991.17	991.17
								\$ 682,407.96	\$ 688.49

Notes

- 1) The amounts referred to above exclude VAT
- 2) The underlying currency for the Liquidators' time costs is Sterling. An exchange rate of £1 \$1 5717 has been used in preparing the above

Vostok Energy Public Limited Company - in liquidation
Analysis of time costs and disbursements for the period 7 February 2014 to 31 October 2014

Narrative of work carried out for the period 7 February 2014 to 31 October 2014

The key areas of work have been -

Statutory Costs of Commencing and maintaining the Administration
Strategy, planning, notifications and other compliance

- Initial liquidation case and systems set up including arranging statutory bond
- Internal strategy and planning and team supervision
- Preparing and issuing initial notifications to various regulatory and other parties of the Liquidators appointment
- Planning for the creditor and shareholder distribution processes
- Liquidation budgeting and cost control
- Preparation and submission of directors conduct to the Insolvency Services
- Planning for the closure of the liquidation

Accounting & concluding operations of the Company
Accounting and Treasury

- Opening Liquidation bank accounts
- Processing receipts and payments to/from liquidation account and maintenance of the liquidation accounting records
- Ensuring appropriate risk management procedures are in place, including diversification of funds held in the estate, to mitigate counter party credit risk

Employees

- Liaising with remaining Directors regarding their termination and filing the relevant forms at Companies House

Suppliers

- Agreeing/discharging costs and expenses of suppliers

Subsidiary/Group Companies

Subsidiary/ Group Companies

- Preparation/planning of the liquidation of Vostok Energy Resources Ltd ("VERL")
- Monitoring wind down of overseas subsidiaries

Tax Advice

- Tax advice in relation to the distribution to creditors and the liquidation of VERL
- Amending the group relief claims for the 2011 and 2012 periods for VERL
- Preparation and submission of the Company's Administration period Corporation Tax returns, and liaising with HMRC for pre-distribution clearances

**Vostok Energy Public Limited Company - in liquidation
Analysis of time costs and disbursements for the period 7 February 2014 to 31 October 2014**

- Amending the Transfer Pricing treatment on the Groups UK to UK Loans to facilitate the pre-distribution clearance
- Liaising with Transfer Pricing Specialists and various calls with HMRC to discuss and agree the revised Transfer Pricing treatments before finalising and submitting the returns
- Amending the tax returns prepared for VERL and Plc for the periods post 2012 to reflect the updated Transfer Pricing treatment
- Preparation and submission of the Company's Liquidation period Corporation Tax returns, and liaising with HMRC for tax clearances
- Preparation and submission of the Company's VAT returns

Stakeholder Liaison

Claims adjudication and liaison with creditors and shareholders

- Shareholders reporting
- Dealing with general creditor and shareholder enquiries
- Issuing Notice of Intended Dividend for creditors
- Adjudicating/agreement of creditor and shareholder claims
- Preparation and planning of creditor and shareholder distributions
- Liaising with legal advisers re Employee Benefit Trust issues
- Paying the agreed creditor claims in full together with statutory interest
- Responding to and liaising with solicitors following a creditors' application to challenge the Liquidators decision to partially reject its claim
- Declaring and paying an interim dividend of 6 pence for shareholders
- Preparation for the second and final dividend for shareholders

Reporting to creditors & the Committee

- Preparation of and issuing the Administrators' final progress report
- Preparation for and holding the Committee meeting on 10 March 2014

**Vostok Energy Public Limited Company - in liquidation
Analysis of time costs and disbursements for the period 7 February 2014 to 31 October 2014**

Liquidators' disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses and disbursements. However, guidance issued to insolvency practitioners requires that disbursements can only be retrieved without approval where there is specific expenditure relating to the administration of the liquidation and which has been paid to an independent third party. These are referred to as "Category 1 disbursements" eg advertising, invoiced travel, room hire at a hotel, storage facilities at a third party.

Where it is proposed to recover costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs, they should be identified and subject to approval by those responsible for approving remuneration. If the liquidator wishes to make a separate charge for such expenses, he may do so provided that -

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation, and
- the basis of the proposed charge is disclosed to, and authorised by, those responsible for approving his remuneration

These are defined as "Category 2 disbursements", eg mileage and photocopying

Category 1 disbursements - The Liquidators' have incurred disbursements of £498 during the period 7 February 2014 to 31 October 2014. These costs will be drawn shortly

Category 2 disbursements - No Category 2 disbursements were incurred during the liquidation period