

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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16/10/2019

#65

COMPANIES HOUSE

1 Company details

Company number 0 6 0 3 3 2 7 6

Company name in full Afren Nigeria Holdings Limited

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

2 Administrator's name

Full forename(s) Daniel

Surname Imison

3 Administrator's address

Building name/number AlixPartners, 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

4 Administrator's name ^①

Full forename(s) Catherine

Surname Williamson

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

5 Administrator's address ^②

Building name/number AlixPartners, The Zenith Building

Street 26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country United Kingdom

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

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. ①
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

① 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) Simon

Surname Appell

3 Insolvency practitioner's address

Building name/number AlixPartners, 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 1	d 7	m 0	m 3	y 2	y 0	y 1	y 9
To date	d 1	d 6	m 0	m 9	y 2	y 0	y 1	y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X *P. M. M. M.*

X

Signature date

d 1	d 5	m 1	m 0	y 2	y 0	y 1	y 9
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AM10

Notice of administrator's progress report



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 Paul Butterfield

Company name AlixPartners

Address The Zenith Building, 26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country United Kingdom

DX

Telephone 0161 838 4500



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 or email enquiries@companieshouse.gov.uk

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Administrators' Progress Report for the period 17 March 2019 to 16 September 2019

Afren Plc and Afren Nigeria Holdings Limited
Both in Administration

15 October 2019

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1. Why this report has been prepared

- 1.1 As you will be aware Simon Appell, Daniel Imison and Catherine Williamson (the **Administrators**) were appointed as Administrators of Afren Plc (**PLC**) on 31 July 2015. On 30 November 2015, the Administrators were also appointed as Administrators of Afren Nigeria Holdings Limited (**ANHL**).
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 17 March 2019 to 16 September 2019 (the **Period**) and should be read in conjunction with all previous reports prepared in respect of the Companies.
- 1.3 This report has been prepared in accordance with rule 18.2 of The Insolvency (England and Wales) Rules 2016.
- 1.4 Copies of all reports are available to view and download from the AlixPartners creditor portal. Access to the portal can be found on the internet at **<https://www.alixpartnersinfoportal.com>** using the following login details:

Username: afren
Password: 11589003
- 1.5 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.6 As a reminder, the administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:

Objective 1: rescuing the company as a going concern;

Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or

Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.7 In the case of PLC the Administrators are pursuing the second statutory objective and in the case of ANHL the Administrators are pursuing the third statutory objective.
- 1.8 Further details on the actions taken to achieve the objectives can be found in section 3 of this report. It should be noted that, given the level of actual and anticipated asset realisations in each Administration compared to the level of the Companies' secured creditors, the Administrators do not anticipate that there will be any return to unsecured creditors, other than by virtue of the Unsecured Creditors' Funds (defined in paragraph 2.18).
- 1.9 Details of the Administrators' fees and disbursements incurred are provided at Appendices D and E.

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

- 1.10 Further information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>).
- 1.11 If you require a hard copy of this report, or have any queries in relation to its contents or the Administrations generally, please contact Paul Butterfield on 0161 838 4539, by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary of information for creditors

PLC

\$ million Description	Estimated debt (a)	Repayments to date	Expected outcome
Secured creditors			
Wilmington Trust (London) Limited (Wilmington) as security trustee for the private placement notes (the Bridge Securities)	217	30.2	Uncertain
Deutsche Bank AG, Citibank Nigeria Limited, Natixis and BNP Paribas (on behalf of the Ebok Lenders) under the Ebok Facility (the Ebok Facility)	300	Nil	Nil
Total secured creditors	517	30.2	Uncertain
Preferential creditors (b)	0.2	0.2	Repaid in full
Unsecured creditors of PLC with access to security elsewhere in the Group			
Okwok Facility/OML 113 Facility	50	54.0	Uncertain
Senior Secured Notes 2016 (the 2016 Bonds)	253	7.0	Uncertain
Senior Secured Notes 2019 (the 2019 Bonds)	250	6.7	Uncertain
Senior Secured Notes 2020 (the 2020 Bonds)(c)	360	9.2	Uncertain
Total unsecured creditors of PLC with access to security elsewhere in the Group	913	76.9	Uncertain
PLC Unsecured Creditors' Fund distribution:			
Unsecured creditors of PLC with access to security elsewhere in the Group (d)	913	76.9	0.7
Other unsecured creditors	284	Nil	0.2
Total unsecured creditors/repayments	1,197	76.9	Uncertain
Total liabilities/repayments	1,714.2	107.3	Uncertain

(a) Estimated principal amount of the debts as at 31 July 2015, to which accrued interest must be added and, in the case of the Bridge Securities, the applicable make-whole payment.

(b) £0.15 million converted at a rate of 1.561 USD:GBP, the exchange rate used as at the date of the Administrators' appointment.

(c) The 2016 Bonds, the 2019 Bonds and the 2020 Bonds are defined in this report collectively as the **Existing Bonds**.

(d) Expected outcome is quoted before the Administrators' fees relating to the costs of agreeing claims and processing the dividend, which are to be drawn directly from the PLC Unsecured Creditors' Fund (defined in paragraph 2.10).

Notes:

Throughout this report, the currencies referred to are USD \$ (United States Dollars) and GBP £ (British Pounds Sterling), and all conversions between USD \$ and GBP £ in respect of debts owed to creditors have been completed using the exchange rate at the relevant dates of the Administrators' appointments.

During the course of the Administration, additional distributions to the secured creditors have been paid outside of the PLC estate, including from ANHL, following realisations of assets elsewhere within the wider Afren group of companies (together with the Companies, the **Group**). These payments are therefore not reflected in the Administrators' Receipts and Payments Accounts for PLC at Appendix B.

An update on the estimated return to each class of creditor is provided below.

Secured creditors of PLC

Bridge Securities

- 2.1 At the date of the Administrators' appointment, the balance due to the holders of the Bridge Securities was approximately \$217 million plus the applicable make-whole amount. PLC has granted first ranking fixed and floating charges over substantially all of its assets in favour of Wilmington.
- 2.2 Following the sale of the Okoro asset, the holders of the existing bonds (the **Existing Bondholders**) received a distribution of \$6.1 million outside of the Administration estate. Given the security held by Wilmington (on behalf of the Bridge Securities), there will be no further distributions out of assets of either company (other than to Wilmington) until all amounts owing in respect of the Bridge Securities have been fully repaid. As there will be insufficient realisations to enable the Bridge Securities to be repaid in full, no distributions will be made to any other secured creditor.

Ebok Facility

- 2.3 At the date of the Administrators' appointment, the Ebok Facility was fully drawn and the principal amount owed was approximately \$300 million.
- 2.4 The return to the Ebok Lenders from the Administration of PLC is expected to be nil. Details of the steps taken in the Administration with regard to the Ebok asset were provided in previous reports.

Unsecured creditors of PLC with access to security elsewhere in the Group

Okwok Facility and OML 113 Facility

- 2.5 Following Access Bank's enforcement of its security over the debt owed under the Okwok Facility and the OML 113 Facility (the **Okwok/OML 113 Facility**), there remains an outstanding debt of approximately \$500,000, after the allocation of costs and charges.

Senior Secured Notes 2016, 2019 and 2020

- 2.6 At the date of the Administrators' appointment, the principal amounts outstanding to the Existing Bonds were \$253 million in respect of the 2016 Bonds, \$250 million in respect of the 2019 Bonds and \$360 million in respect of the 2020 Bonds.
- 2.7 The Existing Bondholders have received a share of the proceeds from the sale of the Okoro asset, ranking pari passu with the holders of the Bridge Securities (as per the Pari Passu Intercreditor Agreement dated 9 December 2013).
- 2.8 The Existing Bondholders are unsecured creditors of PLC.

Preferential creditors of PLC

- 2.9 Preferential creditor claims were paid in full on 20 April 2016.

Unsecured creditors of PLC

- 2.10 The Administrators are required to create a fund to be set aside for the benefit of PLC's unsecured creditors (the **PLC Unsecured Creditors' Fund**). Given the estimated value of PLC's net property, the Administrators have set aside the maximum fund of £600,000, detailed in the above table in USD \$. It is likely that the return to unsecured creditors will be less than one pence in the pound.
- 2.11 In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence, the funds available for distribution will be split on a pro-rata basis amongst all creditors of this class, regardless of the size of their claims. Further details of the expected outcome to each class of creditor is provided in section 5.

ANHL

\$ million Description	Estimated debt (a)	Repayments to date (b)	Expected outcome
Secured creditors			
Wilmington as Note Security Trustee for the Bridge Securities	211	21.5	Uncertain
The 2016 Bonds (c)	247	-	Uncertain
The 2019 Bonds (c)	244	-	Uncertain
The 2020 Bonds (c)	351	-	Uncertain
Total secured creditors	1,053	21.5	Uncertain
Preferential creditors	Nil	-	-
Unsecured creditors (d)	654	-	0.9
Total liabilities	1,707	21.5	Uncertain

- (a) Estimated amount of the debts as at 30 November 2015, (after certain repayments during the PLC Administration) excluding accrued interest and (in the case of the Bridge Securities only) the applicable make-whole payment. ANHL has guaranteed indebtedness and has provided certain security.
- (b) Repayments during the Administration of ANHL only (excludes PLC and other repayments made in the period prior to the ANHL Administration)
- (c) Together the **Existing Bonds**. ANHL has guaranteed indebtedness and has provided certain security.
- (d) Expected outcome is quoted before the Administrators' fees relating to the costs of agreeing claims and processing the dividend, which are to be drawn directly from the ANHL Unsecured Creditors' Fund (defined in paragraph 2.18).

Summary of third party security

\$ million Description	Estimated third party liabilities (a)
Parties with third party security (b)	
BNP Paribas (as Security Trustee on behalf of the Ebok Lenders under the Ebok Facility)	300
Access Bank Plc (Access Bank) as lender under the Okwok/OML 113 Facility	0.5 (c)
Total	300.5

(a) Principal amount of these third party debts as at the date of this progress report excluding accrued interest.

(b) ANHL has not guaranteed indebtedness but has pledged security in support of third party liabilities.

(c) Following partial payment.

Secured creditors of ANHL

Bridge Securities

- 2.12 ANHL has granted first ranking fixed and floating charges over substantially all of its assets (excluding the shares held by it in Afren Exploration & Petroleum Nigeria Alpha Limited (**AEPNA**)) in favour of Wilmington.
- 2.13 As with PLC, the Bridge Securities will not be paid in full. Wilmington (as security trustee for the Bridge Securities) has received distributions totaling \$21.5 million from the Administration to date.

Senior Secured Loan Notes 2016, 2019 and 2020

- 2.14 ANHL has guaranteed the obligations of PLC under the 2016 Bonds, the 2019 Bonds and the 2020 Bonds and granted BNP Paribas (on behalf of the Existing Bondholders) security over the shares which it owns in Afren Resources Limited, (**ARL** and the **ARL Shares**) as security for its obligations under each series of Existing Bonds. There will be no return to these creditors from the Administration.

Holders of third party security in respect of ANHL assets

Ebok Facility

- 2.15 The return to the Ebok Lenders from the Administration of ANHL is expected to be nil.

Okwok Facility

- 2.16 ANHL provided third party security in respect of the obligations of the obligors under AEPNA's \$50 million facility with Access Bank. ANHL granted fixed security over the shares in AEPNA owned by it to secure the obligations of AEPNA under the Okwok/OML 113 Facility.

Preferential creditors of ANHL

- 2.17 ANHL does not have any preferential creditors.

Unsecured creditors of ANHL

- 2.18 As in the case of PLC, the Administrators are required to create a fund to be set aside for the benefit of ANHL's unsecured creditors (the **ANHL Unsecured Creditors' Fund**, together with the PLC Unsecured Creditors' Fund, the **Unsecured Creditors' Funds**). Given the estimated value of ANHL's net property, the Administrators have set aside the maximum fund of £600,000, detailed in the above table in USD \$. It is likely that the return to unsecured creditors will be less than one pence in the pound.
- 2.19 In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence, the funds available for distribution will be split on a pro-rata basis amongst all creditors of this class, regardless of the size of their claims. Further details of the expected outcome to each class of creditor is provided in section 5.

3. Progress of the Administrations

- 3.1 In addition to their statutory objectives, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail included is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices D and E have been incurred, as well as the sensitivities that might be applicable to the Administrators' anticipated fees and expenses over the remainder of the Administrations.
- 3.2 The Administrators' strategy in both Administrations remains focused on achieving the maximum recoveries for creditors from realisations either directly within each Administration, or by supporting the Companies' investments and/or subsidiary businesses and assets elsewhere in the Group.

Asset realisations

- 3.3 The assets and liabilities of PLC and ANHL are closely aligned, therefore the updates provided in the following paragraphs relate to both entities, except where either PLC or ANHL is mentioned specifically.

The Group's Nigerian assets

OML 26 and OPL 310

- 3.4 As previously reported, although all proceeds have been realised, completion of these sales is subject to obtaining government approval to the transfer of shares to the purchasers. Approval is yet to be received and the Administrators continue to provide assistance where possible in order to secure it.

Dispute with Petroleum Zion

- 3.5 As noted previously, Petroleum Zion contends that it was the highest bidder for OML 26 and seeks relief including specific performance mandating that FHN or Wilmington executes the Sale and Purchase Agreement (**SPA**) negotiated with it.
- 3.6 In this regard, in December 2017, Petroleum Zion filed pleadings before the Lagos High Court naming the Administrators, Wilmington and others as defendants. The proceedings are ongoing and the Administrators are unable to provide comment at this time.
- 3.7 As previously reported, Petroleum Zion has also filed a suit in the Lagos High Court seeking to restrain the Department of Petroleum Resources and the Ministry of Petroleum Resources from providing consent in respect of the FHN sale. The Administrators, ANHL and Afren are not parties to those proceedings and the Administrators are unable to comment on them substantively, other than to note that they understand that Petroleum Zion's suit is currently listed to be heard on 9 December 2019.

FHN 113 and OML 113

- 3.8 Mr Seyi Akinwunmi remains in office as liquidator of FHN 113. The Administrators are continuing to monitor the liquidator's actions and are liaising with the same regarding potential recovery actions. It remains uncertain whether any realisations will become available from this source.

Other operations in Africa

Kenya

- 3.9 As previously reported, the sum of \$2.06 million remains deposited with the Kenyan Court on behalf of East African Exploration (Kenya) Limited (**EAX**), pending resolution of a creditor claim.
- 3.10 The creditor claim remains unresolved and is subject to continuing legal challenge. It is, therefore, uncertain whether EAX will enter liquidation and be able to distribute its remaining assets to its creditors, including the Companies.

Tanzania

- 3.11 The Administrators and Octant Energy Group, as prospective purchaser of the assets in Tanzania, have been seeking the relevant government approval to the proposed sale. The longstop date set out in the SPA has, however, expired and it is now unlikely that a sale will be achieved.

Book debts

Energy Equity Resources loan repayment

- 3.12 The Administrators were pursuing recovery of the debt due from Energy Equity Resources (**EER**), which was FHN 113's Joint Venture (**JV**) partner on the OML 113 field.
- 3.13 In October 2018 an initial payment of \$150,000 was made in advance of further discussions regarding a potential settlement in respect of the remainder of the debt. The initial payment was received in full in the previous reporting period.
- 3.14 Following these discussions, a holding company in the wider EER group, EER (Norway) Limited (**EER Norway**), entered into Liquidation. EER Norway was a guarantor of the obligations due to ANHL.
- 3.15 The Administrators continued discussions with EER regarding the debt and agreed to sell a portion of the outstanding loan and all rights under the security to a third party. Total consideration of \$650,000 was agreed and the balance of \$500,000 was received in full during the Period.
- 3.16 There are not anticipated to be any further realisations from this source.

Bank interest

- 3.17 Bank interest of £61 and \$45,416 has been received by the Companies in the Period.

Receipts and Payments Accounts and Trading accounts

- 3.18 Attached at Appendices B and C are the Administrators' Receipts and Payments Accounts and Trading Receipts and Payments Accounts for the Period and Cumulative Accounts since the dates of the appointment. The accounts are presented on a cash basis and not on an accruals basis.
- 3.19 The non-recourse funding agreement between PLC and ANHL remains in place, however all funds advanced by ANHL to PLC have now been repaid. Given the commonality of the secured creditors, this agreement has no impact on the overall return to the creditors.

Administration (including statutory reporting)

- 3.20 As previously reported, in addition to their duties relating to realising and distributing the assets of the Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986, including preparing bi-annual reports to creditors advising of the progress of the Administrations. The Administrators continue to attend to all statutory duties whilst the Administrations remain active.

Creditors (claims and distribution)

- 3.21 Details of the estimated outcome for creditors can be found in sections 2 and 5.
- 3.22 During the Period, in preparation for issuing dividends to the unsecured creditors of the Companies, the Administrators have adjudicated all claims received to date. 132 claims with a value of approximately £729 million have been adjudicated.
- 3.23 Following completion of the above, the Administrators issued Notices of intended dividend in respect of the Companies outside of the Period and the last date for creditors to prove their claims is 15 November 2019.

4. Investigations

Liaison with UK law enforcement

- 4.1 The Serious Fraud Office's (**SFO**) pursuit of criminal charges against the Former Officers was completed in October 2018 following the conclusion of the criminal trial. The Administrators will continue to provide support to the SFO as required.

5. Estimated outcome for creditors

Secured creditors

Holder of the Bridge Securities

- 5.1 To date, Wilmington has received distributions totalling \$30.2 million from asset realisations in PLC, ANHL and elsewhere within the Group.
- 5.2 Asset realisations in respect of the Companies will be insufficient to enable the holders of the Bridge Securities to be repaid in full.

Deutsche Bank AG, Citibank Nigeria Limited, Nataxis and BNP Paribas

- 5.3 As at the date of appointment, the principal amount of the debt due under the Ebok Facility was approximately \$300 million.
- 5.4 The return to the Ebok lenders from PLC and ANHL is expected to be nil.

Senior Secured Notes

- 5.5 The Existing Bondholders received a share of the proceeds from the sale of the Okoro asset, as detailed in paragraph 2.2.
- 5.6 Proceeds from the realisations of the remaining assets will be insufficient to enable any further distributions to be paid to the Existing Bondholders. However, the Existing Bondholders will be entitled to receive a share of the PLC Unsecured Creditors' Fund.

Access Bank Plc

- 5.7 Access Bank is an unsecured creditor of PLC but benefits from limited recourse security granted by ANHL. ANHL has no direct liability to Access Bank if proceeds from the disposal of assets over which ANHL has granted security are not sufficient to repay Access Bank in full.
- 5.8 Following application of the proceeds from the disposal of AEPNA's interest in the Okwok field (over which AEPNA had granted security to Access Bank and of FHN 113's interest in OML 113), over which OML 113 had granted security to Access Bank, approximately \$0.5 million is outstanding in respect of the Okwok/OML 113 Facility.
- 5.9 As Access Bank has realised all of its security and is an unsecured creditor of PLC, it is not expected that Access Bank will receive any further recoveries other than a share of the PLC Unsecured Creditors' Fund.

Preferential creditors

- 5.10 In respect of PLC, preferential creditor claims totalling £149,515 were agreed and a dividend of 100 pence in the pound was declared and paid on 20 April 2016.
- 5.11 ANHL does not have any preferential creditors.

Unsecured Creditors' Funds

- 5.12 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create an Unsecured Creditors' Fund from the Companies' net property available for the benefit of unsecured creditors, commonly known as the 'Prescribed Part'.
- 5.13 In the estates of both PLC and ANHL, the Companies' individual net property is sufficient to enable the creation of Unsecured Creditors' Funds of the statutory maximum of £600,000. Given the level of the debts of unsecured creditors in each Administration, the return to unsecured creditors will be less than one pence in the pound.
- 5.14 As detailed in paragraph 3.23, the Administrators issued Notices of intended dividend in respect of the Companies outside of the Period. Creditors are invited to submit details of their claims if they have not already done so to AlixPartners' Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB, using the statement of claim forms that can be downloaded from AlixPartners' creditor portal website. Alternatively, claims can be submitted electronically to **afren@alixpartners.com**.
- 5.15 Claims must be submitted by 15 November 2019, which is the last date for proving. Any creditors who have not proved their debt by the last date for proving will be excluded from the dividends.

6. Outstanding matters

Unrealised assets

- 6.1 As detailed in section 3, the Administrators are continuing to progress various ongoing asset realisations, including outstanding conditions in connection with the sales of OML 26 and OPL 310. As all proceeds from the sale of OPL 310 have already been realised, there will be no further realisations from that source.
- 6.2 The Administrators are working to realise other residual potential assets which may generate value, including potential funds from the liquidation of FHN 113, contingent deferred consideration in relation to the OML 26 SPA, and the Companies' claims against EAX. The quantum and timing of any additional realisations remains uncertain as they are each dependent upon various external factors as detailed in section 3 and in previous reports.
- 6.3 The Administrators may consider alternative options to realise the Companies' remaining assets in due course, subject to progress made over the next few months.

Investigations

- 6.4 As noted in section 4, the Administrators will provide additional assistance to the SFO as required.

Unsecured dividends

- 6.5 As detailed at paragraph 3.23, Notices of intended dividend for the Companies were issued outside of the Period. The last date for proving is 15 November 2019, and the Administrators are required to issue the dividends within two months of the last date for proving. The Companies' unsecured dividends will therefore be issued on or before 15 January 2019.

Other matters

- 6.6 An employment tribunal claim in respect of PLC remains ongoing. During the Period, the claimant lodged an appeal against the court's initial judgment and a formal response is anticipated within the next couple of months.
- 6.7 The Administrators took in a significant volume of records relating to the Companies and maintained legacy IT systems in support of various Administration workstreams, including the proceedings brought against the Former Directors (as defined in previous reports). The Administrators are completing an orderly wind down of the systems and records as part of the exit planning process. It is anticipated that this work stream will be completed in the next few months.
- 6.8 The Administrators are continuing to assist Wilmington and certain secured creditors in connection with the release and distribution of funds received by Wilmington pursuant to the Oriental settlement.

7. What happens next

Creditors' rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

Extension

- 7.3 The Administrations are due to end automatically on 29 November 2019, however, it will not be possible to conclude all outstanding matters prior to this date. Accordingly, the Administrators are in the process of making an application to court to extend the terms of the Administrations by an additional 12 months to 29 November 2020.

Next report

- 7.4 The Administrators are required to provide a further report to all creditors within one month of the end of the next six month period ended 16 March 2020, or earlier in the event that the Administrations have been finalised before that date. Details of the proposed exit routes are provided at Appendix G.

For and on behalf of
The Companies



Daniel Imison
Administrator

Encs

Appendix A. Statutory information

Company information – PLC

Company name	Afren Plc
Registered number	05304498
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office and trading address	Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	5206 of 2015

Appointors' information – PLC

Name	Address	Position
David Charles Lawrence Frauman	c/o Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU	Director
Alan Scott Linn	c/o Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU	Director
David Howard Thomas	c/o Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU	Director

Company information - ANHL

Company name	Afren Nigeria Holdings Limited
Registered number	06033276
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	CR-2015-009172

Appointor's information - ANHL

Name	Address
Afren Nigeria Holdings Limited	c/o AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

Administrators' information – PLC and ANHL

Name	Address	IP number	Name of authorising body
Simon Jonathan Appell	AlixPartners, 6 New Street Square, London, EC4A 3BF	009305	Insolvency Practitioners Association
Daniel Christopher Imison	AlixPartners, 6 New Street Square, London, EC4A 3BF	013434	Insolvency Practitioners Association
Catherine Mary Williamson	AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	011570	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extensions of the Administrations

The Administration of PLC was due to end automatically on 30 July 2016 and was initially extended by 12 months to 30 July 2017 with the consent of PLC's creditors. The Administration of ANHL was due to end automatically on 29 November 2016.

As it was not possible to conclude all outstanding matters prior to these dates, the Administrators obtained orders of the court on two occasions to extend the terms of both Administrations, which are due to end automatically on 29 November 2019.

As detailed in paragraph 7.3, as all outstanding matters cannot be concluded prior to the current expiry date, the Administrators are in the process of applying to court to extend the terms of the Administrations by an additional 12 months to 29 November 2020.

Appendix B. Receipts and Payments Accounts for the period 17 March 2019 to 16 September 2019 and Cumulative Accounts for the period since appointment

PLC

Receipts and Payments Account GBP £

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
Funding from USD accounts:		
PLC	484,000	24,595,930
ANHL	-	5,019,815
Cash at bank	-	892,379
Intercompany debts	-	97,301
Contribution to legal costs	-	112,000
Artwork	-	269,420
Rent deposit refund	-	6,369
Head office furniture and equipment	-	11,700
IT equipment	-	3,360
Sundry refunds	-	4,984
Tax refund	-	1,084
Insurance refund	-	501
Bank interest	61	4,242
	484,061	31,019,086

Statement of Affairs £	Period £	Cumulative £
Payments		
Trading deficit	163,636	7,741,008
Administrators' fees	221,809	7,323,382
Administrators' pre-appointment fees	-	80,794
Category 1 disbursements:		
Statutory advertising	-	1,830
Travel and subsistence	48	20,429
Telephone charges	-	604
Storage costs	10,467	36,323
Courier and shipping costs	-	4,631
Stationery and postage	-	31,924
Creditor meeting costs	-	15,748
Computer supplies	1,119	18,335
Data processing	-	62,735
Category 2 disbursements:		
Printing, photocopying and telephone charges	-	2,864
Legal fees:		
Post-appointment legal fees	103,481	4,611,021
Pre-appointment legal fees	-	25,758
Third party legal fees	69	744,536
Legal disbursements	74,853	1,396,751
Agent's fees - artwork auction	-	52,666
Employee claims agent's fees	-	8,720
Statutory investigation costs:		
Legal advice and assistance	3,098	1,424,831
Agent's fees - data analysis	-	54,960
Litigation data management	70,608	1,164,932
Professional fees - litigation assistance	5,636	647,432
PAYE and National Insurance	-	9,675
Insurance of assets	4,317	8,675
Repayment of funding from ANHL USD	-	5,019,815
Share register maintenance charges	3,113	26,243
Bank charges	18	1,920
	(662,271)	(30,538,544)
Distributions		
Preferential creditors - 100p/£1, 20/04/2016	-	149,515
	-	(149,515)
Balance of floating charge assets	(178,210)	331,028
Represented by		
Interest bearing account		33,263
VAT receivable		297,764
		331,028

Note: The above is subject to small rounding differences.

Receipts and Payments Account USD \$

Statement of Affairs \$	Period \$	Cumulative \$
Floating charge assets		
Receipts		
62,952,944	Cash at bank	- 51,783,376
	Contribution to costs - Okoro	- 1,500,000
	AIO&GNL and OPL 310 sale proceeds	- 6,396,000
	Block 2B sale proceeds	- 122,000
	OML 26 sale proceeds	- 1,031,254
	Block L17/18 sale proceeds	- 296,498
	Book debts	- 275,705
	Receipts from Afren CI One	- 507,573
	Funding from ANHL	- 2,315,849
	Settlement proceeds	- 10,706,989
	Funds due to Afren Mauritius - sale of Block 2B	- 1
	Bank interest	12,331 167,820
	12,331	75,103,063
Payments		
	Trading deficit	- 29,255,705
	Funding to GBP account	610,657 35,385,965
	Professional advisors' fees and disbursements	4,616 3,926,488
	Statutory investigation costs	- 474,298
	Legal fees	- 47,772
	Legal disbursements	- 204
	IT costs	- 4,637
	Annual return filing fees	- 15,431
	Repayment of funding to ANHL USD	- 2,315,849
	Tax advisor's fees	- 7,978
	Storage fees	- 29,822
	Bank charges	69 6,670
	(615,342)	(71,470,819)
Distributions		
	Wilmington Trust (London) Limited	- 2,606,060
	-	(2,606,060)
	Balance of floating charge assets	(603,011) 1,026,185
Represented by		
	Interest bearing accounts	1,023,625 *
	VAT receivable	2,560
		1,026,185

Note: The above is subject to small rounding differences.

*Sterling equivalent as at 16 September 2019 = £824,018 converted at the rate of £0.805:\$1.

The Group operated internationally and transacted primarily in USD\$ during the course of trading. The majority of the Administration realisations are USD \$ currency and therefore the Administrators are maintaining bank accounts in USD \$ as well as GBP £. The volume of transactions between the currency accounts are being kept to a minimum in order to minimise the impact of currency holdings on the estate.

ANHL

Receipts and Payments Account GBP £

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
Funding from USD account	-	2,625,112
Sundry refunds	-	480
Bank interest	-	287
	-	2,625,879
Payments		
Administrators' pre-appointment costs:		
AlixPartners UK LLP	-	87,524
Akin Gump LLP	-	191,749
Administrators' fees	-	452,932
Category 1 disbursements:		
Travel and subsistence costs	-	178
Stationery, postage and photocopying	-	589
Telephone charges	-	34
Category 2 disbursements:		
Internal printing and photocopying	-	130
Legal fees	-	1,359,570
Legal disbursements	-	102,943
Irrecoverable VAT	-	430,096
Bank charges	-	67
	-	(2,625,812)
Balance of floating charge assets	-	67
Represented by		
Interest bearing account		67
		67

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

Receipts and Payments Account USD \$

Statement of Affairs \$	Period \$	Cumulative \$
Floating charge assets		
Receipts		
8,600 Intercompany receivables	-	-
Assignment of intercompany debt	-	9,649,645
Book debts	500,000	650,000
Repayment of funding from PLC USD account	-	2,315,849
Repayment of funding from PLC GBP account	-	6,785,098
Sales consideration - OML 26	-	18,959,195
Bank interest	33,085	136,154
	533,085	38,495,941
Payments		
Contribution to costs	-	80,000
Administrators' fees	84,707	289,965
Category 1 disbursements:		
Computer supplies	-	490
Travel and subsistence	-	882
Legal fees	15,777	196,441
Legal disbursements	604	8,468
Funding to GBP account	-	3,490,993
Funding to PLC GBP account	-	6,785,098
Funding to PLC USD account	-	2,315,849
Bank charges	286	1,420
	(101,375)	(13,169,606)
Distributions		
Wilmington Trust (London) Limited	-	21,499,596
	-	(21,499,596)
Balance of floating charge assets	431,710	3,826,738
Represented by		
Interest bearing accounts		3,822,815 *
VAT receivable		3,923
		3,826,738

Note: The above is subject to small rounding differences.

*Sterling equivalent as at 16 September 2019 = £3,077,366 converted at the rate of £0.805:\$1.

Appendix C. PLC Trading Receipts and Payments

Accounts for the period 17 March 2019 to 16 September 2019 and Cumulative Accounts for the period since appointment

Trading Account GBP £

	Period £	Cumulative £
Direct costs		
Wages, salaries, PAYE and NIC	-	3,648,500
	-	(3,648,500)
Trading expenditure		
Head office costs	571	19,214
Group IT and communication costs	141,629	1,257,275
Funding contribution to subsidiaries	-	56,541
Utilities	-	15,315
Telephone charges	-	36,807
Insurance	-	56,588
Contractor costs	15,545	586,065
Property advisor's fees	-	3,000
Repairs and maintenance	-	373
Sundry costs	-	9,019
Rent	-	488,234
Rates	-	74,885
Security	-	18,354
Data storage	5,892	127,517
Administrators' fees	-	1,343,320
	(163,636)	(4,092,508)
Trading deficit	(163,636)	(7,741,008)

Trading Account USD \$

	Period \$	Cumulative \$
Trading receipts		
Fees for group services:		
Afren Resources Limited	-	176,456
Repayment of subsidiary funding:		
Intellectual property	-	84,943
	-	261,399
Trading expenditure		
Funding contribution to subsidiaries	-	29,131,540
Group IT costs	-	152,940
Insurance	-	65,000
Contractor costs	-	142,264
Wages and salaries	-	6,998
Ransom payment	-	3,321
Security costs - subsidiaries	-	15,041
	-	(29,517,104)
Trading deficit	-	(29,255,705)

Appendix D. Administrators' fees

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with insolvency legislation. Further details are provided below.

PLC

In respect of PLC, a meeting was convened on 9 October 2015 at which the creditors approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

To date, fees totalling £8.7 million have been drawn on account, of which £1.3 million has been drawn in respect of the supervision of trading.

In addition to the Administrators' fees, fees and costs totalling £1.2 million have been drawn by AlixPartners in respect of the civil litigation and court proceedings work, as noted in section 4 and in previous reports. This workstream included the preservation, analysis and disclosure of relevant company information pertaining to the claims, and co-ordinating with legal advisors and the relevant authorities to progress the same to an eventual settlement agreement.

ANHL

In respect of ANHL, as the relevant creditors considered that they were unable to provide the required consent to the basis of the Administrators' fees, the Administrators sought the approval of the court to resolutions regarding the basis of their fees, disbursements and pre-administration costs. On 21 November 2016, the court approved that the remuneration of the Administrators be fixed by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration, in accordance with the fee estimate outlined in the ANHL proposals, which was updated in the Administrators' progress report dated 14 October 2016.

The court also approved the pre-administration costs disclosed in the ANHL proposals for payment.

To date, fees totalling £452,932 and \$289,965 have been drawn on account.

Administrators' fee estimate

PLC

The Administrators did not provide a fee estimate in respect of PLC as this requirement had not come into effect at the date of appointment.

ANHL

The Administrators' initial fee estimate was provided in the ANHL proposals and subsequently updated in the Administrators' progress report dated 14 October 2016. The revised fee remains valid and a copy of it is set out below.

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Asset realisation	650	592	385,011
Disputes and litigation	900	582	523,800
Statutory compliance and reporting	582	473	275,000
Investigations	50	458	22,909
Dealing with creditors	107	485	51,923
Total	2,289	550	1,258,643

Should any matters arise, such as additional investigatory matters and/or additional realisable assets, further time will be incurred dealing with such matters. Similarly, if the Administrators encounter any protracted realisations, such as where regulatory or governmental approvals are required, further time will be incurred in finalising matters. If applicable, the Administrators will advise creditors in future communications.

Details of the progress of the Administration of ANHL to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3.

In the event that the Administrators are required to seek approval to an increase in their fee estimate, such approval must be sought from the creditors originally responsible for approving the basis of their remuneration; however, in this case one of the relevant parties is of the view that it does not have the authority to provide consent, therefore the Administrators will seek the approval of the court.

Administrators' details of time spent to date

PLC

The Administrators' time costs for the Period are £180,973. This represents 312 hours at an average rate of £581 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

	Employee grade (hours)				£		Average rate per hour
	Managing director/Director	Senior vice president	Vice president/Consultant	Treasury /Support	Hours incurred	Cost incurred	
Administration and planning							
Planning	0.4	8.0	-	-	8.4	5,310.00	632
Strategy and control	1.6	-	1.2	-	2.8	1,930.00	689
Statutory duties	0.7	-	1.8	-	2.5	1,577.50	631
Case administration	0.3	-	15.5	-	15.8	9,145.00	579
Accounting and treasury	4.2	-	7.6	28.3	40.1	12,032.50	300
Internal documentation	-	-	1.5	-	1.5	862.50	575
Investigations							
Other investigations	-	-	8.4	-	8.4	4,830.00	575
Realisation of assets - floating charge							
Asset realisation strategy	18.2	-	-	-	18.2	14,105.00	775
Asset identification and valuation	-	-	0.7	-	0.7	402.50	575
Sale of assets	-	-	0.3	-	0.3	172.50	575
Recovery of assets	-	-	0.6	-	0.6	345.00	575
Asset accounting and administration	2.4	-	29.1	14.5	46.0	21,826.00	474
Trading							
Trading strategy	-	-	1.5	-	1.5	862.50	575
Accounting and administration	-	-	0.6	0.3	0.9	439.50	488
Creditors							
Creditor claims	-	-	3.1	-	3.1	1,782.50	575
Debtor litigation	46.7	15.2	-	-	61.9	45,692.50	738
Reporting to creditors	2.6	-	27.9	-	30.5	17,789.50	583
Secured creditors	10.8	-	0.8	-	11.6	8,830.00	761
Preferential creditors	-	-	2.5	-	2.5	1,437.50	575
Unsecured creditors	0.7	-	44.5	-	45.2	26,130.00	578
Employees	0.6	-	1.5	-	2.1	1,327.50	632
Shareholders and other stakeholders	0.3	-	6.8	-	7.1	4,142.50	583
Totals	89.5	23.2	155.9	43.1	311.7	180,972.50	581

A Cumulative Time Analysis (**CTA**) from the date of the Administrators' appointment to the end of the Period is set out below. Following the completion of a reconciliation exercise in the Period, it was identified that £2,790 of time costs incurred in a previous reporting period was not reflected in the data. The CTA has been amended to reflect the correct position.

	Employee grade (hours)					£	
	Managing director/Director	Senior vice president	Vice president/Consultant	Treasury /Support	Hours incurred	Cost incurred	Average rate per hour
Administration and planning							
Planning	121.8	23.0	55.3	-	200.1	125,559.50	627
Strategy and control	381.4	30.2	120.7	0.9	533.2	396,627.00	744
Statutory duties	29.9	13.0	25.9	0.6	69.4	38,043.50	548
Case administration	174.5	84.9	201.1	2.5	463.0	262,230.00	566
Accounting and treasury	67.6	64.2	127.0	82.2	341.0	146,825.50	431
Travel and waiting time	7.0	13.0	14.0	-	34.0	17,325.00	510
Internal documentation	5.6	7.4	38.2	19.2	70.4	27,343.50	388
Investigations							
Director conduct reports	99.8	124.4	72.2	-	296.4	165,415.00	558
Other investigations	392.7	107.7	197.5	-	697.9	422,968.00	606
Internal documentation	12.2	-	19.1	-	31.3	18,198.50	581
Realisation of assets - fixed charge							
Asset realisation strategy	53.8	7.2	1.1	-	62.1	51,934.00	836
Asset identification and valuation	0.4	2.2	0.3	-	2.9	1,730.00	597
Sale of assets	0.6	0.4	12.1	-	13.1	5,666.00	433
Recovery of assets	71.3	1.9	7.9	-	81.1	65,838.50	812
Dealing with third party assets	0.1	-	-	-	0.1	70.50	705
Asset accounting and administration	-	1.2	18.5	-	19.7	8,443.00	429
Realisation of assets - debtors							
Debt collection	-	0.6	0.3	-	0.9	465.00	517
Debtor litigation	4.5	-	-	-	4.5	3,892.50	865
Internal and external documentation	6.5	4.3	-	-	10.8	7,666.00	710
Realisation of assets - floating charge							
Asset realisation strategy	540.1	339.1	246.2	-	1,125.4	734,407.17	653
Asset identification and valuation	2.4	3.5	52.9	-	58.8	26,035.50	443
Sale of assets	83.3	237.5	601.6	-	922.4	470,613.00	510
Recovery of assets	167.4	35.3	45.3	-	248.0	159,242.00	642
Dealing with third party assets	0.2	0.4	3.7	-	4.3	1,545.50	359
Asset accounting and administration	41.7	120.6	342.8	192.8	697.9	263,838.00	378
Trading							
Trading strategy	227.0	17.8	975.7	-	1,220.5	717,618.50	588
Trading activities	31.9	59.2	833.8	-	924.9	415,636.00	449
Accounting and administration	22.6	26.8	541.5	188.3	779.2	299,132.50	384
Creditors							
Creditor claims	5.3	7.7	8.1	-	21.1	11,449.00	543
Debtor litigation	1,845.3	1,222.7	655.3	-	3,723.3	2,411,916.00	648
Internal documentation	0.7	1.4	2.1	-	4.2	2,093.00	498
Creditor strategy	42.5	5.8	11.6	-	59.9	44,346.00	740
Reporting to creditors	105.5	161.5	443.7	-	710.7	355,837.00	501
Creditor meetings	69.2	8.2	94.3	-	171.7	90,769.50	529
Creditors' committee	-	0.3	2.3	-	2.6	1,146.00	441
Secured creditors	236.8	59.2	77.7	-	373.7	258,814.00	693
Preferential creditors	2.3	8.1	25.7	0.9	37.0	16,775.00	453
Unsecured creditors	44.6	181.7	273.8	0.6	500.7	231,671.50	463
Employees	153.3	126.0	217.6	-	496.9	278,881.00	561
Shareholders and other stakeholders	58.7	31.4	170.2	-	260.3	122,103.50	469
Totals	5,110.5	3,139.8	6,537.1	488.0	15,275.4	8,680,110.67	568

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

ANHL

The Administrators' time costs for the Period are £48,421. This represents 89 hours at an average rate of £545 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

	Employee grade (hours)				Hours incurred	Average rate per hour £	Time cost for the Period £
	Managing director/Director	Senior vice president	Vice president/Consultant	Treasury/Support			
Administration (including statutory reporting)							
Statutory duties	0.2	-	0.7	-	0.9	619	557.50
Administration and planning	1.6	-	16.4	5.9	23.9	485	11,592.50
Reporting to creditors	0.6	-	29.9	-	30.5	576	17,556.00
Unsecured creditors	-	-	2.6	-	2.6	575	1,495.00
Realisation of assets							
Floating charge	1.2	-	17.1	2.5	20.8	546	11,354.50
Creditors (claims and distribution)							
Unsecured creditors	-	-	10.2	-	10.2	575	5,865.00
Total	3.6	-	76.9	8.4	88.9	545	48,420.50

A CTA from the date of the Administrators' appointment to the end of the Period is set out below.

	Employee grade (hours)				Hours incurred	Average rate per hour £	Time cost for the Period £
	Managing director/Director	Senior vice president	Vice president/Consultant	Treasury/Support			
Administration (including statutory reporting)							
Statutory duties	6.9	4.3	34.5	0.5	46.2	425	19,618.00
Administration and planning	52.4	41.1	110.4	26.2	230.1	475	109,319.50
Reporting to creditors	22.0	92.9	197.3	-	312.2	448	139,924.00
Creditors' meetings	-	-	1.5	-	1.5	395	592.50
Secured creditors	4.9	6.1	10.8	-	21.8	504	10,993.00
Employees	-	-	6.7	-	6.7	395	2,646.50
Unsecured creditors	1.5	6.9	10.1	-	18.5	526	9,732.50
Shareholders and other stakeholders	-	0.8	0.5	-	1.3	422	548.50
Realisation of assets							
Fixed charge	59.5	5.6	13.8	-	78.9	639	50,432.00
Floating charge	178.9	99.1	152.7	32.8	463.5	559	259,231.00
Debtors	1.5	0.6	-	-	2.1	677	1,422.00
Investigations							
Director conduct reports	3.4	-	10.7	-	14.1	442	6,229.50
Other investigations	-	0.4	2.7	-	3.1	408	1,263.50
Creditors (claims and distribution)							
Secured creditors	2.6	0.4	3.7	0.3	7.0	514	3,595.00
Unsecured creditors	3.8	31.6	7.6	-	43.0	549	23,595.50
Total	337.4	289.8	563.0	59.8	1,250.0	511	639,143.00

Appendix E. Administrators' expenses and disbursements

Expenses of the Administrations

PLC

The Administrators did not provide an estimate in respect of PLC as this requirement had not come into effect at the date of appointment.

ANHL

The estimate of expenses anticipated to be incurred by the Administrators from third parties whilst dealing with the Administration of ANHL was provided to creditors in the ANHL proposals; a copy of that estimate is set out below.

	Anticipated cost £
Legal costs	450,000
Agents' fees	1,500,000
Sundry costs	23,400
Total	1,973,400

Current position of Administrators' expenses

Analyses of the expenses incurred during the Administrations are provided below.

PLC – GBP £

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total incurred cost £
Statutory and asset realisations – legal advice and other costs	5,605,283	224,156	Nil	5,829,439
Litigation and recovery actions – legal advice and associated costs	1,937,491	126,038	Nil	2,063,529
Total	7,542,774	350,194	Nil	7,892,968

PLC – USD \$

	Paid in prior periods \$	Paid in the Period \$	Incurred but not paid \$	Total incurred cost \$
Professional advisors' fees – asset realisations and reporting	3,921,872	4,616	Nil	3,926,488
Total	3,921,872	4,616	Nil	3,926,488

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

ANHL – GBP £

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total incurred cost £
Legal fees and disbursements	1,462,513	Nil	Nil	1,462,513
Total	1,462,513	Nil	Nil	1,462,513

ANHL – USD \$

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total incurred cost £
Legal fees and disbursements – asset recovery actions	188,528	16,381	Nil	204,909
Total	188,528	16,381	Nil	204,909

As previously reported, due to the complexities surrounding the sales of assets, legal costs incurred to date exceed the original estimate.

Administrators' disbursements

PLC

Category 1 disbursements of £192,559 have been drawn on account. Approval to draw category 2 disbursements was obtained at the meeting of creditors held on 9 October 2015 and £2,864 has been drawn.

ANHL

Category 1 disbursements of £801 and \$1,372 have been drawn on account. Approval to draw category 2 disbursements was given by the court and £130 has been drawn.

Appendix F. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director, a director or senior vice president, a vice president and a consultant. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided in respect of the Administration of PLC by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	Evolve IS Limited (formerly Insol Employee Solutions Limited)	Fixed fee plus additional rate per employee	3,695
Employee payroll processing	Complete Accounting Solutions Limited	Rate per employee	5,025

Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangements with them, which are subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Akin Gump LLP (legal advice)	Hourly rate and disbursements
Bonhams 1793 Limited (valuation and disposal advice – specialist artwork)	Percentage of realisations per lot (15% on first £5,000, 10% on balance thereafter) plus certain fixed auction preparation costs
Colliers International Valuation UK LLP (property review and advice)	Fixed fee
Hilco Global Limited (valuation and disposal advice, excl. artwork)	Fixed valuation fee and percentage of realisations for disposals
PJT Partners (UK) Limited (formerly The Blackstone Group International Partners LLP) (financial and M&A advice)	Monthly retainer, a capped transaction fee and appointment fee. Amended to hourly rate and disbursements with effect from 1 December 2017.
Willis Towers Watson Limited (insurance)	Risk based premium
SPTEC Advisory (non-core asset sale advice)	Fixed fee, percentage of realisations and disbursements
White and Case LLP (legal advice)	Hourly rate and disbursements
Taylor Wessing LLP (legal advice)	Hourly rate and disbursements
Willkie Farr & Gallagher (UK) LLP (legal advice)	Hourly rate and disbursements
Various consultants (assistance with tax and financial matters and asset advice)	Agreed daily rate and disbursements

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignments and the basis of their fee arrangements with them.

PJT

The Administrators instructed PJT to act as financial and merger and acquisitions advisors to the Group as a result of their in-depth knowledge of the situation and key assets, together with their internationally recognised restructuring and M&A credentials.

Willkie Farr & Gallagher LLP

The Administrators engaged Willkie Farr & Gallagher LLP (**WFG**) to act as lead advisor in relation to the disputes with Oriental and the dismissed directors in the English courts. WFG's work includes advising the Administrators on the merits of certain potential claims, the preparation and review of litigation documents and correspondence, and the appropriate legal strategies available for pursuit of recoveries for the benefit of creditors.

Akin Gump LLP

The Administrators engaged Akin Gump LLP (**Akin Gump**) as their legal counsel. Given the complex, multijurisdictional nature of these assignments, the Administrators have had to comply with legal and regulatory requirements in multiple jurisdictions and understand the impact of different countries' legal regimes and processes on the strategy and progress of the Administrations. Akin Gump has assisted the Administrators across all of their principal work streams and activities detailed in all reports prepared in respect of the Companies. In particular, Akin Gump has assisted with the following matters:

- Administration and planning – assisting the Administrators with implementing the case strategy and where required, attending meetings with key stakeholders across the Group. Assistance has also been provided in respect of the applications to extend the Administrations.
- Realisation of assets: debtors – advising on the establishment of the Group's intercompany debt position and recoveries of outstanding book debts.
- Realisation of assets: floating charge – assisting with the implementation of the Administrators' asset recovery strategy for the various Group assets, which are principally held at subsidiary level. Significant time has been spent in dealing with the core assets in Nigeria as well as the non-core assets in various other international jurisdictions. This includes time spent collating and reviewing information in relation to each of the key assets, providing input into the structure and format of the sales process, monitoring the progress with interested parties, reviewing offers and SPAs, negotiating and documenting contractual documentation and liaising with the relevant JV parties and government bodies for each of the key assets. Assistance has also been provided with Administration exit planning and ensuring that all of the Administrators' obligations under the SPAs have been discharged.
- Trading – assisting the Administrators with supplier agreements and rationalising supplier costs.
- Creditors – assisting the Administrators with creditor and stakeholder communication with regards to the asset realisation strategy and the preparation of statutory reports such as the Proposals and progress reports. Akin Gump has also provided assistance with the adjudication of unsecured creditor claims and advice in respect of the complexities surrounding intercompany debts.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel - charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for these assignments effective from 1 January 2019 is detailed below, together with the rates charged prior to that date. Time is charged by the appointees and case staff in units of six minutes.

Description	Rates from 1 January 2019 £	Rates pre 1 January 2019 £
Managing director	945	935
Director	775	760
Senior vice president	625	600
Vice president	575	420-550
Consultant	240-430	230-410
Treasury and support	135-315	120-280

Appendix G. Exit routes and discharge from liability

Dissolution of the Companies

Based on current information, the Administrators think that the Companies have insufficient property to permit distributions to their respective unsecured creditors, other than by virtue of the Unsecured Creditors' Funds. The Administrators will therefore file notices, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Companies. The Administrators will send copies of these documents to the Companies and their creditors. The appointments will end following the registration of the respective notices by the Registrar of Companies.

Compulsory liquidation

A liquidator of a company has certain powers such as the ability to disclaim onerous contracts or pursue assets that are not available to an administrator. If such powers become necessary, the Administrators may make an application to court to end the Administrations and request that the court places both or either of the Companies into compulsory liquidation. The Administrators will send notice of any such applications to the Companies and their creditors.

Discharge from liability

Subject to the approval of the relevant creditors or the court in the respective cases of PLC and ANHL, the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Administrators cease to have effect.