

WOODGATE & CO.

Turnaround & Insolvency

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ELK PETROLEUM LTD
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
A.C.N.: 112 566 499

BIMONTHLY REPORT TO CREDITORS

28 JANUARY 2020

1. INTRODUCTION

As you are aware, on 15 May 2019 Messrs Barry Kogan and Jason Preston, of McGrath Nicol, were appointed joint and several Voluntary Administrators of the company. I advise that on 18 October 2019 the company executed a Deed of Company Arrangement ("DOCA") on the same terms as those proposed and approved by creditors at the second meeting of creditors held on 27 September 2019. Subsequently, I was appointed Deed Administrator of the company.

Pursuant to Clause 4.8 of the DOCA, I am required to report bimonthly to creditors within 14 days following the end of each alternate month during the DOCA period, other than in relation to the period to the end of the month from the effective date and December.

2. PROGRESS OF THE DOCA

In essence the DOCA is a restructuring DOCA. Any restructuring proposal promulgated by the directors will be put to the company's creditors which, if accepted, shall result in an amendment to the DOCA.

The directors continue to monitor US legal proceedings in the Delaware Bankruptcy and Chancery Courts using publicly disclosed information and ongoing conversations with key stakeholders, since the company is not a party to any of the actions. Proceedings look likely to continue at least through the first quarter of 2020.

The directors and key stakeholders have discussed the prospects for asset recovery, restructuring, refinancing and/or recapitalisation around alternative assets. Several possible plans and opportunities are being considered although, at this stage, no specific plan is being advanced.



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Interstate and International associated offices

[s/w: Elk Petroleum 028]
ABN 60 241 413 498

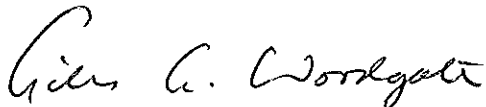
3. PREFERRED UNSECURED CREDITORS

On 3 December 2019 I paid a first and final dividend of 100 cents in the dollar to preferred unsecured creditors in respect of their outstanding employees' entitlements. PAYG withholding tax of \$78,728.00 has yet to be paid to the Australian Taxation Office. This will be remitted shortly.

4. GENERAL

I attach a summary of receipts and payments for the period from 18 October 2019 to 20 January 2020.

Should you have any queries concerning my report, please contact Ms Stephanie Wise, of my office.



**G G WOODGATE
DEED ADMINISTRATOR**

Encl.

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SUMMARY OF DEED ADMINISTRATOR'S RECEIPTS AND PAYMENTS
DURING THE PERIOD FROM 18 OCTOBER 2019 TO 20 JANUARY 2020

RECEIPTS

	<u>\$</u>
Deed fund contribution	710,000.00
Interest	80.01
Pre-appointment (Voluntary Administrator) GST refund	18,191.00
	<u>728,271.01</u>

PAYMENTS

Bank fees	28.40
Dividend to preferred unsecured creditors, being:	
- Annual leave	74,230.63
- Payment in lieu of notice	115,307.85
- Redundancy	98,978.03
Less: PAYG withholding	(78,728.00)
GST paid	20,503.35
Voluntary Administrator's remuneration	205,033.45
	<u>435,353.71</u>

CASH AT BANK AS AT 20 JANUARY 2020

292,917.30