

24 February 2023

INITIAL INFORMATION FOR CREDITORS AND SUPPLIERS AIRDRILL PTY LTD (ADMINISTRATORS APPOINTED) ACN 109 184 447 (“THE COMPANY”)

The purpose of this document is to provide you with information about the voluntary administration of the Company and your rights as a creditor.

APPOINTMENT OF VOLUNTARY ADMINISTRATORS

Paul Stuart Harlond, Ian Charles Francis and I, Hayden Leigh White, were appointed as Joint and Several Administrators of the Company on 22 February 2023 by a resolution of the Company’s directors.

A copy of my Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) is **attached**. The DIRRI assists you to understand any relevant relationships that I have, and any indemnities or upfront payments that have been provided to me. I have considered each relationship and it is my opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affect my independence.

VOLUNTARY ADMINISTRATION

Voluntary administration is a process under the law which allows companies unable to pay their debts, or likely to become unable to pay their debts to appoint an independent, qualified person (called a voluntary administrator) to take control of the Company and its operations. This process allows breathing space to work out the best outcome for all stakeholders and involves the voluntary administrators calling creditors’ meetings over the following 20 business days at which creditors decide the future of the Company. The creditors will determine if the Company:

- a) Be returned to the director(s);
- b) Be placed into liquidation; or
- c) Enter into a Deed of Company Arrangement.

According to the Company’s records, you may be a creditor of the Company.

FTI Consulting (Australia) Pty Limited

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325

Level 47, Central Park | 152-158 St George's Terrace | Perth WA 6000 | Australia

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Liability limited by a scheme approved under Professional Standards Legislation.

WHAT HAPPENS TO YOUR DEBT?

All creditors of the Company are now creditors in the voluntary administration. As a creditor, you have certain rights, although your debt will be dealt with in the voluntary administration. Further information regarding your rights as a creditor is **enclosed** with this circular.

It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the company into liquidation or act on a personal guarantee. Please refer to Important statements for all creditors and suppliers **attached**.

If you have leased the company property, have a retention of title claim or hold a Personal Property Security in relation to the company, please contact my staff as soon as possible. Further information is **enclosed** - please refer to Requirements for parties with security interests and other claims **attached**.

OPERATIONS AND TRADING

The Administrators have taken control of the operations of the Company and requested the directors to prepare a report on the Company's business, property, affairs and financial circumstances.

We are continuing to operate the Company's business on a "business as usual" basis with a view to achieving a going concern sale in the short term. It is our current view that this will provide an optimum return to all creditors of the Company. Your continued cooperation and support is essential to achieving a going concern sale and we thank you in advance for your support.

If you are an employee, you will receive a separate communication on how this appointment impacts your ongoing dealings with the Company. Please refer to Important statements for all creditors and suppliers **attached**.

MEETINGS OF CREDITORS

As voluntary administrator, I am required to hold two meetings of creditors.

First meeting of creditors

When a Company enters into voluntary administration, the Administrators are required to convene a first meeting of creditors within eight (8) business days after the commencement of the voluntary administration.

The First Meeting of the Creditors will be held virtually at 10:00am (AWST) on Tuesday, 7 March 2023.

In this regard, please find **enclosed** the following documents:

- a) Notice of First Meeting of Creditors of the Company under Administration;
- b) Form - Appointment of Proxy; and
- c) Formal Proof of Debt or Claim Form.

If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the **enclosed** proxy form appointing your representative to Airdrill.ptyltd@fticonsulting.com no later than 1:00pm (AWST) on Friday, 3 March 2023.

You can appoint anyone who is attending the meeting as your proxy and direct them how you wish your vote to be cast. If you choose to do this, they must cast your vote as directed.

Creditors are required to lodge proofs of debt for voting purposes no later than 1:00pm (AWST) on Friday, 3 March 2023, failing which they may be excluded from voting at the meeting. A Proof of Debt or Claim Form is **attached** for this purpose. Proofs of Debt may be sent to FTI Consulting, Airdrill@fticonsulting.com.

General information regarding the conduct of meetings of creditors and the completion of proxy forms and proof of debt forms is **enclosed** and can also be found on our website at <http://www.fticonsulting-asia.com>.

Statutory notices and advertisements about the Company will be published on ASIC's Published Notices website at <https://publishednotices.asic.gov.au/>.

Second meeting of creditors

A second meeting of creditors will be held, at which creditors will vote on the future of each of the Company. Details of that meeting and a Report to Creditors on the Company's business, property, affairs and financial circumstances will be sent to you in due course.

COSTS OF THE VOLUNTARY ADMINISTRATION PROCESS

Attached to this circular is my Initial Remuneration Notice, which provides you with information about how I propose to be paid for undertaking the voluntary administration.

I will seek approval of my remuneration at the second meeting of creditors. I will provide you with further information regarding my remuneration before that meeting, detailing the tasks that I have attended to, will be required to attend to, and the costs of those tasks.

If you have any information that you think may help with the administration of the Company, the going concern sale or help the administrators with the investigations into the Company's affairs, please contact us. Our details are **attached** – please refer to Administrators' background and contact details.

A handwritten signature in black ink, appearing to read 'Hayden White', written over the printed name.

Hayden White
Joint and Several Administrator

NOTICES AND ATTACHMENTS INCLUDED IN THIS CIRCULAR

The administration will be conducted on the basis of the information contained in the following notices and attachments:

- **Administrators' background and contact details**
- **Important statements for all creditors and suppliers**
- **Requirements for parties with security interests and other claims**
- **Administrators' trading procedures.** This includes the specimen signatures of the Administrators and their authorised persons.
- **Details and notices for the first meeting of creditors**
 - Notice of First Meeting of Creditors of the Company under Administration;
 - Form - Appointment of Proxy;
 - Formal Proof of Debt or Claim Form (for voting purposes);
 - Guidance notes for completing proxy and proof of debt or claim forms.
- **Independence and remuneration disclosures**
 - Initial advice to creditors – basis of remuneration;
 - FTI Consulting Standard Rate schedule; and
 - The Administrators' Declaration of Independence, Relevant Relationships and Indemnities.
- **Information sheets about your rights and the voluntary administration process**
 - Information regarding your rights as a creditor;
 - Information sheet called *"Insolvency information for directors, employees, creditors and shareholders"*;
 - Additional information sheets on the administration process can be obtained at www.asic.gov.au (search for "insolvency information sheets") or www.arita.com.au/creditors.

ADMINISTRATORS' BACKGROUND AND CONTACT DETAILS

ABOUT US

Paul Harlond, Ian Francis and Hayden White are Senior Managing Directors at FTI Consulting (Australia) Pty Ltd. They are all Registered Liquidators and Professional Members of the Australian Restructuring Insolvency and Turnaround Association.

FTI Consulting specialises in corporate finance and restructuring and is part of FTI Consulting, Inc. a global business advisory firm dedicated to helping organisations protect and enhance enterprise value. You can find out more at www.fticonsulting-asia.com.

CREDITOR ENQUIRIES – FIRST MEETING OF CREDITORS AND GENERAL MATTERS

For queries about the forthcoming meeting or the administration generally, please contact the Administrators' office by one of the following methods:

Telephone: (08) 9321 8533
Email: Airdrill@fticonsulting.com
Post: Airdrill Pty Ltd (Administrators Appointed)
C/- FTI Consulting
Level 47, 152-158 St Georges Terrace
PERTH WA 6000

IMPORTANT STATEMENTS FOR ALL CREDITORS AND SUPPLIERS

NO ADOPTION OF ANY CONTRACTS OR ASSUMPTION OF LIABILITIES OF THE COMPANY BY THE ADMINISTRATORS

The Administrators are not personally adopting, and will not adopt, any agreement or contract that you may have with the Company. The Administrators will not be liable for any liability of the Company under any agreement or contract with you.

Any payments made by the Administrators for any goods or services does not constitute, nor in any way imply, adoption of any contract or an assumption of any liability of the Company by the Administrators.

EXISTING DEBTS AND CLAIMS CANNOT BE PAID BY ADMINISTRATORS

The Administrators cannot pay any creditor's debts or claims that arise from circumstances or arrangements that were in place with the Company before the Administrators' appointment. Payment of these amounts will depend on the outcome of the administration.

NO SET-OFF AGAINST PRE-APPOINTMENT DEBTS OR CLAIMS

Any amounts due from you to the Company must not under any circumstances be set-off against amounts due from the Company to you.

PROTECTION OF COMPANY PROPERTY AND GENERAL RESTRICTIONS ON THIRD PARTY RIGHTS DURING THE ADMINISTRATION

Without leave of the Court, or the Administrators' written consent:

- A proceeding in a court against the Company or in relation to any of its property cannot be begun or proceeded with;
- Except for perishable property – owners, lessors and creditors with security interests in the Company's property, cannot enforce their security interest, sell any such property they hold, and are not entitled to take possession or otherwise recover such property; and
- No enforcement process in relation to property of the Company can be begun or proceeded with.

See sections 440B to 440F of the Corporations Act 2001 for further details.

REQUIREMENTS FOR PARTIES WITH SECURITY INTERESTS AND OTHER CLAIMS PARTIES WHO ARE REQUIRED TO CONTACT US

Please contact the Administrators' office at Airdrill@fticonsulting.com or (08) 9321 8533 as soon as possible if you:

- Have supplied any goods or collateral to the Company and you have registered a security interest in such property on the Personal Property Security Register ("PPSR");
- Are otherwise claiming security or proprietary rights in any asset or property owned by or in possession of the Company;
- Lease or hire goods or property to the Company;
- Are claiming a lien over property of the Company; and/or
- Have commenced legal proceedings against the Company.

We will be writing to all parties who have registered a security interest on the PPSR.

PARTIES WITH PMSI, RETENTION OF TITLE AND CONSIGNMENT CLAIMS OVER PROPERTY

Parties with these claims are requested as soon as possible to:

1. Give us details of the items supplied to the Company (including any features by which that property is able to be identified, for example - serial number/s) and which remain unpaid for; and
2. Provide details of your registration on the PPSR with all relevant supporting documents.

GENERAL STATEMENT

The Administrators will consider the information and details provided to them in support of any claims. Where a claim is valid and not disputed, the Administrators will comply with their obligations at law. This should not be interpreted as, in any way, limiting or restricting the rights of the Administrators or the Company, whose rights are expressly reserved.

Please note the Administrators may require payment of their reasonable expenses and remuneration incurred in the identification, preservation and distribution of property to secured parties, purchasers and/or other persons that the property belongs to. This also includes circumstances where property (such as inventory, for example) is made available for collection.

Affected parties should seek their own advice as applicable and as they deem appropriate.

ADMINISTRATORS' TRADING PROCEDURES

PURCHASE ORDER TO BE ISSUED TO SUPPLIERS FOR GOODS AND SERVICES

The Company will raise a purchase order for goods and services that are required during the period of the administration. Goods supplied or services rendered to the Company after our appointment will be paid in accordance with these procedures provided that:

1. A purchase order has been issued for the applicable good or service;
2. The purchase order has been signed by the Administrators or our authorised signatories. The specimen signatures of our authorised representatives for this purpose are included with this circular; and
3. The Administrators' liability does not exceed the amount specified on the purchase order.

NEW ACCOUNTS AND OTHER ACCOUNTING PROCEDURES TO BE FOLLOWED

Suppliers must comply with the following procedures:

1. Close any existing accounts against the Company. These accounts will be for goods supplied and services rendered up to and including the date of appointment;
2. Open a new account for the Company with the words "Administrators Appointed" added after the Company's name. This new account is to be used for goods supplied and services rendered to the respective Company during the period of the administration;
3. Update contact details for the Company within your systems to also include the Administrators' contact details; and
4. Please ensure your invoices include the Administrators' purchase order number. This will likely be a new number sequence to help demarcate pre and post-appointment orders.

PAYMENTS AND ACCEPTANCE OF LIABILITY FOR GOODS OR SERVICES

Validly authorised liabilities created after our appointment in accordance with these procedures will be paid in accordance with your/the Company's usual terms unless we determine otherwise.

All payments made by the Company or Administrators must be applied against liabilities incurred by the Administrators. These payments cannot be set-off against any other claims against or liabilities incurred by the Company.

If you have current orders or bookings with the Company (including goods in transit or pending delivery), you will need a new purchase order to be issued in accordance with these procedures (and before any goods or services are provided) before the Administrators will accept liability.

It is your responsibility to contact us if you require clarification about any of these arrangements.

ADMINISTRATORS' TRADING PROCEDURES – AUTHORISED PERSONS

The following persons are authorised to sign purchase orders for the Company:

Name	Company	Signature	Order Limit (\$)
Hayden White	FTI Consulting		Unlimited
Paul Harlond	FTI Consulting		Unlimited
Ian Francis	FTI Consulting		Unlimited
Patrick O'Brien	FTI Consulting		100,000
William Grassick	FTI Consulting		50,000
Ben Pimm	FTI Consulting		50,000

DETAILS AND NOTICES FOR THE FIRST MEETING OF CREDITORS

NOTICE OF THE FIRST MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION

The agenda for the meeting is set out in the notice. Please arrive at the meeting venue at least 15 minutes before the scheduled commencement time in order to sign-in.

This meeting is being held virtually. If you or the person you have appointed is intending on accessing the meeting virtually, please register with the Administrators' office via email at Airdrill@fticonsulting.com no later than 1:00 PM, Friday, 3 March 2023. Information about how to access the meeting will be provided following your registration.

FORM - APPOINTMENT OF PROXY

This form should be completed if you intend to appoint another person to act on your behalf at the meeting, or if you are a corporate creditor.

FORMAL PROOF OF DEBT OR CLAIM FORM

This form allows you to tell us what you are owed by the Company. You must send us a completed form if you wish to vote at the meeting.

Return to:

Airdrill Pty Ltd

C/- FTI Consulting

Level 47

152-158 St Gerges Terrace

PERTH WA 6000

Email: Airdrill@fticonsulting.com

NOTICE OF FIRST MEETING OF CREDITORS OF THE COMPANY UNDER ADMINISTRATION

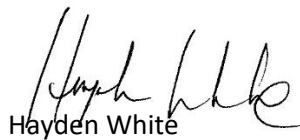
AIRDRILL PTY LTD (ADMINISTRATORS APPOINTED)

ACN 109 184 447 ("THE COMPANY")

On 22 February 2023, the Company, under Section 436A, appointed Paul Stuart Harlond, Ian Charles Francis and Hayden Leigh White, as Joint and Several Administrators of the Company.

- 1) Notice is now given that the first meeting of creditors of the Company will be held at 10:00AM (AWST) on Tuesday, 7 March 2023. The meeting is being held virtually and all creditors wanting to attend the meeting are required to attend via Microsoft Teams. Although there is no physical place where creditors are able to attend the meeting, I am required under law to nominate a notional place for the meeting for administrative purposes such as establishing the time of the meeting. The notional place for this meeting is: FTI Consulting, Level 47 Central Park, 152-158 St Georges Terrace, Perth WA 6000. PLEASE DO NOT ATTEND AT THIS LOCATION.
- 2) The purpose of the meeting is to determine:
 - a) Whether to appoint a committee of inspection; and
 - b) If so, who are to be the committee's members.
- 3) At the meeting, creditors may also, by resolution:
 - a) Remove the administrator(s) from office; and
 - b) Appoint someone else as administrator(s) of the Company.
- 4) Discuss any other relevant business which may arise.

Dated this 23rd day of February 2023



Hayden White

Joint and Several Administrator

C/- FTI Consulting

Level 47

152-158 St Georges Terrace

PERTH WA 6000

FORM - APPOINTMENT OF PROXY

AIRDRILL PTY LTD (ADMINISTRATORS APPOINTED)
ACN 109 184 447 ("THE COMPANY")

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of the Company, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the meeting of creditors to be held on Tuesday, 7 March 2023 at 10:00am or at any adjournment of that meeting.

Voting instructions - for special proxy only	For	Against	Abstain
Resolution			
1. To appoint a committee of inspection.	☐	☐	☐
2. To remove the Administrators and appoint someone else as administrator(s) of the above company.	☐	☐	☐

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above
 (delete if not required)

Dated:

.....
 Name and signature of authorised person

.....
 Name and signature of authorised person

CERTIFICATE OF WITNESS – only complete if the person given the proxy is blind or incapable of writing.

I, of
 certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated:

Signature of witness:

Description:

Place of residence:

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM

AIRDRILL PTY LTD (ADMINISTRATORS APPOINTED)

ACN 109 184 447 ("THE COMPANY")

To the Administrators of Airdrill Pty Ltd (Administrators Appointed) ACN 109 184 447 ("the Company")

1. This is to state that the Company was on 22 February 2023, and still is, justly and truly indebted to:.....

(full name, ABN and address of the creditor and, if applicable, the creditor's partners)

for \$(dollars and cents)

Particulars of the debt are:

Date	Consideration	Amount (\$/c)	Remarks
	(state how the debt arose)		(include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount (\$/c)	Due Date
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3. Signed by (select correct option):

- ☐ I am the creditor personally
- ☐ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied
- ☐ I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: Dated:

Name: Occupation:

Address:

* If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor

RECEIVE REPORTS BY EMAIL	YES	NO
Do you wish to receive all future reports and correspondence from our office via email?	☐	☐
Email:		

If being used for the purpose of voting at a meeting:

- a) Is the debt you are claiming assigned to you? ☐ Yes ☐ No
- b) If yes, attach written evidence of the debt, the assignment and consideration given. ☐ Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$
- d) If yes, are you a related party creditor of the Company? ☐ Yes ☐ No
(If you are unsure contact the Administrators)

GUIDANCE NOTES FOR COMPLETING PROXY AND PROOF OF DEBT OR CLAIM FORMS

FORM - APPOINTMENT OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the creditor is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the *Corporations Act 2001* ("the Act"). Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish, appoint any person, including the Chairperson of the Meeting, as either your general or special proxy.

INFORMAL PROOF OF DEBT OR CLAIM FORM

The proof of debt submitted during an Administration is informal in that it does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

It is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration. In the event that there are monies to be distributed to creditors in the future, you will need to submit a Formal Proof of Debt or Claim form.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the Form so we know what you've attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the Company.

If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.

INITIAL ADVICE TO CREDITORS – BASIS OF ADMINISTRATORS’ REMUNERATION

REMUNERATION METHODS

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

Fixed fee

The total fee charged is normally quoted at the commencement of the voluntary administration and is the total cost for the voluntary administration. Sometimes a practitioner will finalise a voluntary administration for a fixed fee.

Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

Contingency

The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

METHOD PROPOSED

We propose that our remuneration is calculated on a time basis. We believe this method is appropriate as it ensures that only the actual work performed is charged for. There are also various tasks required to be completed which do not involve the realisation of assets, such as reporting to ASIC, undertaking investigations, corresponding with creditors and answering their queries, and completing other statutory tasks required by law.

ESTIMATE OF REMUNERATION FOR THE VOLUNTARY ADMINISTRATION

We estimate our remuneration for undertaking the administration will be approximately 400,000 to \$500,000 (exclusive of GST), subject to the following variables which may have a significant effect on

this estimate and that we are unable to determine until the voluntary administration has commenced:

- The full scope and extent of necessary work (from experience, unforeseen matters typically arise and may require us to perform additional work beyond that currently anticipated).
- Any extension of the convening period required, to extend the voluntary administration timeline to allow for the completion of a transaction or restructure.

Prior to my appointment, I provided an estimate of the cost of the administration to the directors. This estimate is consistent with the estimate provided to the directors prior to my appointment.

EXPLANATION OF HOURLY RATES

The rates for our remuneration calculation are attached together with a general guide showing the qualifications and experience of staff that will be engaged in the voluntary administration and the role they take in the voluntary administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees - these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs.

I am not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditors' approval for the payment of internal disbursements which were not charged at cost (and which may therefore have a profit or advantage attached to them), prior to these disbursements being paid from the administration. These disbursements typically would include internal photocopying, printing and facsimile costs. However, as we do not charge our external administrations for internally-generated FTI disbursements where they have not been charged at cost (such as photocopying and printing charges for the use of internal photocopiers, printers, etc.), creditor approval is not required.

Details of the basis of recovering internal and external disbursements in this administration are provided in the table below. Full details of any actual costs incurred will be provided with future reporting.

FTI Disbursements Schedule

Disbursement type	Charge Type	Charge Rate (excl GST)
Advertising	External, non-professional	At cost
ASIC Industry Funding Model Levy – metric events	External, non-professional	At cost (at prescribed ASIC rates)
Couriers and deliveries	External, non-professional	At cost
Data Room Charges	External, professional	At cost
Facsimile	Internal (FTI)	Not charged
Legal Fees	External, professional	At cost
Mail out	Internal (FTI)	20 cents per email
Postage	External, non-professional	At cost
Photocopying – internal	Internal (FTI)	Not charged
Photocopying – outsourced	External, non-professional	At cost
Printing – internal	Internal (FTI)	Not charged
Printing – outsourced	External, non-professional	At cost
Records costs – storage, destruction, boxes	External, non-professional	At cost
Search fees	External, non-professional	At cost
Staff motor vehicle use - mileage	Cents per km	At prescribed ATO rates
Staff travel - accommodation, meals etc	External, non-professional	At cost
Stationery and other incidental disbursements	External, non-professional	At cost
Telephone	Internal (FTI)	Not charged
Valuation Fees	External, professional	At cost
Other externally provided professional services		At Cost
Other externally provided non-professional services		At Cost

FTI Consulting CF&R Standard Rates effective 1 July 2022 (excluding GST)

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director/Appointee	740	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	680	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	620	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	550	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	500	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	450	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	405	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	375	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	350	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	315	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	300	Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities.
Junior Associate	250	Undergraduate in the latter stage of their university degree.
Administration 2	250	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	210	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	210	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

Frequently Answered Questions (FAQ's): Suppliers

What is the decision Airdrill Pty Ltd is announcing today?

Airdrill Pty Ltd ("Company") entered Voluntary Administration at 9:00 am (AWST) on 22 February 2023. Hayden Leigh White, Paul Stuart Harlond and Ian Charles Francis of FTI Consulting have been appointed as Voluntary Administrators of Airdrill Pty Ltd ("Administrators").

Will your services to the Company be disrupted?

No. The business will continue to operate on a business-as-usual basis. If any changes to your service provision are anticipated, you will be notified by the Administrators.

We supply services to the Company; how do we know we are going to be paid going forward?

Any moneys owed by the Company to your business as at 9:00 am (AWST) on 22 February 2023 will remain unpaid pending the outcome of the Administration process.

From 9:00 am (AWST) on 22 February 2023, should you wish to continue to supply the Company, you should create a new account styled "*Airdrill Pty Ltd (Administrators Appointed)*"

From the date of commencement of the Administration, in order to be paid for your ongoing supply of services or delivery of goods, you will need to be in possession of a Purchase Order signed by the Administrators or one of their authorised representatives. Tax invoices provided to the Company for work performed after the commencement of the administration, that do not attach a purchase order signed by the Administrators or their representatives, will not be paid.

Suppliers will receive separate correspondence in relation to the Administrators' appointment, advising them of the amended process, and providing sample signatures of the Administrators and their representatives.

How long will the Administration process take?

The length of the Administration process from appointment to completion is likely to be one to two months, however this may be extended should the Administrator consider that a longer period of Administration is required.

Will our contracts change?

No. The Company will continue to operate on a business-as-usual basis. If you have any questions about the Administration process, please contact a member of the Administrators' staff, quoting your company/business name.

Alternatively, if your query is operational, please contact your account representative.

Airdrill currently owes me money, will I still get paid?

Not at this stage. All amounts owed to suppliers up until 9:00 am (AWST) on 22 February 2023, being the date of the appointment of the Administrators, will remain an unsecured claim in the Administration.

The timing and quantum of payment of any outstanding amounts, can only be determined once an analysis has been undertaken of any proposal to purchase/recapitalise/restructure the business, received as part of the Administration process, against what a return in a liquidation would be. At this stage, it is too early to tell the nature of any restructure proposal, or the level of funds that may be available to satisfy creditor (i.e. supplier) claims under a DOCA or in a liquidation.

Should we continue to provide services to the company in the immediate term?

Yes. The Administrators have taken control of the Company with the support of senior operational leaders. The Company will continue to operate on a business-as-usual basis and will continue to service its patients on this basis. Your existing contacts remain unchanged. Any amounts incurred and owing to you during the Administration period will be paid in the ordinary course, so long as you have a validly signed purchase order.

What if I have a signed purchase order that hasn't been fulfilled – is this purchase order still valid?

No. You will need a new purchase order, with an authorised signatory of the Administrators. Details of the authorised signatories are included in the Circular to Suppliers. Should you have an unfulfilled purchase order, please contact the relevant person at the company and request a new purchase order approved by an authorised signatory of the Administrators.

If I have any questions about the Administration process, who do I contact?

For any enquiries about the Administration process, please contact the Administrators, quoting your company/business name.

I have supplied goods to the Company and have a valid Registration on the Personal Property Securities Register (PPSR), can I collect my goods?

Not without approval of the Administrators. The Administrators will be writing to all PPSR creditors seeking information on their registrations to assess requirements for ongoing trade.

Where can I obtain further information?

ARITA provides information to assist creditors with understanding insolvency. This information is available from ARITA's website at www.arita.com.au.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at <https://asic.gov.au/insolvencyinfosheets>.

Administrators Contact Details?

airdrill@fticonsulting.com or (08) 9321 8533

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

AIRDRILL PTY LTD (ADMINISTRATORS APPOINTED) ACN 109 184 447

("THE COMPANY")

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Company and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our fellow Senior Managing Directors/Managing Directors, FTI Consulting (Australia) Pty Ltd (FTI Consulting or Firm) and associated entities, as detailed in **Annexure A**.

We are Professional Members of the Australian Restructuring Insolvency and Turnaround Association (ARITA). We acknowledge that we are bound by the ARITA Code of Professional Practice.

Independence

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

Circumstances of appointment

How we were referred this appointment

This appointment was referred to FTI Consulting by Gilbert + Tobin, who is the external legal counsel for the Company and the Company's private equity sponsor, GenNx360 Capital Partners. The Company forms part of a group of entities collectively referred to herein as the Schramm Group and is comprised as follows:

Associated Company	Nature of relationship
Schramm II Inc.	US incorporated company and 100% shareholder of Schramm Australia Holding Pty Limited. The company is ultimately controlled by entities associated with GenNx360 Capital Partners.

Schramm Australia Holding Pty Limited (ACN 164 654 200)	Australian incorporated holding company and 100% shareholder of Airdrill Pty Ltd and Airdrill Hammers and Bits Pty Ltd.
Airdrill Pty Ltd (ACN 109 184 447)	Australian trading entity and wholly owned subsidiary of Schramm Australia Holding Pty Limited.
Airdrill Hammers and Bits Pty Ltd (ACN 121 610 786)	Australian trading entity and wholly owned subsidiary of Schramm Australia Holding Pty Limited.

Hayden Leigh White, Paul Stuart Harlond, Ian Charles Francis (“the Administrators”) have been appointed as voluntary administrators of the Australian incorporated entities within the Schramm Group only. This comprises Schramm Australia Holding Pty Limited, Airdrill Pty Ltd and Airdrill Hammers and Bits Pty Ltd (collectively referred to as “the Companies”).

We believe that this referral does not result in us having a conflict of interest or duty because:

- Gilbert + Tobin refers work to FTI Consulting from time to time. Neither the Administrators nor FTI Consulting have any formal or informal referral arrangements with Gilbert + Tobin, and to our knowledge they do not exclusively refer such work to us or FTI Consulting.
- FTI Consulting is not reliant upon referrals from Gilbert + Tobin, who are one of a considerable number of firms, organisations and persons who refer work to, or seek advice from, FTI Consulting. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other referrals from Gilbert + Tobin is not material to FTI Consulting.
- Work referrals arising from networks of business professionals, advisors and other persons are normal and accepted arrangements, and do not inherently impact on us discharging our statutory duties and obligations with independence and impartiality.
- There is no expectation, agreement or understanding between the Administrators and the referrer about the conduct of this administration and we are free to act independently and in accordance with the law and the requirements of the ARITA Code of Professional Practice.

Did we meet with the Company, its directors or their advisers before we were appointed?

☒ Yes ☐ No

We had the following pre-appointment meetings involving either the Company, its director and its advisors during the period between 12 February 2023 and 21 February 2023:

- On 12 February 2023, John Batchelor of FTI Consulting received a telephone call from Anna Schwartz, of Gilbert + Tobin, the Company’s legal counsel and GenNX360 Capital Partners. The purpose of the telephone call was to discuss possible restructuring alternatives generally for the Company and the wider Schramm Group.
- On 15 February 2023, Hayden White and William Grassick of FTI Consulting attended a meeting with Craig Mayman and David Shinner of the Company. The purpose of the meeting was to obtain sufficient information about the Company to determine its financial position, its current trading activities and to explain the various forms of insolvency processes available.

- On 16 February 2023, John Batchelor of FTI Consulting received a telephone call from Anna Schwartz, of Gilbert + Tobin, the Company's legal counsel and GenNX360 Capital Partners. The purpose of the telephone call was to discuss possible restructuring alternatives generally for the Company and the wider Schramm Group.
- On 21 February 2023, Hayden White and Patrick O'Brien of FTI Consulting attended two teleconferences with Craig Mayman and David Shinner of the Company in order to finalize the logistics of any appointment of Voluntary Administrators to the Company and the Australian incorporated entities within the Schramm Group, and if an appointment was to occur any arrangements for attending the respective sites.

In all the meetings above, the purposes of the meetings were to:

- obtain sufficient information about the Company to enable discussion around the financial position of the Company;
- explain the various forms of insolvency appointments, the options available, and the consequences of an insolvency appointment;
- outline the process following an insolvency appointment; and
- provide a Consent to Act.

We received no remuneration for these meetings.

In our opinion, these meetings do not affect our independence for the following reasons:

- The Courts and relevant professional bodies recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.
- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of our appointment.
- No advice has been given to the director in his capacity as director of the Company, or in relation to his personal circumstances.
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Administrators of the Company in an objective and impartial manner.

We have provided no other information or advice to the Company, its director, or its advisors prior to our appointment beyond that outlined in this DIRRI.

Declaration of Relationships

Within the previous 2 years we or our firm have had a relationship with:

The Company	☐ Yes	☒ No
The director	☐ Yes	☒ No
Any associates of the Company?	☒ Yes	☐ No
	See note 1 below.	
A former insolvency practitioner appointed to the Company?	☐ Yes	☒ No
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company's property?	☐ Yes	☒ No

Note 1:

The Administrators were appointed as voluntary administrators of the Companies only.

We are aware that there are inter-company transactions between the Companies in the Schramm Group but at this time are not aware of any potential conflicts of interest arising from our appointments over the Companies. If it becomes apparent that pre-appointment dealings between the various entities in the Schramm Group may give rise to a conflict which may impact the outcome for creditors of the Companies in the Schramm Group, we undertake to disclose any such conflicts to the creditors and as appropriate, seek Court directions as to the means of resolving the potential conflict.

We have obligations in respect of each of the Companies individually (as defined in Section 435A of the Corporations Act 2001 and not to the Schramm Group as a whole. As such, it is acknowledged that potential conflicts could possibly arise in the course of carrying out our duties in respect to each Companies in the Schramm Group.

We are of the view that the appointment to the Companies within the Schramm Group will have significant benefits to the conduct of the Voluntary Administrations, particularly as this will offer cost savings and will facilitate a comprehensive and accurate understanding of the activities and financial position of Schramm Group as a whole.

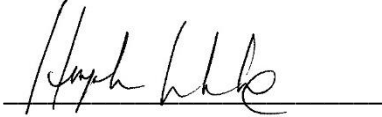
Do we have any other relationships that we consider are relevant to creditors assessing our independence?

☐ Yes ☒ No

Indemnities and up-front payments

We have not received any up-front payments or indemnities for this appointment. This does not include any indemnities the Administrators may be entitled to under the law.

Dated 23 February 2023



Hayden Leigh White



Ian Charles Francis



Paul Stuart Harlond

Notes:

1. *The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
2. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 or Bankruptcy Act and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

ANNEXURE A

FTI Consulting (Australia) Pty Ltd and associated entities

FTI Consulting Inc (ultimate holding entity)

FTI Consulting – FD Australia Holdings Pty Ltd

FTI Consulting (Australia) Pty Ltd

FTI Technology (Sydney) Pty Ltd

FTI Consulting (Perth) Pty Ltd

FTI Consulting (Sydney) Pty Ltd

FTI Capital Advisors (Australia) Pty Ltd

FTI Consulting Australia Nominees Pty Ltd