



McGrathNicol

30 September 2021

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**Resource Generation Limited (Subject to Deed of Company Arrangement)
ACN 059 950 337
(ResGen)**

Report to Creditors

I refer to:

- the appointment of Anthony Connelly, Jason Preston and I as Deed Administrators (**Administrators**) of ResGen on 11 August 2021; and
- the previous update to creditors provided on 11 August 2021.

Following is an update pursuant to clause 13.1 of the 'Holding' Deed of Company Arrangement (**DOCA**). A copy the executed DOCA is available at <https://www.mcgrathnicol.com/creditors/resource-generation-limited/> and may be inspected at Level 15, 175 Eagle Street, Brisbane, QLD, 4000.

1 Expression of Interests (EOI) campaign

The Voluntary Administrators initiated an EOI campaign for the sale of ResGen, a corporate listed entity, and received a number of expressions of interest.

Following the EOI campaign, the Administrators entered into exclusive negotiations with an interested party with an interest in ResGen and its subsidiaries. The exclusive negotiations are being undertaken to seek to:

- obtain a formal proposal for the restructure or rearrangement of ResGen's business, property and affairs; and
- enable the Administrators to report to creditors and allow creditors to consider:
 - the proposal; and
 - whether to vary the 'Holding' DOCA.

I do not yet hold sufficient information to provide an estimate of when a proposal to vary the 'Holding' DOCA will be made to creditors. I will provide creditors with a further update in due course.

2 Investigations

Preliminary investigations were continued to identify whether past or present officers, or a member of ResGen was involved in serious misconduct. A review of the books and records provided by the directors did not identify significant serious misconduct. The review indicated ResGen may have been insolvent at some point after the primary financier withdrew working capital funding on or around 16 April 2021. Based on the Administrators' preliminary investigations, the insolvent trading may have been minimal (less than \$10,000).

In association
with



Liability limited by a scheme approved
under Professional Standards Legislation

**ADVISORY
RESTRUCTURING**



3 Fees charged and disbursements paid

3.1 Fees charged

At the second meeting of creditors convened on 6 August 2021, the following Administrators' fees were approved by creditors' resolution:

Table 1: Previously approved remuneration

Period	Remuneration (ex GST)
2 July 2021 to 23 July 2021	\$74,846.00
24 July 2021 to 6 August 2021	\$60,000.00
6 August 2021 to execution of DOCA	\$15,000.00
Execution of DOCA to finalisation of DOCA	\$100,000.00

Since my previous report to creditors dated 30 July 2021, the fees relating to the period 2 July 2021 to 23 July 2021 of \$74,846.00 (ex GST) have been paid. Set out below is a summary of the Administrators' fees charged to date:

Table 2: Fees charged

Description	Amount (ex GST)	GST	Amount (inc GST)
Fees charged since my previous report	\$74,846.00	\$7,484.60	\$82,330.60
Fees charged in prior periods	-	-	-
Total fees charged to date	\$74,846.00	\$7,484.60	\$82,330.60

3.2 Disbursements paid

Since my previous report to creditors dated 30 July 2021, total disbursements of \$468.68 (ex GST) have been remitted to a third party for ASIC and registered asset searches. There was no element of profit for the Administrators.

Set out below is a summary of the Administrators' disbursements paid to date:

Table 3: Fees charged

Description	Amount (ex GST)	GST	Amount (inc GST)
Disbursements paid since my previous report	\$468.68	24.09	\$492.77
Disbursements paid in prior periods	-	-	-
Total fees charged to date	\$468.68	\$24.09	\$492.77

4 Reliance on Corporations (Externally-Administered Bodies) Instrument 2015/251

The Administrators intend to rely on the relief granted to certain bodies under administration in accordance with section 8(1)(a) of Instrument 2015/251 with respect to the requirements to report to members or lodge with ASIC audited annual financial reports for the period ended 30 June 2021.

As a consequence of the deferral relief granted pursuant to Instrument 2015/251, ResGen is not required to lodge with ASIC and report to members its audited financial reports for the financial year ended 30 June 2021 for a period of 6 months from the initial appointment of the Voluntary Administrators, being until 2 January 2022.



5 Queries

If you have any queries, please contact the ResGen engagement team on +61 7 3333 9835 or by email at resgen@mcgrathnicol.com.

Yours faithfully

Resource Generation Limited (Subject to Deed of Company Arrangement)

Jamie Harris
Deed Administrator