

Minutes of Meeting of Creditors of
McAleese Limited, ACN 156 354 068
McAleese Holdco Pty Ltd, ACN 156 339 865
Cootes Transport Group Pty Limited, ACN 112 151 694
McAleese Finance Pty Ltd, ACN 156 099 204
McAleese Investments Pty Ltd, ACN 129 922 541
Harbrew Pty. Limited, ACN 010 601 788
WAFI SPV Pty Ltd, ACN 130 012 887
IES DGM Pty Ltd, ACN 112 151 809
Spotswood Lessee Pty Limited, ACN 112 151 729
McAleese Resources Pty Ltd, ACN 119 899 446
International Energy Services Holdings Pty Limited, ACN 112 063 779
McAleese Subco Pty Ltd, ACN 144 647 870
Jetstyle Express Pty Ltd, ACN 077 984 653
International Energy Services Pty Limited, ACN 112 063 877
Walter Wright Cranes Pty Ltd, ACN 135 952 162
W.A. Freightlines Pty Ltd, ACN 051 918 015
International Energy Services Group Pty Limited, ACN 112 499 573
National Crane Hire Pty Ltd, ACN 101 646 235
Jolly's Transport Services Pty Ltd, ACN 097 891 248
National Crane Service & Repairs Pty Ltd, ACN 091 998 560
(all Administrators Appointed) (all Receivers and Managers Appointed)
(collectively referred to as "the Companies" or "McAleese")

Present	A register of attendees at the meeting is attached at <i>Annexure B</i> .
Opening of meeting	The Chairperson called the meeting to order, and declared the first meeting of creditors of the Companies open at 2:02pm on 8 September 2016.
Chairperson	Jason Preston, one the Administrators of the Companies, took the Chair pursuant to Regulation 5.6.17(1) of the <i>Corporations Regulations 2001</i> ("the Regulations").
Introductions	<p>The Chairperson introduced:</p> <ul style="list-style-type: none"> ▪ Joseph Hayes, Joint Administrator; ▪ Tony Troiani, from King Wood Mallesons; and ▪ Advised the meeting that a representative of the Australian Securities and Investment Commission ("ASIC") was present at the meeting.
Attendance	<p>The Chairperson confirmed that all creditors and attendees had signed the Attendance Register on arrival and asked that any creditors who wished to address the meeting identify themselves for the minutes.</p> <p>The Chairperson reminded observers and members of the media that they were unable to participate in the meeting, either by voting or by asking questions.</p>

Time and place of meeting	<p>The Chairperson declared that in accordance with Regulation 5.6.14 of the Regulations, he was of the opinion that the meeting had been validly convened at a date, time and place convenient for the majority of persons entitled to receive notice of the meeting.</p> <p>The Chairperson tabled the following documents:</p> <ul style="list-style-type: none"> ▪ Notice of Meeting dated 1 September 2016 which was posted to creditors and uploaded to the McGrathNicol website; ▪ Form 530 Statement of Posting of the Notice of Meeting; and ▪ ASIC Insolvency Notice Advertisement of Meeting dated 1 September 2016.
Voting	<p>The Chairperson advised the meeting of the requirements of Regulations 5.6.19, 5.6.21 and 5.6.23 of the Regulations as they relate to voting at the meeting.</p>
Proofs of debt and proxies	<p>The Chairperson tabled the proofs of debt and proxies received for the meeting and advised that they were available for creditor inspection.</p>
Deed of Cross Guarantee	<p>The Chairperson advised creditors that the Companies entered into a Deed of Cross Guarantee on 25 June 2012 pursuant to an ASIC Class Order.</p> <p>The Chairperson explained that under the Deed of Cross Guarantee if any company in the group is wound up, then the other companies in the group guarantee the repayment of the amounts owed to the creditors of that company. The effect of this is that creditor's owed amounts by one company in the group can also participate and vote as contingent creditors of all of the other companies which are parties to the Deed of Cross Guarantee.</p>
Quorum	<p>The Chairperson advised the meeting that if a quorum is present for one company, a quorum is declared for all of the other companies which are parties to the Deed of Cross Guarantee.</p> <p>The Chairperson declared that a quorum is present for each company pursuant to Regulation 5.6.16(2) of the Regulations.</p>

<p>Concurrent meetings</p>	<p>The Chairperson advised the meeting that due to the Cross Guarantee that exists between the Companies he proposed to hold the meetings of the Companies concurrently.</p> <p>The Chairperson proposed the following resolution:</p> <p><i>"That the meetings of creditors of each of the McAleese Group of Companies, being</i></p> <ul style="list-style-type: none"> <i>– McAleese Ltd</i> <i>– McAleese Holdco Pty Ltd</i> <i>– McAleese Finance Pty Ltd</i> <i>– Cootes Transport Group Pty Ltd</i> <i>– IES DGM Pty Ltd</i> <i>– Spotswood Lessee Pty Ltd</i> <i>– McAleese Resources Pty Ltd</i> <i>– Harbrew Pty Ltd</i> <i>– McAleese Investments Pty Ltd</i> <i>– McAleese Subco Pty Ltd</i> <i>– Walter Wright Cranes Pty Ltd</i> <i>– National Crane Hire Pty Ltd</i> <i>– National Crane Service & Repairs Pty Ltd</i> <i>– WAFL SPV Pty Ltd</i> <i>– W.A. Freightlines Pty Ltd</i> <i>– Jetstyle Express Pty Ltd</i> <i>– Jolly's Transport Services Pty Ltd</i> <i>– International Energy Services Group Pty Ltd</i> <i>– International Energy Services Holdings Pty Ltd</i> <i>– International Energy Services Pty Ltd</i> <p><i>be held concurrently"</i></p> <p>The Chairperson declared the resolution passed, for each of the Companies, on the voices.</p>
<p>Declaration of Independence, Relevant Relationships and Indemnities</p>	<p>The Chairperson tabled the Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") dated 7 September 2016 in accordance with Section 436DA of the <i>Corporations Act 2001</i> ("the Act") and the Australian Restructuring and Turnaround Association ("ARITA") Code of Professional Practice</p> <p>The Chairperson noted that the tabled DIRRI was an updated version of the DIRRI attached to the first circular to creditors. The Chairperson advised that the DIRRI had been updated following discussions with ASIC.</p> <p>The Chairperson advised creditors that the updated DIRRI was available on the McGrathNicol website, and that copies were available at the meeting for creditor inspection.</p>

<p>Overview of Appointment</p>	<p>The Chairperson provided an overview of the Voluntary Administration process generally.</p> <p>The Chairperson advised that the Voluntary Administrators were appointed on 29 August 2016.</p> <p>The Chairperson advised that Receivers and Managers were appointed over security held by the financiers of a working capital facility. The Chairperson advised that the Receivers and Managers were not responsible for the day-to-day management of the Companies.</p>
<p>Members meeting</p>	<p>The Chairperson advised the meeting that a shareholders meeting was convened for four hours after the Administrators' appointment.</p> <p>The Chairperson advised that the Administrators took independent legal advice upon their appointment in deciding to adjourn this meeting and are in a continuing dialogue with ASIC in relation to when this shareholders meeting should be reconvened.</p>
<p>Purpose of meeting</p>	<p>The Chairperson advised the meeting that the purpose of the statutory first meeting of creditors was to:</p> <ul style="list-style-type: none"> ▪ determine whether to appoint a Committee of Creditors, and if so, to determine who are to be the Committee's members; and ▪ allow creditors to consider the removal of the Administrators and appoint an alternative administrator who has consented to act. <p>The Chairperson advised the meeting that a decision regarding the future of the Companies is made at the second meeting of creditors.</p>

<p>Extension of convening period</p>	<p>The Chairperson provided the meeting with a timeline of events and noted that the second meeting of creditors was to be convened by 26 September 2016, with the second meeting of creditors to be held no later than 4 October 2016.</p> <p>The Chairperson advised the meeting that McAleese has wide ranging and complex operations. The Chairperson further advised that the Administrators are hopeful that a proposal to restructure McAleese, or parts of the group, by way of deed of company arrangement will ultimately be put forward which may lead to a better return to creditors than if the Group proceeds to liquidation. However, given the nature of the operations, more time is required in order for restructure proposals to be developed and for the administrators to fully investigate the affairs of the McAleese prior to the second meeting of creditors.</p> <p>The Chairperson further advised that in order to maximise the prospects of a beneficial restructure proposal, it is important that the administrators are able to continue to trade the businesses. By continuing to trade the businesses of McAleese, it will provide for, amongst other things, the continued employment of the employees, continued business with the suppliers and continued rental payments to landlords whilst a potential restructure is fully explored.</p> <p>The Chairperson advised that the administrators propose to apply to the Court for a 6 month extension to time within which the second meeting of creditors must be convened.</p> <p>The Chairperson advised that an extension is commonly sought in relation to administrations of large corporate groups such as McAleese. The Chairperson advised that the Administrators consider that this is appropriate in these circumstances, rather than holding the second meeting of creditors at a time at which the prospects of a restructure will not have been exhausted and creditors may be left with no viable alternative other than to place the Group into liquidation.</p> <p>The Chairperson advised the meeting that should any creditors be concerned about this proposal, please contact the Administrators or the Administrators' legal adviser, King & Wood Mallesons.</p>
<p>Remuneration of Administrators</p>	<p>The Chairperson tabled the Schedule of Remuneration Methods and Hourly Rates circulated with the Notice of Meeting detailing the rates to be charged by the Administrators and their staff for work on this Administration in accordance with ARITA's Code of Professional Practice.</p>
<p>McAleese Group of Companies</p>	<p>The Chairperson provided the meeting with a diagram of the corporate structure and discussed the various entities within the Group.</p> <p>The Chairperson provided the meeting with an overview of the various businesses operated by the Companies.</p> <p>The Chairperson provided the meeting with a summary of recent financial performance of the Companies.</p> <p>The Chairperson provided the meeting with a timeline of key events prior to the appointment of the Administrators.</p>
<p>Return to creditors</p>	<p>The Chairperson advised the meeting that it was too early to form a conclusive view on the potential return to creditors.</p> <p>The Chairperson confirmed the priority of distribution as prescribed by the Act.</p>

<p>Strategy going forward</p>	<p>The Chairperson advised the strategy going forward was continuing to trade the business and to offer the business units for sale as a going concern.</p>
<p>Removal and replacement of Administrators</p>	<p>The Chairperson advised the meeting that should creditors resolve, pursuant to Section 436E(4) of the Act, they could:</p> <ul style="list-style-type: none"> ▪ remove the Administrators from office; and ▪ appoint someone else as Administrator. <p>The Chairperson advised the meeting that no nominations for an alternate Administrator had been received.</p> <p>Accordingly, the Chairperson declared that the Administrators will continue in office.</p>
<p>Committee of Creditors</p>	<p>The Chairperson advised the meeting that pursuant to Section 436E of the Act, creditors may resolve to appoint a Committee of Creditors.</p> <p>The Chairperson noted that the role of a Committee of Creditors is to:</p> <ul style="list-style-type: none"> ▪ consult with the Administrators about matters relating to the administration; and ▪ receive and consider reports by the Administrators. <p>The Chairperson noted that, unlike a Committee of Inspection, a Committee of Creditors cannot give directions to the Administrators.</p> <p>The Chairperson advised that pursuant to Section 449E of the Act, a Committee of Creditors also has the power to approve the Administrators' remuneration.</p>

<p>Committee of Creditors</p>	<p>The Chairperson advised the meeting that he was recommending a Committee of Creditors be formed for each entity, however the members of each committee be the same.</p> <p>The Chairperson proposed the following resolution:</p> <p><i>"That Committees of Creditors be formed for the McAleese Group of Companies:</i></p> <ul style="list-style-type: none"> - <i>Jacqui Byrne representing certain employees</i> - <i>Emily McMillan (from Transport Workers Union) representing certain employees</i> - <i>Steven Staatz (from Vincents Chartered Accountants) – representative of the Liquidator of N.W.E.L. Pty Ltd (In Liquidation)</i> - <i>Cameron Cheetham (from Henry Davis York) representing SC Lowy Primary Investments Ltd and Remagen Nominees Pty Ltd</i> - <i>Jason Newitt representing Central Queensland Hire Pty Ltd</i> - <i>Susan Carson representing certain employees</i> - <i>David Proudman (from Johnson Winter & Slattery) representing Contento Investments Pty Ltd ATF Contento Investments Trust</i> - <i>Frank Vredenburg representing Automotive Holdings Group Ltd</i> - <i>Sean Williams representing Redstar Transport Operations Pty Ltd</i> - <i>Robert Paslawskyj representing National Crane Hire Pty Ltd employee, Andrew Mazzotta</i> - <i>David Lane representing Michelin Australia Pty Ltd</i> - <i>Paul Wright representing BP Australia Pty Ltd</i> <p><i>be appointed to the Committees of Creditors of the McAleese Group of Companies".</i></p> <p>The Chairperson declared the resolution passed, for each of the Companies, on the voices.</p>
<p>Nick Mann representing Caltex Australia Petroleum Pty Ltd</p>	<p>Q: Will the sale timetable for the Cootes business be adhered to by the Voluntary Administrator?</p> <p>A: The Chairperson advised that the parties participating in the sale process have been advised of the timetable.</p> <p>Indicative offers have been sought and are due Friday 26 August 2016. The Voluntary Administrators are now in the process of engaging parties who have expressed interest and expect to progress those discussions in the next few weeks.</p>
<p>Jason Newitt representing Central Queensland Hire Pty Ltd</p>	<p>Q: Certain creditors did not receive their paperwork before the meeting. Can all future correspondence be submitted electronically via email?</p> <p>A: The Voluntary Administrators have three days after our appointment to mail out the notice of the meeting. The Voluntary Administrators obtained a listing of creditors who traded with the Companies over the last three months and Link Market Services performed the mail out.</p> <p>A court order would be needed to submit correspondence via email only. The Voluntary Administrators use may post and email in the future.</p>

<p>Kim Boak representing DRB Haulage Pty Ltd ("KB")</p>	<p>Q: How will the proceeds from the Cootes sale be dealt with?</p> <p>A: The Chairperson advised it depends on the structure of the sale. The sale may be facilitated through a Deed of Company Arrangement which would be presented to creditors and voted on. The deed would set out how proceeds are to be applied, however, there are rules on the outcome of creditors which the <i>Corporations Act</i> sets out in priority of distribution.</p> <p>The Chairperson advised the meeting that there is a secured creditor which has security over the assets of the Companies. Therefore, to the extent the Administrators sell assets which the secured creditor has security over, proceeds from fixed asset sales would first flow to the secured creditor (subject to the priorities afforded to employees under the <i>Corporations Act</i> against certain classes of assets).</p>
<p>John Parker (from the Transport Workers Union) representing certain employees</p>	<p>Q: Are you aware there is unpaid superannuation in a number of the divisions which has remained unpaid over the last 12 months?</p> <p>A: The Chairperson advised that the Voluntary Administrators were in the process of gathering information on the financial position of the Companies.</p> <p>In relation to the position of employees, it ultimately depends on the extent we are able to effect going concern sales or recapitalisations where employment continues, and hence coverage for their employee entitlements. Equally, if assets are realised and there are proceeds, employees have certain priorities under the <i>Corporations Act</i> against certain classes of assets.</p>
<p>Kim Boak representing DRB Haulage Pty Ltd ("KB")</p>	<p>Q: Further to my last question, will the subcontractors of Cootes be paid out of the sale proceeds?</p> <p>A: The Chairperson advised that it depends on the outcome of the sale process. That is, the nature of the sale, how it is effectuated and the consideration provided in the sale.</p>
<p>Peter Beveridge representing Walter Wright Cranes Pty Ltd</p>	<p>Q: How in the future will the Administrators ensure our customers have the confidence to continue to trade to us?</p> <p>A: Administration is a period of uncertainty. The Voluntary Administrators have been clear in their message. It is their intention to trade the business on a going concern basis. All stakeholders will be kept informed on the sale and recapitalisation processes.</p> <p>One of the key aspects of continuing to trade on was to ensure adequate funding was present, which was one of the first actions taken by the Administrators upon appointment.</p>
<p>Close of meeting</p>	<p>The Chairperson declared the meeting of the McAleese Group of Companies closed at 2:50pm.</p>
<p>Signed as a true and correct record</p>	<p>Dated: 22 September 2016</p>  <p>..... Chairperson Jason Preston</p>