

Form 5011

Corporations Act 2001

s436E, 439A

Corporations Regulations 2001

5.6.11.(2), 5.6.27

Copy of minutes of meeting

Liquidator details

Registered liquidator number

322301

Registered liquidator name

VAUGHAN NEIL STRAWBRIDGE

Company details

Company name

PINNACLE DRILLING PTY LIMITED

052 316 579

Section under which minutes are lodged

Date of meeting

12-05-2015

Are the minutes being lodged for a meeting convened under s436E, or s439A of the Corporations Act 2001?

Yes

Certification

I certify that the attached minutes of meeting are a true copy of the original minutes of meeting signed by the chair of the meeting as identified in the minutes.

Yes

Authentication

This form has been authenticated by
Name VAUGHAN NEIL STRAWBRIDGE
This form has been submitted by
Name Tamara FRANKLIN
Date 19-05-2015

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

MINUTES OF A MEETING OF CREDITORS OF
PINNACLE DRILLING PTY LTD ACN 052 316 579
PINNACLE DRILLING UNDERGROUND PTY LTD ACN 129 163 837
ZIG ZAG INVESTMENTS PTY LTD ACN 002 053 321
(ALL ADMINISTRATORS APPOINTED – COLLECTIVELY “THE COMPANIES”)
HELD CONCURRENTLY AT ORANGE FUNCTION CENTRE
ON 12 MAY 2015 AT 1:00 PM (AEST)
AT EYLES STREET, ORANGE NSW 2800

PRESENT

Refer to the attached list at **Annexure A**.

IN ATTENDANCE

Refer to the attached list at **Annexure B**.

PRESENTATION SLIDES

Refer to the attached list at **Annexure C**.

CHAIRPERSON

Vaughan Strawbridge, a Joint and Several Administrator of the Companies, opened the meeting and advised that he would act as Chairperson of the meeting in accordance with Regulation 5.6.17(1) of the Corporations Regulations.

The Chairperson advised that Mr Neil Cussen, the other Joint and Several Administrator of the Companies was not in attendance and sends his apologies.

The Chairperson asked if anyone objected to the holding of the Companies' Meetings of Creditors concurrently. No objections were made.

NOTICE OF MEETING

The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated 4 May 2015, the meeting having been advertised on the Australian Securities and Investments Commission's ("ASIC") Published Notices website <https://insolvencynotices.asic.gov.au> on 4 May 2015.

PURPOSE OF MEETING

The Chairperson outlined the agenda for the meeting and explained the purpose and process of the Voluntary Administration.

The Chairperson advised that the primary purposes of the meeting were:

1. To consider and if thought fit, determine whether to appoint a Committee of Creditors and, if so, who are to be the committee members
2. To consider and if thought fit, pass a resolution to remove the Joint and Several Administrators from office and appoint another administrator(s) to Pinnacle Drilling Pty Ltd and/or Pinnacle Drilling Underground Pty Ltd and/or Zig Zag Investments Pty Ltd
3. General business.

The Chairperson explained that the second meeting will need to be held on or before 4 June 2015. The Chairperson advised that the Joint Administrators intend to make an application to Court for an extension to the convening period of up to 90 days.

QUORUM

The Chairperson then advised, in accordance with Regulation 5.6.16(2) of the Corporations Regulations that a quorum was present.

DECLARATION OF CONVENIENCE

The Chairperson advised that in accordance with Regulation 5.6.14, that the meeting was being held at a date, time and place convenient to the majority of persons entitled to receive notice of the meeting.

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS & INDEMNITIES

The Chairperson tabled the Declaration of Independence, Relevant Relationships & Indemnities which was attached to the Notice to Creditors dated 4 May 2015. The Chairperson advised that there had been no changes to the declaration.

PROXIES AND ATTENDANCE REGISTER

The Chairperson confirmed that all those present at the meeting had signed the attendance register and where appropriate, had provided proxy forms. The Chairperson requested any non-creditors to identify themselves. No other persons identified themselves at the meeting.

The Chairperson tabled the proxies received for the meeting and advised that these were available for inspection during the meeting.

ACTIONS SINCE APPOINTMENT

The Chairperson outlined the actions taken by the Administrators since appointment, which included:

- Taking control of the Companies' assets, operations and business
- Meetings with the Companies' director and management team
- Continuing to trade the business while assessing its financial position
- Meeting with employees, redundancies and calculation of employee entitlements
- Meetings and correspondence with creditors
- Commencing the sale of business process
- Liaising with financiers regarding asset locations, contracts and ongoing equipment usage
- Complying with statutory reporting requirements.

REASONS FOR FAILURE

The Chairperson advised that the Companies' director had explored all options prior to placing the Companies into Voluntary Administration process. These included refinance of the Companies' debt, equity injections as well as a sale of the Companies' business. Unfortunately, none of these options were achieved.

The Chairperson summarised the following reasons for the Companies' failure:

- An industry wide reduction in the demand for exploration drilling services, impacting similar businesses across Australia
- The Companies had entered into finance agreements in order to purchase additional equipment. Whilst at the time of purchase the equipment was engaged in generating revenue currently more than 50% of the Companies' equipment was not in use. This reduction in equipment utilisation was attributed to the reduction in the level of demand for exploration drilling
- The \$15.8 million in secured debts and equipment finance was the major cause for the failure of the Companies.

The Chairperson noted that the underground drilling component of the Companies' business remains strong and consequently the underground drilling equipment is still highly utilised.

STATEMENT ABOUT THE GROUP'S BUSINESS, AFFAIRS AND FINANCIAL CIRCUMSTANCES

The Chairperson outlined the Pinnacle Drilling group structure, profit and loss statement, balance sheet, employees' entitlement position as well as a summary of creditors. A copy of the above information is attached.

SALE OF BUSINESS

The Chairperson advised that the Administrators are continuing to trade the Companies' business whilst they pursue a sale of business as a going concern. The Chairperson noted that the Administrators have commenced an immediate sale of business process, contacting all known interested parties and likely buyers as well as advertising for urgent expressions of interest. The Chairperson advised that he was unable to make any comment as to the identity of interested parties, or the likelihood of achieving a sale of the business at this time.

A summary of the Administrators' actions to date regarding the sale of business is included in the attached slides.

The Chairperson confirmed that the Administrators' were liaising with a number of interested parties and that negotiations were continuing. The Chairperson advised that expressions of interest were due by 13 May 2015, with the expectation that final binding offers would be submitted by 22 May 2015. Next steps after this will be documentation of the sale with a view to completion occurring as soon as possible.

QUESTIONS FROM ATTENDEES

The Chairperson asked the meeting of creditors if there were any questions from creditors. The following question was raised:

- What would be the benefit for an interested party in seeking to buy the business as a going concern, as opposed to purchasing the Companies' assets at auction?

The Chairperson advised that the benefit to an interested party derived from the continuation of the existing contracts. The Chairperson explained that potential purchasers had the opportunity to take on the contracts with the support of existing staff and operations. Conversely, in an auction scenario, the business would cease to trade and only assets would be available for sale. As such, the Chairperson advised that the Administrators expected the Companies' business would attract a higher value as a going concern than if its assets were sold at auction.

The Chairperson asked if there were any further questions. No further questions were raised by creditors.

EXTENSION OF THE CONVENING PERIOD

The Chairperson informed the meeting that the Administrators intended to seek an extension to the convening period, being the time in which to hold the second meeting of creditors, for a period of up to three months. The Chairperson explained that the Administrators believed that additional time was required to enable them to market the business for sale as a going concern.

The Chairperson asked the meeting if any creditor had an objection regarding an application to Court for an extension of the convening period. No objections were forthcoming.

RESOLUTIONS

The Chairperson advised that all motions would be resolved on the voices, unless a poll was demanded (Regulation 5.6.19, 5.6.20).

COMMITTEE OF CREDITORS

The Chairperson advised that pursuant to Section 436F of the Corporations Act 2001 ("the Act"), the functions of the Committee of Creditors ("the Committee") are:

1. To consult with the Administrators about matters relating to the Administration; and
2. To receive and consider reports by the Administrators.

The Chairperson advised that the Committee could also approve the Administrators' fees. The Chairperson noted that the Committee would not be able to give instructions to the Administrators and would not be asked to approve a sale of the business.

The Chairperson called for nominations for the Committee for Pinnacle Drilling Pty Ltd. The following nominations to be included as members of the Committee for Pinnacle Drilling Pty Ltd were received:

1. Warren Bartimote – representing the employees of the Pinnacle Drilling Pty Ltd
2. Drillit Consulting Pty Ltd – represented by Marko Zagrovic
3. Australian Mud Company Ltd - represented by Bruce Soh.

The Chairperson requested that creditors of Pinnacle Drilling Pty Ltd consider the following resolution:

“That a Committee of Creditors for Pinnacle Drilling Pty Ltd be appointed comprising:

- a. Warren Bartimote for employees of Pinnacle Drilling Pty Ltd,
- b. Marko Zagrovic for Drillit Consulting Pty Ltd, and
- c. Bruce Soh for Australian Mud Company Pty Ltd.”

The Chairperson declared the resolution carried on the voices.

Creditors of Pinnacle Drilling Underground Pty Ltd and Zig Zag Investments Pty Ltd did not request that a Committee of Creditors be appointed for their respective companies.

APPOINTMENT OF THE ADMINISTRATORS

The Chairperson advised that pursuant to the Instrument of Appointment dated 30 April 2015, the Administrators were appointed as Joint and Several Administrators of the Companies.

The Chairperson advised that pursuant to Section 436E(4) of the Act, creditors may, by resolution, remove the Administrators and appoint someone else as the Administrator(s) of the Companies.

The Chairperson noted that no other nominations for Administrator(s) had been received and as such, confirmed that Neil Cussen and Vaughan Strawbridge would remain the Joint and Several Administrators of the Companies.

QUESTIONS FROM ATTENDEES

The Chairperson asked if there were any further questions. No further questions were raised by creditors.

CLOSURE OF MEETING

There being no further business, the Chairperson thanked those present for attending declared the meeting closed at 1:35 PM.



Signed as a correct record.

VAUGHAN STRAWBRIDGE
CHAIRPERSON

ADMINISTRATORS' STAFF IN ATTENDANCE

FIRST MEETING OF CREDITORS OF THE FOLLOWING COMPANIES HELD CONCURRENTLY AT ORANGE FUNCTION CENTRE, EYLES STREET, ORANGE NSW 2800 ON TUESDAY 12 MAY 2015 AT 1:00 PM (AEST):

- PINNACLE DRILLING PTY LTD (ADMINISTRATORS APPOINTED), ACN 052 316 579
- PINNACLE DRILLING UNDERGROUND PTY LTD (ADMINISTRATORS APPOINTED), ACN 129 163 837
- ZIG ZAG INVESTMENTS PTY LTD (ADMINISTRATORS APPOINTED), ACN 002 053 321

Staff	Organisation
Vaughan Strawbridge	Deloitte Touche Tohmatsu
Tony Wright	Deloitte Touche Tohmatsu
Phil Robinson	Deloitte Touche Tohmatsu
Ben Singleton	Deloitte Touche Tohmatsu
Sarah Smith	Deloitte Touche Tohmatsu
Kelly Zhuang	Deloitte Touche Tohmatsu



Form 531B

LIST OF PERSONS PRESENT AT MEETING OF CREDITORS

Attendance Register for: **Pinnacle Drilling Pty Ltd (Administrators Appointed)**

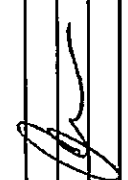
ACN 052 316 579





Meeting Details: First Creditors Meeting

Meeting date, time and place: Tuesday 12 May 2015 at 1:00 PM (AEDT)

Orange Function Centre, Eyles Street, ORANGE NSW 2800


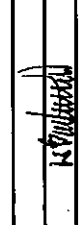


Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	Proof Received \$	RATA Admitted \$	Signature
	ANZ Asset Finance				1,013,286.66			
	BOQ Equipment Finance				1,069,559.21			
	Commonwealth Bank				969,604.00			
	Members Equity Bank Pty Ltd				1,659,780.92			
	National Australia Bank				855,060.00			
	St. George Finance				30,522.00			
	Westpac Banking Corporation				8,651,104.97			
	Priniplo Finance				260,201.57			
	Hornet Capital				213,000.00			
AK05	TOYOTA FINANCE AUSTRALIA LTD				1,542,380.41			
CA00	Australian Taxation Office	Barbara Barber		General	2,749,948.13			
CA01	ABC Products (Rocky) Pty Ltd				2,894.93			
CA02	AGL Retail Energy Limited				4,425.89			
CA03	AGRIJET Agribusiness Services				2,841.83			
CA04	Atisworth Insurance Service				1,530.80			
CA05	Ardell Hammers & Bits Pty Ltd				18,702.20			
CA06	AIPLact Services Pty Ltd				3,580.95			
CA07	All Seasons Hire				4,400.00			
CA08	Alsoo Pty Ltd				218.61			
CA09	Allitude Aviation				50,800.00			
CA0A	Apple City Auto Electrics Pty Ltd				1,754.50			
CA0B	Asahi Diamond Industrial Australia Pty Limited				632.50			
CA0C	Alles Coppo Mining and Rock Excavation				30,133.22			
CA0D	Aurelia Metals Ltd				56,317.12			
CA0E	Australasian Mining Services Pty Ltd				22,000.00			
CA0F	Australian Drilling Industry Association Ltd				110.00			

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	RATA Received \$	RATA Admitted \$	Signature
CA03	Australian Mud Company	The Chairperson		General		18,854.57	18,854.57	
CA0H	Ausubod Engineering Pty Ltd					18,256.50	18,256.50	
CA0I	Axe's Mechanics					55.00	55.00	
CA0J	Aircrew Transfer					Not known	Not known	
CB00	Barkly Engineering Pty Ltd					627.69	627.69	
CB01	BBF Industrial Orange Bolts & Fasteners				38,501.86	37,378.13	37,378.13	
CB02	Berandisen Fluid Power Pty Ltd				9,706.44	9,708.44	9,708.44	
CB03	Board Longyear Australia Pty Ltd					101,958.92	101,958.92	
CB04	Board Longyear Pty Ltd					212,759.92	212,759.92	
CB05	BOC Limited					1,915.88	1,915.88	
CB06	Elengum Pty Ltd (Bridgestone Tyre Centre)	Shane Tom		General	14,211.19	15,632.80	15,632.80	
CB07	BSC Bearing & Power Transmission Solutions					4,060.85	4,060.85	
CB08	Bulwants Pty Ltd					1,443.59	1,443.59	
CB09	Bus Chatter					Not known	Not known	
CB0A	BP Australia Pty Ltd					Not known	Not known	
CC00	Cadia Group				3,356.47	3,356.47	3,356.47	
CC01	Canbolas Diesel & Turbo	Colin Naveau		General	4423	4,422.00	4,422.00	
CC02	Carbide Bit Co.					42,020.00	42,020.00	
CC03	Castrol Australia Pty Limited					18,283.92	18,283.92	
CC04	Central West Brake & Clutch				4,249.20	3,547.50	3,547.50	
CC05	Centume Pty Ltd TIAs Turner Crane Services				1,872.00	1,872.00	1,872.00	
CC06	Chess Electrics					4,271.00	4,271.00	
CC07	Chubb Fire & Safety					59.18	59.18	
CC08	CNS Engineering				12,178.00	12,178.00	12,178.00	
CC09	Clarence Skiing Sawmill Pty Ltd					792.00	792.00	
CC0A	Coates Hire Operations Pty Ltd					7,275.49	7,275.49	
CC0B	Cobar Express Pty Ltd					275.00	275.00	
CC0C	Colour City Waste Solutions				7,507.50	350.40	350.40	
CC0D	Commercial Hotel - Charlara Towers					6,106.60	6,106.60	
CC0E	Copper City Tyre Service Pty Ltd					266.00	266.00	
CC0F	Corporate Traveller				46,876.64	42,184.68	42,184.68	
CC0G	Cobar Miners Lodge					7,588.00	7,588.00	
CC0H	Colour City Corporate Services					7,507.50	7,507.50	
CC00	DD Groud Plugs				5,508.25	5,508.25	5,508.25	

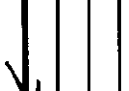
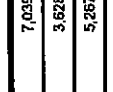


Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	Total Proof Received \$	RATA Admitted \$	Signature
CD01	Cheng Drilling Services	Paul Justin		General	36,054.10	39,773.30	39,773.30	
CD02	Downhole Surveys				4,258.50			
CD03	Downtime Solutions Pty Ltd				70,047.50			
CD04	DT&I				5,318.50			
CD05	Dunlops Industrial and Commercial Cleaning Pty Ltd	Marko Zagrovic		General	834.09			
CD06	DWJ Transport Pty Ltd				4,587.92			
CE00	Eaton Steel Pty Ltd				1,129.70			
CE01	Essential Spill Products Pty Ltd				60,106.52			
CE02	Evolution Drill Rigs Pty Ltd	John Slattery		General	6,220.50			
CE03	Evolution Mining				2,072.85			
CF00	Fitermax				10,931.04			
CF01	Flame Control Industries Pty Ltd				1,389.30			
CF02	Fuji Xerox Australia Pty Limited				16.48			
CG00	G & M Davies Transport				4,248.20			
CG01	G K Craig Pty Ltd				1,182.84			
CG02	GB Auto Electrics - Orange				2,414.01			
CG03	Gold City Welding				3,305.55			
CG04	Goulburn Central Motor Lodge				1,096.20			
CG05	Government of WA - Department of Transport				321.63			
CG06	Greca Records Management				7,892.50			
CG07	Graham Christy				5,777.00			
CH00	Hamilton Home Motor Inn				156,187.00			
CH01	Hard Core Diamond Products				3,155.71			
CH02	Hort Enterprises				1,138.50			
CI00	Inspections X-Ray & Testing Pty Ltd				42,180.60			
CI01	Integrated Drilling Solutions (Old) Pty Ltd				4,048.00			
CI02	Integrated Drilling Solutions Pty Ltd				45,375.00			
CI03	Ilex Australia Pty Ltd				1,807.99			
CJ00	John Bean Technologies Australia Ltd				11,657.92			
CJ01	JITMEC Pty Ltd	Simon Kemp		General	Not known			
CJ02	JR Richards Waste Management Services Pty Ltd				Not known			
CJ03	Jervis Bay Airport Express				Not known			
CK00	Kerby Transport Pty Ltd				11,440.00			
CK01	Komatsu Australia Pty Ltd				3,455.29			

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	al Proof Received \$	RATA Admitted \$	Signature
CL00	Lavery Pathology				70.74			
CL01	Lithgow Fire Protection Services	The Chairperson		General	2,945.90	2,945.90		
CL02	The Loaded Dog Hotel				Not known			
CM00	Major Chilling Pty Ltd				53,959.00			
CM02	McSigns Pty Ltd				3,190.00			
CM03	MEH Equipment Hire Pty Ltd				22,805.00	22,805.00		
CM04	Mike's Tyres (Bridgstone)				1,780.00	1,780.00		
CM05	MUDEX Pty Ltd				23,842.51	23,842.51		
CM06	M & L Thatcher				584.00			
CN00	Neill Earthmoving Pty Ltd				1,463.00			
CN01	Nevertall Sprinklerwater Orange				1,133.00			
CN02	New Bridge Servico Centre				5,468.78			
CN03	Newcrest Mining Ltd				1,145.27			
CN04	Newland Associates Precision Machining				9,375.20			
CN05	NRMA Insurance				2,318.51			
CN06	Nynigan Toyota				1,732.85			
CN07	Nynigan Tyres and Batteries				580.40			
CO00	O-Ex Auto & Equipment Sales				4,350.90			
CO01	Ofiteworks Superstores Pty Ltd				1,063.82			
CO02	Orange Clothing Company				1,580.18			
CO03	Orange Courier Service	Ben Barrett		General	31.29	11.39		
CO04	Orange Powder Coat Industry	Margaret Skelton		General	1,469.87	1,469.87		
CO05	Orange Spring & Suspension Repairs				365.20			
CO06	Orange Wheel Alignment Specialists				440.00			
	Office of State Revenue - SA				1,306.85			
	Office of State Revenue - QLD				21,284.33			
	Office of State Revenue - VIC				3,649.78			
CO07	Office of State Revenue - NSW				29,294.80	33,598.03		
CO08	Orange City Council				Not known			
CP00	Parises Hydraulic Services Pty Ltd				87.59			
CP01	Poife's Mechanical				611.00			
CP02	Pigot Miller Wilson Chartered Accountants				140,592.90			
CP03	Prick Biopels				2,748.97			
CP04	Prick Chartered Towers				1,983.15			

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	Total Proof Received \$	RATA Admitted \$	Signature
CP05	FSR Hydraulics Pty Ltd T/As Pittek Orange					12,498.94	12,498.94	
CP06	Popura Pty Ltd						1,815.00	
CP07	Power & Air Solutions (QLD) Pty Ltd						7,528.82	
CP08	Primary Weldors						8,052.00	
CP09	Promec Services Pty Ltd						1,028.40	
CP0A	Prospactors Supplies Pty Ltd	The Chairperson		General		11,730.40	11,730.40	
CR00	RANGER Survey Systems Pty Ltd						34,540.00	
CR01	RB Communications Pty Ltd						33.00	
CR02	RD & VJ Beck					9,705.38	8,715.38	
CR03	Reconite Group T/As Independent Injury Solutions						4,042.50	
CR04	Reflex Asia Pacific Pty Ltd	The Chairperson		General		204,265.20	204,265.36	
CR05	Remco Industries					1,775.95	875.95	
CR06	Rexroth (Bosch Group)						20,304.90	
CR07	RM Graham Consulting						11,507.24	
CR08	Hi-Point Pty Ltd T/As Roberts and Morrow Technology Unit Trust (RMIT)					14,486.34	14,486.34	
CR09	Rod Pilen Transport						880.00	
CR0A	ROX Resources						10,694.88	
CS00	Sankit Mining and Construction Australia Pty Ltd						23,052.20	
CS01	Scott Cannery Welding & Fabrication						1,761.72	
CS02	Smoko Shed						449.80	
CS03	Southern Capital Investments						25,000.00	
CS04	SRD Welding & Maintenance						2,896.69	
CS05	Staples Australia Pty Limited						449.09	
CS06	Sulvans Mining & Hardware					5,988.47	5,343.87	
CS07	Superior Machinery Maintenance					15,585.57	15,585.57	
CS08	Superior Pump Technologies						27.03	
CS09	Sutman Technologies Australia Pty Ltd					3,000.00	3,000.00	
CS0A	Swank's Auto Electrics Pty Ltd	Colin Schwanke	Medlyn Schwanke	General		15,650.80	9,548.00	<i>Colin Schwanke</i>
CT00	Telstra Corporation Limited						5,875.42	
CT01	Territory Hires						398.88	
CT02	The Great Western Hotel						1,464.00	
CT03	TNT Express Australia Pty Ltd						4,239.85	
CT04	Toil North Pty Ltd						150.62	
CT05	Tony Turner Heavy Haulage					15,112.00	15,112.00	

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	Ballot Received \$	RATA Admitted \$	Signature
CU06	Total Filter Clean				390.43			
CU00	UI Crew				165.00			
CV00	Vivtek Central West NSW Pty Ltd				718.76	718.76		
CV01	Viva Energy Australia Ltd				2.00			
CW00	W & K Vardolagas Mechanical Repairs PL	Wayne Vardolagas		General	12,076.84	12,107.29		
CW01	West Orange Motors Pty Ltd				31,408.77			
CW02	Wastem Fire & Safety				881.00			
CW03	Wheeler Industries Pty Ltd				2,983.40			
CW04	Woods Radiator Service				1,105.50			
CW05	WorkCover Queensland				29,495.96			
CW06	Wylong Machinery & Engineering Pty Ltd				424.00			
EA00	Auchn, Christopher				9,659.89			
EA01	Ant, William				2,546.13			
EA02	Arnold, Ward				7,481.74			
EB00	Bartolote, Adam Langley				6,923.03			
EB01	Bartolote, Wairan				11,827.37			
EB02	Bastien, Julian				3,513.69			
EB03	Bales, Andrew				8,168.43			
EB04	Basaley, Samuel				413.46			
EB05	Bennett, Adam				4,398.34			
EB06	Boss, Aaron				21,131.16			
EB07	Bruckley, Jessica				5,636.85			
EB08	Brettschneider, Craig				4,786.63			
EB09	Brown, Adam				14,553.20			
EB0A	Brown, Leigh				19,383.01			
EB0B	Bruce, Andrew				7,526.36			
EB0C	Bruce, Angela				7,350.19			
EB0D	Buccella, Mark				4,883.78			
EC00	Carraw, John				4,724.47			
EC01	Chappel, Troy				3,208.11			
EC02	Cochrane, Christopher				10,970.22			
EC03	Cochrane, Matthew				17,463.94			
EC04	Coles, Troy				5,028.32			
EC05	Colquhoun, Patrick				3,724.92			

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	all Proof Received \$	RATA Admitted \$	Signature
EC06	Conry, Brian					68,412.79		
EC07	Conrith, Lachlan							
EC08	Coxie, Richard					1,905.18		
EC09	Cramp, Matthew					68,603.81		
EC0A	Creagh, Matthew					10,052.59		
EC0B	Cyber, Ryan					3,280.58		
ED00	Davison, Mich					3,782.53		
ED01	Dombrahn, Justin					12,274.47		
ED02	Douglas, Luke					36,205.73		
ED03	Dugan, Paul					2,576.35		
EE00	Ebzyx, Stephen					5,461.06		
EE01	Ehrlich, Matthew					5,191.21		
EF00	Famaasa, Slias					3,529.60		
EF01	Faulkner, Phil					4,347.85		
EF02	Faul, David					2,955.78		
EF03	Findley, Tim	The Chairperson		General		13,695.75		
EF04	Fihlock, Mark					1,935.43		
EF05	Fletcher, Craig					7,041.19		
EF06	Fox, Joshua					5,263.10		
EF07	Frank, Robert							
EG00	Gavin, Ben					15,255.87		
EG01	Gilbert, Paul					9,816.84		
EG02	Gordon, Alex					8,771.62		
EG03	Green, Adrian					2,922.09		
EH00	Hairwell, Michael					6,579.49		
EH01	Harris-Bronck, Braudee					2,095.40		
EH02	Harris, Melinda					7,392.14		<i>W. Harris</i>
EH03	Hazelton, Scott					7,385.53		
EH04	Henley, Matthew					2,305.68		
EH05	Hughes, Mitchell					4,577.03		
EJ00	Joffes, John					3,413.11		
EJ01	Jinks, Rhys					257.75		
EK00	Kelman, Jesse					3,330.39		
EK01	Korner, Ben					5,948.14		

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	at Proof Received \$	RATA Admitted \$	Signature
EL02	Kulda, Simon				7,039.11			
EL00	Langfield, Jakob				3,628.65			
EL01	Lebell, Grant				5,267.18			
EL02	Lord, Bryce				7,115.93			
EL03	Lord, Christopher				5,601.48			
EL04	Lord, Philip				51,237.31			
EL05	Lord, Rhys				2,889.71			
EL06	Loyell, Stephen James				6,277.60			
EL07	Luke, Luke				5,486.47			
EL08	Lynch, Kate				5,233.95			
EL09	Logan, Jake B							
EM00	Mason, Craig				2,745.00			
EM01	McCarthy, Justin				3,907.98			
EM02	McFeters, Alex				5,945.76			
EM03	McKern, Lechlan				310.44			
EM05	McLeod, Benjamin				3,065.06			
EM06	Melling, Geoffrey				7,399.70			
EM07	Mercelle, Hayden				912.17			
EM08	Miler, Grant William				10,001.25			
EM09	Mills, Fiona				1,535.92			
EM0A	Morgan, Matthew				4,942.22			
EM0B	Murphy, Charles				7,621.63			
EM0C	Murray, John				748.13			
EN00	Newey, Adam				3,829.22			
EN01	Newman, Aaron Luke				10,353.98			
EN02	Nicol, Charlie				29,716.04			
EN03	Nielsen, Jake				2,681.92			
EO00	O'Brien, Justin				3,436.86			
EO01	O'Fisher, John				510.25			
EO02	Orsi, Quentin				3,011.91			
EP00	Pagett, Rick				3,734.71			
EP01	Palazzo, Mark				3,866.05			
EP02	Parker, Steven				4,172.22			
EP03	Paskins, Brook				1,691.07			

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	Proof Received \$	RATA Admitted \$	Signature
EP04	Patterson, Nerina				4,121.46			
EP05	Pejara, Scott				6,479.07			
EP06	Palensen, William				887.80			
EP07	Pitcon, Daniel				257.75			
EQ00	Quartamaine, James				2,330.22			
EQ01	Quilty, Stephen				11,457.95			
EQ02	Quinlan, Steven				3,998.77			
ER00	Redfern, Stuart				15,507.17			
ER01	Reid, Robert				2,763.21			
ER02	Reiff, Jordan				267.75			
ER03	Rich, Anthony Michael				6,136.94			
ER04	Robinson, Luke				1,779.56			
ES00	Salsbury, Philip				4,474.07			
ES01	Samuela, Anton				2,384.80			
ES02	Schneider, Zac				3,593.44			
ES03	Schokke, Jason				3,964.11			
ES04	Shedak, Donna				2,160.36			
ES05	Singsby, Marc				4,202.15			
ES06	Smart, Geoffrey Alan				28,182.31			
ES07	Smith, Jarrod				2,623.80			
ES08	Snell, Michael John				54,827.11			
ES08	Spears, William				4,577.65			
ES0A	Squires, Jeremy				5,963.43			
ES0B	Stockham, William				2,457.84			
ES0C	Stewart, Kade				-			
ET00	Tannahill, Brandon				1,975.08			
ET01	Thomas, Daryl				4,184.46			
ET02	Thomas, Rory				4,004.66			
ET03	Tinfin, Scott				4,611.01			
EV00	Vianza, Joel				1,760.68			
EW00	Wadling, Kane				3,349.16			
EW01	Wallace, Travis				1,447.80			
EW02	Walls, Brett				9,316.88			
EW03	Walters, Jeremy				3,745.22			

Code	Name	Name of Proxy	Secondary Proxy	Proxy Type	Admitted Amount for Voting Purposes \$	RAVA Received \$	RAVA Admitted \$	Signature
EW04	Wesley, William						3,964.11	
EW05	Williams, Raymond						9,191.81	
EW06	Williamson, Luke						5,536.66	
EW07	Woodford, Adrian						3,746.57	
EW08	Woodham, Stephen						14,778.04	
EW09	Woolf, Adam						10,794.58	
EW0A	Wright, Trent						19,892.94	
EW0B	Wythes, Andrew						6,771.40	
EW0C	Wythes, Michael							
EZ00	Zagzula, Scott						28,472.37	
	Corfalis, Yousif						2,116.60	
	Crohan, Mathew						563.44	
	Davison, Ross						2,430.64	
	Duckworth, Michael							
	Dystra, Janilo						223.74	
	Egan, Kieran							
	Franks, Mathew						865.71	
	Goddard, Daniel							
	Henderson, Troy						717.14	
	Howard, David						1,048.81	
	Hunt, Jamie						640.83	
	Jeffrey, Julian							
	Johns, Mathew							
	Junczyk, David						294.07	
	Kelly, Jordanhan						1,198.77	
	Kempion, Ryan						1,484.39	
	Lin, Mark						297.92	
	Lord, Sharon Kay						28,977.52	
	MacInnenn, Bevan							
	Marshall, Christopher							
	McCarthy, Shaun						73.25	
	McLaughlin, Roy						1,791.25	
	Meehan, Corey						424.16	
	Meehan, Troy						2,512.28	

LIST OF PERSONS PRESENT AT MEETING OF CREDITORS

Paragraph 5.6.27(2)(b)
Corporations Regulations

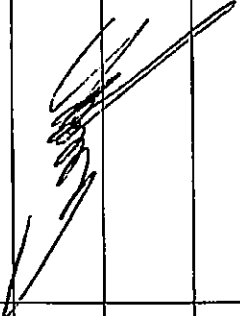
Observers Register for: Pinnacle Drilling Underground Pty Ltd (Administrators Appointed)

A.C.N 129 163 837

Meeting Details: FIRST CREDITORS MEETING

Meeting date, time and place: Tuesday 12 May 2015 at 1:00 PM (AEST)

Orange Function Centre, Eyles Street, ORANGE NSW 2800

No.	Observer's Name	Reason for Attending Meeting	Signature
1	Son Wignoble	ASKED BY WILL EMPLOYEE REPRESENTATIVE	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			

Deloitte®

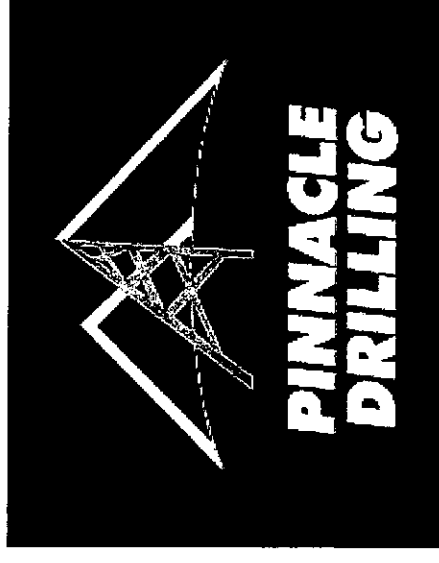
Pinnacle Drilling Pty Ltd, ACN 052 316 579

Pinnacle Drilling Underground Pty Ltd, ACN 129 163 837

Zig Zag Investments Pty Ltd, ACN 002 053 321

*(All Administrators Appointed)
("the Companies")*

**First Creditors Meetings
Tuesday 12 May 2015 1.00PM AEST
Orange Function Centre**



First Creditors' Meetings

Pinnacle Drilling Pty Ltd, ACN 052 316 579

Pinnacle Drilling Underground Pty Ltd, ACN 129 163 837

Zig Zag Investments Pty Ltd, ACN 002 053 321

(All Administrators Appointed)

("the Companies")

Opening of the meeting by the Chairperson
Vaughan Strawbridge, Deloitte – Joint and Several Administrator

Introduction by Chairperson

Chairperson: Vaughan Strawbridge, Joint and Several Administrator

Neil Cussen – Deloitte, Joint and Several Administrator

Date of Appointment: 30 April 2015

Agenda

- Formalities
- Purpose & Process
- Appointments
- Actions since appointment
- Operations
- Financials
- Sale of business
- Questions
- Voting/resolutions
- Creditors' Committee Appointment
- Any other resolutions
- Questions and any other business
- Closure

Formalities

- Attendance Register and Observers
- Notice of Meeting
- Convenience for creditors
- Declaration of Quorum for each company
- Meetings to be held concurrently
- Independence of Administrators
- Proxies received
- Administrators' comment regarding employees

Purpose & Process

Voluntary Administrations are a flexible and cost effective form of administration with the stated aim to:

“maximise the chances of a business continuing in existence or at the very least, provide a better return to creditors” (Section 435A)

A Voluntary Administrator can only be appointed by

- The company
- A secured creditor
- A Liquidator of the company, or
- A Provisional Liquidator of the company

Purpose & Process

Section 438A - The primary function of an Administrator is to investigate the affairs of the company as soon as practicable, and form an opinion as to whether:

- The company enter into a Deed of Company Arrangement
- The administration end and control of the company be returned to the directors, or
- The administration end and the company be wound up

Purpose & Process

The process has four distinct phases:

- Administrators' appointment & First Meeting
- Investigation period
- Second (439A) Meeting of creditors
- Implementation of the agreed course of action

Purpose & Process

The Second (439A) Meeting:

The Administrators will have conducted an investigation into the affairs of the company

Creditors have the benefit of the Administrators' report and must resolve which of the three alternatives they wish the company to adopt

1. The company enter into a Deed of Company Arrangement
2. The administration end and control of the company be returned to the directors, or
3. The administration end and the company be wound up

Purpose & Process

The 439A (Second) Meeting is to be held within five business days from the end of the convening period (20 business days from the date of the Administrators appointment)

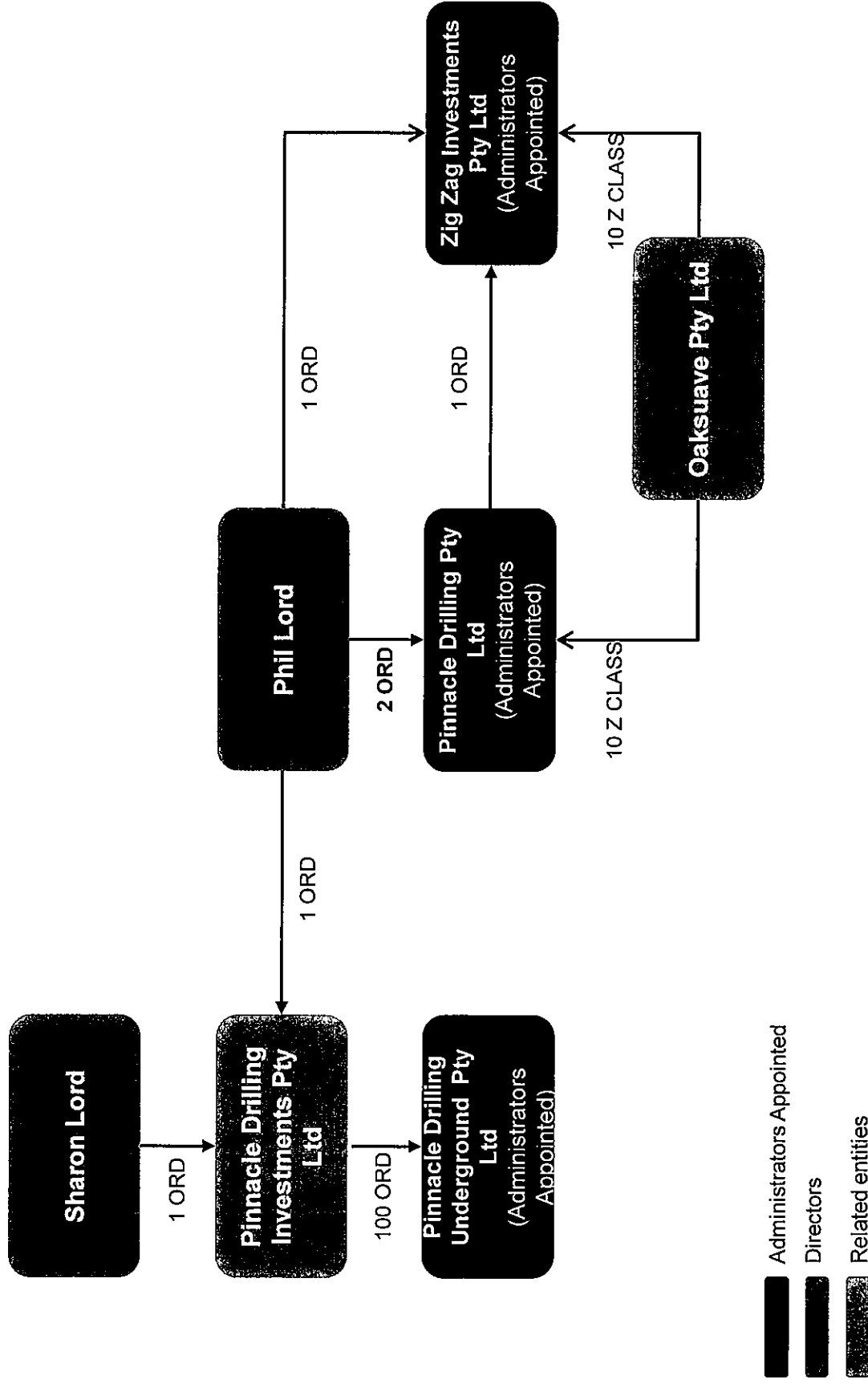
You will receive

- notice of meeting
- Administrators' report to creditors

Purpose of the meeting is to resolve one of the following:

- The company enter into a Deed of Company Arrangement
- The administration end and control of the company be returned to the directors, or
- The administration end and the company be wound up

Pinnacle Drilling Group Structure



Actions since appointment

Statutory compliance

- ASIC filings
- Convening first meeting
- Notices to creditors and employees
- Statutory advertising

Employees

- Meetings with employees
- Calculation of employee entitlements
- Employee redundancies

Trading business

- Majority of time has been spent trading the business to conserve its value for sale

Sale of business

- Further information regarding a potential sale will be presented later in the meeting

Financial Analysis – Profit and Loss Statements

Summary Statement of Financial Performance for Pinnacle Drilling Pty Ltd and its Controlled Entity

	Management Accounts		Audited Financial Statements	
	For the Period 1 July 2014 - 28 February 2015	Year 2014	Year 2014	Year 2013
Revenue	16,807,416	20,519,190	33,355,002	
Less: Cost of Goods Sold	(14,060,171)	(14,328,154)	(22,886,124)	
Gross Profit from Trading	2,747,245	6,191,036	10,468,878	
Other Income	411,898	292,485	511,554	
Expenses	(7,580,719)	(14,493,535)	(15,206,072)	
Net Profit Before Tax	(4,421,576)	(8,010,014)	(4,225,640)	
Income Tax Expense	600,000	453,600	548,944	
Net Profit After Tax	(3,821,576)	(7,556,414)	(3,676,696)	
Add back: Depreciation and amortisation	3,820,597	5,686,172	6,758,759	
Add back: Interest paid	84,190	157,294	79,080	
Add back: Debtor finance	137,907	0	0	
Add back: Equip finance charges	731,170	1,567,782	1,745,486	
Add back: Income Tax Expense	(600,000)	(453,600)	(548,944)	
Deduct: Interest received in other income	0	118,469	175,614	
EBITDA	352,289	(717,235)	4,182,071	

Note: Controlled Entity is Pinnacle Drilling Underground Pty Ltd

Financial Analysis – Balance Sheet

Summary Statement of Financial Position for Pinnacle Drilling Pty Ltd and its Controlled Entity

	Management Accounts		Audited Financial Statements	
	For the Period 1 July 2014 - 28 February 2015	Year 2014	Year 2013	Year 2013
Current Assets				
Cash and Cash Equivalents	-	-	99,849	
Trade and Other Receivables	2,450,585	2,571,419	3,026,661	
Other Assets	458,341	2,289,628	2,615,621	
Inventories	427,633	492,552	961,221	
Current Tax Assets	-	600,000	646,269	
Total Current Assets	3,336,559	5,953,599	7,349,621	
Non-Current Assets				
Other Assets	1,643,363	982,012	875,644	
Plant and Equipment	16,806,887	20,574,295	30,015,651	
Deferred Tax Assets	268,676	268,677	415,077	
Total Non-Current Assets	18,718,926	21,824,984	31,306,372	
Total Assets	22,055,485	27,778,583	38,655,993	
Current Liabilities				
Overdrafts	1,546,044	1,170,770	-	
Trade and Other Payables	7,011,378	4,026,286	2,411,550	
Borrowings	667,135	10,871,463	8,404,204	
Total Current Liabilities	9,224,557	16,068,519	10,815,754	
Non-Current Liabilities				
Trade and Other Payables	189,806	3,309,125	3,312,543	
Borrowings	15,267,316	6,605,455	14,724,014	
Total Non-Current Liabilities	15,457,121	9,914,580	18,036,557	
Total Liabilities	24,681,678	25,983,099	28,852,311	
Net Assets	(2,626,193)	1,795,484	9,803,682	

Employee summary

Employee head count

Employees	Total
Employees on Appointment - Full Time	124
Employees on Appointment - Part Time	2
Employees on Appointment - Casual	3
Redundancies	(9)
Resigned	(1)
Current Staff Count	<u>119</u>

Employee entitlements

Employee Entitlements	Amount (\$)
Unpaid Wages	26,383.24
Superannuation (excluding SGC)	362,505.01
Annual Leave	423,565.13
Long Service Leave	155,320.07
PILN	50,700.28
Redundancy	93,075.23
Total	<u>1,111,548.97</u>

Creditor Summary

Creditors	Estimated Total (\$'000)
Secured Bank Debt including Equipment Hire Purchase Finance	15,790
Debtor Factoring	213
Directors Loan	1,226
Insurance Premium Funding	280
Trade Creditors	2,299
ATO	2,684
Employee Entitlements	1,112
Total Creditors	23,605

Sale of Business

Administrators' attempts to achieve a going concern sale of the business:

- Fast track sale and marketing campaign commenced 30 April 2015 (Day 1)
- Advertisement for sale in the Australian Financial Review 6 May 2015
- Data-room setup and running
- Interested Parties who have signed the Confidentiality Agreement have been issued with an Information Memorandum
- Seeking expressions of interest by Wednesday 13 May 2014



PINNACLE DRILLING PTY LIMITED
PINNACLE DRILLING UNDERGROUND PTY LIMITED
ZIG ZAG INVESTMENTS PTY LIMITED
(ALL ADMINISTRATORS APPOINTED) ('the Companies')

The Administrators seek urgent expressions of interest for the sale of the business and assets of the Companies by Wednesday 13 May 2015.

- Established drilling operation with proven track record.
- Provides both surface and underground contract drilling services.
- Majority of drilling equipment purchased in 2011 and 2012.
- Head Office in Orange, NSW with 117 employees. Head Office Premises of 7,102 sq/mtrs also available for purchase.
- For further information refer to pinnacledrilling.com.au

All interested parties should contact Ben Singleton on (02) 9322 3787 or bsingleton@deloitte.com.au.

Vaughan Strawbridge
Joint & Several Administrator

Deloitte.

Sale of Business – Indicative Timetable

Event	Date
Expressions of Interest Due	Wednesday, 13 May 2015 at 5:00PM (AEST)
Due Diligence Period – Data Room open	Wednesday, 13 May 2015 to Friday, 22 May 2015 at 5:00PM (AEST)
Final Binding Offer	Friday, 22 May 2015 at 5:00PM (AEST)

Questions

- From the floor

Voting/Resolutions

Resolutions on a company-by-company basis

Motions to be resolved on the voices, unless a poll is demanded (Regulation 5.6.19, 5.6.20)

A poll could be demanded by:

- The Chairperson; or
- At least two persons entitled to vote; or
- A person representing not less than 10%

Creditors' Committee Appointment

Resolution – Committee of Creditors

Pinnacle Drilling Pty Ltd

“That a committee of creditors of Pinnacle Drilling Pty Ltd be formed in accordance with section 436E(1) of the Corporations Act 2001, comprising the following members...”

Note:

Ideally all groups of creditors should be represented on the Committee, including:

- Trade creditors
- Employees

Any other resolutions

- Administrators appointed 30 May 2014
- Creditors may remove Administrators and appoint someone else as Administrator (Section 436E(4) of the Act)
- Other nominations

Closure

- Any other business
- Meeting closed

Deloitte.

General information only

This presentation contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the "Deloitte Network") is, by means of this presentation, rendering professional advice or services.

Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this presentation.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 195,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

© 2015 Deloitte Touche Tohmatsu