

45/85

IN THE PRIVY COUNCIL

No. 30 of 1984

O N A P P E A L

FROM THE FULL COURT OF THE SUPREME COURT
OF VICTORIA

IN THE MATTER OF THE COMPANIES (VICTORIA) CODE

- and -

IN THE MATTER OF BRINDS LIMITED

B E T W E E N :

BRINDS LIMITED, BORIS ANDREW GANKE,
GULF RESOURCES N.L., ALEXANDERS SECURITIES
LIMITED, CHAPMANS LIMITED, NORTHERN STAR
INVESTMENTS PTY. LIMITED and HALLMARK
MINERALS N.L.

Appellants

- and -

OFFSHORE OIL N.L., MARTIN CORPORATION
LIMITED and JACKSON GRAHAM MOORE AND
PARTNERS (a Firm)

Respondents

RECORD OF PROCEEDINGS
VOLUME TWO

MESSRS. INGLEDEW, BROWN,
BENNISON & GARRETT,
International House,
26 Creechurch Lane,
London, EC3A 5AL

Solicitors for the
Appellants

MESSRS. COWARD CHANCE,
Royex House,
Aldermanbury Square,
London,
EC2V 7LD

Solicitors for the
Respondents

O N A P P E A L

FROM THE FULL COURT OF THE SUPREME COURT
OF VICTORIA

IN THE MATTER OF THE COMPANIES (VICTORIA) CODE

- and -

IN THE MATTER OF BRINDS LIMITED

B E T W E E N :

BRINDS LIMITED, BORIS ANDREW GANKE,
GULF RESOURCES N.L., ALEXANDERS
SECURITIES LIMITED, CHAPMANS LIMITED,
NORTHERN STAR INVESTMENTS PTY. LIMITED
and HALLMARK MINERALS N.L.

Appellants

- and -

OFFSHORE OIL N.L., MARTIN
CORPORATION LIMITED and JACKSON
GRAHAM MOORE AND PARTNERS (A Firm)

Respondents

RECORD OF PROCEEDINGS
VOLUME TWO

INDEX OF REFERENCE

No.	Description of Document	Date	Page No.
	<u>IN THE SUPREME COURT OF VICTORIA</u>		
73	Affidavit of Martin Anthony Tosio Exhibits referred to therein:	30th March 1983	1
74	"T 21" Revised draft balance sheet with realisable values set out in a separate column		2

No.	Description of Document	Date	Page No.
75	"T 22" Schedule of notation form to identify the assets of Brinds and the bases of the assessment of realisable values		4
76	Affidavit of Alexander Robert Mackay MacIntosh Exhibits referred to therein:	31st March 1983	13
77	"AM 1" Copy of draft 'Repayment Programme'		19
78	"AM 2" Copy of report from Brinds Limited described as 'for the month of December 1982'		22
79	"AM 3" Copy of report from Brinds Limited described as 'for the month of January 1983'		24
80	"AM 4" Copy of bill of services sent to the Debtors under the moratorium for services rendered under the Deed		26
81	"AM 5" Copy of letter from Brinds Limited to MacIntosh dated 28th January 1983		29
82	"AM 6" Copy of letter from MacIntosh to Brinds Limited dated 9th February 1983		31
83	"AM 7" Copy of letter from MacIntosh to Alexanders Securities dated 26th January 1983		33
84	Affidavit of Alan Edward Mervyn Geddes	6th April 1983	36

No.	Description of Document	Date	Page No.
	Exhibits referred to therein:		
85	"AG 1" Copy of Geddes' letter to Brinds dated 25th March 1983		37
86	"AG 2" Copy of reply by Brinds to Geddes dated 30th March 1983		39
87	"AG 3" Copy of letter by Geddes to Brinds dated 30th March 1983		41
88	"AG 4" Copy of reply by Brinds to Geddes dated 31st March 1983		43
89	Affidavit of Bruce Gordon Jackson	6th April 1983	45
	Exhibits referred to therein:		
90	"BJ 1" Letter from Brinds Ltd. to Jackson dated 16th March 1983		46
91	"BJ 2" Letter from Jackson to Brinds in reply dated 29th March 1983		49
92	Affidavit of Jillian Mary Arnott	6th April 1983	51
93	Affidavit of Charles Anthony Chandlin Fear	7th April 1983	54
	Exhibits referred to therein:		
94	"CF 3" Copy of draft balance sheet of Acron Pacific Ltd. as at 31st December 1982		59

No.	Description of Document	Date	Page No.
95	"CF 4" Copy of draft balance sheet of Alexanders Securities Ltd. as at 31st December 1982		62
96	"CF 5" Copy of draft balance sheet of Chapmans Ltd. as at 31st December 1982		64
97	Affidavit of Boris Andrew Ganke	7th April 1983	67
	Exhibits referred to therein:		
98	"A" Copies of monthly statements of principal and interest sent by Martins to Brinds		73
99	"B" Letter from Anstice to Ganke dated 28th January 1983		77
100	"C 1-8" Balance sheets of Acron Pacific Ltd. and subsidiary companies Nadi Bay Beach Corporation Ltd., Alexanders Corporation Ltd., Gulf Resources N.L., Alexanders Securities Ltd., and subsidiary companies, Hallmark Minerals N.L., Chapmans Ltd. and subsidiary company and Bonds Securities (Trading) Pty.Ltd. - all as at 31st December 1982		79
101	Affidavit of Boris Andrew Ganke	11th April 1983	95

No.	Description of Document	Date	Page No.
	Exhibits referred to therein:		
102	"X" Schedule of shares held in Offshore Oil by the Brinds Group		96
103	"Y" Chart of the Constitution of the Brinds group of companies		98
104	Affidavit of Boris Andrew Ganke	26th April 1983	100
	Exhibits referred to therein:		
105	"BAGZ" Analysis of the assets of the companies that entered into the moratorium agreement		105
106	Further Affidavit of Boris Andrew Ganke	26th April 1983	110
	Exhibits referred to therein:		
107	"BAGZ A" Evaluation report of the petroleum tenements of Southern Cross Exploration N.L. prepared by Messrs. N.H. Cole and Associates	See "Z 22" in Volume Three	
108	"BAGZ B" Copy of telex sent by Skase to Ganke dated 8th April 1982		112
109	Affidavit of Martin Antony Tosio	27th April 1983	114
	Exhibits referred to therein:		

No.	Description of Document	Date	Page No.
110	"MATZ" Copy of the analysis of the assets of the companies that entered into the moratorium agreement	See "BAGZ" to Ganke 26/4/83 at p.105	
111	"MATZ A" Amended copy of the Aggrega- tion of balance sheets		115
<u>Exhibits tendered during the hearing of the evidence The Petitioner's exhibits</u>			
<u>Exhibit</u>			
112	AG 5 Deed of variation of mortgage between Brinds Ltd. and Mercantile Mutual Life Insurance Co.Ltd. dated 23rd November 1982		118
113	AG 6 Annual report of Offshore Oil N.L. 1982	(to be produced)	
114	AG 7 Bundle of correspon- dence between the Sydney Stock Exchange and Offshore Oil N.L.		123
115	AG 8 Copy of letter from FAI Insurances to MacIntosh dated 25th October 1982		142
116	AG 9 Copy of letter from MacIntosh to FAI Insurances dated 14th January 1983		148
117	AG 10 Copies of letters from Longreach Oil N.L. to MacIntosh dated 29th November 1982 and 21st December 1982		151

No.	Description of Document	Date	Page No.
118	AG 11 Copy of deed between Offshore Oil N.L. and Moage dated 3rd September 1982		153
119	AG 12 Copy of press release from Offshore Oil N.L. dated 20th September 1982		161
120	AG 13 Notes of Board meeting of Offshore Oil N.L. held 29th October 1982 taken by Wilshire		163
121	AG 14 Deed of mortgage made between Brinds Ltd. and Mercantile Mutual Life Insurance Co. Ltd. dated 8th October 1980		168
122	AG 15 Letter from Jackson Graham Moore and Partners to Brinds Ltd. dated 18th April 1983		183
123	AG 16 48th Annual Report (to be produced) of Gulf Resources N.L.		
124	AG 17 Bundle of documents concerning Aureole Investments Pty. Ltd.		185
125	AG 18 Southern Cross letter to shareholders dated 24th September 1982		217
126	AG 19 Memorandum and Articles of Association of Brinds Ltd. (to be produced)		

No.	Description of Document	Date	Page No.
127	AG 20 Memorandum and Articles of Association of Offshore Oil N.L.	(to be produced)	
128	AG 21 Bundle of correspondence produced by Ganke on 29th April 1983		220

AFFIDAVIT OF MARTIN ANTHONY TOSIO

No.73
Affidavit of Martin
Anthony Tosio
30th March 1983

I, MARTIN ANTHONY TOSIO of 40 Provincial Road, Lindfield in the State of New South Wales Chartered Accountant MAKE OATH AND SAY as follows:

1. I crave leave to refer to my Affidavit sworn the 14th day of March 1983 and filed herein together with Exhibits therein referred to.

2. SINCE that date last mentioned I have revised the draft balance sheet of Brinds Limited referred to in my said Affidavit and in addition have made an assessment of realisable values of the assets of Brinds Limited referred to in the draft balance sheet. Now produced and shown to me and marked "T21" is the said revised draft balance sheet with my assessment of realisable values set out in a separate column.

3. NOW produced and shown to me and marked "T22" is a schedule which sets out in notation form the identification of the assets of Brinds Limited above referred to and the various bases on which my assessment of realisable value as at 17th February 1983 has been made.

4. THE production of draft balance sheets whether for statutory purposes or otherwise for consideration by the Directors, is one of my normal responsibilities as Group Accountant for Brinds Limited.

Sworn at Sydney 30th March, 1983

No. 74
EXHIBIT "T 21"

REVISED DRAFT BALANCE SHEET
WITH REALISABLE VALUES SET OUT
IN A SEPARATE COLUMN AS AT
31ST DECEMBER 1982

This is the Exhibit marked with the letter "T 21" produced and shown
to MARTIN ANTHONY TOSIO at the time of swearing his Affidavit.

SWORN the 30th day of March, 1983.

BRINDS LIMITED
BALANCE SHEET AS AT 31.12.82

Revised draft balance sheet
with realisable values set
out in a separate column
as at 31st December 1982

	DRAFT 31.12.82 \$	DRAFT 17.2.83 (\$000)	REALISABLE VALUE (\$000)
Issued Capital	1,309,537	1,310	1,310
Asset Revaluation Reserve	1,105,550	1,105	1,105
Capital Profits Reserve	873,741	874	874
Share Premium Account	4,181	4	4
Profit & Loss Account	(2,552,355)	(2,793)	(588)
SHAREHOLDERS' FUNDS	740,654	500	2,705
Represented by:			
ASSETS			
Land & Buildings	600,000	600	800
10 Shares in Listed Companies	11,040,777	11,040	14,200
Shares in Other Companies	660,062	660	810
Other Investments	11,250	11	20
Cash at Bank	337	1	1
Short Term Deposits	2,693,688	2,691	2,466
Advances to Subsidiary Companies	5,228,170	5,278	4,195
Sundry Debtors, Prepayments & Projects	176,856	176	170
	20,411,140	20,457	22,662
LIABILITIES			
Bank Overdraft - Secured	154,473	154	154
Bills Payable - Secured	1,200,000	1,200	1,200
20 Short Term Loans - Unsecured	6,861,152	6,947	6,947
Short Term Loans - Secured	2,009,537	2,068	2,068
Share Purchase Creditor	1,696,659	1,697	1,697
Sundry Creditors, Loans & Accruals	100,123	100	100
Amounts due to Subsidiary Companies	7,648,537	7,791	7,791
	19,670,486	19,957	19,957
NET ASSETS	740,654	500	2,705

No. 75
EXHIBIT "T 22"

In the
Supreme
Court of
Victoria

SCHEDULE IN NOTATION FORM
TO IDENTIFY THE ASSETS OF
BRINDS AND THE BASES OF THE
ASSESSMENT OF REALISABLE
VALUES AS AT 31ST DECEMBER
1982

No.75
Exhibit "T 22"
Schedule in
notation form
to identify
the assets of
Brinds and the
bases of the
assessment of
realisable
values as at
31st December
1982

This is the schedule of information supplied to Macintosh or
Fear marked with the letters "T22" produced and shown to MARTIN
ANTHONY TOSIO at the time of swearing his Affidavit herein.

SWORN this 30th day of March, 1983

BRINDS LIMITED
(Provisional Liquidator Appointed)

In the Supreme Court
of Victoria

LAND & BUILDINGS

	\$
Book Value	<u>600,000</u>
Estimated Realisable Value	<u>800,000</u>

No.75
Exhibit "T 22"
Schedule in notation
form to identify the
assets of Brinds
and the bases of the
assessment of
realisable values
as at 31st December
1982

(continued)

Basis of Valuation

Contract of Sale for 1 of 2 floors - being strata title
premises at 82 Elizabeth Street, Sydney.

Contract price being \$400,000.

mt-ks/30383

In the Supreme Court of Victoria

Prepared by EN

on 22.3.83

Reviewed by

on

COMPANY BRINDS LIMITED

No.75
Exhibit "T 22"
Schedule in notation form to identify the assets of Brinds and the bases of the assessment of realisable values as at 31st December 1982

DETAIL LIST OF SHARES AS AT 31.12.82

Period To 31.12.82

MINING STOCK	NO SHARES	COST	M/V	TOTAL M/V	PROFIT(LOSS)
AUDIMCO LTD FP	NIL				(26,362.72)
CENTRAL PAC MIN. FP	3,590	1,220.60	.35	1,256.00	
GULF RESOURCES NL FP	1,920,000	420,820.00	.23	441,600.00	
" " OPS	500,000	10,000.00	.01	5,000.00	
MISTRAL MINES NL FP	31,250	3,387.50	.03	937.00	
" " OPS	6,250	312.50	cost	312.00	
OFFSHORE OIL NL FP	19,007,426	3,271,910.00	.20	3,801,485.00	354,177.31
POSEIDON NL FP	876	50.00	5.76	5,046.00	
SOUTHERN CROSS EXPL FP	12,400	532.59			(8,912.02)
" " CTG	13,705,264	849,791.36		NIL ?	9,106.95
SOUTHERN PACIFIC FP	8,720	1,090.00	.17	1,482.00	
SOUTHLAND MINING FP	26,400	4,620.00	.27	7,128.00	
" " OPS	2,200	44.00	.10	220.00	
YORK RESOURCES FP	1,093	221.72	.12	131.00	
		4,564,000.27		4,264,597.00	328,009.52
TOTAL MINING		4,564,000.27		4,264,597.00	328,009.52
TOTAL INDUSTRIAL		6,476,773.42		9,936,973.00	171,117.88
TOTAL		11,040,773.69		14,201,570.00	499,127.40
					CAPITAL PROFITS REALISED

NB

Shares have been value on the basis either of
a) Market Value, or
b) Asset Value

In the Supreme Court of Victoria
 No.75 Exhibit "T 22" Schedule in
 notation form to identify the assets of
 Brinds and the bases of the assessment
 of realisable values as at 31st
 December 1982 (continued)

100

COMPANY

BRINDS LIMITED

F/N

22.3.83

Reviewed by

DETAIL

LIST OF SHARES AS AT 31.12.82

Period To 31.12.82

INDUSTRIAL STOCK		NO SHARES	COST	M/V	TOTAL M/V	PROFIT (LOSS)	
BRIGNANO LTD.	FP	NIL				(539.42)	
ACMEX HOLDINGS	FP	NIL				(4,392.50)	
ACRON PACIFIC	FP	1,155,498	186,876.82	50	577,799		
ALEXANDERS SECURITIES	FP	2,051,631	2,324,052.66	220	4513,588		
AUST. FOUNDATION	FP	NIL				53,158.58	
BIRCH CARROLL & COYLE	FP	857	861.00	1 98	1,697	1,314.40	
BOND CORP. HOLDINGS	FP	15,000	17,499.00	98	14,700		
" " "	OPS	3,333	-	01	33		
BRIERLEY INVESTMENTS	FP	1,898	1,173.04	1 91	3,625	51,413.66	
B.P.A.M.S.N LIMITED	FP	4,534,457	3,909,824.65	105	4761,180		
CONSOLIDATED EQUITY	FP	2,400	600.00	34	816		
FAI INSURANCES	FP	NIL				12,182.53	
FWA LTD.	FP	340	144.92	1 70	578	2,220.42	
GLSD HOLDINGS	FP	4,000	130.00	10	400		
GILTON CORPORATION	FP	NIL				5,142.51	
H & K PROPERTIES	FP	NIL				(455.30)	
WARREN & STRANG	FP	5,400	900.00	20	2160		
" " "	OPS	4,500	45.00	24	150		
WHITEFIELD LIMITED	FP	20,089	34,666.33	3 00	60,267	51,073.00	
					6,476,773.42	9936,973	171,117.38

CHAMPION

in the Supreme
Court of
Victoria

Prepared by MAT

on 23.3.83

Reviewed by

on

Period To 31.12.82

COMPANY BRINDS LIMITED

DETAIL SHARES IN OTHER COMPANIES

No.75
Exhibit "T 22"
Schedule in
notation form
to identify
the assets of
Brinds and the
bases of the
assessment of
realisable
values as at
31st December
1982

(continued)

NON SUBSIDIARIES	NO	COST	VALUE
AVIVA HOLDINGS LTD (@ 50¢)	180,000	90,112.80	90,000
INVESTMENT CORPORATION OF AUSTRALIA LTD (@ 50¢)	100,700	80,385.00	50,350
INVESTMENT CORPORATION OF FIJI LTD	300,000	160,419.00	450,000
		330,916.80	590,350
SUNDRY SHARES		1,907.71	-
		332,824.51	
SUBSIDIARIES (100%) - not listed			
AUGUST EXPLORATION (via August & BAS(T))			
AUGUST INVESTMENTS PTY LTD	33,225	13,592.34	-
BONDS & SECURITIES (NOMINEES) PTY LTD	30,000	92,510.20	
BONDS & SECURITIES (TRADING) PTY LTD	200	200.00	-
INVESTMENT TRUST LIMITED	150,000	100,645.46	110,000
MICRAE MINING & INVESTMENTS PTY LTD	140,002	120,289.77	110,000
		327,237.77	220,000
TOTAL PER BALANCE SHEET		660,062.28	810,000

NB

Valuation based on asset value.

BRINDS LIMITED (Provisional
Liquidator Appointed)

In the Supreme
Court of
Victoria

Other Investments

Book Value - Membership Futures Exchange	<u>\$11,250.00</u>
Realisable Value	<u>\$20,000.00</u>
Current Valuation based on advice given to Mr B A Ganke on 25 March 1983	

No.75
Exhibit "T 22"
Schedule in
notation form
to identify
the assets of
Brinds and the
bases of the
assessment of
realisable
values as at
31st December
1982

(continued)

In the Supreme
Court of
Victoria

COMPANY BRINDS LIMITED (PROVISIONAL LIQUIDATOR APPOINTED)

Prepared by MAT

on 29.3.83

Reviewed by

on

Period To 17.2.83

No.75
Exhibit "T 22"
Schedule in
notation form
to identify
the assets of
Brinds and the
bases of the
assessment of
realisable
value as at
31st December
1982

DETAIL SHORT TERM DEPOSITS

(continued)

COMPANY	AMOUNT DUE	AMOUNT REC. (\$000)
ALEXANDERS CORPORATION LTD	795,300	600
APELDOORN PTY LTD	172,366	172
AUSTRALIAN SQUASH COURTS LTD	16,416	16
AVIVA HOLDINGS LTD	110,227	110
BOGAN HOLDINGS PTY LTD	5,117	5
BRILLIANT HOMES PTY LTD	2,895	3
CORPORATE COMPUTER SERVICES PTY LTD	114,001	85
EMERITUS PTY LTD	83,867	84
GOLF COURSE ESTATES PTY LTD	2,021	2
HOLROYD DEVELOPMENTS PTY LTD	50,622	51
INVESTMENT CORPORATION OF FIJI LTD	1,331,409	1,332
B. WHITE PTY LIMITED	6,440	6
	<u>2,690,581</u>	<u>2,466</u>
NB		
The recoverable value based on an appraisal of the latest available draft accounts.		
-rb29383/945.110		

COMPANY BRINDS LTD (PROVISIONAL LIQUIDATOR APPOINTED)

DETAIL APPRAISAL RECOVERABILITY OF DEPOSITS & ADVANCES

COMPANY	AMOUNT DUE	AMOUNT REC. (\$000)
ACRON PACIFIC LTD	274,584	275
ALEXANDERS DISCOUNT PTY LTD	205,379	205
AUGUST INVESTMENTS PTY LTD	853,606	853
BONDS & SECURITIES (NOMINEES) PTY LTD (including TASMAN SPIRITS)	1,547,954	1,100
BONDS & SECURITIES (TRADING) PTY LTD	1,541,396	926
CHAPMANS LIMITED	353,108	353
INVESTMENT TRUST LIMITED	501,708	502
	<u>5,277,735</u>	<u>4,195</u>
NB The Recoverable value based on an appraisal of the latest available draft accounts.		
-rb29383/945.110		

No.75

PROJECTS

Exhibit "T 22"
Schedule in
notation form to
identify the assets
of Brinds and the
bases of the
assessment of
realisable values
as at 31st
December 1982

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>REALISABLE VALUE</u>
Property in Fiji	\$ 50,221	\$ 70,000
Property in Vanuatu	22,817	100,000
Debtor and Prepayments	103,818	-
	<u>\$176,856</u>	<u>\$170,000</u>

(continued)

Basis of Valuation =

1. Fiji - Similar Property Valuation
2. Vanuatu - Directors Valuation

AFFIDAVIT OF ALEXANDER ROBERT MACKAY MACINTOSH

Sworn 31st March, 1983

In the
Supreme
Court of
Victoria

No.76
Affidavit
of
Alexander
Robert
Mackay
MacIntosh
31st March
1983

I, ALEXANDER ROBERT MACKAY MACINTOSH of Tower Building, Australia Square Sydney in the State of New South Wales Chartered Accountant MAKE OATH AND SAY as follows:-

1. I am a Chartered Accountant and Partner in the firm of Peat Marwick Mitchell & Co. I depose to the matters hereinafter set forth from my own knowledge save where otherwise indicated.

2. I ask leave to refer to my affidavit in these proceedings sworn 14th February, 1983 and to the Moratorium Deed which is Exhibit "A" thereto ("the Deed") and in particular to clause 29 (c) thereof which provides that the Moratorium Deed (as therein defined) shall terminate if any Debtor (as therein defined) fails to observe or comply with any provision of the Deed. The Debtors have in fact failed to observe or comply with a number of provisions of the Deed in the following respects.

Clause 1B(iii)

3. I refer to Exhibit "H" to my Affidavit of 14th February, 1983 and my letter to Brinds Limited ("the company") dated 12th January, 1983 wherein I requested each Debtor to provide me with certain information. I refer to the aforesaid Exhibit to such Affidavit and the copy of a letter therein from Brinds to me dated 19th January, 1983. On or about 20th January, 1983 I received from the Company a draft "Repayment Programme", a copy of which is now produced and shown to me and marked "AM 1". I also received cash flow projections for the Company and certain other Debtors and I refer to Exhibit "C" of my affidavit of 14th February, 1983. At the date of swearing this

10

20

30

No.76
Affidavit of
Alexander
Robert MacKay
MacIntosh
31st March
1983

(continued)

affidavit, I have not received from the Company or any other Debtor any other information as requested in my letter of 12th January, 1983.

4. AFTER examining the draft "Repayment Programme" I told Mr. Ganke that I considered it deficient because it failed to identify with sufficient precision the assets to be sold, the basis of the valuation, the entitlements of secured creditors to the proceeds of those assets or a justification as to why particular creditors should be preferred at the expense of other creditors. I refer to Exhibit "H" to my Affidavit of 14th February, 1983 and the letter therein from me to the Company dated 26th January, 1983 in which I also informed the Company that I considered the "Repayment Programme" deficient.

10

Clause 1B (iv)

5. I am aware that since 25th November, 1982 various of the Debtors under the Deed have held board meetings. For instance, the Company has held a number of board meetings since 25th November, 1982. I have received no minutes and no written reports regarding any of such meetings. I have received no written reports regarding any board meeting of any Debtor. I have received a copy of minutes of board meetings of Hallmark Minerals N.L., Alexanders Securities Limited and Chapmans Limited held on 26th December, 1983. I have received no other minutes of any board meeting from any Debtor.

20

Clause 1B (vii) (a)

6. PRIOR to 17th January, 1983 I did not receive any schedule of cheques from any of the Debtors for any of the weeks from 25th November, 1982 to 30th December, 1982. No schedule

30

No.76
Affidavit of Alexander
Robert MacKay MacIntosh
31st March 1983
(continued)

of cheques for any week in January, 1983 was received by
me from any Debtor within the time required by Clause 1B(vii) (a).

Clause 1B (viii)

10
7. ON 27th January, 1983 I received from the Company a
report described therein as "for the month of December,
1982". Now produced and shown to me and marked "AM 2" is
a copy of such report. Between 27th January, 1983 and
3rd February, 1983 I received from the other Debtors
reports for the month of December, 1982. On 14th February,
1983 I received from the Company a report described therein
as "for the month of January, 1983". Now produced and
shown to me and marked "AM 3" is a copy of such report.
On the same day I received from other Debtors reports
for the month of January, 1983.

Clause 4.2 (a)

20
8. AT the date of my swearing this affidavit I have not
received from Brinds or any other Debtor any unaudited balance
sheets or any profit and loss accounts for the period 1st
July 1982 to 30th September, 1982 nor any detailed
specification and explanation of assets and liabilities in
such accounts.

Clause 4.2 (b)

9. AT the date of my swearing this affidavit I have not
received from Brinds or any other Debtor any unaudited
balance sheets or any profit and loss accounts for the
period 1st October, 1982 to 31st December, 1982 nor any
detailed specification and explanation of assets and
liabilities in such accounts.

10. I did receive from Brinds (on 14th February, 1983) and

In the Supreme
Court of
Victoria

No. 76
Affidavit of
Alexander
Robert MacKay
MacIntosh
31st March
1983

(continued)

from other Debtors (between 24th January, 1983 and 14th February, 1983) unaudited balance sheets and profit and loss accounts for the year ended 31st December, 1982. But these were not accounts for the periods referred to in clauses 4.2 (a) and (b). Nor were they accompanied by detailed specifications and explanations of assets and liabilities.

Clause 23

11. ON 11th January, 1983 I forwarded to the Debtors my firm's bill for services rendered under the Deed. On 10th March, 10
1983 I forwarded to the Debtors a further bill for my firm's services rendered under the Deed. Now produced and shown to me and marked "AM 4" is a copy of such bill. The charges made by the bills are calculated in accordance with the requirements of clause 23 and are fair and reasonable. At the date of swearing this affidavit my firm's bills have not been paid nor does any bank account of the Company contain funds sufficient to cover them.

Clause 37

12. BY clause 37 of the Deed power is given to the Examining 20
Accountant to extend the time for doing any act or thing provided for by the Deed.

13. ON or about the 22nd November, 1982, and prior to the execution of the Deed I had a conversation with Mr. Ganke during the course of which he said to me, "It will be very difficult for us to supply the accounts for the quarter ending 30th September, 1982 in the time required by the Deed. Will you grant us an extension?", to which I replied, "Yes, I will give you an extra 30 days". I refer to Exhibit "H"

No.76
Affidavit of Alexander
Robert MacKay MacIntosh
31st March 1983
(continued)

to my affidavit of 14th February, 1983 and the letter of the Company therein to me dated 30th December, 1982. Following the receipt of such letter I wrote to the Company a letter dated 12th January, 1983 (a copy of which appears in Exhibit "H" to my Affidavit of 14th February, 1983). In the course of that letter I extended the time within which the Debtor companies could comply with the provisions of clause 4.2 (a) of the Deed to 31st January, 1983.

10

14. TO the best of my recollection and belief no other application for any extension of time for compliance with any of the provisions of the Deed was made to me orally or on behalf of any of the Debtors. However, various applications were made to Mr. Fear and communicated by him to me. In each case I rejected those applications and requested Mr. Fear to advise the Debtors accordingly.

20

15. ALL other applications for extensions of time for compliance with the Deed were in writing and they were responded to by me in writing. Now produced and shown to me and marked "AM 5" is a copy of a letter from the Company to me dated 28th January, 1983.

I also refer to Exhibit "H" to my Affidavit of 14th February, 1983 and the following letters therein:-

- Letter from the Company to me dated 30th December, 1982.
- Letter from the Company to me dated 4th January, 1983.
- Letter from me to the Company dated 12th January, 1983.
- Letter from me to the Company dated 2nd February, 1983.

16. AS appears from the following letters written by me to the Company or other Debtors it was necessary for me on numerous occasions to remind the Debtors to provide

In the Supreme
Court of
Victoria

No.76
Affidavit of
Alexander
Robert MacKay
MacIntosh
31st March
1983

(continued)

information required under the Deed and to request additional information in order to analyse the Debtors' position and be able to assess proposals from them for my approval.

I refer to Exhibit "H" to my Affidavit of 14th February, 1983 and the following letters therein:-

- Letter from me to the Company dated 12th January, 1983.
- Letter from me to the Company dated 26th January, 1983.
- Letter from me to the Company dated 2nd February, 1983.
- Letter from me to the Company dated 9th February, 1983.

I refer to Exhibit "G" to my Affidavit of 14th February, 1983 and the following letters therein:- 10

- Letter from me to the Company dated 26th January, 1983.
- Letter from me to the Company dated 9th February, 1983.

I refer to Exhibit "F" to my Affidavit of 14th February, 1983 and the letter therein from me to the Company dated 9th February, 1983.

17. AS appears from the following letters I often reminded the Debtors of their failures to comply with the Deed. I refer to Exhibit "H" to my Affidavit of 14th February, 1983 and to the following letters therein:- 20

- Letter from me to the Company dated 12th January, 1983.
- Letter from me to the Company dated 14th January, 1983.
- Letter from me to the Company dated 26th January, 1983.
- Letter from me to the Company dated 2nd February, 1983.
- Letter from me to the Company dated 9th February, 1983.

Now produced and shown to me and marked respectively as follows are copies of the following letters:-

"AM 6" Letter from me to the Company dated 9th February, 1983.

"AM 7" Letter from me to Alexanders Securities dated 26th January, 1983. 30

No. 77
EXHIBIT "AM 1"

COPY OF DRAFT 'REPAYMENT
PROGRAMME'

In the
Supreme
Court of
Victoria

No.77
Exhibit
"AM 1"
Copy of draft
'Repayment
Programme'

This is the exhibit marked with the letter "AM1" produced and shown to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing his affidavit.

In the
Supreme
Court of
Victoria

DRAFT 1+1

Prepared by: BG 291282 (or30)

Typed by : ks 311282

BRINDS

For discussion only.

No.77
Exhibit
"AM 1"
Copy of
Draft
'Repayment
Programme'

BRINDS LIMITED - *Repayment Program*

PHASE 1

(continued)

Dec. 1982/Jan. 1983 - Sell - Shares \$ \$
100,000

Pay - O/D 40,000
- FAI 30,000
- Misc. 30,000
100,000

1983

Jan/Feb.

Sell - Strata space 400,000

Pay - Milton 400,000

Sell Shares 600,000

Pay - Sth Cross call 500,000 X

- FAI 30,000 ?

- Misc. 70,000

600,000

Sth Cross - FAI 400,000

PHASE 2

1983

March/April

Sell - Chapmans 4,500,000

Call Funds into Sth Cross 1,000,000

5,500,000

Pay

Chapmans - FAI 400,000

Brinds - Jackson 400,000

Brinds - Milton 400,000

Brinds - ASL 3,700,000

Sth Cross - Offshore 600,000

Sth Cross - ?

5,500,000

PHASE 3

1983

May/June

Sell - ASL 3,800,000

Pay

Brinds - ASL 20 3,300,000

In the Supreme Court
of Victoria
No.77 Exhibit "AM 1"
Copy of draft 'Repayment
Programme'
(continued)

PHASE 4

1983

July/August

	<u>Sell</u>	- Gulf Resources	\$	2,500,000
	<u>Pay</u>	- Gulf Resources	2,500,000	
	<u>Sell</u>	- Hallmark		2,000,000
	<u>Pay</u>	- Offshore 011	2,000,000	

PHASE 5

1983

Sept/Oct.

	<u>Sell</u>	- ICF (40% + Loan)		1,500,000
	<u>Pay</u>	- Offshore 011	1,500,000	

Nov/Dec.

	<u>Sell</u>	- Offshore 011 shares		
		50,000,000		
		- at 15¢		7,500,000
		- at 20¢		10,000,000
		Settlement of Acron Land		1,000,000
	<u>Pay</u>	- Offshore 011	1,000,000	

-ks/311282

bg

In the
Supreme
Court of
Victoria

No.78
EXHIBIT "AM 2"

COPY OF REPORT FROM BRINDS
LIMITED DESCRIBED AS 'FOR THE
MONTH OF DECEMBER 1982'

No.78
Exhibit
"AM 2"
Copy of
report
from
Brinds
Ltd.
described
as 'for
the month
of
December
1982'

This is the exhibit marked with the letter "AM2" produced and shown
to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing his
affidavit.



AM-2
BRINDS LIMITED

GROUP OF COMPANIES

INCORPORATED IN VICTORIA
SYDNEY OFFICE:
12 ELIZABETH STREET, SYDNEY
PHONE: 233 6022
CABLES: "INVESTINAUST" SYDNEY
TELEX: AA22292

PLEASE ADDRESS ALL CORRESPONDENCE TO BOX 4246 GPO SYDNEY NSW 2001

25th January 1983

Quoted 27/1/83

Peat Marwick Mitchell & Co
31st Level
Australia Square
Sydney NSW 2000

In the Supreme Court
of Victoria

No.78
Exhibit "AM 2"
Copy of report from
Brinds Limited
described as 'for
the month of December
1982'

Attention Mr A R Macintosh

(continued)

Dear Mr Macintosh

Re DEED OF 25 NOVEMBER 1982 (DEBTOR'S REPORT)

- 10 1. Brinds Limited, a company which is a party to the Deed of 25th November, 1982, submits heregy the following report for the month of December, 1982.
2. The company has sold the following assets:
Shares in public companies.
3. The company has re-financed the following liabilities:
The company maintained payments on all bills and overdraft facilities.
- 20 4. General Comments:
The company prepared financial and other important packages for the sale of its total shareholding in Alexanders Securities Limited and Chapmans Limited.
These sales, when effected, should realise about \$6-\$8 million.
The company conducted negotiations for the sale of its office space on the 11th Floor in this building and an agreement to enter into contracts has been reached just before the New Year. (Contracts have since been exchanged at \$400,000). These funds will be utilised to repay the first mortgage and the bank.
- 30 5. The work-load, particularly due to the holiday period, has been heavy and as the group is transferring its accounts to a computer system, the usual teething problems have arisen. It is expected that future monthly reports will be delivered on time, together with appropriate accounts (see also previous correspondence).

Please let us know if you require any further information.

Yours sincerely

[Signature]
Brinds Limited

In the
Supreme
Court of
Victoria

No. 79
EXHIBIT "AM 3"

No.79
Exhibit
"AM 3"
Copy of
report from
Brinds Ltd.
described
as 'for
the month
of
January
1983'

COPY OF REPORT FROM BRINDS
LIMITED DESCRIBED AS 'FOR
THE MONTH OF JANUARY 1983'

This is the exhibit marked with the letter "AM3" produced and shown
to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing his
affidavit.



BRINDS LIMITED

GROUP OF COMPANIES

INCORPORATED IN VICTORIA
SYDNEY OFFICE:
12 ELIZABETH STREET, SYDNEY
PHONE: 233 6022
CABLES: "INVESTINAUST" SYDNEY
TELEX: AA22292

PLEASE ADDRESS ALL CORRESPONDENCE TO BOX 4246 GPO SYDNEY NSW 2001

14 February 1983

In the Supreme Court
of Victoria

Peat Marwick Mitchell and Company
31st Level
Australia Square
Sydney NSW 2000

No.79
Exhibit "AM 3"
Copy of report from
Brinds Limited
described as 'for
the month of
January 1983'

Attention Mr A R Macintosh

(continued)

Dear Mr Macintosh

Re Deed of 25th November, 1982 (Debtor's Report)

- 10 1. Brinds Limited, a company which is a party to the Deed of 25th November, 1982, submits hereby the following report for the month of January, 1983.
- 2. The company has sold the following assets:-
Contracts for the sale of 11th floor, 82 Elizabeth Street, Sydney, were exchanged.
- 3. The company has re-financed the following liabilities:-
The company maintained payments on all bills and overdraft facilities.
- 20 4. General Comments:-
Advertisements were placed for the sale of Chapmans Limited. Various replies were received and responded to. Interest was also expressed in ASL.
Logistics of sales of Alexanders and Chapmans Limited have been worked out.

Please let us know if you require any further information.

Yours sincerely

Brinds Limited

-db/945.109

9/2/83

In the
Supreme
Court of
Victoria

No.80
Exhibit
"AM 4"
Copy of
Bill of
Services
sent to
the
debtors
under the
moratorium
for
services
rendered
under the
deed dated
10th March
1983

No. 80
EXHIBIT "AM 4"
COPY OF BILL OF SERVICES
SENT TO THE DEBTORS UNDER
THE MORATORIUM FOR SERVICES
RENDERED UNDER THE DEED DATED
10TH MARCH 1983

This is the exhibit marked with the letter "AM4" produced and
shown to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing
his affidavit.

In the Supreme
Court of
Victoria

PEAT MARWICK MITCHELL & CO.

10th March, 1983

Mr. B.A. Ganke,
Brinds Limited,
82 Elizabeth Street,
SYDNEY N.S.W. 2000

Dear Mr. Ganke

No.80
Exhibit "AM 4"
Copy of bill of
services sent
to the Debtors
under the
Moratorium for
services
rendered under
the Deed
10th March 1983

(continued)

MORATORIUM DEED

10 Attached for your attention is a further account for professional services rendered by me in acting as Examining Accountant pursuant to the Moratorium Deed covering the period to the termination of the Deed.

I note that the interim fee rendered on 11th January, 1983 in the amount of \$2,200 remains unpaid. The total amount due is \$10,225.00.

Yours sincerely,

A.R.M. MACINTOSH

PEAT MARWICK MITCHELL & CO

In the
Supreme
Court of
Victoria

No.80
Exhibit
"AM 4"
Copy of
bill of
services
sent to
the
Debtors
under the
Moratorium
for services
rendered
under the
Deed
10th March
1983

(continued)

The Secretary,
Brinds Limited
G.P.O. Box 4246,
SYDNEY N.S.W. 2001

3rd March, 1983

To Professional Services rendered by Mr. A.R.M.
Macintosh assisted by Mr. C.A. Fear in acting as
"examining accountant" pursuant to the deed dated
25th November, 1982 for the period from 25th
November, 1982 to 16th February, 1983.

Interim fee based on time occupied at the firm's
normal rate for such services

\$10,225

Less interim fee rendered 11th January, 1983

\$ 2,200

\$ 8,025

No. 81
EXHIBIT "AM 5"

COPY OF LETTER FROM BRINDS
LIMITED TO MacINTOSH DATED
28TH JANUARY 1983

No.81
Exhibit "AM 5"
Copy of letter
from Brinds Ltd.
to MacIntosh dated
28th January 1983

This is the exhibit marked with the letter "AM5" produced and shown
to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing
his affidavit.

In the
Supreme
Court of
Victoria

BRINDS LIMITED

No.81
Exhibit
"AM 5"
Copy of
letter
from
Brinds Ltd.
to MacIntosh
dated 28th
January
1983

28 January 1983

Peat Marwick Mitchell & Co.
31st Level Australia Square
Sydney 2000

Attention Mr. A.R.M. Macintosh

(continued)

Dear Mr. Macintosh,

RE: Accounting Reports - Moratorium Agreement Clause 4(2)

As your Mr. Charles Fear is aware, we have been unable to recover data submitted for processing more than two weeks ago from our computer bureau.

10

Your permission is therefore sought for an extension of time in which to submit the necessary reports for all the Debtors companies.

Yours sincerely

Brinds Limited

No. 82
EXHIBIT "AM 6"

COPY OF LETTER FROM MacINTOSH
TO BRINDS LIMITED DATED 9TH
FEBRUARY 1983

This is the exhibit marked with the letter "AM6" produced and shown
to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing
his affidavit.

In the Supreme
Court of Victoria

No.82
Exhibit "AM 6"
Copy of letter from
MacIntosh to Brinds
Limited dated 9th
February 1983

(continued)

9th February, 1983

17/ktt

Mr. B.A. Ganke,
Brinds Limited,
Box 4246 G.P.O.,
SYDNEY. N.S.W. 2009

Dear Mr. Ganke,

I refer to your letter dated 7th February, 1983 entitled "Moratorium Agreement, Clause 4(2)".

In response to the comment in your second paragraph, no we do not have to go on writing letters at all. However, I have no objection to information being conveyed by letter or any other means. I believe that it is necessary for you to be aware of breaches of the agreement and particularly breaches of the covenants thereof. 10

The remainder of the comments in your second paragraph are simply incorrect. You were granted an extension of time to prepare the financial information which is still outstanding. In my opinion, you have made no genuine attempt to provide the financial information I require to enable me to carry out my role as Examining Accountant.

In relation to point four of the third paragraph, the only million dollar problem of which I am aware is that confronting your creditors. In relation to assets, I am unable to state through lack of information as to whether there are millions of dollars involved. 20

In relation to the penultimate paragraph of your letter I advise that the unsecured creditors have run out of patience as you have failed to provide me with any information in relation to your affairs and a plan for the satisfaction of their debts.

I am most willing to meet to discuss your financial affairs when I have full knowledge of the details of your financial affairs.

Yours sincerely,

A.R.M. MACINTOSH,
(Examining Accountant)

No. 83
EXHIBIT "AM 7"

COPY OF LETTER FROM MacINTOSH
TO ALEXANDERS SECURITIES
DATED 26TH JANUARY 1983

This is the exhibit marked with the letter "AM7" produced and shown to ALEXANDER ROBERT MACKAY MACINTOSH at the time of swearing his affidavit.

No.83
Exhibit "AM 7"
Copy of letter from
MacIntosh to
Alexanders Securities
dated 26th January
1983 (continued)

26th January, 1983.

17/EY

Mr. B.A. Ganka,
Alexanders Securities Limited,
Box 4246 G.P.O.,
SYDNEY. N.S.W. 2001

Dear Mr. Ganka,

I refer to your letter dated 21st January, 1983 and to the meeting held on that day.

Further information gained since 21st January as a result of questions and investigations has revealed that Alexanders Securities Limited (ASL) owes Audimco \$100,000 plus interest which is secured with the lodgement of 800,000 shares in Offshore Oil N.L. which are owned by Alexanders Corporation Limited. 10

You advised me at the meeting on 21st January that Audimco had served you with notice saying that unless the loan was repaid by 5.00 p.m. on 21st January, 1983 the security would be sold and proceedings commenced against ASL and Brinds Limited (presumably as a guarantor) for any shortfall. You also advised that apart from secured liabilities to Fire and All Risks Insurance Co. Limited and Westpac Banking Corporation the company's only other liability is a debt of approximately \$3 million owed to Chapmans Limited. 20

I understand from you that sale of the 10,600 shares in Abignano Limited would realise sufficient funds to enable repayment of the shortfall plus interest and the cost of the put and call option for the Offshore shares.

The Moratorium Agreement provides for the sale of the assets of the debtor companies and the repayment of their liabilities. Sale of the shares owned by the debtor company group in ASL thus realising the value attaching to the ASL corporate structure is in accordance with the aims of the Moratorium Deed. It is accepted that to achieve such a sale it will be necessary for ASL to discharge its liabilities. 30

Whilst the repayment in full of Audimco whilst other creditors remain unpaid is not in accordance with the spirit of the Moratorium Deed, Audimco is not a party to that deed.

On the basis of the information available to me at the meeting I endorsed my agreement to the transaction on the condition that points 1 and 2 in your letter were effected simultaneously and that point 3 was effected as part of the same transaction (i.e. to repay Audimco for a shortfall). The sale of an asset of Alexanders Corporation Limited to satisfy a debt owed by ASL is consented to on the basis only that Audimco has a valid and enforceable

security over the subject asset and with the same conditions attaching to the transaction as are set out above.

At this point, I wish to formally record my objection to being asked to approve a transaction such as the application of the proceeds of sale of the Abignano shares which does not accord with the intent of the Moratorium Deed without being provided with all the relevant (and accurate) information within sufficient time to enable me to consider all of the effects and merits of the proposed transaction. Your attention is respectfully drawn to the provisions of the Moratorium Agreement which provides:-

- 10 - At Clause 1B(iii) "during the moratorium the examining accountant is promptly provided with all information, records and documents of the debtor and explanations thereof and any transactions of the debtor with the examining accountant and his absolute discretion shall seek.....and provide full and free access to such debtor's records, accounts and other documents.....".
- At Clause 1B(vii)(b) "deliver to the examining accountant within such time and in respect of such period as the examining accountant shall require during the moratorium balance sheets, profit and loss statements and cash flow projections.
- 20 - Clause 4.2 "each debtor separately covenants with each creditor to deliver unaudited balance sheets and profit and loss accounts together with detailed specification and explanation of all assets and liabilities set forth in such unaudited accounts in respect of such debtor at the end of and for each of the periods:
- (a) July 1, 1982 to September 30, 1982;
(b) October 1, 1982 to December 31, 1982;
...within 30 days after the conclusion of each such period...".

30 I note that the information listed above has not been provided and as such you are in breach of the covenants to the Moratorium Agreement. In such circumstances I must consider invoking the provisions of Clause 22 of the said deed.

Yours sincerely,

A.R.M. MACINTOSH,
(Examining Accountant).

21/83

AFFIDAVIT OF ALAN EDWARD MERVYN GEDDES

No. 84
Affidavit of
Alan Edward
Mervyn Geddes
6th April 1983

I, ALAN EDWARD MERVYN GEDDES of 117 Pitt Street, Sydney in the State of New South Wales Company Director MAKE OATH AND SAY as follows:-

1. I am a Joint Managing Director of Mercantile Mutual Life Insurance Company Limited and of Mercantile Mutual Holdings Limited the holding company of the aforesaid company and am duly authorised by such companies to make this Affidavit on their behalf. I depose to the matters hereinafter set forth from my own knowledge.

2. ON 25th March 1983 I wrote a letter to Brinds Limited (Provisional Liquidator Appointed). Now produced and shown to me and marked "AG1" is a copy of that letter. 10

3. ON 30 March, 1983 I received a letter from Brinds Limited (Provisional Liquidator Appointed) in response to my letter referred to in paragraph 2 hereof. Now produced and shown to me and marked "AG2" is a copy of such letter.

4. ON 30 March 1983 I wrote a letter to Brinds Limited in reply to their letter to me of even date. Now produced and shown to me and marked "AG3" is a copy of such letter. 20

5. ON 5th April 1983 I received a letter from Brinds Limited (Provisional Liquidator Appointed). Now produced and shown to me and marked "AG4" is a copy of that letter.

SWORN at Sydney 6th April, 1983

No. 85
EXHIBIT "AG 1"

COPY OF GEDDES' LETTER TO
BRINDS DATED 25TH MARCH 1983

In the Supreme
Court of Victoria

No.85
Exhibit "AG 1"
Copy of Geddes'
letter to Brinds
dated 25th March
1983

This is the exhibit marked with the letter "AG1" produced and shown
to ALAN EDWARD MERVYN GEDDES at the time of swearing his affidavit.

SWORN this 6th day of April, 1983

In the Supreme
Court of
Victoria

No. 85
Exhibit "AG 1"
Copy of Geddes'
letter to
Brinds dated
25th March 1983

MERCANTILE MUTUAL HOLDINGS LIMITED

25th March, 1983

(continued)

The Chairman,
Brinds Limited,
G.P.O. Box 4246,
SYDNEY 2001

Dear Sir,

I refer to our loan to Brinds Limited which fell due on 8 October 1982 but was extended at your request for a further six months, interest at 17.75% payable in advance being added to the loan.

The loan is now finally due for repayment on 8 April 1983. The amount of indebtedness on that day being \$1,624,367.00.

Yours faithfully,

Joint Managing Director

No. 86
EXHIBIT "AG 2"

In the Supreme
Court of Victoria

COPY OF REPLY BY BRINDS TO
GEDDES DATED 30TH MARCH 1983

No.86
Exhibit "AG 2"
Copy of reply by
Brinds to Geddes
dated 30th March
1983

This is the exhibit marked with the letter "AG2" produced and shown to ALAN EDWARD MERVYN GEDDES at the time of swearing his affidavit.

SWORN this 6th day of April, 1983

In the Supreme
Court of Victoria

No.86
Exhibit "AG 2"
Copy of reply by
Brinds to Geddes
dated 30th March
1983

(continued)

(Provisional Liquidator Appointed)

BRINDS LIMITED

30th March, 1983

Managing Director,
Mercantile Mutual Holdings Ltd.,
117 Pitt Street,
SYDNEY N.S.W. 2000

Attention: Mr. Alan Geddes

Dear Mr.Geddes

Thank you for your letter of 25th March,1983.

10

As you will recall when this matter was discussed, it was considered that either a six or twelve month extension could be arranged.

In the present circumstances, it would be appreciated if a further six months would be allowed.

Your favourable consideration will be very much appreciated.

Yours sincerely,

Brinds Limited

(Provisional Liquidator Appointed)

B. Ganke

No. 87
EXHIBIT "AG 3"

In the Supreme
Court of Victoria

COPY OF LETTER BY GEDDES TO BRINDS
DATED 30TH MARCH 1983

No.87
Exhibit "AG 3"
Copy of letter
by Geddes to
Brinds dated
30th March 1983

This is the exhibit marked with the letter "AG3" produced and shown to ALAN EDWARD MERVYN GEDDES at the time of swearing his affidavit.

SWORN this 6th day of April, 1983

In the Supreme
Court of Victoria

No.87
Exhibit "AG 3"
Copy of letter by
Geddes to Brinds
dated 30th March
1983

MERCANTILE MUTUAL HOLDINGS LIMITED

30th March, 1983

(continued)

Mr. B. Ganke,
Brinds Limited,
G.P.O. Box 4246,
SYDNEY 2001

Dear Mr. Ganke,

We have your letter of 30th March, 1983 requesting that the loan be extended for a further six months.

We regret that we cannot accede to this request and wish to abide with the Deed of Variation of Mortgage made on 23 November, 1982 providing for repayment on 8 April 1983.

Yours faithfully

Joint Managing Director

No. 88
EXHIBIT "AG 4"

In the Supreme
Court of
Victoria

COPY OF REPLY BY BRINDS TO
GEDDES DATED 31ST MARCH 1983

No.88
Exhibit "AG 4"
Copy of reply
by Brinds to
Geddes dated
31st March 1983 .

This is the exhibit marked with the letter "AG4" produced and shown to ALAN EDWARD MERVYN GEDDES at the time of swearing his affidavit.

SWORN this 6th day of April, 1983

(Provisional Liquidator Appointed)

BRINDS LIMITED

In the
Supreme
Court of
Victoria

31st March, 1983

No.88
Exhibit
"AG 4"
Copy of
reply by
Brinds to
Geddes
dated 31st
March 1983

Managing Director,
Mercantile Mutual Insurance Ltd.,
1st Floor,
117 Pitt Street,
SYDNEY N.S.W. 2000

Dear Mr. Geddes,

(continued)

Further to our letter of 30th March, 1983 and our discussion, you will be aware that the Deed of Variation of the Mortgage provided that if the principal and interest was not paid on 8th April, 1983, then the interest only could be paid at the rate of 17.75%.

10

As you are aware, due to our current predicament in Victoria, it would seem that we are forced to go into default under this Deed of Variation as a result of the ex-parte appointment of a Provisional Liquidator, as we are precluded from making the necessary payment.

An appeal against the appointment has been lodged. If you were to withdraw your support of the petition and our appeal would be successful, we could then arrange for the payment of the interest to your company.

20

Your favourable consideration of this submission will be appreciated.

Yours sincerely,

Brinds Limited
(Provisional Liquidator Appointed)

B. Ganke

AFFIDAVIT OF BRUCE GORDON JACKSON

I, BRUCE GORDON JACKSON of 25 Bligh Street, Sydney in the State of New South Wales, Stock and Sharebroker MAKE OATH AND SAY as follows:-

1. I am a Partner in the firm of Jackson Graham Moore and Partners, Stock and Sharebrokers, and am duly authorised by the firm to make this affidavit on its behalf. I depose to the matters hereinafter set forth from my own knowledge.

2. ON or about 16 March, 1983 I received a letter from Brinds Limited (Provisional Liquidator Appointed) signed by Mr. Ganke.
10 Now produced and shown to me and marked "BJ1" is a copy of that letter.

3. ON 29 March 1983 I wrote a letter to Mr. Ganke in response to his letter referred to in paragraph 2. Now produced and shown to me and marked "BJ2" is a copy of my letter.

SWORN at Sydney 6th April, 1983.

In the Supreme
Court of
Victoria

No. 90
EXHIBIT "BJ 1"

No.90
Exhibit "BJ 1"
Letter from
Brinds Ltd.
to Jackson
dated 16th
March
1983

LETTER FROM BRINDS LIMITED TO JACKSON
DATED 16TH MARCH 1983

This is the exhibit marked with the letter "BJ1" produced and
shown to BRUCE GORDON JACKSON at the time of swearing
his affidavit.

SWORN this 6th day of April, 1983



BRINDS LIMITED

GROUP OF COMPANIES

INCORPORATED IN VICTORIA
SYDNEY OFFICE
62 ELIZABETH STREET, SYDNEY
PHONE: 233 602
CABLES: "BRVLEMAUST" SYD
TELEX: AA 22292

PLEASE ADDRESS ALL CORRESPONDENCE TO BOX 4246 GPO SYDNEY NSW 1001

16 March 1983

Jackson Graham Moore & Partners
10 Spring Street
Sydney 2000

Attention Mr B C Jackson

In the Supreme
Court of Victoria
No.90

Exhibit "BJ 1"
Letter from Brinds
Ltd. to Jackson
dated 16th March
1983
(continued)

Dear Bruce

Thank you for your letter of 4 March 1983, received by us on 10 March, 1983.

10 Your letter is incorrect in a number of major items and it is not much use to comment on them in detail.

However, your penultimate paragraph simply repeats a statement which you persist in making and which is factually completely wrong.

20 You have not introduced to us "parties who have indicated real interest in purchasing a controlling interest in Chapmans Limited and also Southern Cross Exploration". To be specific, you brought one party to have a preliminary discussion on Chapmans. Information was provided to that client and his merchant bank. You yourself stated that you had not checked his credentials and did not know whether he was serious or could perform.

No further contact was made by that party and I have quite clearly stated that we are willing to talk to anybody as long as they will make any offer. As you know, not even an unreasonably low offer came from that source.

As regards Southern Cross, you have also introduced one party - Goldberg & Wise. We have gone to your office to discuss the matter with Goldberg. Subsequently, Martin Corporation took charge of proceedings and a meeting with them was held in our office on 27 January 1983.

30 As a result and in order to enable an offer to be formulated, directors of Southern Cross resolved to defer the auction of the forfeited shares from 2 February, 1983 to 18 February, 1983.

The next day, the Federal Elections were announced and the share market was in tatters. No further contact was made or attempted to be made by anyone on behalf of the prospective purchaser in respect of that matter.

40 As I said before, anyone seriously interested in buying a company do his homework and is then prepared to submit a conditional offer, e.g. that balance sheet items are verified, title to assets held, etc. No prudent purchaser would accept any vendor's assurance - so to suggest that anyone did not proceed because of some imaginary fault of ours or mine is simply unrealistic. The real issues were simply never brought to fruition by the would-be buyers.

.../2.

In the Supreme
Court of
Victoria

15 March 1983

Jackson Graham Moore & Partners

- 2 -

No.90
Exhibit "BJ 1"
Letter from
Brinds Ltd.
to Jackson
dated 16th
March 1983

(continued)

As we were in fairly frequent and friendly discussions, you were aware that negotiations for the sale of Chapmans and Alexanders Securities were pending and it was clearly understood that any previous threats of action have been waived. Had you made a definite request for payment by a certain date, arrangements would have been made to meet it.

Your actions in collusion with Offshore Oil and Macintosh - seeking the appointment of a Provisional Liquidator - have caused our company irreparable harm. In consequence thereof substantial delays of any settlement which could have been affected will be encountered as we are at present not allowed to pay you or anyone even a cent.

Your request for the payment "forthwith" is unfortunately out of our hands by virtue of your actions in Victoria. We could have all the funds available from sale of various securities but we are not allowed to make any payment to you now.

Unfortunately, one cannot have it both ways - if you choose the legal action route - then the commercial one is closed off.

As always, I shall be happy to talk to you in respect of these developments.

Regards

Brinds Limited. (Provisional Liquidator Appointed.)


Boris Ganke

-rb/945.109

No. 91
EXHIBIT "BJ 2"

LETTER FROM JACKSON TO
BRINDS IN REPLY
DATED 29TH MARCH 1983

In the Supreme
Court of
Victoria

No.91
Exhibit "BJ 2"
Letter from
Jackson to
Brinds in
reply dated
29th March 1983

This is the exhibit marked with the letter "BJ2" produced and shown to BRUCE GORDON JACKSON at the time of swearing his affidavit.

SWORN this 6th day of April, 1983

In the Supreme
Court of
Victoria

JACKSON GRAHAM MOORE & PARTNERS

No.91
Exhibit
"BJ 2"
Letter from
Jackson to
Brinds in
reply dated
29th March
1983

29th March, 1983

(continued)

Mr. Boris Ganke,
Brinds Limited,
9th Floor,
82 Elizabeth Street,
SYDNEY. N.S.W. 2000

Dear Boris,

I acknowledge receipt of your letter of 16th March, 1983 in which you put in writing many of the arguments which you have raised in our recent telephone conversations. We notice that there is again no mention of how and when you intend to pay the debts which have now been outstanding for in excess of six months. We do not accept your arguments and confirm that in our opinion it now appears the appointment for a liquidator is essential to enable reliable accounts of your company to be prepared and to enable those assets that can be sold, to be realised.

10

As I mentioned in my previous letter the five major creditors of your group are aware of the value of shell companies for back door listing purposes and have indicated that they are prepared to co-operate in an orderly disposal.

We confirm that we require payment forthwith and if it is not forthcoming we intend to continue to support the application for a liquidator to be appointed.

20

Yours faithfully,

JACKSON GRAHAM MOORE AND PARTNERS

B.G. JACKSON

AFFIDAVIT OF JILLIAN MARY ARNOTTNo. 92
Affidavit of
Jillian Mary Arnott
6th April 1983

I, JILLIAN MARY ARNOTT of MLC Building, 19-29 Martin Place,
Sydney, Law Clerk, MAKE OATH AND SAY as follows:-

1. I am a Law Clerk employed in the firm of Allen, Allen &
Hemsley, Solicitors and Notaries, Sydney. I depose to the matters
hereinafter set forth from my own knowledge save where otherwise
indicated.

2. ON Tuesday 5 April 1983 I attended at what I am informed
and verily believe to be the share registry of each of Acron
Pacific Limited, Alexanders Securities Limited, Chapmans Limited
and Offshore Oil N.L. and examined the share register presented
to me thereat of each such company respectively.

3. I recorded the shareholding (if any) revealed in the
aforesaid share registers of each of Brinds Limited, August
Investments Pty. Limited, Bonds and Securities (Nominees) Pty.
Limited, Bonds and Securities (Trading) Pty. Limited, Investment
Trust Limited and Micrae Mining Investments Pty. Limited. The
results of my searches are set forth herein. Except as set forth
in paragraphs 4, 5, 6 and 7 respectively of this Affidavit my
searches did not reveal any of the aforesaid companies to be
registered in the share registers examined.

4. AT approximately 12 p.m. on Tuesday 5 April 1983 I
attended at the offices of Corporate Computer Services Pty.
Limited, 411 Kent Street Sydney which I am informed and verily
believed to be the share registry of Acron Pacific Limited. I
asked to inspect the share register of the said company and upon
paying \$5.00 I was provided with what I am informed and verily
believe to be the share register of the said company. Set forth
below is the shareholding of each company referred to in
paragraph 1 of this affidavit as revealed by my search of the said
share register of Acron Pacific Limited at such time:

In the Supreme
Court of Victoria

No. 92
Affidavit of
Jillian Mary
Arnott
6th April 1983

(continued)

August Investments Pty. Limited	80,000 shares
Bonds & Securities (Trading) Pty. Limited	147,600 shares
Bonds & Securities (Nominees) Pty. Limited	65,000 shares
Brinds Limited	929,498 shares
Investment Trust Limited	398,800 shares

5. AT approximately 12 p.m. on Tuesday 5 April 1983 I attended at the offices of Corporate Computer Services Pty. Limited, 411 Kent Street Sydney which I am informed and verily believed to be the share registry of Alexanders Securities Limited. I asked to inspect the share register of the said company and upon paying \$5.00 I was provided with what I am informed and verily believe to be the share register of the said company. Set forth below is the shareholding of each company referred to in paragraph 1 of this affidavit as revealed by my search of the said share register of Alexanders Securities Limited:

Bonds & Securities (Trading) Pty. Limited	597,448 shares	20
Bonds & Securities (Nominees) Pty. Limited	27,378 shares	
Brinds Limited	217,639 shares	
Investment Trust Limited	153,633 shares	

6. AT approximately 12 p.m. on Tuesday 5 April 1983 I attended at the offices of Corporate Computer Services Pty. Limited 411 Kent Street Sydney which I am informed and verily believed to be the share registry of Chapmans Limited. I asked to inspect the share register of the said company and upon paying

\$5.00 I was provided with what I am informed and verily believe to be the share register of the said company. Set forth below is the shareholding of each company referred to in paragraph 1 of this affidavit as revealed by my search of the said share register of Chapmans Limited:

	August Investments Pty. Limited	179,929 shares
	Bonds & Securities (Trading) Pty. Limited	610,743 shares
10	Bonds & Securities (Nominees) Pty. Limited	2,000 shares
	Brinds Limited	105,675 shares
	Investment Trust Limited	31,214 shares
	Micrae Mining Investments Pty. Limited	165,650 shares

7. AT approximately 4.40 p.m. on Tuesday 5 April 1983 I attended at the offices of Coopers & Lybrand, 14th floor, 33 Bligh Street Sydney which I am informed and verily believed to be the share registry of Offshore Oil N.L. I asked to inspect the share register of the said company and I was provided with what I am informed and verily believe to be the share register of the said company. Set forth below is the shareholding of each company referred to in paragraph 1 of this affidavit as revealed by my search of the share register of Offshore Oil N.L.:

	Brinds Limited	2,978,000 shares
	Investment Trust Limited	225,000 shares

Sworn at Sydney 6th April, 1983

AFFIDAVIT OF CHARLES ANTHONY CANDLIN FEAR

No.93
Affidavit of
Charles
Anthony Chandlin
Fear

7th April 1983 I, CHARLES ANTHONY CANDLIN FEAR of 31st Level, Tower Building,
Australia Square, Sydney in the State of New South Wales,

Chartered Accountant MAKE OATH AND SAY as follows:

1. I have read a copy of the Affidavit of Martin Anthony Tosio sworn 30th March, 1983 and filed herein and the exhibits thereto.
2. I refer to the revised draft balance sheet, exhibit "T21" to Mr. Tosio's Affidavit. On the basis of my investigation of the affairs of Brinds Limited and its associated and subsidiary companies and on information supplied to me by Mr. Tosio and other officers of Brinds Limited and its subsidiary and associated companies I say that in my opinion -

10

- (a) the figure of \$19,957,000 for liabilities is probably approximately correct,
- (b) the figure of \$22,662,000 representing Mr. Tosio's estimate of the realisable value of total assets is overstated in that shares in listed companies shown therein at \$14,200,000, will not realise anything like the figure stated.

20

3. I shall now proceed to state the reasons on which I have informed this opinion.

Gulf Resources NL

4. In the schedule of information "T22" to Mr. Tosio's Affidavit the assets stated include 1,920,000 fully paid Gulf Resources NL shares valued at 23 cents each and 500,000 options valued at 1 cent. The options in question expired on 31st January 1983 without having been taken by Brinds Limited and are therefore worthless. As to the shares,

the current price quoted on the Sydney Stock Exchange as at 6th April, 1983 is only 3 cents per share as against 23 cents adopted by Mr. Tosio. The holding of Brinds Limited in Gulf Resources NL represents only approximately 7.5% of the latter company's issued capital. It is my understanding that in recent months there has been very little trading in Gulf Resources NL shares. At 3 cents the parcel is only worth \$57,600 which is \$389,000 less than the figure for shares and options appearing in Mr. Tosio's schedule.

10

Offshore Oil NL

5. In Mr. Tosio's schedule Brinds Limited's holding of 19,007,426 shares in this company is valued at 20 cents per share. As at 6th April, 1983 the sale price on the Sydney Stock Exchange was 8 cents. Brinds Limited's holding represents 7.82% of the issued share capital of Offshore Oil NL. The turnover in Offshore Oil NL shares in the last three months has been approximately 8,7000,000. At 8 cents per share the Brinds Limited parcel would be worth \$1,520,594 (gross before brokerage) this represents \$2,280,891 less than the figure in Mr. Tosio's schedule.

20

Acron Pacific Limited

6. Brinds Limited's holding of 1,155,498 shares in this company is valued by Mr. Tosio at 50 cents per share. The market price quoted on the Sydney Stock Exchange as at 6th April, 1983 per the Financial Review dated 7th April, 1983 was 30 cents. Further, the net asset backing per share disclosed therein is 33 cents per share. I understand no sales have taken place since last year. The total issued capital of Acron Pacific Limited is

In the Supreme
Court of
Victoria

No. 93
Affidavit of
Charles Anthony
Chandlin Fear
7th April
1983

(continued)

2,726,900 shares. The holding of Brinds Limited represents approximately 42% of the issued capital. On 4th February, 1983 Mr. Tosio gave me or caused to have given to me a copy of a draft balance sheet of Acron Pacific Limited as at 31st December, 1982. Now produced and shown to me marked "CF3" is a copy of that draft balance sheet. It discloses net tangible assets of \$961,592. Accordingly the net tangible asset backing per share is only 35 cents per share which would make Brinds Limited's holding worth \$404,424, resulting in a figure which is \$173,325 less than the figure appearing in Mr. Tosio's schedule.

10

Alexanders Securities Limited

7. Brinds Limited holds a parcel of 2,051,631 shares in this company which are valued by Mr. Tosio at \$2.20 per share. The total issued capital of holding is 71.8% of the issued capital. Shares in Alexanders Securities Limited were suspended from trading on 21 February 1983 and to date have not yet been relisted. The last sales were effected in October 1982 and were on Brisbane Exchange at 20 cents and on the Melbourne Exchange at 25 cents. On 24th January, 1983 Mr. Tosio gave me or caused to have given to me a copy of a draft balance sheet of Alexanders Securities Limited as at 31st December, 1982. Now produced and shown to me marked "CF4" is a copy of that balance sheet. It shows net tangible assets of \$4,692,732. I believe that it is reasonable to add to this figure \$200,000 representing the premium which would be paid for the corporate structure and its listing. However the balance sheet includes shares in listed companies at \$1,092,758 which

20

is the cost of acquisition of the shares. The market value of these shares at the end of March 1983 was approximately \$740,000. A provision for the diminution in value of the listed shares of \$352,758 should be recognised. The net tangible assets of the company should in my opinion be adjusted to \$4,539,974 giving a net tangible asset backing per share of \$1.59 per share. On this basis the value of the holding of Brinds Limited is \$3,262,093 which falls short of the figure stated in Mr. Tosio's schedule by \$1,251,495.

10 Chapmans Limited

8. Brinds Limited holds 4,534,457 shares in this company valued in Mr. Tosio's schedule at \$1.05 per share. The total issued capital of Chapmans Limited is 6,076,498 shares. The Brinds Limited holding represents 74.6% of the issued capital of that company. The last reported sale in Chapmans Limited shares was at 70 cents. The Financial Review dated 7th March, 1983 discloses a net asset backing of 74¢ per share. On 14th February, 1983 Mr. Tosio gave to me a draft balance sheet of Chapmans Limited as at the 31st December, 1982.

20 Now produced and shown to me marked "CF5" is a copy of that balance sheet. It shows net tangible assets at \$3,933,420 which represents a net tangible asset backing per share of 65 cents per share. However I believe it is reasonable to make adjustments to that balance sheet as follows:-

- (a) add revaluation of land and buildings at corner of Kent, Sussex and Market Streets Sydney based on a valuation of \$4,000,000 (offer received from a client of Bain & Company at \$2,000,000, valuation by Raine & Horne of approximately \$3,700,000 and

In the Supreme
Court of
Victoria

No.93
Affidavit of
Charles Anthony
Chandlin Fear
7th April
1983

(continued)

further informal valuations given to me of
approximately \$4,000,000)

	\$1,600,000
(b) add premium for listing	\$ 200,000

These additions give net tangible assets of \$5,733,420
or 94.3 cents per share which gives a value of Brinds
Limited's holding of \$4,275,993 which is \$485,187 less
than the figure appearing in Mr. Tosio's schedule.

Summary

9. On the foregoing basis, Mr. Tosio's balance sheets
disclosing estimated realisable value involves over
valuations (assuming full recovery of inter-group debts)
amounting to \$4,579,898.

10

Sworn at Melbourne the 7th April, 1983.

No. 94
EXHIBIT "CF 3"

COPY OF DRAFT BALANCE SHEET
OF ACRON PACIFIC LTD. AS AT
31ST DECEMBER 1982

In the Supreme
Court of Victoria

No.94
Exhibit "CF 3"
Copy of draft
balance sheet
of Acron Pacific
Ltd. as at 31st
December 1982

This is the exhibit marked "CF3" referred to in the Affidavit of
CHARLES ANTHONY CANDLIN FEAR sworn the 7th day of April, 1983.

In the Supreme
Court of
Victoria

No.94
Exhibit "CF 3"
Copy of draft
balance sheet
of Acron
Pacific Ltd.
as at 31st
December 1982

(continued)

ACRON PACIFIC LIMITED
BALANCE SHEET
FOR THE PERIOD 31.12.82

<u>CAPITAL</u>		
ISSUED CAPITAL		681725.00
ASSET REVALUATION RESERVE		4113.00
CAPITAL PROFITS RESERVE		12232.00
PROFIT & LOSS ACCOUNT		289153.74
PROFIT (LOSS) YEAR TO DATE		<u>(25630.92)</u>
		961592.82
<u>SHARE CAPITAL & RESERVES</u>		
REPRESENTED BY		
<u>FIXED ASSETS</u>		
FURNITURE & FITTINGS		1782.66
PROV. FOR DEPR. - FURNITURE & FITTINGS		(310.00)
OFFICE MACHINES		539.91
PROV. FOR DEPR. - OFFICE MACHINE		<u>(270.00)</u>
<u>INVESTMENTS</u>		
SHARES IN OTHER COMPANY(S)		139737.00
SHARES IN SUBSIDIARY(S)		505711.53
<u>CURRENT ASSETS</u>		
CURRENT ACCOUNT - ANZ		(4795.71)
CURRENT ACCOUNT - BNSW		(170.22)
SUNDRY DEBTORS & PREPAYMENTS		2470.65
INTEREST REC. - SUBSIDIARY CO(S)		31039.00
INTEREST REC. - OTHER RELATED CO(S)		14651.00
ADVANCES TO SUBSIDIARY COMPANY(S)		<u>10000.00</u>
ADVANCES TO OTHER RELATED CO(S)		<u>10000.00</u>
		2067737.72
<u>LESS</u>		
<u>NON-CURRENT LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
SHORT TERM LOANS OTHER UNSECURED	بنك مصطلح	614430.00
SUNDRY CREDITORS & ACCRUALS		15409.34
INTEREST PAYABLE OTHER	بنك مصطلح	198405.00
INTEREST PAYABLE TO HOLDING CO(S)		<u>10000.00</u>
UNCLAIMED DIVIDENDS		664.84
ADVANCE(S) FROM HOLDING CO(S)	بنك مصطلح	124164.95

ACRON PACIFIC LIMITED
BALANCE SHEET
FOR THE PERIOD 31.12.82

ADVANCE(S) FROM SUBSIDIARY CO(S)		18917.17
		<u>1106144.90</u>
NET ASSETS		(961592.82)

ACRON PACIFIC LIMITED
PROFIT & LOSS
FOR THE PERIOD 31. 12. 82

OME

===

ERST RECEIVABLE SUBSIDIARY CO(S)	3768. 00
ERST RECEIVABLE OTHER REL CO(S)	3169. 00
AGEMENT FEES	92000. 00

ENSES

=====

ITORS EMOLUMENTS AUDIT		88937. 00
SULTANTS FEES (ADMIN)	2095. 00	
REGISTRATION ADMIN	412. 50	
ECTORS EMOLUMENTS PARTTIME	117. 00	
ERAL/MISCELLANEOUS EXPENSE	1500. 00	
AGEMENT FEES PAYABLE	(1278. 02)	
NT & STAT NEWSPAPERS, BOOKS, COPYING	12000. 00	
TAGE TELEPHONE TELEX & TELEGRAMS	330. 41	
ES & TAXES, OTHER GOVT. CHARGES	96. 20	
K CHARGES	524. 00	
TING FEES	68. 52	
RE REGISTRY FEES	1594. 06	
ERST PAYABLE OTHER	1000. 00	
ERST PAYABLE HOLDING CO(S)	70701. 18	
ERST PAID BANK	25407. 00	
	0. 07	

T PROFIT(LOSS) FOR THE PERIOD ENDED 31. 12. 82

114567. 92

(25630. 92)

No. 95
EXHIBIT "CF 4"

COPY OF DRAFT BALANCE SHEET
OF ALEXANDERS SECURITIES
LIMITED AS AT 31ST DECEMBER
1982

This is the exhibit marked "CF4" referred to in the Affidavit of
CHARLES ANTHONY CANDLIN FEAR sworn the 7th day of April, 1983.

Keed 24/1/83

BALANCE SHEET AS AT 31 DECEMBER 1982

1981 \$		NOTE	1982 \$
	CAPITAL		
	Authorized		
2,000,000	40,000,000 Ordinary Shares of 50¢ each	2	<u>20,000,000</u>
910,669	Issued and Fully Paid 2,854,058 Ordinary Shares of 50¢ each	2	1,427,029
2,981,754	CAPITAL RESERVES	3	3,780,254
	REVENUE RESERVES		
(379,218)	Accumulated Losses		1,514,551
<u>3,513,205</u>	TOTAL CAPITAL & RESERVES		<u>46,273,2</u>
	Represented by:		
	INVESTMENTS		
838,986	Shares in Corporation quoted on Stock Exchanges	4	1,092,758
118,822	Shares in Other Corporations - at cost		118,222
	Shares in Subsidiary quoted on Stock Exchanges	4	
24,074	Shares in Other Subsidiary - at cost		24,074
<u>981,882</u>			<u>1,235,054</u>
	CURRENT ASSETS		
3,680,921	Share Sale Debtor - Secured <i>Blinds Ltd</i>		3,620,221
22,934	Cash at Bank		1246
2,439,898	Deposits and Advances	5	4,182,247
25,000	Other Debtors and Prepayments		-
<u>6,168,753</u>			<u>7,803,714</u>
<u>7,150,635</u>	TOTAL ASSETS		<u>9,106,068</u>
	CURRENT LIABILITIES		
-	Bank Overdraft - Secured		2,000
500,000	Bills Payable - Secured <i>by ...</i>		1,600,000
124,884	Sundry Creditors and Accruals <i>share</i>		62,000
2,768,521	Unsecured Loan and Advances	6	2,615,052
<u>3,393,405</u>			<u>4,279,052</u>
	NON CURRENT LIABILITIES		
220,000	Mortgage Loans <i>FM</i>		420,000
24,025	Term Loans - Unsecured <i>2,200,000</i>		2,200,000
<u>244,025</u>			<u>2,620,000</u>
<u>3,637,430</u>	TOTAL LIABILITIES		<u>6,900,052</u>
<u>3,513,205</u>	NET ASSETS		<u>2,206,016</u>

No.96
EXHIBIT "CF 5"

COPY OF DRAFT BALANCE SHEET
OF CHAPMANS LIMITED AS AT
31ST DECEMBER 1982

This is the exhibit marked "CF5" referred to in the Affidavit of
CHARLES ANTHONY CANDLIN FEAR sworn the 7th day of April, 1983

1001
 1001
 1001

PRINTED
 1001
 1001
 1001

CF5

In the Supreme
 Court of
 Victoria

No.96
 Exhibit "CF 5"
 Copy of draft
 balance sheet
 of Chapmans Ltd.
 as at 31st
 December 1982

(continued)

CHAPMANS LIMITED
 BALANCE SHEET
 FOR THE PERIOD 31 12 82

CAPITAL	3049348 50	3533400 02
RESERVE	522671 41	
ASSET	247468 02	
RESERVE	22500 00	
RESERVE	181192 95	
RESERVE	516505 46	
RESERVE	1501289 92	

LIABILITIES	2387237 13	
LIABILITIES	642052 95	
LIABILITIES	200 00	
LIABILITIES	824489 00	
LIABILITIES	10712 79	
LIABILITIES	1422150 87	

LIABILITIES	120351 95	
LIABILITIES	192 38	
LIABILITIES	1109 14	
LIABILITIES	98458 58	
LIABILITIES	403 34	
LIABILITIES	1292201 00	
LIABILITIES	1422222 59	

LIABILITIES	130220 00	
LIABILITIES	871400 00	
LIABILITIES	514767 00	

LIABILITIES	1392 38	
LIABILITIES	40000 00	

In the
Supreme
Court of
Victoria

No.96
Exhibit
"CF 5"
Copy of
draft
balance
sheet of
Chapmans
Ltd. as at
31st
December
1982

DATE 1982.12.31

(continued)

CHAPMANS LIMITED
BALANCE SHEET
FOR THE PERIOD 31 12 82

SHARES	152319 00
RESERVE FUNDS	2500 00
OTHER UNSECURED DEPOSITS	5244 18
DEPOSITS UNSECURED	18137 00
RECEIVABLES FROM MEMBERS	4100 00
RECEIVABLES FROM SUBSIDIARY COMPANIES	15 877 00
OTHER RECEIVABLES	37 90
INVESTMENTS	3500 00
PROPERTY	301000 00
FIXED ASSETS	125000 00
OTHER ASSETS	176000 00
LIABILITIES	
DEBTS	
OTHER LIABILITIES	
NET ASSETS	442720 80

(252311 02)

AFFIDAVIT OF BORIS ANDREW GANKE

No.97
Affidavit
of Boris
Andrew Ganke
7th April
1983

I, BORIS ANDREW GANKE of 82 Elizabeth Street, Sydney in the State of New South Wales Company Director make oath and say further to my Affidavit sworn the 14th day of March, 1983 and filed herein.

10 1. I crave leave to refer to the Affidavit of Timothy John Whitfield sworn the 2nd day of March, 1983 and filed herein and say there was a conversation between Mr. Jackson, Mr. Tosio, the said Whitfield and myself on or about the 30th day of September, 1982 but I did not say in the course of it that if Jackson Graham Moore and Partners petitioned to wind up Brinds it would probably get nothing nor did I say that if I was given time "we may all be OK" nor did I say words to the like effect.

20 2. I crave leave to refer to the Affidavit of Bruce Gordon Jackson sworn the 16th day of February, 1983 and filed herein and in particular to paragraphs 6, 7 and 9 thereof. As to the conversation referred to in paragraphs 6 and 7 the said Jackson did say to me words to the effect of "Brinds are in default and we require settlement" but my reply was words to the effect "if we sell all the Offshore Oil shares now while they are suspended we will incur an unnecessary loss. Tell us how much we should pay you in the meantime and we will consider it."

I added that Brinds had enough unencumbered assets to pay but that with the share market as it was together with the Off Shore shares being suspended I would prefer to wait before selling and I asked the said Jackson whether he would consider repayment at the rate of \$100,000 per month in the meantime or whether he had some other proposal.

No.97
Affidavit of
Boris Andrew
Ganke
7th April
1983

(continued)

I believe the said Whitfield responded that it was for me to make a proposal to Jackson Graham Moore and Partners and not for them to make one to me. I did not say to the said Jackson at any time that I was reluctant to negate the benefits of incorporation or words to that effect nor have I said to him that Brinds could not pay the said Jackson Graham Moore and Partners.

3. I crave leave to refer to the Affidavit of Stephen Robert Anstice sworn in February, 1983 and filed herein. Neither the said Anstice nor any other representative of Martin Corporation Limited (hereinafter referred to as Martins) has at any time before the swearing by the said Anstice of his said Affidavit during discussions with Brinds or in correspondence given any indication that Martins intended to proceed with the notice. Such conversations as there have been have been friendly and no request for payment of the monies claimed by the said notice has been made. Monthly statements of principal and interest have continued to be sent by Martins to Brinds. Now produced and shown to me and marked with the letter "A" are copies of the said statements. On the 28th January the said Anstice wrote to me seeking a replacement of security for the said monies. The said letter which is now produced and shown to me and marked with the letter "B" makes no reference to any proposed winding up proceedings or any other legal action. On the 27th January 1983 a meeting was held in the offices of Brinds between the said Anstice, myself and another representative of Martins. The only matters discussed were the proposed offer by Goldberg and Wise for the shares held by Brinds in Southern Cross

10

20

30

Exploration N.L. and its possible methods of implementation but no demand was made by Martins for monies owing to it by Brinds nor was any information sought as to the repayment of those monies.

- 10
4. In about September 1982 I told both the said Jackson and the said Anstice that it was the intention of Brinds to repay Jackson Graham Moore and Partners and Martins respectively the monies owing by it following the sale of its majority share holding in two companies Chapmans Ltd. and Alexanders Securities Ltd. and that the sale price would be based upon the tangible asset backing of the shares of those companies rather than their value as calculated on the stock exchange. I repeated that statement to both of them after the Section 364 Notices had been served upon Brinds.

20

I believe that this statement by me coupled with the fact that both Jackson Graham Moore and Partners and Martins hold security in respect of Brinds' indebtedness to them and that that security exceeds that indebtedness if the shares comprising it are valued at nett asset backing and is security for a very large amount of that indebtedness if current market value is taken into account was the reason why neither the said Martins nor Jackson Graham Moore and Partners took any steps to proceed further following the issue and services of the said notices.

5. The shares held by Brinds in Chapmans Ltd. and Alexanders Securities Ltd. were placed on the market in January, 1983. Interested persons thereafter approached Brinds concerning a possible purchase by them of their shares. The appointment of a provisional liquidator has prevented any such sale proceeding.
- 69.

(continued)

6. Prior to the execution of the Moratorium Agreement there was a meeting between Brinds, the parties who signed the Moratorium Agreement and other parties including Jackson Graham Moore and Partners who were represented by the said Whitfield and Martins represented by one Ken House and the said Anstice. At that meeting the concept of deferred payments by Brinds was discussed as was the difficulty it was facing in consequence of the suspension of trading in Offshore shares and their unrealistically low market value. Neither Whitfield, House, nor Anstice dissented from the proposal that Brinds should be given time to sell assets at better prices than those then ruling. Indeed the said House stated that it seemed like a good idea to him but that he would have to refer the matter back to the Directors of Martins. Although neither the said Martins nor Jackson Graham Moore and Partners ultimately became parties to the Moratorium Deed they have not at any time sought to upset it but rather indeed have until the 17th day of February been content to abide its outcome. 10
7. In fact Brinds is able to procure payment of the debt owing to Jackson Graham Moore and Partners and the debt owing to Martins with reasonable despatch, I would estimate within 3-4 months from the date hereof provided that it is not placed into liquidation and provided that the provisional liquidator appointed on the 17th February aforesaid is removed. It would do so by placing upon the market for sale its shares in Alexander Securities Ltd. and Chapmans Ltd. in both of which it has a controlling interest. It owns 75% of the issued capital of Alexander Securities Ltd. and 70% of the issued capital of Chapmans. 20 30

I believe that Brinds' interest in Alexanders Ltd. and
Chapmans Ltd. can be sold for \$9M. Of that sum \$7M would
have to be paid by Brinds to Alexanders Securities Ltd.
immediately to discharge its indebtedness to that company.
The balance of \$2M would be applied in discharge of
Brinds' indebtedness to Martins and in discharge of its
indebtedness to Jackson Graham Moore and Partners. Jackson
Graham Moore and Partners would be required upon being
paid out to deliver up the shares in Offshore purchased
by them at Brinds' request which purchase was the foundation
of Brinds' indebtedness to them. Those shares would then
be sold by Brinds and the proceeds applied in reduction
of its indebtedness to Mercantile Mutual Life Insurance
Co. Ltd. The balance of the monies owing to Mercantile
Mutual would be paid for partly from the proceeds
of sale of the 9 million shares in Offshore held by
Mercantile Mutual as security for Brinds indebtedness
and as to the remainder if any by Brinds calling in part
of the indebtedness to it of either Bonds and Securities
(Moninees) Pty. Ltd. and/or Alexanders Corporation Ltd.
The former company owes Brinds a sum in excess of \$1M
the latter a sum in excess of \$500,000.00 and both are
able to pay sufficient of that indebtedness within three
months (that period being to allow for the realisation
of shares held by them) to provide for payment of that
remainder. The balance of that \$1.5M after paying out
whatever is owing to Mercantile Mutual after the sale of
the 9 million Offshore shares should be sufficient to pay
out Milton Corporation Ltd.

10

20

In the Supreme
Court of
Victoria

No.97
Affidavit
of Boris
Andrew Ganke
7th April
1983

(continued)

8. The major part of the indebtedness of Brinds to Offshore could when due be discharged from a sale of the Naviti Beach Resort Hotel in Fiji. Such a sale could realise \$2M or thereabouts to Brinds. However Brinds subsidiary and associated companies owe it a sum of approximately \$5½M not including the \$1½M owed by Bonds and Securities (Nominees) Pty. Ltd. and Alexanders Corporation Ltd.

I believe that those companies can then pay sufficient of that indebtedness prior to August 1983 to enable Brinds to discharge its indebtedness to Offshore in full without difficulty and without resort to the proceeds of any sale of the said hotel.

10

9. Now produced and shown to me and marked with the letters C1 to 8" respectively are Balance Sheets of Acron Pacific Ltd. and subsidiary companies, Nadi Bay Beach Corporation Limited, Alexanders Corporation Limited, Gulf Resources N.L., Alexanders Securities Ltd. and subsidiary companies, Hallmark Minerals N.L. Chapmans Limited and subsidiary company and Bonds and Securities (Trading) Pty. Ltd. - all as at the 31st day of December, 1982. The said Balance Sheets have not yet been formally approved by the Directors of the various companies concerned but I verily believe that each is accurate and gives a true picture.

20

Sworn at Melbourne the 7th April, 1983.

No.98
EXHIBIT "A"

COPIES OF MONTHLY STATEMENTS
OF PRINCIPAL AND INTEREST
SENT BY MARTINS TO BRINDS

This is the copy statements marked with the letter A produced and shown to BORIS ANDREW GANKE at the time of swearing his Affidavit herein this 7th day of April, 1983.

Martin Corporation Limited

A Subsidiary of Canadian Imperial Bank of Commerce and affiliated with Baring Brothers & Co., Limited
(INCORPORATED IN NEW SOUTH WALES)

P.& O. Building, 2 Castlereagh Street, Sydney, N.S.W., 2000 Box 3709 G.P.O. 2001 Telephone: 232 3166 Cables: Marcorp Telex: AA 21613

In the Supreme
Court of
Victoria
No. 98
Exhibit "A"
Copies of
monthly state-
ments of
principal and
interest
sent by
Martins to
Brinds
(continued)

BRINDS LIMITED

82 ELIZABETH STREET
SYDNEY NSW 2000

ATT MR M TOSIO GROUP ACCOUNTANT

THIS IS YOUR INTEREST STATEMENT FOR THE PERIOD ENDING

31.01.83

DATE	PARTICULARS	RATE	TERMS	PAYMENT	LODGEMENT	BALANCE	DAYS	INTEREST	TOTAL INTEREST
1.01.83	b/fwd	20.950	6.09.82			349825.04			105726.02
31.01.83	INTEREST	20.950	6.09.82			349,825.04	31	6,224.49	111,950.51

7 FEB 1983

LEG	✓
MT	✓
Bg.	
FILE	
DESTROY	

74.

Martin Corporation Limited

A Subsidiary of Canadian Imperial Bank of Commerce and affiliated with Baring Brothers & Co., Limited
(INCORPORATED IN NEW SOUTH WALES)

P. & O. Building, 2 Castlereagh Street, Sydney, N.S.W., 2000 Box 3709 G.P.O. 2001 Telephone: 232 3166 Cables: Marcorp Telex: AA 21613

In the Supreme
Court of Victoria
No. 98
Exhibit "A"
Copies of monthly
statements of principal
and interest sent by
Martins to Brinds
(continued)

BRINDS LIMITED

82 ELIZABETH STREET
SYDNEY NSW 2000

ATT MR M TOSIO GROUP ACCOUNTANT

THIS IS YOUR INTEREST STATEMENT FOR THE PERIOD ENDING

31.12.82

DATE	PARTICULARS	RATE	TERMS	PAYMENT	LODGEMENT	BALANCE	DAYS	INTEREST	TOTAL INTEREST
1.12.82	b/fwd	20.950	6.09.82			349825.04			99501.55
31.12.82	INTEREST	20.950	6.09.82			349,825.04	31	6,224.49	105,726.02

10 10 1983	
MM	✓
SB	✓
136	
FILE	
DESTROY	

Martin Corporation Limited

A Subsidiary of Canadian Imperial Bank of Commerce and affiliated with Baring Brothers & Co., Limited
(INCORPORATED IN NEW SOUTH WALES)

P.& O. Building, 2 Castlereagh Street, Sydney, N.S.W., 2000 Box 3709 G.P.O. 2001 Telephone: 232 3166 Cables: Marcorp Telex: AA 21613

DELIVERED 2.30

BRINDS LIMITED
82 ELIZABETH STREET
SYDNEY NSW 2000
ATT MR N TOSIO GROUP ACCOUNTANT

c 1100	
m1	

THIS IS YOUR INTEREST STATEMENT FOR THE PERIOD ENDING 30.11.82

DATE	PARTICULARS	RATE	TERMS	PAYMENT	LODGEMENT	BALANCE	DAYS	INTEREST	TOTAL INTEREST
1.11.82	b/fwd	20.950	6.09.82			349,825.04			93,477.85
30.11.82	INTEREST	20.950	6.09.82	DESTROY		349,825.04	30	6,023.70	99,501.55

In the Supreme Court of Victoria
No. 98
Exhibit "A"
Copies of monthly statements of principal and interest sent by Martins to Brinds
(continued)

76.

No. 99
EXHIBIT "B"

LETTER FROM ANSTICE TO GANKE
DATED 28TH JANUARY 1983

In the Supreme
Court of
Victoria

No. 99
Exhibit "B"
Letter from
Anstice to
Ganke dated
28th January
1983

This is the Exhibit marked with the letter "B" produced and shown to
BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

DELIVERED

In the Supreme Court
of Victoria

No.99
Exhibit "B"
Letter from Anstice
to Ganke dated
28th January 1983
(continued)

Martin Corporation Limited 

A subsidiary of Canadian Imperial Bank of Commerce
and affiliated with Baring Brothers & Co., Limited

(Incorporated in New South Wales)

28th January, 1983

Mr. B.A. Ganke
Chairman
Brinds Limited
9th Floor
82 Elizabeth Street
SYDNEY NSW 2000

3 FEB 1983	
FN	✓ Anstice Kohler?
RLF	
DESTROY	

Dear Boris,

RE: Security - Southern Cross Exploration N.L.

Thank you for the certificates relating to the shares held by Brinds Limited. As you are aware this is not the total amount and you should now forward scrip for 1,155,000 contributing shares in Southern Cross Exploration N.L. registered in the name of Bonds & Securities (Nominees) Pty Limited on behalf of the beneficial owner, Brinds Limited.

Yours sincerely,


S.R. Anstice

In the Supreme
Court of
Victoria

No.100
EXHIBIT "C 1"

BALANCE SHEET OF ACRON PACIFIC
LIMITED AND SUBSIDIARY COMPANIES
AS AT 31ST DECEMBER 1982

No.100
Exhibit "C 1"
Balance Sheet
of Acron Pacific
Limited and
subsidiary
companies as at
31st December
1982

This is the Exhibit marked with the letter "C 1" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the Supreme Court of Victoria
 No.100 Exhibit "C 1"
 Balance Sheet of Acron Pacific Ltd.
 and Subsidiary Companies as at
 31st December 1982 (continued)

ACRON PACIFIC LTD.
 AND SUBSIDIARY COMPANIES

BALANCE SHEET AS AT 31 DECEMBER 1982

PARENT COMPANY			CONSOLIDATED	
1981	1982		1982	1981
\$	\$		\$	\$
		CAPITAL		
		Authorized		
2,000,000	2,000,000	8,000,000 Shares at 25¢ each	2,000,000	2,000,000
		Issued and fully paid		
681,725	681,725	2,720,900 Shares at 25¢ each	681,725	681,725
4,113	4,113	Asset Revaluation Reserve	764,000	764,000
12,232	12,232	Capital Profits Reserve	45,752	45,752
289,154	251,523	Profit and Loss Appropriation	(712,443)	(589,452)
<u>987,224</u>	<u>949,593</u>	SHAREHOLDERS' EQUITY	<u>779,034</u>	<u>902,025</u>
		FIXED ASSETS		
1,282	1,743	Motor Vehicles Furniture & Equipment	13,401	15,963
<u>1,282</u>	<u>1,743</u>		<u>13,401</u>	<u>15,963</u>
		NON CURRENT ASSETS		
1,733,362	1,907,253	Investment in Subsidiary Companies	-	-
135,737	135,737	Investment in Other Companies - at Cost	135,737	135,737
<u>1,869,099</u>	<u>2,037,990</u>		<u>135,737</u>	<u>135,737</u>
		CURRENT ASSETS		
21,482	11,583	Advances to related Corporation	27,083	36,982
1,535	-	Cash at Bank	-	49,469
-	-	Leasehold Land - at Valuation	6,225,283	4,118,945
-	-	Leasehold Land - at Cost	55,013	47,013
47,825	2,471	Sundry Debtors and Prepayments	14,143	59,497
-	-	Short Term Deposit	215,745	196,012
<u>70,842</u>	<u>14,054</u>		<u>4,937,277</u>	<u>4,507,918</u>
<u>1,941,223</u>	<u>2,053,787</u>	TOTAL ASSETS	<u>5,080,415</u>	<u>4,650,618</u>
		CURRENT LIABILITIES		
6,259	4,966	Bank Overdraft - unsecured	13,772	6,259
51,620	16,075	Sundry Creditors and Accruals	2,030,456	1,675,214
-	-	Loan Creditors - secured	1,180,000	1,180,000
896,120	1,083,153	Loan Creditors - unsecured	1,083,153	896,120
<u>953,999</u>	<u>1,104,194</u>		<u>4,307,381</u>	<u>3,757,593</u>
<u>987,224</u>	<u>949,593</u>	NET ASSETS	<u>779,034</u>	<u>902,025</u>

In the Supreme
Court of
Victoria

No. 100
EXHIBIT "C 2"

BALANCE SHEET OF NADI BAY BEACH
CORPN. AS AT 31ST DECEMBER 1982

No.100
Exhibit "C 2"
Balance Sheet
of Nadi Bay
Beach Corpn.
as at 31st
December 1982

This is the Exhibit marked with the letter "C 2" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the
Supreme
Court of
Victoria

NADI BAY BEACH CORPORATION LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1982

No.100 Exhibit "C 2" Balance Sheet of Nadi Bay Beach Corpn. as at 31st December 1982	1981 \$		1982 \$
(continued)		AUTHORISED CAPITAL	
	20,000	20,000 Shares of F\$1 each	<u>20,000</u>
	500	ISSUED CAPITAL	
	764,000	500 Shares of F\$1 each, fully paid	500
	<u>764,500</u>	Asset Revaluation Reserve	764,000
		TOTAL SHAREHOLDERS' FUNDS	<u>764,500</u>
		FIXED ASSET	
		Represented by:	
		FIXED ASSETS	
	18,405	Motor Vehicles, Office Equipment - at cost	18,405
	(3,724)	Less: Provision for Depreciation	(6,747)
	<u>14,681</u>		<u>11,658</u>
		CURRENT ASSETS	
	47,934	Cash at Bank	-
	196,012	Short Term Deposits	215,745
	11,672	Sundry Debtors	11,672
	4,453,096	Freehold land - at valuation	5,031,443
	47,013	Leasehold Land - at cost	55,013
	<u>4,755,727</u>		<u>5,313,873</u>
	<u>4,770,408</u>	TOTAL ASSETS	<u>5,325,531</u>
		CURRENT LIABILITIES	
	-	Bank Account Overdrawn	8,806
	1,180,000	Loan Creditors - Secured	1,180,000
	1,621,191	Sundry Creditors & Accruals	2,013,771
	<u>2,801,191</u>		<u>3,702,577</u>
		NON-CURRENT LIABILITY	
	1,204,717	Advances from Holding Company	1,150,454
	<u>4,005,908</u>	TOTAL LIABILITIES	<u>4,851,031</u>
	<u>764,500</u>	TOTAL NET ASSETS	<u>764,500</u>

DRAFT 1

eg-ks 6483

No.100
EXHIBIT "C 3"

BALANCE SHEET OF ALEXANDERS CORPORATION
LIMITED AS AT 31ST DECEMBER 1982

No.100
Exhibit "C 3"
Balance Sheet
of Alexanders
Corporation Ltd.
as at 31st
December 1982

This is the Exhibit marked with the letter "C 3" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the Supreme
Court of
Victoria

ALEXANDERS CORPORATION LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1982

No.100 Exhibit "C 3" Balance Sheet of Alexanders Corporation Ltd. as at 31st December 1982	1981 \$		NOTE	1982 \$
(continued)	125,000	AUTHORISED CAPITAL		
		500,000 Ordinary Shares of \$2 each		<u>1,000,000</u>
		ISSUED AND FULLY PAID		
		62,500 Ordinary Shares of \$2 each		125,000
		RESERVES		
	19,144	Capital Profits	2	19,144
	3,400	General Reserve		3,400
	(88,247)	Accumulated Losses	4	<u>(318,824)</u>
	<u>59,297</u>	SHAREHOLDERS' EQUITY (DEFICIT)		<u>(171,280)</u>
		Represented by:		
		FIXED ASSETS		
	9,412	Furniture & Fittings - at cost		9,412
	2,157	Provision for Depreciation	1	<u>2,784</u>
	<u>7,255</u>			<u>6,628</u>
		CURRENT ASSETS		
	5,240	Cash at Bank		348
	694,948	Shares in Corporations quoted on Stock Exchanges (Market Value 1982 \$278,146; 1981 \$862,390)		627,356
	20,000	Securities Bond Deposit		20,000
	2,400	Sundry Debtors & Prepayments		600
	<u>722,588</u>			<u>648,304</u>
	<u>729,843</u>	TOTAL ASSETS		<u>654,932</u>
		LIABILITIES		
	907	Bank Overdraft		-
	523,100	Short Term Loans		616,300
	146,539	Sundry Creditors & Accruals		<u>209,912</u>
	670,546			<u>826,212</u>
	<u>59,297</u>	NET ASSETS (DEFICIT)		<u>(171,280)</u>

DRAFT 1
lp-ks 6483

No. 100
EXHIBIT "C 4"

BALANCE SHEET OF GULF RESOURCES
N.L. AS AT 31ST DECMEBER 1982

No.100
Exhibit "C 4"
Balance Sheet
of Gulf
Resources N.L.
as at 31st
December
1982

This is the Exhibit marked with the letter "C 4" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

the
Supreme
Court of
Victoria

GULF RESOURCES

BALANCE SHEET AS AT 31 DECEMBER 1982

No.100 Exhibit "C 4" Balance Sheet of Gulf Resources N.L. as at 31st December 1982 (continued)	30 September 1982 \$		31 December 1982 \$
	40,000,000	AUTHORISED CAPITAL	
		200,000,000 shares at 20¢ each	40,000,000
	5,100,100	ISSUED CAPITAL	
		25,500,500 shares of 20¢ each, fully paid	5,100,100
	980,000	CAPITAL RESERVES	
	474,341	Asset Revaluation	980,000
	26,680	Share & Option Premium	474,341
	6,581,121	Capital Profits	26,680
	(1,374,709)	Accumulated Losses	6,581,121
	5,206,412	SHARE CAPITAL & RESERVES	(1,405,679)
			5,175,442
		Represented by:	
	1,000,000	FIXED ASSETS	
		Bucket and dredge	1,000,000
	1,305,144	NON-CURRENT ASSETS	
	634,643	Exploration Expenditure - at cost	1,305,144
	159,844	Shares in Corporations quoted on Stock Exchanges	634,643
	2,099,631	Shares in Other Companies - at cost	159,844
			2,099,631
	136	CURRENT ASSETS	
	2,434,765	Cash at Bank	136
	272,428	Funds on Deposit	2,431,766
	2,707,329	Loan Debtors	272,428
	5,806,960	TOTAL ASSETS	2,704,327
			5,803,958
	904	CURRENT LIABILITIES	
	153,272	Bank Overdraft	904
	446,372	Short Term Loans	153,272
	600,548	Sundry Trade Creditors & Accruals	446,372
	5,206,412	TOTAL LIABILITIES	600,531
		NET ASSETS	5,206,412
			5,175,442

In the Supreme
Court of
Victoria

No.100
EXHIBIT "C 5"

BALANCE SHEET OF ALEXANDERS
SECURITIES LIMITED AND SUBSIDIARY
COMPANIES AS AT 31ST DECEMBER 1982

No.100
Exhibit "C 5"
Balance Sheet
of Alexanders
Securities Ltd.
and subsidiary
companies
as at 31st
December 1982

This is the Exhibit marked with the letter "C 5" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the Supreme Court of Victoria
 No.100 Exhibit "C 5"
 Balance Sheet of Alexanders
 Securities Ltd. and Subsidiary
 Companies as at 31st December
 1982 (continued)

ALEXANDERS SECURITIES LIMITED
 AND SUBSIDIARY COMPANIES
 BALANCE SHEETS AS AT 31 DECEMBER 1982

HOLDING COMPANY			CONSOLIDATED	
1981	1982		1982	1981
\$	\$	NOTE	\$	\$
CAPITAL				
20,000,000	20,000,000			
		Authorized		
		40,000,000 Ordinary Shares of 50¢ each	2	20,000,000
910,669	1,427,029	Issued and Fully Paid		
		2,854,058 Ordinary Shares of 50¢ each	2	1,427,029
2,981,754	3,780,254	CAPITAL RESERVES	3	3,780,180
		REVENUE RESERVES		
(379,218)	27,464	Unappropriated Profits/(Losses)		(193,721)
<u>3,513,205</u>	<u>5,234,747</u>	TOTAL CAPITAL AND RESERVES		<u>5,022,488</u>
		Represented by		
INVESTMENTS				
858,986	1,092,758	Shares in Corporations quoted on Stock Exchanges	4	1,092,758
118,822	118,822	Shares in Other Corporations		118,822
24,074	24,074	Shares in Other Subsidiary at cost		
<u>981,882</u>	<u>1,235,654</u>			<u>1,211,580</u>
CURRENT ASSETS				
3,680,921	4,264,901	Shares in Other Subsidiaries	5	3,680,921
22,954	1,245	Cash at Bank		2,115
2,439,398	4,176,433	Deposits and Advances	5	3,514,695
25,000	-	Shares in Corporations quoted on Stock Exchanges	5	676,274
		Other Debtors and Prepayments		475
<u>6,168,273</u>	<u>8,442,579</u>			<u>8,458,460</u>
7,150,635	9,678,235	TOTAL ASSETS		<u>9,670,040</u>
CURRENT LIABILITIES				
-	181	Bank Overdraft - Secured		181
500,000	160,000	Bills Payable - Secured		160,000
124,884	121,578	Sundry Creditors & Accruals		121,578
2,768,521	3,670,202	Unsecured Loans and Advances	6	3,874,268
-	470,000	Mortgage Loans		470,000
<u>3,393,405</u>	<u>4,421,961</u>			<u>4,626,027</u>
NON CURRENT LIABILITIES				
220,000	-	Mortgage Loans		220,000
24,025	21,525	Term Loans - Unsecured		21,525
<u>244,025</u>	<u>21,525</u>			<u>21,525</u>
3,637,430	4,443,486	TOTAL LIABILITIES		<u>4,647,552</u>
3,513,205	5,234,747	TOTAL ASSETS		<u>3,494,832</u>

No.100
EXHIBIT "C 6"

BALANCE SHEET OF HALLMARK MINERALS N.L.
AS AT 31ST DECEMBER 1982

No.100
Exhibit "C 6"
Balance Sheet
of Hallmark
Minerals N.L.
as at 31st
December 1982

This is the Exhibit marked with the letter "C 6" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the
Supreme
Court of
Victoria

HALLMARK MINERALS N.L.

BALANCE SHEET AS AT 31 DECEMBER 1982

No.100 Exhibit "C 6" Balance Sheet of Hallmark Minerals N.L. as at 31st December 1982 (continued)	1981 \$		1982 \$
	<u>10,000,000</u>	AUTHORISED CAPITAL 40,000,000 Ordinary Shares of 25¢ each	<u>10,000,000</u>
	1,152,651	PAID UP CAPITAL Issued Shares	1,152,651
	373,873	CAPITAL RESERVES Forfeited Shares	373,873
	16,368 (190,785)	REVENUE RESERVES Capital Profit Profit & Loss Appropriation	16,368 (160,348)
	<u>1,352,107</u>	SHAREHOLDERS' EQUITY	<u>1,382,544</u>
		Represented by:	
	82,425	INVESTMENTS Exploration Expenditure - at cost	2,155,113
	36,043	Shares in Corporations quoted on Stock Exchanges	3,641
	226,677	Shares in Other Corporations	226,677
	514,767	Term Loan to Holding Company - Unsecured	514,767
	<u>859,912</u>		<u>2,900,198</u>
	4,133	CURRENT ASSETS Cash at Bank	429
	846,032	Deposits & Advances	1,280,437
	46,000	Sundry Debtors	-
	<u>896,215</u>		<u>1,280,866</u>
	<u>1,756,127</u>	TOTAL ASSETS	<u>4,181,064</u>
	-	CURRENT LIABILITIES Bank Overdraft	278
	47,087	Sundry Creditors & Accruals	2,487,143
	356,933	Advances from Related Companies	311,099
	<u>404,020</u>		<u>2,798,520</u>
	<u>1,352,107</u>	NET ASSETS	<u>1,382,544</u>

DRAFT 1

lp-ks 6483

No.100
EXHIBIT "C 7"

BALANCE SHEET OF CHAPMANS LIMITED
AS AT 31ST DECEMBER 1982

In the Supreme
Court of
Victoria

No.100
Exhibit "C 7"
Balance Sheet
of Chapmans
Ltd. as at
31st December
1982

This is the Exhibit marked with the letter "C 7" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the Supreme Court of Victoria

No.100 Exhibit "C 7"

Balance Sheet of Chapmans Ltd.

as at 31st December 1982

(continued)

CHAPMANS LIMITED
AND SUBSIDIARY COMPANY

BALANCE SHEET AS AT 31 DECEMBER 1982

HOLDING COMPANY			CONSOLIDATED	
1981	1982		1982	1981
\$	\$	NOTE	\$	\$
20,000,000	20,000,000	AUTHORISED CAPITAL		
		40,000,000 Ordinary Shares of 50c each	20,000,000	20,000,000
		ISSUED CAPITAL		
3,038,249	3,341,953	6,683,906 Ordinary Shares of 50c each, fully paid	3,341,953	3,038,249
		CAPITAL RESERVES		
562,001	1,258,897	Asset Revaluation	1,248,699	552,403
247,469	495,119	Capital Profit	580,156	317,409
67,580	67,580	Share Premium	67,580	67,580
		REVENUE RESERVES		
180,297	180,297	General	180,297	180,297
338,507	96,262	Profit & Loss Appropriation	539,479	766,325
4,434,703	5,440,108	SHAREHOLDERS' EQUITY	5,958,164	4,622,325
		Represented by		
		FIXED ASSETS		
4,000,000	5,000,000	Freehold Land & Buildings	4,000,000	4,000,000
		NON CURRENT ASSETS		
-	-	Exploration Expenditure - at Cost	2,155,113	82,425
888,265	464,229	Shares in Corporations quoted on Stock Exchanges	467,870	924,308
200	200	Shares in Other Corporations - at Cost	226,877	226,877
13,068	-	Deposits on Projects	-	13,068
864,486	864,486	Shares in Subsidiary Company	-	-
1,766,021	1,328,917		2,849,860	1,246,678
		CURRENT ASSETS		
1,316	237	Cash at Bank	666	5,449
2,808,972	3,708,855	Deposits and Advances	4,701,499	3,421,261
11,243	14,663	Other Debtors and Prepayments	14,663	57,243
2,821,531	3,723,755		4,716,828	3,483,953
8,587,552	10,052,672	TOTAL ASSETS	12,566,688	8,730,631
		CURRENT LIABILITIES		
153,900	2,820,000	Mortgage Loans	2,820,000	153,900
4,577	20,326	Bank Overdraft - Secured	6,604	4,577
400,000	100,000	Bills Payable - Secured	100,000	400,000
231,198	78,029	Sundry Creditors & Accruals	2,565,172	278,284
1,975,007	1,059,942	Unsecured Loans & Advances	1,083,248	2,098,147
2,764,682	4,078,297		6,589,024	2,934,908
		NON CURRENT LIABILITIES		
873,400	19,500	Mortgage Loans	19,500	873,400
514,767	514,767	Term Loan from Subsidiary Company - Unsecured	-	-
1,388,167	534,267		19,500	873,400
4,152,849	4,612,564	TOTAL LIABILITIES	6,608,524	3,808,308
4,434,703	5,440,108	NET ASSETS	4,958,164	4,922,325

No.100
EXHIBIT "C 8"

BALANCE SHEET OF BONDS SECURITIES
(TRADING) PTY. LTD. AS AT 31ST
DECEMBER 1982

No.100
Exhibit "C 8"
Balance Sheet
of Bonds
Securities
(Trading)
Pty.Ltd. as at
31st December
1982

This is the Exhibit marked with the letter "C 8" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 7th day of April, 1983.

In the
Supreme
Court of
Victoria

BONDS & SECURITIES (TRADING) PTY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1982

	1981		1982
No.100 Exhibit "C 8" Balance Sheet of Bonds Securities (Trading) Pty. Ltd. as at 31st December 1982	\$ <u>20,000</u> 200 32,654 <u>32,834</u>	AUTHORISED CAPITAL 20,000 Ordinary Shares of \$1 each	\$ <u>20,000</u>
		ISSUED CAPITAL 200 Ordinary Shares of \$1 each fully paid	200
		RESERVES Accumulated Profits (losses)	 <u>(633,720)</u>
		SHAREHOLDERS' EQUITY (DEFICIT)	<u>(633,520)</u>
(continued)		Represented by:	
		CURRENT ASSETS	
	609	Cash at Bank	256
	2,364,162	Shares in Corporations quoted on Stock Exchanges - at cost (Note 3)	1,471,369
	379,001	Shares in Other Corporations - at cost	293,690
	17,250	Sundry Debtors & Prepayments	30,943
	108,117	Amounts Due on Shares Sold	84,265
	<u>2,869,139</u>	TOTAL ASSETS	<u>1,880,523</u>
		CURRENT LIABILITIES	
	14,509	Bank Overdraft - secured	28,554
	100,000	Bills Payable - secured	100,000
	191	Amounts Due on Shares Purchased	-
	1,709,326	Amount Owing to Holding Company	1,523,067
	44,439	Amount Owing to Related Company	50,994
	346,800	Accrued Expenses	390,388
	4,040	Provision for Taxation	4,040
	417,000	Term Loans - secured	417,000
	<u>2,636,305</u>	TOTAL LIABILITIES	<u>2,514,043</u>
		NON-CURRENT LIABILITY	
	200,000	Term Loans - secured	-
	<u>2,836,305</u>	TOTAL LIABILITIES	<u>2,514,043</u>
	<u>32,834</u>	NET LIABILITIES (DEFICIT)	<u>(633,520)</u>

DRAFT 1

lp-ks 6483

No. 101

No.101
Affidavit of Boris
Andrew Ganke
11th April 1983

AFFIDAVIT OF BORIS ANDREW GANKE

I, BORIS ANDREW GANKE of 82 Elizabeth Street, Sydney in the State of New South Wales, Company Director, make oath and say as follows:

1. That now produced and shown to me and marked with the letter "X" is a schedule showing the shares held in Off Shore Oil N.L. as at the 31st day of March, 1983 by the Brinds Group of Companies.

Now produced and shown to me and marked with the letter Y is a chart showing the constitution of that group of companies. The content of both documents is within my own knowledge true and correct.

Sworn at Melbourne the 11th April, 1983.

No. 102
EXHIBIT "X"

SCHEDULE OF SHARES HELD IN
OFFSHORE OIL BY THE BRINDS
GROUP

This is the exhibit marked with the letter "X" produced and shown to
BORIS ANDREW GANKE at the time of swearing his affidavit.

Sworn the 11th April, 1983.

BRINDS & ASSOCIATED SHAREHOLDINGS IN OFFSHORE OIL AS AT 31 MARCH 1983

COMPANY	TOTAL NO. OF SHARES (THOUSANDS)	REGISTERED IN NAME OF OTHER THAN HOLDER	HELD IN OFFICE	NUMBER	HELD BY NAME
ALEXANDERS CORPORATION LTD	858		858		
ALEXANDERS DISCOUNT PTY LTD	2861	MILTON CORP		2250	MILTON CORP
ALEXANDERS SECURITIES LTD	6664	MILTON CORP FAR JACKSONS	311	300 1200 5000 464	SHARE REGISTRY MILTON CORP FAR JACKSONS
APELDOORN PTY LIMITED	560		560		
AUSTRALIAN SQUASH COURTS LTD	60		60		
AVIVA HOLDINGS LTD	1305		705	600	WESTPAC
BOGAN HOLDINGS PTY LTD	170		170		
BONDS & SECURITIES (NOMINEES) PTY LTD	1400		1400		
BONDS & SECURITIES (TRADING) PTY LTD	1846	VARIOUS BONDS & SECURITIES (T)	27 562	1157 100	MILTON CORP SHARE REGISTRY
CHAPMANS LIMITED	3400	FAR		3400	FAR
CORPORATE COMPUTER SERVICES PTY LTD	489		489		
EMERITUS PTY LTD	940		940		
GULF RESOURCES N L	4041		41	4000	ANZ BANK (SAFE CUSTODY)
INVESTMENT CORPORATION OF AUSTRALIA LTD	240		205	35	WESTPAC
INVESTMENT TRUST LTD	225		225		
LSD TRADING PTY LTD	520		520		
SOUTHERN CROSS EXPLORATION N L	7030	FAR		4000 2500	FAR WESTPAC
B WHITE PTY LTD	160		160		
BRINDS LIMITED	19007	BRINDS WESTPAC NOMINEES BRINDS BRINDS STREET NOMINEES BRINDS FIVE FITZAL		800 9003 1000 640 7200 206 150	WESTPAC MERCANTILE ANZ BANK NATIONAL BANK JACKSONS PEAT MARWICK PEAT MARWICK
	51776		7763	44013	
DIRECTORS & STAFF OF BRINDS GROUP	1700		1700		
	53476		9463	44013	

97.

In the Supreme Court of Victoria
 No. 102
 Exhibit "X" Schedule of shares
 held in Offshore Oil by the
 Brinds Group
 (continued)

In the Supreme
Court of
Victoria

No.103
EXHIBIT "Y"

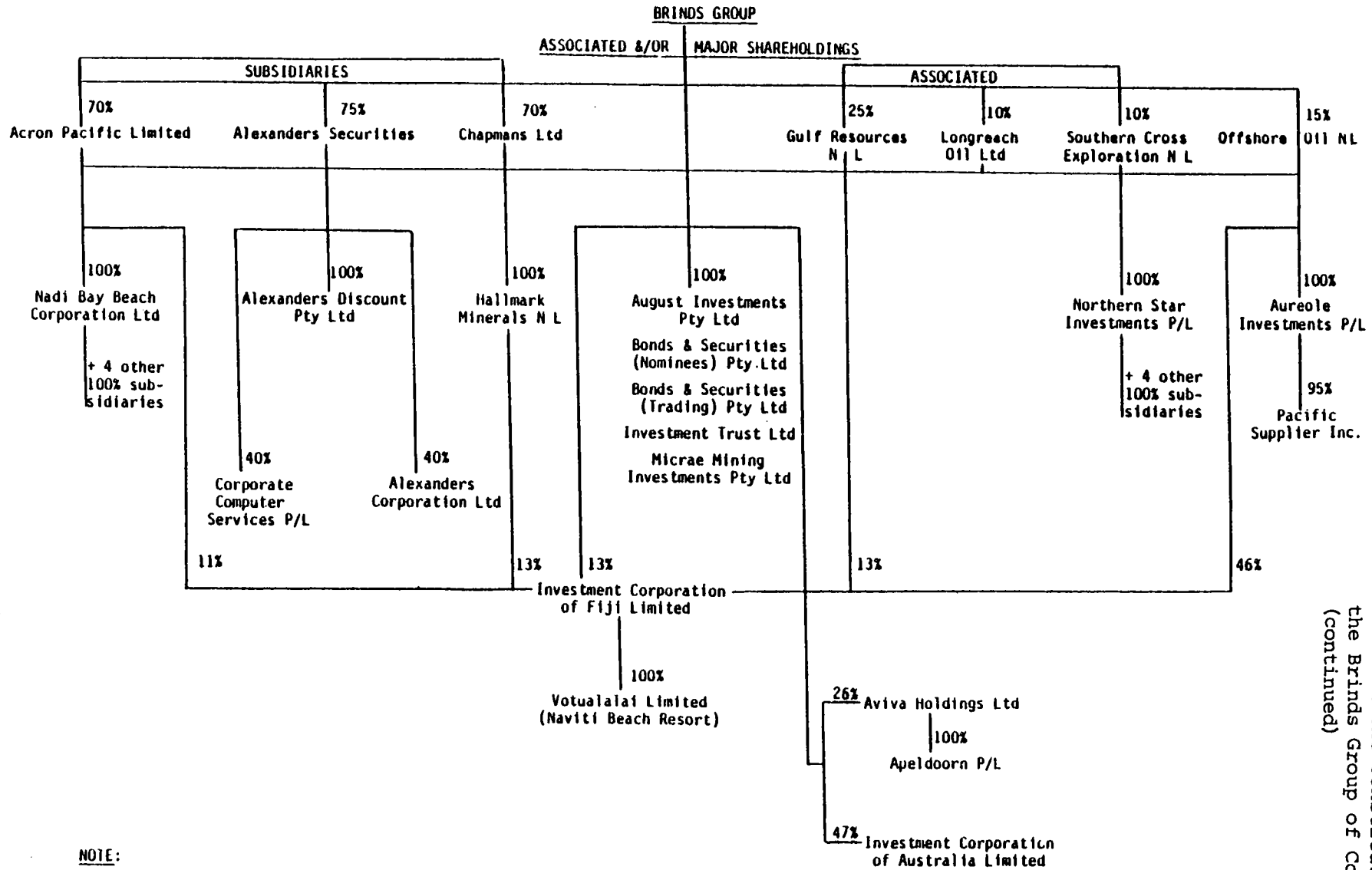
No.103
Exhibit "Y"
Chart of the
Constitution
of the Brinds
Group of
companies

CHART OF THE CONSTITUTION OF THE
BRINDS GROUP OF COMPANIES

This is the exhibit marked with the letter "Y" produced and
shown to BORIS ANDREW GANKE at the time of swearing his affidavit.

Sworn the 11th day of April, 1983.

CHART OF HOLDINGS



NOTE:

1. The seven companies shown at top of page are all public companies listed on Stock Exchanges.
2. Brinds Ltd provides management services to all companies except Longreach Oil Ltd and Offshore Oil N L and subsidiaries.
3. B. Ganke is a Director of all the above companies except Corporate Computer Services P/L and Offshore Oil N L and its subsidiaries.

In the Supreme Court of Victoria
 No.103 Exhibit "y"
 Chart of the Constitution of
 the Brinds Group of Companies
 (continued)

No.104
Affidavit of
Boris
Andrew Ganke
26th April
1983

No. 104

AFFIDAVIT OF BORIS ANDREW GANKE

I, BORIS ANDREW GANKE of 82 Elizabeth Street, Sydney in the
State of New South Wales Company Director MAKE OATH AND SAY:-

1. I was one of the Defendants in action No. 1699 of 1982
in the Supreme Court of the Australian Capital Territory
wherein FAI Insurances Limited, Fire and All Risk Insurance
Company Limited, Metropolitan Executors and Nominees
Pty. Limited, Lawrence James Adler, Thomas Eric Atkinson
and James Reuben Wilson were Plaintiffs and James Balfour
Kippist, Harvey Gordon Scott, M.A. Tosio, Offshore Shore
Oil N.L. and myself were Defendants. 10

2. In that said action Lawrence James Adler swore an Affidavit
dated the 7th day of October, 1982. That Affidavit was
filed in the said action and a copy of it served upon me.

3. At paragraphs 12 - 13 inclusive of the said Affidavit
the said Adler swore

"12. Shortly after 2 July, 1982 I caused Mr. David Lance
("Mr. Lance") and Mr. John Boyer ("Mr. Boyer") to be
appointed as consultants to Offshore without any objection
by Mr. Ganke or any other member of the Board. Mr. Lance
is a Bachelor of Economics with considerable commercial 20
experience. Mr. Boyer is a Bachelor of Science, formerly
Managing Director of Bridge Oil N.L. a large oil and
gas exploration and production company.

13. Annexed hereto and marked "D" is a true copy of
a report dated 19 July, 1982 from Mr. Lance to me.

14. On 13 July, 1982 FAI loaned \$150,000 to Offshore
and made further loans thereafter as follows: On
30 July, 1982 \$500,000 on 10th August, 1982 \$500,000

on 11th August, 1982 \$4 million, on 1 October, 1982 \$2,639,090. All of these loans were made on terms that they were "at call" at an interest rate of 17.75% per annum. The amount presently outstanding in respect of these loans is \$3,271,549."

4. At paragraph 25 of the said Affidavit the said Adler swore:

"25. On or about 7 September, 1982 I caused Messrs. B.O. Smith & Son Chartered Accountants to be appointed (inter alia) to investigate and report on the financial position of Offshore including the inter company loans referred to in paragraph 21 above. Annexed hereto marked "N" is a true copy of a report from B.O. Smith to myself dated 14 September, 1982."

10

5. At 34 of the said Affidavit the said Adler swore:

"On 8 October, 1982 Offshore will be required to pay between US \$360,000 and US\$1 million to Atwood Oceanics Inc. the operators of the MV Energy Searcher. On 1 November, 1982 Offshore will be required to pay US\$1.8 million to Hong Kong United Dock Yards Limited in respect of the MV Energy Searcher. In addition to these commitments Offshore will be liable to pay calls in respect of Exploration Permit W64P, apart from having to meet other working capital commitments and exploration costs in respect of its other exploration interests. The FAI Group is prepared to lend to Offshore the funds necessary to enable it to meet all of those expenses on the same terms as the other loans already made by it to Offshore if the shares in Offshore applied and paid for by Metropolitan on 24 September, 1982 are allotted to it and FAI has control of the Board of Directors of Offshore.

20

I am unaware of any other source from which it is likely Offshore can obtain these monies."

6. The copy report from David Lance to the said Adler referred to in paragraph 13 of the said Affidavit reads at page 3 :

"W.A. 64P

Offshore is the operator of a group in which 25% is held by strong partners and the balance by weak associates. David King says the Government has asked that a further well be drilled within six months no more than half a kilometre from the west barrow well. If significant hydrocarbons are found and if it appears that there is a leak between the two zones found in the west barrow well, then a further well may be required immediately. The total cost would be \$15 million a well with Offshore responsible for as much as 54%. King says the field appears to be a large wet gas field with the possibility of a 3,000 barrel a day of condensate. Talks are being held with Occidental and Mesa, BP having said no to participation."

10

20

and at page 4:

"W.A. 149P

This area is described by King and Hall as an excellent prospect "much the best in Australia". A well is due in November and another may be drilled in 1983 at a cost of between \$6-8 million a well. Mesa is the operator and Offshore holds a 20% interest."

7. The report from B.O. Smith & Son to the said Adler and referred to in paragraph 25 of the said Affidavit reads at page 5 :

30

"Asset Revaluation Reserve of \$43,000,000.

This reserve was created in stages when directors revalued the Queensland Natural Gas recoverable reserves. The reserve was created by resolution in three (3) stages. Initially directors created a revaluation increment of \$3,000,000 and a further two (2) increments of \$20,000,000 each. This was based on estimates made by Gaffney Cline & Associates and operators of the joint venture, Bridge Oil N.L. Reserves of the condensate being calculated on the basis of 35 BBLS per million cubic feet of gas production. The Gaffney Cline & Associates' estimate would attribute future income to Offshore Oil N.L. of \$406,000,000 for the Company's 25% interest.

10

As this is the biggest single asset in the Company at this time and undoubtedly the most valuable in the future, we feel it important to obtain independent advice from a qualified Oil Engineer as to the validity of the reserve. It may well be considerably more or less. There is a wealth of information on same of a higher technical nature which should be carefully perused by an independent qualified person who could provide an opinion as to the validity or otherwise of the said reserve.

20

The production areas including the reserve are shown on the Balance Sheet under production interests at \$44,169,138. Accordingly, the cost of the operation less depreciation and amortization would only amount to \$1,169,138 once the reserve is deducted. It is interesting to note however that the gas and condensate sales for the year ended 30th June 1982 amounted to \$5,500,000."

In the Supreme
Court of
Victoria

No.104
Affidavit of
Boris Andrew
Ganke
26th April
1983

(continued)

8. The said Adler also exhibited to his said Affidavit as Exhibit "M" what he described as "a true copy of a report of Messrs. Boyer and Lance to me entitled 'week ending August 6th, 1982'". Under the heading "Indonesia" at page 2 of a schedule to that report bearing date the 6th August, 1982 the following passage appears "This looks quite cheerful. It may be possible to attract farm-in partners at a premium. Proposals have gone out during the last 48 hours and if we are successful Offshore Oil may recover 3m or more.

10

DHL proposes to discuss this farm-out with the Managing Director of E.C.L. and is using in-house staff to finalize the package and with the assistance of Oxoco will shortly make extensive offerings."

9. I have caused to be prepared an analysis of the assets of the companies that entered into the Moratorium Agreement first referred to in the Affidavit of Alexander Robert Mackay Macintosh sworn the 14th day of February 1983 and filed herein. Now produced and shown to me and marked with the letters "BAGZ" is a copy of the said analysis. The said analysis was prepared by Martin Anthony Tosio the Group Accountant for Brinds Limited and I believe its content to be true and correct.

20

Sworn at Melbourne the 26th April, 1983.

No. 105
EXHIBIT "BAGZ"

ANALYSIS OF THE ASSETS OF THE
COMPANIES THAT ENTERED INTO
THE MORATORIUM AGREEMENT

In the Supreme
Court of
Victoria

No. 105
Exhibit
"BAGZ"
Analysis of
the assets of
the companies
that entered
into the
moratorium
agreement

This is the Exhibit marked with the letter "BAGZ" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 26th day of April, 1983.

Analysis of the assets of the companies
that entered into the moratorium agreement
(continued)

BRINDS LIMITED
(PROVISIONAL LIQUIDATOR APPOINTED)

ANALYSIS OF MORATORIUM COMPANIES ASSETS - (INCLUDING NON MORATORIUM SUBSIDIARIES)

	<u>Book Value</u>	<u>Book Value</u>	<u>Comment</u>
FIXED ASSETS (other than buildings)			
in Fiji - Drilling Equipment	3,906		
Victoria - Bucket Dredge	1,000,000		At valuation
N S W - Furniture & Fittings	12,438		
Fiji - Motor Vehicles	<u>11,658</u>	1,028,002	
PROPERTY			
in Fiji - Naviti Hotel	10,984,325	X	At Valuation
N S W - Chapmans Properties	5,000,000	x	"
" - 2 Strata Floors	<u>600,000</u>	16,584,325	"
INVESTMENTS			
Exploration Expenditure - WA-64-P (9%)	2,155,113		
- NTP-28 (5%)	1,305,144		
- Other	<u>78,000</u>	3,538,257	At Cost
SHARES IN LISTED COMPANIES			
Owned by Brinds	4,189,202		
- Alexanders Securities Ltd	1,005,559		
- Chapmans & Hallmark	453,517		
- Gulf Resources	544,902		
- Investment Trust Ltd	<u>92,479</u>	6,285,659	
OTHER INVESTMENTS			
Shares in 'Other Companies'	206,905		
Futures Exchange	11,250		
Liquor Licences	<u>269,840</u>	487,995	
		<u>27,924,139</u>	

BRINDS LIMITED
(PROVISIONAL LIQUIDATOR APPOINTED)

ANALYSIS OF MORATORIUM COMPANIES ASSETS - INCLUDING NON MORATORIUM SUBSIDIARIES

<i>SUB TOTAL</i>				
DEBTORS & DEPOSITS				27,924,238
Nominee Debtors			711,798	
Amounts Due on Shares - Jackson			84,265	
Sundry Debtors & Projects			318,869	
Tasman Trade Debtors			485,290	
Deposits - Brinds		607,210		
- Alexanders Securities Ltd		779,516		
- Alexanders Corporation Ltd (at Bank)		20,000		
- Chapmans Limited		312,939		
- Investment Corp. of Fiji Ltd - Vot		34,427		
- Bldg. Soc. Dep.		1,747		
- ?		502	1,756,341	3,356,563
OTHER CURRENT ASSETS				
Tasman Stock			236,607	
Shares in Listed Companies -				
- Bonds & Securities (Trading) P/L		1,169,491		
- Alexanders Corporation Ltd		627,356		
- August Investments P/L		60,792		
- Alexanders Discount P/L		637,543	2,495,182	
Shares in Other Companies				
- Bonds & Securities (Trading) P/L		220,126		
- August Investments P/L		6,205	226,331	
Freehold Land - Nadi - Fiji (NBBC) (includes \$700,000 revaluation)		5,031,443		
Freehold Land - NSW - (Acron Sub.)		16,000		
Leasehold Land - Nadi - Fiji (ICF)		75,729		
" " " " (NBBC)		55,013	5,178,185	
Cash at Bank			18,940	
				8,155,245
				<u>39,436,046</u>

(continued)

MORATORIUM DEBTOR COMPANIES & SUBSIDIARIES - SEGREGATION OF BALANCE SHEETS AS AT 31.12.1992

	BRINDS	BAS(T)	ACRON not cons	ALEX.SEC. not cons	CINNS cons	ICF not cons	GULF	ALEX.COR.	H88C	S/TOTAL	ADJUSTMENTS +ELIMINATION	S/TOTAL	Remainder BRINDS SUBS	Remainder ACRON SUBS	ALEX.GIS.	VOTUALA- LAI	ELIMINATION II	S/TOTAL	ELIMINATION SHARES	TOTAL
Issued Capital	1309537	200	681725	1427029	3341953	1125550	5100190	125000	500	13111524	11002057	1309537	301615	10108	16004	666420		2303684	(994147)	1309537
Asset Revaluation	1105550		4113		1242699	69658	280000		76322	4172020		4172020	247790			7193770		11613580		11613580
Capital Profits	973741		12232	3245933	530156		26880	10144		4757886		4757886	169495	35214	8926	273632		5268183		5268183
Share Premium	4181			534321	67520		474341			1000423		1000423	19600					1100023		1100023
P & L Account	(2552355)	(633720)	251523	27464	539479	(516576)	(1405679)	(119004)		(1600639)	561149	(4047539)	(1688220)	(61416)	2270	(4781822)	5867	(9521965)		(9521965)
General Reserve					182297			3430		183697		183697						183697		183697
Adjustments to reserves	742654	(633520)	249593	5234747	5553164	672502	5175442	(171259)	72322	11624312	2085611	9541635	(929720)	(13064)	(185915)	3152000	1267877	2085611	237538	2323149
Minority interests on elimination of shares																			237538	2323149
Drilling Equipment						11544				2910		2910						2910		2910
Prov. for Depreciation						(8634)				996		996						996		996
Sundry Equipment						956				1000000		1000000						1000000		1000000
Jacket Dredge							1000000			11658		11658						11658		11658
Land & Buildings	600000				5000000				11653	5600000		5600000				10984325		16584325		16584325
Furniture & Fittings								9412		8371		8371	4067					12438		12438
Prov. for Depreciation			1743					(2734)		8371		8371	4067					12438		12438
Exploration Expenditure					2155113		1305144			3460257		3460257	78000					3538257		3538257
Shares in Listed Companies	11040777			1092758	467970		634643			13236349	7042968	6193130	321510					6514690	229031	6285659
Shares-Loans-Acron Subs			1902253							1302253	1352454	43253						5212	5212	-
Shares in Other Companies	660062		135737	118822	226877		159844			1301342	255690	532750	1163				43954	533943	327038	206905
Other Investments	11250									11250		11250	269840					269840		269840
Shares in Other Subs				24074		1005000				1029074	1029074							-		-
Shares in Listed Companies		1471369						627356		2099725	301978	1795347	711798	143823	676274			711798		711798
Shares in Other Companies		293690								293690	73564	220126	79770					2616345	73565	2495182
Deposits Related			11583			75729				75729	-	75729						75729		75729
Cash	337	256		1245	666	3938	133	328		6923		6923	50000	15500	500		266258	7425	-	7425
Deposits	2693638			4176433	4701439	1792834	2431766	20000	215745	16033363	11561194	4456290	236607				42575	18940		18940
Deposits Subs	5229170					1395				5229179	2154109	3074061	49873		435417		3074061	236607		236607
Share Debtor				4264901						4264901	4264901							1756341		1756341
Debtors & Projects	176356	30943	2471		14663	14445	272428	600	11672	524073	272428	217153	93819		475			485290		485290
Freehold Land								5031443		5031443		5031443						485290		485290
Leasehold Land								55013		55013		55013	72610				72610			55013
Amounts due on Shares		84265								84265		84265						84265		84265

20411140 1860523 2053787 9678233 12566628 2897247 5803958 654932 5325531 51272039 29365501 31632538 2364373 31500 678119 11429665 6193540 40192655 756609 39436046

MORATORIUM DEBTOR COMPANIES & SUBSIDIARIES - AGGREGATION OF BALANCE SHEETS AS AT 31.12.82

	BRINDS	BAS(T)	ACOM	ALEX. SEC	CHAPMAN'S Consol.	I C F	GULF RES	ALEX. COR	NBBC	S/TOTAL	AJUSTMENTS & ELIMIN- ATION	S/TOTAL	Remainder BRINDS SUBS	Remainder ACRON SUBS	ALEX. DISCOUNT	VOTUALA LAT	ELIMINATION S/TOTAL	ELIMINATION SHARES	TOTAL	
Overdraft	154478	28554	4966	181	20604	3180	4348		8806	225117		225117	107770			1296684	1629571		1629571	
Bills	1200000	100000		160000	100000					1560000		1560000	150000				1710000		1710000	
Loans Unsecured	6861152		1089153	3670202	1083246	+1395 2198860	158637	615300	2013771	17686718	15886 10158251	7512581			7257		250768	7269070	7269070	
Loans Secured	2009537	417000		470000	2820000				1180000	6896537		6896537			3000000		9896537		9896537	
Directors' Loans	31350									31350		31350	11225				42575			
Share Purchase Credit	1696659									1696659		1696659					1696659		1696659	
Trade Creditors	32486	390388	16075	121578	2565172	15180	465531	209912		3816322	31500 12000 1533	3753239	17048	610		160649	15500	3921046	3921046	
Loans Subsidiaries	7648537									7648537	7063469	579068	55497		393652		72610	449149	506458	
Unclaimed Dividend	9238									9238		9238					9238		9238	
Provision for Taxation	3140	4040								7180		7180					7180		7180	
Dividend Payable	159									159		159					159		159	
Loans Holding Co		1523067							1358454	2881521	1523067 1353454	-	2872265	43954	(2270)	866304	3054491	6834744	-	
Loans Related		50994								50994	50994	-	80288			164932	245220		-	
Shareholders' Loans	23750			21525						45275		45275					45275		45275	
AMP				19500						19500		19500					19500		19500	
	19670486	2514043	1104194	443486	6608524	2218615	628516	826212	4561031	22576107	20234204	22340903	3294093	44564	864034	8077665	7461417	27159842	27159842	
	740654	633520	949593	5234747	5958164	678632	5175442	(171280)	764500	18696332	9155297	9541635	(929720)	(13064)	(185915)	3352000	1267877	3032813	756609	12276204

In the Supreme Court of Victoria
 No. 105 Exhibit "BAGZ" - Analysis of the assets of the companies that entered
 into the moratorium agreement (cont'd)

AFFIDAVIT OF BORIS ANDREW GANKE

No.106
Further
Affidavit of
Boris Andrew
Ganke
26th April
1983

I, BORIS ANDREW GANKE of 82 Elizabeth Street Sydney in the State
of New South Wales Company Director MAKE OATH AND SAY:

1. I crave leave to refer to paragraph 6 of my Affidavit
sworn the 7th day of April, 1983 and filed herein and say that
the attitude of the said Whitfield, House and Anstice to Brinds
being given time to pay its debts as therein expressed encouraged
Brinds to enter into the Moratorium Agreement and was one of the
factors that caused it to do so.

2. I refer to the Affidavit of Alexander Robert Mackay
Macintosh sworn the 14th day of February 1983 and filed herein
and in particular to the content of that Affidavit concerning
my attitude to a proposal that Southern Cross Exploration N.L.
be sold to Messrs. Goldberg & Wise. At the time that the offer
of the said Goldberg & Wise to purchase Southern Cross Exploration
N.L. was communicated to me I had in my possession an Evaluation
Report of its Petroleum Tenements prepared by Messrs. N.H. Cole
& Associates at my request. The content of that Report which is
now produced and shown to me and marked with the letters "BAGZA"
caused me to form the opinion that the price offered by the said
Goldberg & Wise was insufficient.

3. IN about September 1982 I was approached by one, Christopher
Skase. He stated that his Company, Quintex Limited was looking
for a Brisbane based investment company and expressed its interest
in purchasing Alexanders Securities Limited to fill that need.
On the 8th April this year I asked the said Skase whether Quintex
Limited was still interested in purchasing Alexanders Securities
Limited. he said that it was and on the same day sent me a
telex setting out the terms upon which Quintex Limited was prepared

to make that purchase. Now produced and shown to me and marked with the letters "BAGZB" is a copy of the said telex. The reference in clause 4 to "Part A or Part C" is a reference to the Companies Code.

Sworn at Melbourne 26th April, 1983

No.108
EXHIBIT "BAGZ B"

COPY OF TELEX SENT BY SKASE TO
GANKE DATED 8TH APRIL 1982

This is the Exhibit marked with the letter "BAGZ B" produced and shown
to BORIS ANDREW GANKE at the time of swearing his Affidavit.

SWORN the 26th day of April, 1983.

In the Supreme
Court of Victoria

No.108
Exhibit "BAGZ B"
Copy of telex sent
by Skase to Ganke
dated 8th April
1982

(continued)

24 →

*
BRINDS AA22292
TLX. NO. 83/1310

BRINDS.

ATTENTION: MMR... BORIS GANKE.

RE: ALEXANDERS SECURITIES LIMITED (ASL):
=====

PURSUANT TO OUR MEETING TODAY, WE CONFIRM:-

1. WE ARE PREPARED TO MAKE A CASH OFFER FOR SHARES IN ASL OWNED BY BRINDS.
2. WE UNDERSTAND THAT THIS SHAREHOLDING IS APPROXIMATELY 75 PER CENT OF THE CAPITAL.
3. WE ARE WORKING ON THE BASIS OF 2.854 MILLION SHARES ON ISSUE, OF WHICH BRINDS HOLD 2.14 MILLION.
4. THE OFFER WOULD BE MADE IN THE FORM OF PART A OR PART C.
5. CASH CONSIDERATION WOULD BE MUTUALLY AGREED ASSET BACKING, PLUS \$150,000.
6. WE HAVE WORKED ON THE BASIS OF CASH \$4.2 MILLION, PORTFOLIO \$1.0 MILLION, LIABILITIES \$NIL.
7. WE EXPECT TO HEAR FROM YOU NEXT MONDAY.

8 APR 1983	
BS	✓
JK	
HS	
DESTROY	

KIND REGARDS,
CHRISTOPHER C. SKASE.*
BRINDS AA22292
QINTEK AA37648

TELEX MESSAGE TELETYPE UNIT

TELEX MESSAGE TELETYPE UNIT

AFFIDAVIT OF MARTIN ANTHONY TOSIO

No.109
Affidavit of
Martin Anthony
Tosio
27th April
1983

I, MARTIN ANTHONY TOSIO of 82 Elizabeth Street Sydney in the State of New South Wales Chartered Accountant make oath and say:-

1. I crave leave to refer to paragraph 9 of the Affidavit of Boris Andrew Ganke sworn the 26th day of April 1983 and filed herein and the exhibit thereto marked "BAGZ" being an analysis of the assets of the Companies that entered into the Moratorium Agreement first referred to in the Affidavit of Alexander Robert Mackay Macintosh sworn the 14th day of February 1983 and filed herein. Now produced and shown to me and marked with the letters "MATZ" is a copy of the said analysis. I prepared the said analysis and I believe its content to be true and correct, save for three adjusting entries relocating "eliminations" within the same schedule, and consequences arising therefrom. There is no amendment to the final "total" column arising from the above adjustments. Now produced and shown to me and marked with the letters "MATZA" is an amended copy of the Aggregation of Balance Sheets.

10

SWORN at Melbourne 27th April, 1983

No.110
EXHIBIT "MATZ"

COPY OF THE ANALYSIS OF THE
ASSETS OF THE COMPANIES THAT
ENTERED INTO THE MORATORIUM
AGREEMENT

see "BAGZ to Banke
26/4/83 at p.105

No. 111
EXHIBIT "MATZ A"

AMENDED COPY OF THE AGGREGATION
OF BALANCE SHEETS

This is the Exhibit marked with the letter "MATZA" produced and shown
to MARTIN ANTHONY TOSIO at the time of swearing his Affidavit.

SWORN the 27th day of April, 1983.

In the Supreme Court of Victoria

No. 111
 Exhibit "MATZ A"
 Amended copy of the Aggregation of Balance sheets (continued)

MORATORIUM DEBTOR COMPANIES & SUBSIDIARIES - AGGREGATION OF BALANCE SHEETS AS AT 31.12.1982

	BRINDS	EAS(T)	ACRON not cons	ALEX. SEC. not cons	C'PIANS cons	ICF not cons	GULF	ALEX. COR.	NBRC	S/TOTAL	ADJUSTMEN +ELIMIN- ATION SHARES & BALANCES	S/TOTAL	Regr. Index ACRON SUBS	Regr. Index ACRON SUBS	ALEX. DTS.	VOTUALA- LAI	ELIMINA- TION II	S/TOTAL	ELIMINATION SHARES	TOTAL
Issued Capital	1309537	200	681725	1427029	3341953	1125550	5100100	125000	500	13111554	(11802057)	1309537	301615	10108	16004	666420		2303684	(994147)	1309537
Asset Revaluation	1105550		4113		1240699	69658	980000		764000	4172020		4172020	247790			7193770		11613580		11613580
Capital Profits	873741		12232	3245923	580154		26680	19164		4757886		4757886	129405	32244	8926	273632		5268183		5268183
Share Premium	4181			534321	67520		474341			1000423		1000423	19600					1100023		1100023
P & L Account	(2552355)	(633720)	251523	27464	539479	(516576)	1435679	(318204)		(460968)	561149	(4047539)	(1688220)	(61416)	2270	(4781822)	5867	(9521965)		(9521965)
General Reserve					100297			3400		183697		183697						183697		183697
Adjustments to reserves	740854	(633520)	349553	5234747	7558164	(78032)	5175442	(17120)	74500	1060932	3188249	3188249						3188249	(865100)	2323149
Drilling Equipment						11544				2910		2910						2910		2910
Prov. for Depreciation						(8634)				996		996						996		996
Sundry Equipment						956				1000000		1000000						1000000		1000000
Bucket Dredge							1000000			11658		11658						11658		11658
Land & Buildings	600000				5000000				11658	5600000		5600000				10984325		16584325		16584325
Furniture & Fittings								9412		8321		8321	4067					12438		12438
Prov. for Depreciation			1743					(2761)												
Exploration Expenditure					2155113		1305144			3460257		3460257	78000					3538257		3538257
Shares in Listed C'nies	1040777			1992758	467870		634643			13236048	7042868	6193180	321510					6514690	229031	6285659
Shares-Loans-Acron Subs			1902253							1902253	1358454	43259						5212	5212	-
Shares in Other C'nies	660062		135737	118822	226877		159844			1301342	766022	532780	1163				43954	533943	327038	206905
Other Investments	11250									11250		11250	269840					269840		269840
Shares in Other Subs				24074		1005000				1029074		1029074						1029074	1029074	-
Shares in Listed C'nies		1471369						627355		2098725	301878	1796847	711798		676274			711798	121763	711798
Shares in Other Companies		293690								293690		293690	79770					2616945		2495182
Land Deposits Related			11583			75729				75729	11583	75729						373461		75729
Cash	337	256		1245	666	3938	133	343		6923		6923	50000	15500	500		266268	7425	-	7425
Deposits	2693688			4176433	4701499	1792034	2431766	20001	215745	6033360	15886	4456280	236607		870	9923		18940		18940
Deposits Subs	5228170									5228170	2154109	3074061	49873		435417		2699939	1756341		1756341
Share Debtor				4264901						4264901	4264901	4264901						485290		485290
Debtors & Projects	176856	30943	2471		14663	14445	272428	601	11672	524073	17250	217155	93819		475			311444		311444
Freehold Land								5031443		5031443		5031443		16000				5047443		5047443
Leasehold Land													72610							
Amounts due on Shares		84265							55013	55013		55013						55013		55013
	20411140	1680523	2053767	9678233	12566666	2897247	5803958	654931	5325531	61272039	28269613	33302426	2364373	31500	171119	11429665	6210790	41295293	1859247	39436046

MORATORIUM DEBTOR COMPANIES & SUBSIDIARIES - AGGREGATION OF BALANCE SHEETS AS AT 31.12.82

	BRIHDS	BAS(T)	ACORH	ALEX. SEC	CHAPMAN'S Consol.	I C F	GULF RES	ALEX COR	NBBC	S/TOTAL	ADJUSTMENTS & ELIMIN- ATION	S/TOTAL	Remainder BEINGS SHARES	Remainder ACRON SHARES	ALEX. DISCOUNT	VOTUWALA LAI	ELIMINATION	DM S/TOTAL	ELIMINATION SHARES	TOTAL
Overdraft	154478	28554	4966	181	20604	3180	4348		8806	225117		225117	107770			1296684			1629571	1629571
Bills	1200000	100000		167000	100000					1560000		1560000	50000						1710000	1710000
Loans Unsecured	6861152		1082153	3670202	1083248	+1395 2198800	158637	616300	2013771	17596718	15886 10158251	7512561				7257	250768		7269070	7269070
Loans Secured	2009537	417000		470000	2820000				1180000	6896537		6896537				3000000			9896537	9896537
Directors' Loans	31350									31350		31350	11225				42575		-	
Share Purchase Credit	1696659									1696659		1696659							1696659	1696659
Creditors	32486	390388	16075	121578	2565172	15180	405531	209912		3816322	17250 11593	3758239	17048	610		160649	15500		3921046	3921046
Trade Creditors													55497			393652			449149	449149
Loans Subsidiaries	7648537									7648537	7069469	579022					72610		506458	506458
Unclaimed Dividend	9238									9238		9238							9238	9238
Provision for Taxation	3140	4040								7130		7180							7180	7180
Dividend Payable	159									159		159							159	159
Loans Holding Co		1523067							1350454	281521	1523067 1358454	-	2872265	43954	(2270)	866304	3054491	6834744	-	
Loans Related		50994								50994	50994	-	80288			164932	245220		-	
Shareholders' Loans	23750			21525						45275		45275							45275	45275
A/P					19500					19500		19500							19500	19500
	19670486	2514043	1104194	4443486	6603524	2218615	628516	82622	4561031	82575107	20216954	22358153	3294093	44564	864034	8077665	7478667	27159842	-	27159842
	740654	633520	949593	6234747	5958164	678632	5175442	(171230)	764500	18698932	8052659	10644273	(929720)	(13064)	185915	3352000	1267877	34135451	1859247	12276204

No. 112
EXHIBIT "AG 5"

In the
Supreme
Court of
Victoria

DEED OF VARIATION OF MORTGAGE BETWEEN
BRINDS LTD. AND MERCANTILE MUTUAL LIFE
INSURANCE CO.LTD. DATED 23RD NOVEMBER
1982

No.112
Exhibit
"AG 5"
Deed of
Variation
of mortgage
between
Brinds Ltd.
and Mercantile
Mutual Life
Insurance
Co.Ltd. dated
23rd November
1982

No. 6 Exhibits tendered during the hearing of the evidence

" A G 5 "

Deed of Variation of Mortgage between
Brinds Ltd. and Mercantile Mutual Life
Insurance Co. Ltd. dated 23rd November,
1982

NEW SOUTH WA
NOV 23 1982
STAMP DUTY

THIS DEED OF VARIATION OF MORTGAGE is made the 23
day of NOVEMBER One thousand nine hundred and eighty-
two BETWEEN BRINDS LIMITED a Company incorporated and having
its registered office at 82 Elizabeth Street, Sydney (herein
called "the Mortgagor") of the One Part AND MERCANTILE MUTUAL
LIFE INSURANCE COMPANY LIMITED a Company duly incorporated
and having its registered office at 117 Pitt Street, Sydney
(herein called "the Mortgagee") of the Other Part

WHEREAS:-

- (a) This Deed is supplemental to a Deed of Mortgage of Shares made between the Mortgagor and the Mortgagee dated the 8th October, 1980 relating to an advance which the Mortgagee made to the Mortgagor of the sum of One Million Dollars (\$1,000,000-00) on the security of Nine Million and Three Thousand Four Hundred and Twenty-six (9,003,426) ordinary shares in Offshore Oil N.L.;
- and
- (b) The parties have agreed to vary the provisions of the said Mortgage Deed and for that purpose have agreed to enter into this Deed

THE ORIGINAL INSTRUMENT OF WHICH THIS IS A COPY IS ONLY STAMPED WITH \$ 59/4 00. L.S. 14736704
N.S.W. STAMP DUTIES OFFICE

NOW THIS DEED WITNESSETH that it is covenanted, agreed and declared by and between the parties hereto as follows:

1. The parties acknowledge that as at the 8th October, 1982 the Mortgagor was indebted to the Mortgagee in respect of the sum of One Million Four Hundred and Ninety-three Thousand Six Hundred and Seventy Dollars Fifteen Cents (\$1,493,670-15) comprising the original loan of One Million Dollars (\$1,000,000-00), calls paid by the Mortgagee on the shares comprising the security of the loan of Four Hundred and Fifty Thousand One Hundred and Seventy-one Dollars Thirty Cents (\$450,171-30) and interest unpaid amounting to Forty-three Thousand Four Hundred and Ninety-eight Dollars

10

20

30

No.112
Exhibit "AG 5"
Deed of
Variation of
Mortgage between
Brinds Ltd. and
Mercantile Mutual
Life Insurance
Co.Ltd. dated
23rd November
1982

(continued)

Eighty-five Cents (\$43,498-85) which said sum of One Million Four Hundred and Ninety-three Thousand Six Hundred and Seventy Dollars Fifteen Cents (\$1,493,670-15) now comprises the new principal sum secured by the said Mortgage and the Mortgagor covenants with the Mortgagee that it will repay the said principal sum to the Mortgagee on the 8th day of April, 1983.

2. The Mortgagor covenants with the Mortgagee that in addition to the principal sum hereinbefore referred to that the Mortgagor will pay to the Mortgagee the sum of One Hundred and Thirty Thousand Six Hundred and Ninety-six Dollars Eighty-five Cents (\$130,696-85) for interest which payment shall be made on the 8th April, 1983.

3. If the principal sum and interest herein made payable are not paid by the Mortgagor to the Mortgagee on the 8th April, 1983 then the Mortgagor shall pay to the Mortgagee interest on such unpaid principal sum and interest at the rate of seventeen point seven five per cent (17.75%) per annum which said interest shall be paid half yearly in advance on the eighth days of April and October in each year on the principal sum and interest owing on such days and the first of such payments shall be made on the 8th April, 1983.

4. By way of further security the Mortgagor as beneficial owner hereby charges and agrees to charge in favour of the Mortgagee with the due and punctual payment of the principal moneys and interest hereby and by the said Deed of Mortgage made payable all such shares, stock, debentures, certificates of deposit, notes and other securities which the Mortgagor may from time to time lodge with the Mortgagee and the Mortgagor shall as and when required by the Mortgagee execute transfers of such securities by way of Mortgage in favour of the Bank of New South Wales Nominees Pty. Limited which Company the Nominee specified in the said Deed of

..../3

Mortgage.

5. In all other respects the parties confirm the
covenants contained in the said Deed of Mortgage.

IN WITNESS WHEREOF this Deed has been executed the day and
year first hereinbefore written.

THE COMMON SEAL of BRINDS)
)
LIMITED was hereunto affixed)
)
by the authority of the)
)
Board of Directors in the)
)
presence of:)



James B. [Signature]
.....
Director

[Signature]
.....
Secretary

DATED _____ 1982

BETWEEN:

BRINDS LIMITED

"the Mortgagor"

AND:

MERCANTILE MUTUAL LIFE INSURANCE
COMPANY LIMITED

"the Mortgagee"

DEED OF VARIATION OF MORTGAGE

CHURCH & GRACE
SOLICITORS
5TH LEVEL
34 HUNTER STREET
SYDNEY NSW 2000.
DX 114 SYDNEY
PHONE: 233-1155
REFERENCE: NHG:LA:821639

In the Supreme
Court of Victoria

No.114
Exhibit "AG 7"
Bundle of
correspondence
between the
Sydney Stock
Exchange and
Offshore Oil N.L.

No. 114

" A G 7"

Bundle of correspondence between the
Sydney Stock Exchange and Offshore Oil
N.L.

In the Supreme Court
of Victoria

No.114
Exhibit "AG 7"
Bundle of
correspondence
between the
Sydney Stock Exchange
and Offshore Oil N.L.

(continued)

28th September 1982.

PWM:pb

The Secretary,
Offshore Oil N.L.,
167 Phillip Street,
SYDNEY, N.S.W. 2000.

BY HAND

Dear Sir,

We refer to your announcement of 27th September 1982 detailing the Board of Directors of your company.

We have noted, inter alia, your statement that Messrs. L.J. Adler, T.E. Atkinson and J.R. Wilson are not directors of the company. We assume these persons have resigned from the Board of Offshore Oil N.L. since your announcement of their appointment on 1st July 1982, which we quote as follows:-

10

"Following the above acquisition of shares, the directors of Offshore Oil have invited the Chairman of FAI, Mr. L.J. Adler, together with FAI directors Mr. T.E. Atkinson and Professor J. Wilson, to join the Board of Offshore, which invitation has been accepted. Mr. Adler will become Chairman and Mr. Genka will be Executive Deputy Chairman.

At the first meeting of the enlarged Board this afternoon,

We would thus seek your provision prior to 10.00 a.m. on Friday, 1st October 1982, of a copy of the Register of Directors, Principal Executive Officers and Secretaries maintained pursuant to Section 232 of the N.S.W. Companies Act 1981.

20

Your assistance would be appreciated.

Yours faithfully,

P. W. MITCHELHILL
Manager - Companies

THE SYDNEY STOCK EXCHANGE LIMITED

EXCHANGE CENTRE,
20 BOND STREET, SYDNEY, N.S.W., 2000
P.O. BOX 4224, AUSTRALIA SQUARE, 2000
TELEPHONE: 231-0088
CABLES: STOCKEX. TELEX: AA20830

29th September 1982.

The Secretary,
Offshore Oil N.L.,
167 Phillip Street,
SYDNEY, N.S.W. 2000.

DELIVERED  12.5

29 SEP 1982	
PVM:pb	
BG	
J.B. [Signature]	
Legal	
BY HAND	
DESTROY	

Dear Sir,

Further to our letter of 28th September 1982 wherein we requested your provision of a copy of the Register of Directors, Principal Executive Officers and Secretaries, we wish to make the following enquiries:-

1. We would seek your clarification of the circumstances surrounding the apparent discrepancy between your announcement of 1st July 1982, wherein you had advised that Mr. L.J. Adler, Mr. T.E. Atkinson and Professor J. Wilson had joined the Board of Offshore Oil N.L., with Mr. Adler becoming Chairman, and your announcement of 27th September 1982, wherein you advised that Messrs. L.J. Adler, T.E. Atkinson and J. Wilson are not directors of the company.
2. We have noted that in an announcement dated 27th September 1982 your Board purported to extend the time for receipt of applications in respect to the recent non-renounceable issue to shareholders to 5.00 p.m. on 15th October 1982. This statement contrasts with an announcement dated 21st September 1982 wherein you advised that acceptance of entitlements to the issue had closed after a period of grace extended by the company. We would seek your explanation of the discrepancy between these two announcements.
3. We would appreciate your confirmation that the extension until 5.00 p.m. on 15th October 1982 for receipt of applications from shareholders in respect to the recent non-renounceable issue has been unconditionally agreed to by the underwriter of the issue, namely, Metropolitan Executors & Nominees Pty. Limited, a wholly-owned subsidiary of FAI Insurances Limited.
4. We have noted reports in this morning's Press that your company has already received from the underwriter of the recent non-renounceable issue \$5.26 million cash and we would appreciate your confirmation that such sum has been received, details of any conditions applying to the receipt of such sum and whether any securities representing in whole or in part the shortfall to the issue have been allotted to the underwriter.

The Secretary,
Offshore Oil N.L.

In the Supreme Court of Victoria
No.114 Exhibit "AG 7"
Bundle of correspondence between the
Sydney Stock Exchange and Offshore
Oil N.L. (continued)

29th September 1982.

5. We would also enquire whether the receipt of applications from shareholders up to 15th October 1982 could result in the refund of any part of the \$5.26 million cash tendered by the underwriter.
- 6(a) We would be obliged for your advice as to whether your Board is in possession of information not previously disclosed to the Exchange which might reasonably be regarded as necessary for the maintenance of a properly informed market in the securities of your company.
- 6(b) We would seek, if your answer to (a) is in the affirmative, details of that further information.

Your reply to these enquiries prior to 10.00 a.m. tomorrow, Thursday, 30th September 1982, would be appreciated.

We would advise that a copy of this letter has been released to the media.

Yours faithfully,


P. W. MITCHELHILL
Manager - Companies

In the Supreme
Court of
Victoria

~~xxxxx~~ AA 73269

No.114
Exhibit "AG 7"
Bundle of
correspondence
between Sydney
Stock Exchange
and Offshore
Oil N.L.

30th September 1982

(continued)

Manager Companies
The Sydney Stock Exchange Ltd
20 Bond Street
Sydney NSW 2000

Dear Sir

In response to your letter of 29th September, 1982 we confirm our telephone advice this morning that as the directors are currently under restraint of orders by the Supreme Court they are unable to answer the enquiries listed in your letter under reply.

A further communication will be made as soon as the position of these matters is clarified.

Yours faithfully

Offshore Oil N L


Secretary

kgw-lsf/953.108

File

the Supreme Court of Victoria
No.114 Exhibit "AG 7"
Bundle of correspondence between the Sydney
Stock Exchange and Offshore Oil N.L. (continued)

COPY 3B2L

THE SYDNEY STOCK EXCHANGE LIMITED



EXCHANGE CENTRE,
25 BOND STREET, SYDNEY, N.S.W. 2000
P.O. BOX 1224, AUSTRALIA SQUARE, 2000
TELEPHONE: 231-0086
CABLES: STOCKEX. TELEX: AA20630

1st October 1982.

PWM:pb

RECEIVED 3.15 PM 1/10/82

The Secretary,
Offshore Oil N.L.,
167 Phillip Street,
SYDNEY, N.S.W. 2000.

600

BY HAND

Dear Sir,


We would seek your advice as to whether there is any matter relating to Offshore Oil N.L. or any subsidiary company which should be disclosed to the Exchange pursuant to Listing Requirement 3A(18) of the Australian Associated Stock Exchanges' Listing Requirements.

Your early advice would be appreciated.

Yours faithfully,

P. W. MITCHELHILL
Manager - Companies

1 original 15/10
1 copy 11/10
H.G.S.



THE SYDNEY STOCK EXCHANGE LIMITED

EXCHANGE CENTRE,
70 BOND STREET, SYDNEY, N.S.W., 2000
P.O. BOX 4224, AUSTRALIA SQUARE, 2000
TELEPHONE: 231-0056
CABLES: STOCKEX. TELEX AA20630

1st October 1982.

RECEIVED 3.15 PM 1/10/82
H.G.S.

PWM:pb

The Secretary,
Offshore Oil N.L.
167 Phillip Street,
SYDNEY, N.S.W. 2000.

BY HAND

Dear Sir,

We would confirm our telephone advice that your company's securities were suspended from Official Quotation as from the commencement of trading on Thursday, 30th September 1982.

10 We have noted from an examination of your company's Balance Sheet as at 30th June 1981 and various newspaper reports that your company has made certain significant loans. We would therefore request that you provide details of all monies receivable in respect to items identified as loans, short-term deposits and loan debtors in the company's books of account as at 30th June 1982 and 30th September 1982.

We would also request that such details include the following:-

- (a) Identity of the borrower;
- (b) Term of the loan;
- (c) Whether secured or unsecured, and if secured, details of the security held by Offshore Oil N.L.;
- 20 (d) Interest rate receivable on the loan;
- (e) Principal amount of loan;
- (f) Amount of interest accrued and owing.

We would appreciate the details requested accompanying your reply to the enquiries raised in our letter of 29th September 1982.

Your early advice would oblige.

Yours faithfully,

P. W. MITCHELHILL
Manager - Companies

In the Supreme
Court of Victoria

No.114
Exhibit "AG 7"
Bundle of
correspondence
between the
Sydney Stock
Exchange and
Offshore Oil N.L.

(continued)

1 November 1982

Manager Companies
The Sydney Stock Exchange Ltd
20 Bond Street
SYDNEY NSW 2000

Attention Mr P.W. Mitchellhill Your Ref. PAM:pb

Dear Sir,

We refer to your letters of 26th and 27th September 1982 and your two letters of 1 October 1982.

We advise that full replies are being prepared and will be forwarded within the next 2/3 days.

The company's Balance Sheet and Accounts as at 30 June, 1982 are at the stage of final completion and examination by the Auditors.

Yours faithfully,
OFFSHORE OIL N.L.



Secretary.

KGW.cas/953.108 *File*

In the Supreme
Court of Victoria

KGW.cas

No.114
Exhibit "AG 7"
Bundle of
correspondence
between the
Sydney Stock
Exchange and
Offshore Oil N.L.

11 November 1982

(continued)

Manager - Companies
The Sydney Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Attention: Mr P.W. Mitchelhill

Dear Sir,

Enclosed is a copy of the company's Register of Directors,
Principal Executive Officers and Secretaries which was
intended to be enclosed with our letter delivered to you
today.

Yours faithfully,
OFFSHORE OIL NL.



K.G. WILSHIRE,
Secretary.

encl.../

953.108 file



In the Supreme Court of Victoria
 No.114 Exhibit "AG 7"
 Bundle of correspondence between
 the Sydney Stock Exchange and
 Offshore Oil N.L. (continued)

OFFSHORE OIL N.L.

ARPM.cas

OFFSHORE HOUSE
 167 PHILIP STREET SYDNEY
 BOX 4744 GPO SYDNEY AUSTRALIA 7001
 TELEPHONE 233 6072
 TELEX AA22797

11 November 1982

Mr P.W. Mitchellhill
 Manager - Companies
 The Sydney Stock Exchange Limited
 20 Bond Street
 SYDNEY NSW 2000

Dear Sir,

I refer to your letters dated 28 and 29 September 1982 and two dated 1 October 1982.

The delay in replying to these letters is regretted. As you are no doubt aware from press reports, various of the matters raised in your letters have been the subject of litigation and, therefore, it was not practicable for the company to answer in these circumstances. Replies are hereby submitted to your four letters. Enclosed is a copy of the company's Annual Report for the year ended 30 June 1982

10

Your letter dated 28 September 1982

Copy of the register of directors, principal executive officers and secretaries, maintained pursuant to Section 238 of the Companies Act 1981, is enclosed.

Your letter dated 29 September 1982

20

1. The Board of Directors of Offshore Oil NL comprises Messrs A.R.M. Macintosh, L.J. Adler, T.E. Atkinson, J. Belfer, B.A. Ganke, J.B. Kippist, H.G. Scott, M.A. Tosio and Professor J.R. Wilson. The Directors have been appointed following an agreement between the parties to litigation which provided for an independent Chairman to be appointed until the next Annual General Meeting which is to be held on 3 December 1982. Mr Macintosh, a partner in Messrs Peat Marwick Mitchell was invited to become the independent Chairman.
2. As a result of further negotiations, the underwriter agreed to extend the time for receipt of applications from shareholders in respect of the issue until 5.00 pm on 15 October 1982. The extension was sought upon claims by shareholders that the mail strike that occurred in October had affected the ability of the shareholders to meet the deadlines imposed.

30

...2/

3. As detailed in 2. we confirm that the underwriter agreed to the extension.
4. The amount referred to by you was received from the underwriter without any conditions applying to the receipt thereof. As a result of the extension of time agreed by the underwriter, a refund of \$778,797.50 will be due to the underwriter from the shares issue. The number of the shares to be issued to the underwriter as a result of the shortfall is 45,278,485.
5. Yes - \$778,797.50.
- 10 6. In response to your request for information necessary for the maintenance of a properly informed market in the company's shares your attention is drawn to pages 7 and 21 of the Annual Report for information regarding funding of the drillship "Energy Searcher" and the commencement of its contract with Woodside Offshore Petroleum. Please also note the comments on page 7 headed Louisiana, Texas, Mississippi and on page 16 regarding the write-off during the year ended 30 June 1982 as an abnormal item of exploration expenditure amounting to \$10,868,609 most of which related to the termination after 20 1 July 1982 of the exploration activities in the USA.

In the Supreme Court of Victoria

No.114
Exhibit "AG 7"
Bundle of correspondence between Sydney Stock Exchange and Offshore Oil N.L.

(continued)

Following court proceedings which ended on 27 October 1982 the Board confirmed its acceptance of the offer by FAI Insurances Limited to provide secured loan funds of up to \$10 million to enable the company to meet its exploration and other commitments. These funds should be drawn down shortly.

I advise that apart from the foregoing the information which has now been supplied in response to your four letters and that contained in the attached financial accounts the Board is not in possession of any other information which might reasonably be regarded as necessary for the maintenance of a properly informed market.

Your letter dated 1 October 1982

There has been no application filed with a court to wind up the company or any of its subsidiaries, nor has there been a receiver appointed to the company or any of its subsidiaries.

Your letter dated 1 October 1982

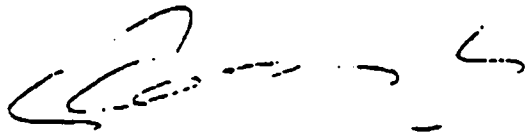
In reply to your request for information regarding loans made to the company, we respectfully draw your attention to note number 13 on page 18 of the enclosed financial statements. You will note that provisions totalling \$8,974,000 have been made to cover losses that may be sustained thereon.

The company's 1982 financial statements are currently being printed and will be posted to shareholders on Wednesday 17 November 1982. As soon as copies of the printed accounts are available we will forward you the appropriate number thereof.

In the Supreme Court of Victoria
No.114 Exhibit "AG 7"
Bundle of correspondence between
the Sydney Stock Exchange and
Offshore Oil N.L. (continued)

I trust that the above information will enable you to reinstate
the company's securities to official quotation as soon as possible.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'A.R.M. Macintosh', with a long horizontal stroke extending to the right.

A.R.M. Macintosh,
Chairman.

encl.../

THE SYDNEY STOCK EXCHANGE LIMITED

EXCHANGE CENTRE,
20 BOND STREET, SYDNEY, N.S.W., 2000
P.O. BOX H224, AUSTRALIA SQUARE, 2000
TELEPHONE: 231-0036
CABLES: STOCKEX. TELEX: AA20630

DELIVERED



In the Supreme
Court of
Victoria

No.114
Exhibit
"AG 7"
Bundle of
correspon-
dence between
Sydney Stock
Exchange and
Offshore Oil
N.L.

16th November 1982.

Mr. A.R.M. Macintosh,
Chairman,
Offshore Oil N.L.,
Box 4246, G.P.O.,
SYDNEY, N.S.W. 2001.

16 NOV 1982	
AM	
FILE	
DESTROY	

PWM:pb

(continued)

Dear Sir,

We acknowledge receipt of your letter of 11th November 1982 answering various matters raised by the Exchange in letters dated 28th and 29th September 1982 and 1st October 1982. Enclosed with your letter was a printer's proof of your company's Annual Report for the year ended 30th June 1982.

We have noted upon examination of the Annual Report and, more specifically, the company's consolidated balance sheet as at 30th June 1982 that the group had an excess of current liabilities over current assets of \$24,732,000. This discrepancy of working capital may be somewhat alleviated by the receipt of secured loan funds amounting to \$10 million from FAI Insurances Limited as foreshadowed in point 6 of your letter of 11th November 1982.

We are concerned at the company's ability to continue to fund a level of operations that would permit it to maintain its interest in the various oil and gas tenements detailed in the Annual Report. Additionally, we believe that the company is currently bound to substantially contribute to the cost of drilling South Pepper No. 1 well which is due to spud next week in WA-149-P.

We would therefore appreciate consideration being given to the making of an announcement prior to reinstatement of quotation detailing the means by which the company's immediate involvement in oil and gas exploration is to be financed.

Your early consideration of this matter would oblige.

We continue to await provision of the company's quarterly exploration report and pro forma quarterly cash report for the period ended 30th September 1982.

Yours faithfully,

Bundle of correspondence between
the Sydney Stock Exchange and
Offshore Oil N.L. (continued)

ARMM.cas

17 November 1982

Mr P.W. Mitchellhill
Manager Companies
The Sydney Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Dear Sir,

In response to your letter of 16 November 1982 I advise that the position of the company's working capital has substantially altered since 30 June 1982 as follows:

10

1. The sum of \$12.6 million has been received from the recent share issue and has been applied to greatly reduce trade creditors and accrued expenses.
2. Bills payable secured to Westpac Banking Corporation Ltd are regarded as a continuous facility. The company is currently negotiating the replacement of this bill line by a term loan from the Royal Bank of Canada.

The abovementioned items should in effect be regarded as reducing the company's current liabilities as at 30 June, 1982 by some \$29 million, and in conjunction with the receipt of loan funds from F&I Insurances Ltd will substantially improve the company's liquidity and will enable the company to meet its exploration and other immediate commitments including commitments to the joint venture covering WA 149 P.

20

On 15 November 1982 the allotment of 45,228,485 shares was made to the underwriter of the recent share issue, Metropolitan Executors & Nominees Pty Limited.

We enclose 12 copies of the following documents:

1. Annual Report
2. Notice of Meeting and Proxy Form
3. Letter to Shareholders
4. List of 20 Largest Shareholders

30

An Exploration Report for quarter ended 30 September 1982 was forwarded to you on Tuesday 16 November 1982. The quarterly Cash Report to 30 September 1982 will follow shortly.

Mailing of the Annual Report and Notice of Meeting to shareholders will be completed today.

Yours sincerely,
OFFSHORE OIL N.L.

A.R.M. MACINTOSH,
Chairman.

encl.../

In the Supreme
Court of
Victoria

No.114
Exhibit "AG 7"
Bundle of
correspondence
between the
Sydney Stock
Exchange and
Offshore Oil
N.L.

(continued)

in the Supreme
Court of Victoria

No.114

Exhibit "AG 7"

Bundle of correspondence
between the Sydney Stock
Exchange and Offshore
Oil N.L.

(continued)

xxxxx AA 73269

19th November 1982

Manager Companies
The Sydney Stock Exchange Ltd
20 Bond Street
Sydney NSW 2000

Attention Mr P W Mitchell

Dear Sir

Enclosed are 12 copies of our Quarterly Cash Report to 30 September,
1982.

We understand that on receipt of this Report you are prepared to lift
the suspension on quotation of the Company's shares.

However, in view of a delay over certain terms of the proposed agreement
with FAI Insurances Ltd we would prefer that you defer lifting the sus-
pension until such time as the agreement is signed.

We are hopeful that the agreement will be finalised at a very early
date.

Yours faithfully

Offshore Oil N L



Secretary

kgj-lsf/953.108

Encls



OFFSHORE HOUSE
 167 PHILLIP STREET SYDNEY
 BOX 4240 GPO SYDNEY AUSTRALIA 2001
 TELEPHONE 233 9022
 TELEX ~~222222~~ AA 73269

19 November 1982

The Sydney Stock Exchange Ltd

QUARTERLY CASH REPORT

September Quarterly Cash Report in accordance with Listing Requirement 38(10). These figures have not been audited.

	Quarter Ended 30/9/82	Since Commencement of Current Financial Year Including This Quarter
	\$	\$
Liquid Funds at beginning of quarter	1,147,960	1,147,960
<u>FUNDS RECEIVED DURING QUARTER</u>		
- Share issues/placements	10,863,182	10,863,182
- Loans (net)	632,049	632,049
10 - Investment income	44,997	44,997
- Proceeds on sale of fixed assets	5,000	5,000
- Other-revenue	178,123	178,123
- Surat Basin revenue	2,268,378	2,268,378
	<u>13,991,729</u>	<u>13,991,729</u>
<u>TOTAL FUNDS AVAILABLE DURING QUARTER</u>	<u>15,139,689</u>	<u>15,139,689</u>
<u>EXPENDITURE</u>		
- Exploration	6,360,829	6,360,829
- Administration expenses	638,577	638,577
- Investments	6,605	6,605
- Purchase of fixed assets	14,880	14,880
20 - Other	1,759,112	1,759,112
	<u>8,780,003</u>	<u>8,780,003</u>
	<u>6,359,686</u>	<u>6,359,686</u>
ADD(SUBTRACT) INCREASE(DECREASE) IN VALUE OF NON-CASH LIQUID ASSETS	(4,812,415)	(4,812,415)
LIQUIDS FUNDS AT END OF QUARTER	<u>1,547,271</u>	<u>1,547,271</u>
COMMITMENTS IN RESPECT OF FORMAL AGREEMENTS	<u>1,942,833</u>	<u>1,942,833</u>

The amount disclosed under commitments in respect of formal agreements does not include:

- i) Contingent liabilities in respect of joint venture borrowings for which the company is severally liable.
- 30 ii) Amounts due under approved AFE's on exploration areas.
- iii) AFE's approved in respect of Surat producing areas which are covered by income to be derived from these areas

In the Supreme Court of Victoria

No.114 Exhibit "AG 7"

Bundle of correspondence between the Sydney Stock
Exchange and Offshore Oil N.L. (continued)

Category of Securities	Number Issued	Number Quoted	Par Value €	Paid Up Value €
Ordinary Shares	306,618,914	252,980,283	10	10
Of which issued during reporting period	63,638,631	10,000,000	10	10
Other securities (specify)	-	-	-	-
			Latest Date of Conversion for Each Issue	Exercise Price
Options				
Staff Option Scheme	3,710,000	-	1983/1987	Various
Of which issued during reporting period	-	-		

OFFSHORE OIL N L



Secretary

kgw-lsf/953.108

In the Supreme
Court of
Victoria

OFFSHORE OIL N.L.

No.114
Exhibit "AG 7"
Bundle of
correspondence
between the
Sydney Stock
Exchange and
Offshore Oil
N.L.

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4240 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6077
TELEX ~~XXXXXX~~ AA 73269



ARMY.CAS

(continued)

25 November 1982

Manager - Companies
The Sydney Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

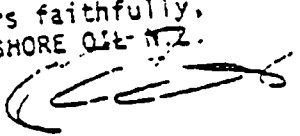
Attn: Mr P.W. Mitchelhill

Dear Sir,

You are advised that the Board has today received and accepted the resignations of Messrs B.A. Ganke, J.B. Kippist and M.A. Tosio as Directors of the company effective forthwith.

The resignations are pursuant to an agreement signed today by FAI Insurances Ltd, Offshore Oil NL, Brinds Limited and other companies associated with Brinds Limited. A copy of the agreement will be provided to you by FAI Insurances Limited.

Yours faithfully,
OFFSHORE OIL N.L.


A.R.M. MACINTOSH,
Chairman.

95.3 108

In the Supreme
Court of Victoria

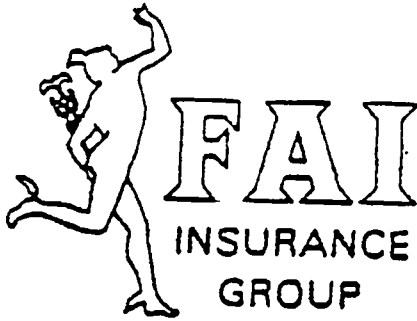
No.115
Exhibit "AG 8"
Copy of letter
from FAI
Insurances to
MacIntosh dated .
25th October
1982

No. 115

" A G 8"

Copy of letter from FAI Insurances to
Macintosh dated 25th October, 1982

TELEGRAPHIC ADDRESS: "FAINSUR"
TELEX: FAIMEUR 21766



FAI INSURANCES LIMITED
(INCORPORATED IN VICTORIA)
AUSTRALIAN AND INTERNATIONAL INSURANCES LTD.
(INCORPORATED IN VICTORIA)
FIRE AND ALL RISKS INSURANCE COMPANY LIMITED
(INCORPORATED IN N.S.W.)
CAR OWNERS' MUTUAL INSURANCE COMPANY LIMITED
(INCORPORATED IN N.S.W.)
FALKIRK ASSURANCE SOCIETY LIMITED
(INCORPORATED IN N.S.W.)
WENTWORTH INSURANCE COMPANY LIMITED
(INCORPORATED IN VICTORIA)
FAI INVESTMENTS PTY. LIMITED
(INCORPORATED IN N.S.W.)

HEAD OFFICE: FAI INSURANCE BUILDING, 185 MACQUARIE STREET, SYDNEY 2000 • TELEPHONE 221 1155

LJA/rmw

25 October 1982

STRICTLY PRIVATE AND CONFIDENTIAL

Mr A R MacIntosh
Chairman
Offshore Oil NL
167 Phillip Street
SYDNEY NSW 2000

WITHOUT PREJUDICE

Dear Mr MacIntosh

10 Your application for additional funds for Offshore Oil NL,
dated 20 October 1982, has been received and considered by
FAI in its capacity as a lender.

20 Under standard circumstances, the application would be rejected.
As you will appreciate, it is not usual to lend substantial
amounts to a company involved in the acrimonious relationship
plaguing Offshore. It is a further concern that, on present
indications, Offshore is not likely to be able to service
its borrowings when one considers the borrowing on the "Energy
Searcher". It is also of grave concern that several Offshore
directors are also directors of companies which have borrowed
in excess of \$9 million from Offshore, possibly in breach
of Section 125 of the Companies Act, which amount, fully
or partially, may have to be considered a bad debt, and these
directors are still directors of Offshore.

However, in this special case, three matters had to be con-
sidered in addition to the standard "lenders'" considerations:

- 1) That FAI itself is a major shareholder;
- 2) That there are some 26,000 other shareholders vitally
interested in the future of Offshore;
- 3) Shareholders may have subscribed to the recent "rights
issue" because FAI became the major shareholder of Offshore
and directors of FAI became directors of Offshore.



Mr A R MacIntosh

CONTINUATION SHEET No. 2

25 October 1982

The Board of FAI has given these matters the most serious consideration, bearing in mind its normal rules of commercial prudence as a lender, and has instructed me to inform you that FAI is prepared, in principle, to grant you a loan facility as and when needed up to \$10 million, on the following terms and conditions:

- Purpose:** FAI notes your statement that the most important benefit to be gained by making this advance will be the re-establishment of Offshore as a creditable oil exploration company in the eyes of the industry and the Stock Exchange. We agree, this must be in the paramount interest of Offshore's 26,000 shareholders. 10
- Amount:** \$10 million to be available on the terms set out below with initial draw-down of \$6 million on signing of documents. Draw-downs to be made on 24 hours' notice.
- Security:**
- a) Third mortgage over Surat Basin reserves, production licences, pipelines and gas and condensate supply contracts and all other assets relating to Surat. 20
 - b) Floating charge over Offshore.
 - c) Floating charges over all subsidiary companies.
 - d) Any other available charges requested by FAI's solicitors.
 - e) Existing Lloyd's mortgage to be discharged as soon as possible, but in any case no funds may be drawn on facility.
 - f) The Westpac mortgage is to be deemed to be fully drawn at present level. 30
- Interest rate:** 25% per annum, reducible to 21% per annum for prompt payment of interest. Interest payable monthly in arrears.
- Repayment:** - As you are aware, the Annual General Meeting of Offshore is due to be held before the end of November 1982 and, in the meantime, there is on foot an arrangement under which you are acting as Chairman of Directors. The present arrangement has left unresolved certain matters relating to the day-to-day



Mr A R MacIntosh

CONTINUATION SHEET No. 3

25 October 1982

10 management of the company and FAI has certain requirements in that regard which are set out below under the headings "Chairman" and "Management". Further, FAI's willingness to continue at risk as a lender to Offshore depends upon its having a majority on the Board of Directors of Offshore after the next Annual General Meeting. Therefore, the term of the loan will be 36 months from the date of the first draw-down, provided however that the loan will be repayable on 24-hours' call if either -

- 20
- a) the conditions described below under the headings "Chairman" and "Management", which relate to the period prior to the next Annual General Meeting, are not fulfilled, or
 - b) there is not in place by 30 November 1982 a Board of Directors of Offshore, a majority of the members of which are persons nominated or approved by FAI.
- the end of the A.F.I.*

Disbursements: All outstanding loans to FAI to be repaid from the first draw-down.

30 Chairman: The Chairman to assume or maintain the role of an Executive Chairman with all the consultants and executives reporting to him. In matters involving the operations and the financial stability of Offshore, the Chairman is to consult with the lenders and, subject to his fiduciary duties, be guided by the lenders in all commercial matters.

Should the Chairman retire before the next Annual General Meeting, the new Chairman must be acceptable to the lenders.

Directors: The lenders do not require any change or additional appointments to the existing Board of Directors of Offshore.

- Management:
- a) All directors (except the Chairman) are to be excluded from executive functions.
 - b) All directors (except the Chairman) to be excluded from the company's premises, except to attend Board Meetings or by invitation.

Mr A R MacIntosh

CONTINUATION SHEET No. 4

25 October 1982



- c) All directors to participate in the proper functioning of the Board and be given all necessary and requested information to enable them to discharge their duties as directors.
- d) All locks and keys to Offshore's premises and safes, etc, to be changed and to be available only to the Chairman and executives and consultants entrusted by him. 10
- e) Offshore's telephone service to be forthwith separated from any other company, except its own subsidiaries.
- f) Mr David Lance to be appointed a consultant to discharge the duties of the Chief Executive of Offshore, reporting firstly to the Chairman and then to the Board of Offshore as often as the Chairman determines. The appointment to be in force until the Annual General Meeting and then terminated or renegotiated with the Chairman of the newly elected Board. 20
- g) Cheque signatories to be any two of the Chairman and Messrs Lance, Wilshire, Boyer and Fear.

**1981/2 Group
Accounts:**

If any amount is to be written off in the 1981/2 accounts, full details are to be given in the accounts and notes, together with details of any recovery action taken, if any, or reasons for not taking such recovery actions. 30

**Underwriting
Agreement:**

As it is in the interest of all shareholders that the company should return to carry on its business without any avoidable interruption, Metropolitan Executors will accept the extension of time granted by Offshore without its consent, subject to the balance of shares, which it claims are due to it, being issued forthwith and the application money in respect of shares not issued to Metropolitan Executors to be refunded forthwith. The allotment of the shares to Metropolitan Executors is a condition precedent to the loan.



Mr A R MacIntosh

CONTINUATION SHEET NO. 5

25 October 1982

Costs: All legal and/or other costs of the company in connection with the application, investigation of the titles of the property and preparation of the mortgage documents etc will be borne by the borrower, whether the loan is completed or not.

Solicitors: Messrs Dawson Waldron of 60 Martin Place, Sydney, will be acting for FAI in this matter and will require security for costs, prior to the commencement of the documentation.

You will see from the above that there are various matters which require to be amplified or clarified by our respective solicitors. In particular, there is pending litigation which is affected by certain steps to be taken in relation to the allotment of shares. The conditions set out above are all subject to the necessary documentation being settled and approved by FAI's solicitors. Additionally, if the conditions are not agreed to within seven days, FAI may decide to vary them.

Sincerely yours

LAWRENCE J ADLER
Chairman

In the Supreme
Court of Victoria

No.116
Exhibit "AG 9"
Copy of letter
from MacIntosh
to FAI Insurances
dated 14th
January 1983

No. 116

" A G 9"

Copy of letter from Macintosh to FAI
Insurances dated 14th January, 1983

No.116
Exhibit "AG 9"
Copy of letter
from MacIntosh to
FAI Insurances
dated 14th January
1983
(continued)

14th January, 1983.

17/EY

Mr. L.J. Adler,
Chairman,
Offshore Oil N.L.,
Aureole Investments Pty. Limited,
FAI Insurances Limited,
Fire & All Risks Insurance Company Limited,
185 Macquarie Street,
SYDNEY. N.S.W. 2000

10

Dear Mr. Adler,

MORATORIUM "DEED" DATED 25TH NOVEMBER, 1982 BETWEEN
OFFSHORE, AUREOLE, FAI, FIRE & ALL RISKS (the creditors)
AND VARIOUS MEMBERS OF THE BRINDS LIMITED GROUP OF COMPANIES (the debtors)

As required by Clause 2 of the "deed", I report on the "debtors'" performances of their obligations as set out in Clause 1A of the deed. As you are aware, Clause 1A provides that each of the debtor companies during the moratorium shall carry on its affairs for the purpose of progressively discharging its liability to each creditor, including the realisation or re-financing of such assets which shall be required for that purpose.

20

I report as follows:-

1. Brinds Limited has received an offer of \$400,000 for its premises at 11th Floor, 82 Elizabeth Street, Sydney and has requested authorisation to sell. I advise that I have approved the sale. However, it should be noted that this property is mortgaged to Milton Corporation and therefore most of the proceeds will be applied in satisfying that mortgage.
2. Brinds Limited is currently negotiating the sale of its shares in Chapmans Limited and Alexanders Securities Limited.

The proposal put forward for the sale of Chapmans Limited provides for the discharge of the mortgage between Chapmans and Fire & All Risks Insurance.

30

I am aware that there are a number of interested parties, however, to date no definite offer has been forthcoming.

3. I understand that negotiations are underway for the sale of shares in Whitefield Limited which are held by various debtor companies. The proposal provides for the sale of all the shares held by the debtor companies as one parcel as it is expected to realise more under this method.

/2

In the
Supreme
Court of
Victoria

No.116
Exhibit
"AG 9"
Copy of
letter
from
MacIntosh
to FAI
Insurances
dated 14th
January
1983

I advise that there have been a number of apparent breaches in respect of covenants and undertakings made by the debtor companies. I refer you to my letter to Mr. Ganka dated 12th January, 1983, a copy of which was enclosed in my letter to you dated 14th January and draw your attention to page 2 thereof wherein I have detailed those areas where the debtor companies appear to have failed to comply with the deed.

Should you have any enquiries, please do not hesitate to contact me.

Yours sincerely,

A.R.M. MACINTOSH,
(Examining Accountant).

W
14/1/83

No.117
Exhibit "AG 10"
Copies of letters
from Longreach Oil
N.L. to MacIntosh
dated 29th
November 1982 and
21st October 1982

No. 117

" A G 10"

Copies of letters from Longreach Oil
N.L. to Macintosh dated 29th November,
1982 and 21st October, 1982

In the Supreme Court of Victoria
No.117 Exhibit "AG 10"

Copies of letters from Longreach Oil N.L.
to MacIntosh dated 29th November 1982 and
21st December 1982 (continued)

15:56 DAWSON WALDRON SYDNEY FN4300

LONGREACH OIL LIMITED

9th Floor, 28 O'Connell Street, Sydney, N.S.W. 2000
CS: jy

Telephone: 231-1211

Telex: AA70517

Cables & Telegrams: Courtco, Sydney

29th November, 1982

Mr A. MacIntosh,
Peat Marwick Mitchell & Co.,
c/- Offshore Oil N.L.,
167 Phillip Street,
SYDNEY NSW 2000

Dear Mr MacIntosh,

Re: WA 64P

I enclose herewith the Company's cheque for \$300,000.00 made payable to your Firm's Trust Account, and I would be obliged if you could hold it pending satisfactory transfer of title in the above area to Longreach Oil Limited.

Pending finalisation of this matter, we request that the funds be placed on deposit with Euro Pacific Finance Corporation Limited at call, secured by bank endorsed bills. (Please contact Mr Warwick Martin.)

Yours faithfully,



Colin Spencer,
Secretary.

Enclosure

No.118
Exhibit "AG 11"
Copy of deed
between Offshore
Oil

No. 118

" A G 11"

Copy of deed between Offshore Oil N.L.
and Moage dated 3rd September, 1982

[CONFORMED COPY]

DEED OF SETTLEMENT AND RELEASE

THIS DEED is made the 3rd day of September, 1982

BETWEEN:

OFFSHORE OIL N.L., ("Offshore") a company
incorporated in the Australian Capital
Territory and having its principal office in
New South Wales at 5th Floor, Offshore
House, 167 Philip Street, Sydney, of the
first part

MOAGE LIMITED, ("MOAGE") a company
incorporated in the State of Victoria and
having its principal office in New South
Wales at Level 60, MLC Centre, 19-29 Martin
Place, Sydney, of the second part

10

MOAGE U.S. PTY. LIMITED, ("M.U.S.") a
company incorporated in New South Wales and
having its registered office at Level 60,
MLC Centre, 19-29 Martin Place, Sydney of
the third part

AND

MOAGE INC., ("M.Inc.") a corporation
incorporated under the laws of the State
of Texas in the United States of America
and having its principal office at Suite
634, Travelers Bd, Greenway Place, Houston,
U.S.A., of the fourth part

20

WHEREAS:

- A. Offshore and M.U.S. were parties to a Deed dated 15th
April, 1981 ("the 1981 Deed") with respect to a certain
drilling programme in the Gulf Coast area of the United
States of America.

30

- B. Offshore and MOAGE are parties to a Deed dated 16th April, 1982 ("the 1982 Deed") with respect to a certain drilling programme in the Gulf Coast area of the United States of America.
- C. Offshore is a party to a continuing guarantee (the "Continuing Guarantee") in favour of Campbell Energy Corporation ("CEC") a company incorporated in the State of Louisiana in the United States of America with respect to a certain Agreement of Preferential Right to Explore Mineral Prospects between CEC and M.Inc. described as effective February 23, 1982.
- D. Disputes have arisen between Offshore and MOAGE with respect to demands made by MOAGE for payment of sums which MOAGE asserts are payable by Offshore under the terms of the 1982 Deed.
- E. MOAGE asserts that other sums are and will become payable to it by Offshore pursuant to or in connection with the 1982 Deed.
- F. Offshore and MOAGE are parties to certain proceedings in the Equity Division of the Supreme Court of New South Wales, numbered 3167 of 1982 ("the Proceedings") in which Offshore has sought an order of the Court to restrain MOAGE from presenting a petition for an order winding up Offshore on the basis that it has not paid the sums comprised in the demands referred to in recital D.

- G. The parties wish to bring an end to disputes and litigation between them in relation to the 1981 Deed and 1982 Deed upon the terms and conditions contained herein.

NOW THIS DEED WITNESSETH:

1. Offshore shall, upon receipt of the release referred to in Clause 5 hereof, pay to or at the direction of MOAGE the sum of Two million two hundred and fifty thousand dollars (\$2,250,000.00) in full settlement and satisfaction of all claims which MOAGE, M.U.S. or M.Inc. or any of them severally and jointly and severally now have or could would or might but for these presents at any time or times hereafter have or have had upon or against Offshore by reason of or on account of or in any way connected with the 1981 Deed or the 1982 Deed or either of them or any matter cause or thing whatsoever arising therefrom. 10
2. In consideration of such payment MOAGE, M.U.S. and M.Inc. and each of them severally and jointly and severally do by these presents release, remise and forever quit claim unto Offshore any and all claims which MOAGE, M.U.S. or M.Inc. severally and jointly and severally now has or could would or might but for these presents at any time or times hereafter have or have had upon or against Offshore by reason of or on account of or in any way connected with the 1981 Deed and the 1982 Deed or either of them or any matter cause or thing whatsoever arising therefrom. 20
3. In consideration of the releases given by MOAGE, M.U.S. and M.Inc. and these presents, Offshore does by these presents release, remise and forever quit claim unto

MOAGE, M.U.S. and M.Inc. and each of them severally and jointly and severally any and all claims which Offshore now has or could would or might but for these presents at any time or times hereafter have or have had upon or against MOAGE, M.U.S. and M.Inc. and each of them severally and jointly and severally by reason of or on account of or in any way connected with the 1981 Deed and the 1982 Deed or either of them or any matter cause or thing whatsoever arising therefrom.

10 4. In further consideration of the releases given by MOAGE, M.U.S. and M. Inc. and these presents, Offshore does by these presents:

- (a) agrees to quit, relinquish and assign free from all encumbrances and any other adverse rights or interests any right, title and interest that it may have in respect of any prospect or interest that MOAGE, M.U.S. and M. Inc. might have arising out of participation in any exploration program with C.E.C. in the United States of America; and
- 20 (b) agrees to execute all instruments and do all things which MOAGE, M.U.S. or M.Inc. reasonably requests to vest any right title and interest of the kind referred to in Clause 4(a) in MOAGE, M.U.S. or M.Inc. or otherwise as MOAGE directs and hereby appoints MOAGE, M.U.S. and M.Inc., jointly and severally its true and lawful attorney for such purposes with power to appoint one or more delegates or sub-attorneys.

5. Notwithstanding anything herein contained except in this Clause 5, this Deed is conditional upon MOAGE causing CEC to give to Offshore an absolute and unconditional release from the Continuing Guarantee without any payments by Offshore and all claims which CEC now has or could would or might at any times have or have had upon or against Offshore by reason or in any way connected with the Continuing Guarantee or any matter cause or thing whatsoever arising therefrom, such release to be in such form and substance as Offshore may reasonably require. 10
6. Each party hereto shall bear and pay all its costs and expenses by reason of or on account of or in any way connected with the hereinbefore recited circumstances including by way of specification but not limitation any legal fees incurred in respect of the Proceedings and the negotiation and settling of these presents.
7. Upon Offshore making the payment referred to in Clause 1:
(a) Offshore and MOAGE shall do all things necessary to have orders made in the Proceedings in or to the effect of the terms set forth in the Schedule hereto; and 20
(b) the 1981 Deed and the 1982 Deed shall terminate with effect from the date hereof.
9. This Deed is governed by and shall be construed in accordance with the laws of New South Wales and each party hereby submits to the jurisdiction of the Courts of the said State.

SCHEDULE

1. An Order in terms of Paragraph 1 of the Summons in the Proceedings varied to read as follows:- An Order that the Defendant, by itself, its servants and agents be restrained from presenting to any Court proceedings for the winding up of the Plaintiff on the grounds that the Plaintiff is deemed to be unable to pay its debts by reason of its failure to pay the sum claimed in the demand served upon the Plaintiff at its principal office in New South Wales at the instance of the defendant on 23 July, 1982.
2. Otherwise no order on the Summons.
3. No order as to costs.

IN WITNESS WHEREOF the parties hereto affix their hands and seal the day and year first hereinbefore written.

THE COMMON SEAL of)
OFFSHORE OIL N.L.)
was hereunto affixed)
by authority of the)
Board of Directors)
and in the presence of:)

L. Adler
Director

K.G. Wilshire
Secretary

THE COMMON SEAL of)
MOAGE LIMITED)
was hereunto affixed)
by authority of the)
Board of Directors)
and in the presence of:)

J.G. Jaqelman
Director

J.G. Crane
Secretary

In the Supreme Court
of Victoria
No.118 Exhibit "AG 11"
Copy of Deed between
Offshore Oil N.L. and
Moage dated 3rd September
1982 (continued)

THE COMMON SEAL of
MOAGE U.S. PTY. LIMITED
was hereunto affixed
by authority of the
Board of Directors
and in the presence of:

)
)
)
)
)
)
)

J.C. Jaqelman
Director

J.G. Crane
Secretary

THE COMMON SEAL of
MOAGE INC.
was hereunto affixed
by authority of the
Board of Directors
and in the presence of:

)
)
)
)
)
)
)

J.G. Jaqelman
Director

G.J. Crane
Witness

P.J. Parsons
Witness

In the Supreme
Court of
Victoria

No.118
Exhibit "AG 12"
Copy of press
release from
Offshore Oil N.L.
dated 20th
September 1982

No. 119

" A G 12 "

Copy of press release from Offshore
Oil N.L. dated 20th September, 1982



HL

OFFSHORE OIL N.L.

In the Supreme
Court of Victoria

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX ~~XXXXXX~~ AA 73269

No.119
Exhibit "AG 12"
Copy of press
release from
Offshore Oil N.L.
dated 20th
September 1982

STOCK EXCHANGE & PRESS RELEASE

Monday, 20th September, 1982

(continued)

USA 24 WELL PROGRAMME

Offshore Oil N L advises that it has terminated its participation in a 24 well oil and gas exploration program in the Louisiana/Texas Gulf Coast area of the U.S.A.

In consideration of the termination and in full payment of all outstanding commitments Offshore Oil N L has paid to Moage Limited the sum of \$2,250,000.

Offshore Oil N L

→ Handwritten signature of K G Wilshire in cursive script.

K G Wilshire
Secretary

kgw-lsf/953.108

In the Supreme
Court of
Victoria

No.120
Exhibit "AG 13"
Notes of Board
meeting of Offshore
Oil N.L. held 29th
October 1983 taken
by Wilshire

No. 120

" A G 13 "

Notes of Board meeting of Offshore Oil N.L.
held 29th October, 1983 taken by Wilshire

SECRETARY'S NOTES - DIRECTORS' MEETING

29 OCTOBER, 1982 AT 10 AM

No.120
Exhibit "AG 13"
Notes of Board
meeting of
Offshore Oil
N.L. held 29th
October 1982
taken by
Wilshire

(continued)

PRESENT: A Macintosh, D Lanke, J Kippist, T Atkinson, M Tosio, L Adler, H Scott,
K Wilshire & B Ganke.

Ch. referred to resolution passed 25/10/82. Covering allotments - left with Boris
the question of acceptance of his applications - if accepted will be allotted.
Annual Accounts - as drafted by Charles Fear - provision for possible non-recovery
of loans to Brinds Group - shortage of time to fully investigate the recovery
of the loans.
Intend to write down to \$1 as unable to establish recovery of loans. 1

HGS not contemplating such a write off.

Ch. will not support any figure unless has been substantiated by valuations - BG
believes under prov. is as bad as over provision - CH. asked BG to convince
him otherwise.

LJA reason for writeoff is inability to establish recovery and hope to recover
in future.

CH. provision and not writeoff.

JK. with explanation in notes should be explanatory to shareholders.

CH. rec w/off Louisiana exp even though occurred after 30/6/82 - should recognise
in A/cs - appropriate note re projects abandoned.

HS ?A/cs consolidated.

CH. not consolidated PSI - note in A/cs. 2

MT OO (Far East) not consolidated.

LJA what is reason for non-consolidation.

CH shareholding beneficially owned by Drs.

LJA is OO (FE) to remain beneficially owned - not in accord with previous advice?
intention to transfer to OO.

BG not structured as subsidiary.

LJA what should we be doing - not a foreign coy as all funding by Offshore - seeing
large loan by OO and Drs not care to cover loan - acquire 100% and consolidate.

MT should come in

LJA should cut clean 3

BG 3 Drs should transfer 1,000 shares each to OO and become subsidiary.

MT loan funds made to OO (FE).

HGS intent to have large share issue - Drs shares are qualification shares.

TEA what is position of PSI?

CH disclosed reason for non-consolidation in A/cs.

HGS consol misleading - temporary basis.

LJA considerable no of legal advice - suggest obtain advice from Wardleys & Solis.

CH advice of PMM is what we have done is acceptable.

MT investment appears as investments in subsidiary - not consolidated.

S/EXCH letters in reply tabled. 40

LJA queried whether appropriate to give S/Exch draft A/cs - if give totality then
more chance of re-listing - don't want feeling that S/Exch.

KGW agreed write letter to S/Exch - replies drafted and forwarded within next
few days together with a copy of the A/cs.

Accounts draft tabled - 10.30 am Charles Fear joined.

CF OO (FE) not consolidated.

CH now intend to consolidate.

CF easier to consolidate and writeoff money as exploration expenditure.

LJA how value on Silver Springs

DL Bridge valued at nil Nth Flinders valued at \$60 m - important to decide what 50
value on it.

CF carried at \$45 m - Drs valuation.

LJA suggest \$45 m is reasonable value - check how \$60m arrived at - should be guided
by proper

MT proven and probable reserves come up with \$70 m.

DL Nth Flinds valuation done by Merchant Bank - appropriate to ascertain basis
- will let Drs know details.

CH against revaluing at this stage.

CF discussion with Auditors - amortisation charge should be based on revalued
figure - now \$400,000 - could revalue asset again this year.

LJA should increase amortisation charge but correspondingly increase value.

BG left amortisation on original cost to avoid revaluation each year.

CH requested negotiate with Auditors - note to leave asset at same value rather
than amortise and revalue each year.

- CF reporting under new Act - accounts prepared under old 9th Schedule - may be some errors and inconsistencies - Directors raised questions.
- BG what are trade creditors - includes Moage \$2.5m - exploration exp since balance date - \$3.6m sundry creditors including West Barrow \$2.7 m - Delta Exploration - \$1m
- CH will investigate accruals
- BG check that we are not doubling up with JV creditor as well as individual creditor - wants to examine creditors.
- CH must check double counting on creditors.
- 10 HGS are Directors able to state reasonable grounds that coy able to pay its debts.
LJA undoubtedly
- CH on basis of Directors resolutions, agreed to make allotments, agreed to accept offer of loan from FAI & therefore able to state coy able to pay its debts.
Typing and mathematical errors to be corrected.
- OL what do net assets come out
- CF approx \$58m net assets
- P&L A/c abnormal \$13.8m - exp expense and w/down of investments - see note 17.
- extraordinary item \$12.7m.
- BG provision \$12.7m too much - will be able to see that such a provision need not be made.
- 20 CH if able to come up with evidence then provision will be re-considered.
BG letter from Gulf Res that offer security over NTP - other material may enable re-consideration next few days.
- HGS 100% provision is excess
- CH problem is recovery not quantified.
- CF auditors suggest 100% provision excessive - consult with auditors and Directors.
- LJA suggest neither Ganke Group or FAI Group can vote - will back whatever vote-the Chairman agrees to make.
- CH will put before Board any changes.
- 30 LJA suggested committee of 3 to consider A/cs - with authority to finalise and complete A/cs - 1 nominee from each camp and Chairman - proposed and passed
- BG does not agree that Ganke Drs cannot vote on OO A/cs - provision too large - should be referred back to Board - agreed leave to committee.
- CH delegated to committee to finalise A/cs and agree on provision for debts
- JBK most important to consider provisions
- CH will circulate amended A/cs to all Drs. Discussion on Certificate re PSI - legality of wording to be checked - LJA suggested that certificate should state vessel completed, drilling and under contract.
- BG suggests that in Drs Report make statement re drillship & PSI - completed drilling under contract, etc.
- 40 TEA statement by Drs - Sec 269(9) new Act
- CF matters raised by Auditors:
- 1) A/cs of PSI amounts \$750,000 accrued in books and capitalised to drillship being supervision fees - not brought to account - liabilities to OO in PSI & OO not brought to A/c - prima facie should adjust - understand income may not be payable for several years - agree take up as deferred income - inter company a/cs PSI & OO yet to be reconciled - bring in as liability not as income - leave to committee.
 - 2) 2 additional JV's in Surat not accounted for - only on cash basis - further contributions due - JV should be integrated in A/cs. MAT take into A/c assets in SS pipelines - not practical to wait on A/cs of JVs at end year, \$200,000 involved under contribution - LJA bring into S/creditors.
 - 3) Auditors would have difficulty in agreeing with provision against loans.
 - 4) Amortisation of Silver Springs interests.
- LJA suggests share investments held by Aureole may be unsaleable - Strata Premises may be worth \$350/400,000. Discussed possible revaluation Strata Premises - agreed leave as is.
- Letter from PSI 29/10/82 - 29/10/82 tabled concerns tax position - agreed get advice from Arthur Andersen & Stephen Jaques as to disclosure in A/cs.
- 60 LJA SJ has agreed to advise the coy - look at A/cs before going to printer.
- CF draft set PSI A/cs - not audited - some difficulty in getting A/cs audited within time frame - need get to printer by Friday next week.
- LJA suggested single sheet re audit of PSI A/cs - suggested leave to committee of 3
- TEA concerned that Drs have set of audited A/cs of subsidiaries - intended to attach March A/cs
- LJA financial year PSI ended 31 March - suggest March A/cs also unaudited 30 Sept A/cs also.
- CF to investigate legality
- TEA check Sec 272

In the
Supreme
Court of
Victoria

No.120
Exhibit
"AG 13"
Notes of
Board
meeting of
Offshore
Oil N.L.
held 29th
October
1982 taken
by Wilshire
(continued)

BG must check all references to PSI in reports and accounts.
CF will give all Drs final set of A/cs - send to printer - then sign printers proof
LJA next set a/cs - requested Monday morning
CF agreed Monday, 2pm to consider amended accounts.
KW go back to printer - copy on Monday all material.
AGM meeting by end November 30, 11 am - suggest opera house - no luncheon.
Review of operations - referred to committee
Replies S/Exch - give holding reply to S/Exch - Directors to examine - LJA to give their recommendations back by Monday morning. BH's letter too long - LJA just say no.
CH concerned that full explanation be given - re draft giving simple short answer
Provision of finance & JB's memo - important to pay HUD \$2 m by Monday.
LJA letter - 2 matters - 7 days
- preparation of documents if accepted then instruct DW to prepare.
CH resolution last meeting agreed to accept the FAI offer. CH to write letter to FIA accepting the offer.
LJA documents must be carefully vetted - LJA may be prepared to make \$2m available on Monday subject to documentaiton.
MT can Lloyds mortgage be subverted to give FAI security?
CH giving of security to FAI involves other lenders?
LJA has Lloyds mtge been exhausted?
CH thinks mtge exhausted
- LJA if lawyers can advise in writing then would be happy -
MT may be difficulty with Westpac - asked LJA how Royal Bank facility would fit in - by including 3rd mtge Royal Bank may want to rank ahead of FAI.
BG if money not paid to HUD on Monday then dire consequences - Monday is action day for payment.
CH get report back from Dawson Waldron by Midday Monday - then give HUD advice on Monday when money will be available
BG HUD should be told today
CH will phone HUD (David Hall) today
MT can we ask HUD to extend term? - explore possibility

5) Brinds Loans
CH reported to LJA and other members - have had meaningful discussion with BG and MT - not inclined to commence legal proceedings unless others opposed - LJA agreed

6) WA64P - report from Dawson Waldron to be circulated - tabled advice from DW dated 26/10/82 - letter discussed by CH - LJA says Justice Rogers well aware of case.

7) CH stated that in FAI offer not anticipated to fund Aquitaine claim before end December. CH rec that we accept DW's advice - supported by LJA & BG - BG hostility of JV partners can be anticipated - they have not paid all their contributions - RFA's were reduced - others will have to pay - should be able to call the funds - CH said BH is sorting out.

8) DW's letter 28/10/82 re transfer of interests - Hallmark and S/C have indicated will sign documents with exchange of letters - BG if lawyers are happy with DW advice then will sign.
CH intent is to transfer interests & protect parties.
LJA does BG agree that he will get a letter that whatever rights he has will be preserved.
BG if lawyers agree then will sign.
LJA asks what BG expects - don't think document will be executed - LJA difference of opinion.
BG if S/C can say we are not in default then will agree.
LJA OO agrees that S/C is in default whereas S/C believes it is not in default.
MT intention on one side for S/C to stay in - is intention of other side for S/C to stay in.
BG referred to earlier letter from S/C of intention to pay 2 1/2% etc.
DL would have to make similar offer to other parties.
DL sure that JV wants S/C in if it can pay its way.
CH if S/C does drop its bundle then OO must ensure that it does not waive its rights.
LJA other parties entitled to transfer - JV parties think OO is in cohorts with Ganke.
DL questioned position of Hallmark - is Hallmark prepared to sign transfer?

BG DW's letter asserted that Hallmark has assigned to OO.
DL will they sign if rights can be protected & separately sorted out?
LJA BG wants statement that interests not forfeited.
DL OCM meeting next Friday and major presentation to others next week.
LJA leave with CH to resolve - understands BG will do whatever necessary if rights protected.
CH must be and can be resolved to preserve the status quo.
Aquitaine resolved to instruct DW in accordance with their advice.

Asahan

10 BH's memo and telex from Oxoco -
CH has phoned Oxoco -if interests not reduced then money would not be available -
told Oxoco they had authority to approve budget.
CH suggests that 1 technical man and DL go to Houston to see Oxoco and discuss.
LJA why can 20% partner dictate the position?
BG suggests technical and legal people should advise Board on Asahan.
CH should be delegated to 1 person (DL) - DL agreed to accept responsibility.
Suggested meeting in Sydney rather than Houston.
DL must talk to them.
20 CH we are in default and they are operator.
Resolve DL be given charge of matter and report back to Board.
LJA should sort out position of DL.
CH should sort out financial arrangement JPB & DL.
LJA DL should be available full time on Monday.
CH agreed DL to be employed full time on Asahan & WA64P and other matters as
required on Chairman.
LJA to advise Chairman of details of negotiations with JPB & DL.
DL re WA64P breakdown of relations with ECL - package inadequate - agreed that DL
immediately talk to ECL.
30 CH agreed that management decisions be left with Chairman.
Drillship - CH read telex referred by J Bagnall - from Roy Revelly - drillship
incomplete - they want money - asked for \$2.4m and we paid \$200,000.
CL requests approval to pay Atwood up to \$1m on A/c - motion put and approved
MT Westpac 3 enquiries re \$5.6m US ANZ International Nation Bank Chicago - suggested
that Board should see reply.
BG has made casual remark to friend who has contact in USA - enquiries may be result
of that.
40 LJA not in interests of coy that name be bandied about.
LJA suggests unless answer very clear then answer should not be given - advise
request for facility has been withdrawn - if answer good leave - if not withdraw.
LJA suggests that all requests for funds be channelled through the Chairman.
CH should be made by company not by individual Drs.
Res - any approach for finance be made with specific approval of Board or Chairman.

Transfers - resolutions carried.

JB's recommendations:

- 1) approved \$2,500 -
 - 2) approved Gaffney Cline
 - 50 3) Dalkeith Block - 12 mnths budget - BG in favour - carried unanimously.
- Allotments - Chairman read resolution - only allotments in dispute are those lodged by
Brinds Ltd Group late on 15th October.
LJA suggested that we accept all Brinds cheques and make placement to Brinds of extra
shares involved at 10 cents
BG suggests that placement to Brinds not desirable.
LJA when will Brinds shares be accepted - must put deadline.
CH understand that arrangements made with registrar for cheques to be collected.
BG agreed to resolve the position of Brinds applications by 3pm on Monday.

Annual A/cs - CH suggested be no Chairman's report - LJA would not care to make
joint report with Mr Ganke.

60 Next meeting to be determined.
Closed 1.40 pm.

In the Supreme
Court of
Victoria

No.121
Exhibit "AG 14"
Deed of Mortgage
made between Brinds Ltd.
and Mercantile Mutual
Life Insurance Co.Ltd.
dated 8th October 1980

No. 121

"A G 14 "

Deed of Mortgage made between Brinds Ltd.
and Mercantile Mutual Life Insurance Co.
Ltd. dated 8th October,1980

THIS DEED OF MORTGAGE OF SHARES is made the 8th day
of ~~September~~ ^{October}, 1980 BETWEEN BRINDS LIMITED a Company duly
incorporated and having its registered office at 82
Elizabeth Street, Sydney (herein referred to as "the
Mortgagor") of the One Part AND MERCANTILE MUTUAL LIFE
INSURANCE COMPANY LIMITED a Company duly incorporated and
having its registered office at 117 Pitt Street, Sydney
(herein referred to as "the Mortgagee") of the Other Part
WHEREAS:-

- 10 (a) The Mortgagor is the beneficial owner of Seven million
(7,000,000) ordinary shares in Offshore Oil N.L. of ten
cents each which are paid to 5 cents per share;
and
(b) the Mortgagee has agreed to advance to the Mortgagor
the sum of One million dollars (\$1,000,000.00) on the
terms and conditions and upon the security hereinafter
appearing:

20 NOW THIS DEED WITNESSETH that in consideration of the sum
of One million dollars (\$1,000,000.00) (hereinafter called
"the Principal Sum") lent by the Mortgagee to the Mortgagor
on the execution hereof (the receipt whereof is hereby
acknowledged) the parties covenant, agree and declare as
follows :-

1. (a) The Mortgagor covenants with the Mortgagee to repay
the said Principal Sum on the 8th day of ~~September~~ ^{October},
1982, or at any time after 8th ~~September~~ ^{October}, 1981,
upon giving not less than one month's notice in
writing to the Mortgagee.
(b) The Mortgagor covenants with the Mortgagee that it
will pay interest on the Principal Sum yearly in
advance computed from the 8th day of ~~September~~ ^{October},
1980 at the rate of Fourteen (14%) per centum per
- 30

In the Supreme
Court of
Victoria

No.121
Exhibit "AG 14"
Deed of
mortgage made
between Brinds
Ltd. and
Mercantile
Mutual Life
Insurance
Co.Ltd.
dated 8th
October 1980

(continued)

annum the first of such payments to be made on
the day of September, 1980 and thereafter at
annual intervals provided interest shall cease to be
payable on the principal sum at the date when the
same shall be repaid provided that the Mortgagor has
given the notice referred to in the preceding clause
and the Mortgagee shall refund any overpayment of
interest.

2. The Mortgagor warrants to the Mortgagee that the
Mortgagor is the beneficial owner of the shares
referred to in the Schedule absolutely free from
mortgages, options, encumbrances and other interests
and has full right and title to charge them in
accordance with this Mortgage and that the sum of
5 cents is paid up on each share.

10

3. The Mortgagor, as beneficial owner hereby charges the
Shares referred to in the Schedule by way of first
fixed charge in favour of the Mortgagee with the due
and punctual payment of the principal moneys and with
the due performance by the Mortgagor of all the
covenants and agreements on the part of the Mortgagor
herein or in any other security or agreement contained
and the Mortgagor shall execute share transfers in
respect of such shares by way of mortgage in favour of
the Bank of New South Wales Nominees Pty. Limited
(which company has undertaken to hold such shares as
the nominee of and as the trustee for the Mortgagee)
and shall deliver the relevant share certificates to
the Mortgagee or to such nominee PROVIDED ALWAYS that
if the Mortgagor shall duly pay to the Mortgagee the
principal moneys and interest and shall duly and
punctually observe and perform each and every of such
covenants and agreements then the Mortgagee shall at

20

30

the request and cost of the Mortgagor cause to be redelivered to the Mortgagor the Certificates or any certificates issued in lieu thereof and shall cause the said shares to be retransferred to the Mortgagor or as the Mortgagor shall in writing direct.

4. The Mortgagor hereby expressly covenants and agrees with the Mortgagee that :-

- 10
- (a) neither the taking of this security nor anything herein shall be held to merge discharge postpone or prejudice any other security now held or hereafter taken by the Mortgagee for payment of any of the principal moneys or affect any claim or demand which the Mortgagee now has or may hereafter have against any other person whatsoever nor shall any other security now held or hereafter taken by the Mortgagee abate or prejudice the powers and provisions contained herein and this security shall be a continuing security notwithstanding any settlement of account intervening
- 20
- payment or any other matter or thing whatsoever until a final discharge hereof has been given by the Mortgagee and that any speciality hereby created shall be deemed a collateral security and shall not operate as a merger of the remedy upon any bill of exchange or any other negotiable instrument or other security or guarantee or on any other simple contract expressed or implied;
- 30
- (b) notwithstanding any judgment or order which the Mortgagee may hereafter recover against the Mortgagor in respect of any liability or principal moneys, the Mortgagee shall hold the judgment or

In the Supreme
Court of
Victoria

No.121
Exhibit "AG 14"
Deed of
mortgage made
between Brinds
Ltd. and
Mercantile
Mutual Life
Insurance
Co.Ltd.
dated 8th
October 1980

(continued)

order collaterally with this security for the due discharge of any liability or payment of the principal moneys and this security shall not merge in such judgment;

(c) the Mortgagee shall have the power of sale and all other powers and remedies conferred on a Mortgagee by the Conveyancing Act 1919 of the State of New South Wales (as amended) and also the power of sale conferred by this deed, namely that the Mortgagee may immediately upon the Mortgagor's default sell the whole or any of the said shares by public auction or by private sale with or without employing any broker or other selling agent in-one lot or separately on such terms as to credit or otherwise and subject to such conditions as the Mortgagee shall think fit and with power to rescind and vary any contract and power to resell the same. All such powers and remedies may be fully exercised by the Mortgagee immediately or at any time after the security constituted hereby or by any other security shall become enforceable or default shall be made under this Mortgage or any other security or agreement and no notices or expiration of time whatever shall be required prior to the exercise of any such powers or remedies;

(d) in exercise of such powers and remedies it shall be lawful for the Mortgagee to sell by public auction or private treaty for cash or upon terms and to allow a purchaser any time for payment of the whole or any part of the purchase money with or without interest and with or without taking any

10

20

30

security therefor and also to grant options to purchase;

10 (e) upon any such sale being made the Mortgagee shall be accountable for or chargeable with only so much of any purchase moneys for the Shares as it shall actually receive, notwithstanding that the Mortgagee or its nominee may have transferred the said shares which have been sold and taken a charge to secure so much of the purchase money as shall not then have been actually paid and that the Mortgagor shall still remain liable for the principal moneys and other liabilities hereby secured beyond the amount of the moneys actually received as aforesaid;

20 (f) the covenants, powers and provisions implied in mortgages by virtue of any statute for the time being in force shall for the purpose hereof be negatived or modified in so far only as the same shall be inconsistent with the terms and provisions hereof;

(g) upon any sale or any exercise of the rights, powers and remedies hereunder by the Mortgagee no person shall be bound to enquire whether any demand has been made or whether any moneys remain due on this security or any default has occurred or otherwise into any fact precedent to the exercise of such rights, powers and remedies;

30 (h) the Mortgagor will during the continuance of this security duly pay not less than fourteen (14) days before the same shall be due for payment all calls

In the Supreme
Court of
Victoria

No.121
Exhibit "AG 14"
Deed of
mortgage made
between Brinds
Ltd. and
Mercantile
Insurance
Co.Ltd.
dated 8th
October 1980

(continued)

and instalments which may be or become payable in respect of the Shares and that, in default of the Mortgagor so doing the Mortgagee may (but without being obliged so to do) make any or all such payments and all sums paid by it for that purpose shall be deemed properly paid and shall bear interest thereon at the rate of fourteen per cent (14%) per annum from payment by the Mortgagee until repayment;

- (i) the Mortgagee shall be at liberty from time to time without further authority to debit and charge the Mortgagor with all costs charges and expenses, legal or otherwise which the Mortgagee shall pay incur, sustain or be put to in connection with the account of the Mortgagor or the Shares or this security or the preparation or completion thereof or the exercise or attempted exercise of any right, power authority or remedy conferred on the Mortgagee or its nominee under or by virtue of this security or by statute and the same shall be covered by this security and become principal moneys;
- (j) the Mortgagor shall promptly notify the Mortgagee in writing should the Mortgagor become entitled to any new rights and the Mortgagee may in the absolute discretion of the Mortgagee (and without being obliged so to do) accept the transfer or allotment of any new rights and may pay all calls or other moneys whatsoever payable in respect thereof and if so required by the Mortgagee the Mortgagor shall cause any such new rights to be transferred or allotted to the Mortgagee;

10

20

30

- (k) the Mortgagor shall promptly deliver or cause to be delivered to the Mortgagee any notice or copy thereof relating to any proposed special or extraordinary resolutions or extraordinary general meetings of the Mortgagor;
- (l) until the Shares have been absolutely transferred to the Mortgagee or its nominee and any transfers have been respectively completed and registered, so far as may be required or necessary, the Mortgagor shall stand possessed thereof in trust for the Mortgagee subject only to such equity of redemption (if any) as shall for the time being subsist therein by virtue of this Mortgage and the Mortgagor hereby empowers the Mortgagee to appoint from time to time a new trustee or new trustees of the Shares so held in place of the Mortgagor or any other trustee or trustees appointed hereunder;
- (m) all moneys received by the Mortgagee under or by virtue of this Mortgage may be applied in the manner following namely:-
- (a) in payment of all costs, charges and expenses incurred in or incidental to the exercise or performance or attempted exercise or performance of any of the powers, remedies or authorities hereby conferred;
- (b) in payment to the Mortgagee of the principal and interest and other moneys hereby secured; and the surplus (if any) shall belong to the Mortgagor but such surplus shall not carry interest;
- (n) the Mortgagor will at all times hereafter at the Mortgagor's own cost execute and do all such

10

20

30

In the Supreme
Court of
Victoria

No. 121
Exhibit "AG 14"
Deed of
mortgage made
between Brinds
Ltd. and
Mercantile
Mutual Life
Insurance
Co.Ltd.
dated 8th
October 1980

(continued)

assurances transfers or acts for effectually vesting the Shares in the Mortgagee or its nominee and in the event of default hereunder for enabling the Mortgagee and its nominee at all times hereafter while any money remains due on the security hereof to receive any sums of money becoming due or receivable or dividends or bonuses in respect of the Shares;

- (o) it shall not be incumbent on the Mortgagee or its nominee to enforce payment of any dividends in respect of the Shares or to take any steps or proceedings for that purpose or to vote at any meeting of shareholders of Offshore Oil N.L. or to exercise any rights in respect of the Shares or to sell the Shares, notwithstanding at any time or from time to time there is reason to believe that the Shares shall become or the Shares do become depreciated in value or valueless, unless the Mortgagee shall see fit and the Mortgagee shall not be answerable or responsible for any loss occasioned by any delay or omission in any such respect;
- (p) generally the Mortgagor will not participate in or permit any act, matter or thing which may, would or would be likely to, prejudice, or cause or contribute to a deterioration of, this security or the value of the Shares;
- (q) the Mortgagor hereby irrevocably appoints the Mortgagee and its officers or duly appointed agent jointly and severally the attorney of the Mortgagor in the Mortgagor's name and on the Mortgagor's behalf at any time and from time to

10

20

30

time and in any manner as the Mortgagee in its absolute discretion shall think fit to deal with the Shares and to execute and deliver all deeds, instruments and documents and to do all acts necessary or proper for that purpose and to give receipts for all or any dividends, bonuses and other moneys from time to time becoming due or receivable in respect of the said shares and to sign and deliver or sign, seal and deliver entirely fresh transfers of the said shares in favour of the Mortgagee or any other person or persons as the Mortgagee shall deem fit and generally to execute and do such deeds acts and things as the Mortgagee may consider desirable for the protection or enforcement of the security hereby given and for the expeditious and full exercise of all or any of the powers remedies and authorities hereby given to the Mortgagee;

10

(r) the Mortgagee agrees with the Mortgagor that

20

unless and until the Mortgagor makes default hereunder all dividends in respect of the Shares shall be received by the Mortgagor and the Mortgagee shall not exercise any voting power in respect of the said shares at any company meeting without the previous consent or otherwise than in accordance with the direction in writing (if any) of the Mortgagor but upon such default the provisions of this clause in favour of the Mortgagor shall at the option of the Mortgagee cease and upon the exercise of such option all such dividends shall thereafter be received by

30

No.121
Exhibit "AG 14" 5. (a)
Deed of
mortgage made
between Brinds
Ltd and
Mercantile
Mutual Life
Insurance
Co.Ltd.
dated 8th
October
1980

(continued)

the Mortgagee alone without any consent, time or notice being necessary.

All moneys hereby secured shall at the option of the Mortgagee and notwithstanding any delay or previous waiver of the right to exercise such option become immediately due and payable without the necessity for any notice or demand and this security shall at the option of the Mortgagee become immediately enforceable upon the happening of any one or more of the following events :-

(i) If the Mortgagor makes default in the payment of the principal moneys or the interest thereon.

(ii) If the Mortgagor shall without the prior consent in writing of the Mortgagee assign, transfer, mortgage, charge or in any way encumber or deal with or dispose of the Shares or attempt to do any of the foregoing;

(iii) If default is made by the Mortgagor in the performance or observance of any covenant or provision binding on the Mortgagor under this security or contained in any collateral security or in connection with any facility made available by the Mortgagee to the Mortgagor or any other person at its request or direction;

(iv) If a petition is presented, and an order is made, or an effective resolution is passed, or a meeting is summoned or convened for the purpose of considering a resolution for the winding up or dissolut-

10

20

30

ion without winding up of the Mortgagor
PROVIDED HOWEVER that this security shall
not become enforceable where the winding
up is for the purpose of reconstruction or
amalgamation and the scheme for recon-
struction or amalgamation with or without
modification has the prior consent in
writing of the Mortgagee;

10

(v) If a Receiver is appointed of or proposed
for the whole or any part of the assets of
the Mortgagor or the Mortgagor is placed
under official management under the
provisions of the Companies Act 1961 of
the State of New South Wales;

20

(vi) If the Mortgagor without the prior consent
in writing of the Mortgagee suspends
payment generally or without like consent
ceases or threatens to cease to carry on
its business or is unable to pay its
undisputed debts within the meaning of
Section 222 of the Companies Act 1961, as
amended of the State of New South Wales;

(vii) If without the prior consent in writing of
the Mortgagee the Mortgagor enters into
any arrangement reconstruction or
composition with its creditors or any of
them or proposes so to do;

(viii) If without the prior consent in writing of
the Mortgagee the Mortgagor assigns

No.121
Exhibit "AG 14"
Deed of
mortgage made
between Brinds
Ltd. and
Mercantile
Mutual Life
Insurance
Co.Ltd.
dated 8th
October 1980

(continued)

transfers disposes of or parts with
possession of the whole or any major part
of its undertaking or assets otherwise
than in the ordinary course of its
business; and

(ix) If any execution or other process of any
court or authority is issued against or
levied upon the whole or any part of the
property of the Mortgagor.

(x) If the continued carrying on of its
business by the Mortgagor would or might
in the opinion of the Mortgagee be in
danger or prejudice the ability of the
Mortgagor to fulfil any of its obligations
to the Mortgagee whether hereunder or
under any other agreement or in connection
with any facility provided by the
Mortgagee to the Mortgagor or any other
person at its request or direction.

(b) That this security may be enforced notwithstand-
ing the accepting of interest or any other
payment after any default and notwithstanding
any previous or other default and without the
necessity of any notice to or of any consent or
concurrence on the part of the Mortgagor or any
other person.

6. The parties acknowledge that the ratio of the Principal
Sum to the market value of the shares (being the last
sale price on the Sydney Stock Exchange) in Offshore
Oil N.L. held as security is at the date of this deed
not greater than forty per cent (40%). Should at any

10

20

30

time or from time to time before the loan is repaid the market value of the shares held as security fall so that on any day (which day is hereinafter called "the relevant day") the ratio of the Principal Sum to the value of the shares held as security equals or exceeds Fifty per cent (50%) then the Mortgagor covenants with the Mortgagee that it shall within three (3) business days of such relevant day deliver to the Mortgagee certificates for additional shares in Offshore Oil N.L. of such an amount as shall be required at market value on the relevant day to restore the ratio of the Principal Sum to the value of the security held to Forty per cent (40%) or less and the Mortgagor shall execute in favour of the Mortgagee's nominee transfers by way of mortgage in respect of such shares which shall become part of this security.

10

IN WITNESS WHEREOF the parties hereto have duly executed this Deed the day and year first hereinbefore written.

20

THE SCHEDULE HEREINBEFORE REFERRED TO

Seven million (7,000,000) ordinary shares in Offshore Oil N.L. of ten cents each paid to 5 cents each.

SIGNED SEALED AND DELIVERED]

by BRINDS LIMITED by its]

Attorney in the presence]

of:-]



DATED

1980

BETWEEN:

BRINDS LIMITED

Mortgagor

AND:

MERCANTILE MUTAL LIFE INSURANCE
COMANY LIMITED

Mortgagee

DEED OF MORTGAGE OF SHARES

CHURCH & GRACE,
Solicitors,
34 Hunter Street,
SYDNEY. NSW 2000.

TELEPHONE: 233 1155

In the Supreme
Court of Victoria

No.122
Exhibit "AG 15"
Letter from
Jackson Graham
Moore and Partners
to Brinds Ltd.
dated 18th
April 1983

No. 122

" A G 15 "

Letter from Jackson Graham Moore and Partners
to Brinds Ltd. dated 18th April, 1983

In the Supreme Court of Victoria

No. 122 Exhibit "AG 15"

Letter from Jackson Graham Moore and Partners
to Brinds Ltd. dated 18th April 1983 (cont'd)

JACKSON, GRAHAM, MOORE & PARTNERS

* MEMBERS OF THE STONEY STOCK EXCHANGE LIMITED
† MEMBER OF THE STOCK EXCHANGE OF MELBOURNE LIMITED

25 BLIGH STREET.
SYDNEY 2000

• B. G. JACKSON
• A. J. FORSYTH
• R. L. BAYCHELOR
• T. J. WHITFIELD
† J. LEWIS-METHIAS

TELEPHONE: (02) 232 4244
TELEX: AAGC796
FAX: (02) 232 5084

ALSO AT
400 COLLINS STREET,
MELBOURNE 3000
TELEPHONE: (03) 25 0401
CABLES: LAGRAM
FAX: (03) 234 1067
25 LONDON WALL, LONDON EC2
TELEPHONE: (01) 628 7369
FAX: (01) 628 6670

18th April, 1983

The Secretary,
Brinds Limited,
(Provisional Liquidator Appointed)
Lindsay W. Hay & Associates,
100 Collins Street,
MELBOURNE VIC 3000

Dear Sir,

Re: Shares in Offshore Oil N.L.

Despite repeated demand, we have not received payment of the contract price, brokerage and stamp duty amounting in all to the sum of \$1,463,830 arising from the forward delivery contract concluded by this Firm on your behalf on the 17th March, 1982, in respect of 5,000,000 ordinary shares in the capital of Offshore Oil N.L. ("Offshore"). This amount was due and payable on the 17th September, 1982 and since that date we have sold 292,000 shares in Offshore thereby reducing the amount outstanding to \$1,426,568.07. 10

Since that date you have failed to make payment of the amount due despite repeated requests and unless we receive payment of it at our offices at 25 Bligh Street, Sydney by 4 p.m. on Thursday 21st April, we will sell the balance of the 4,708,000 Offshore shares remaining. 20

Yours faithfully,
JACKSON, GRAHAM, MOORE & PARTNERS


B.G. JACKSON

c.c. D. Crawford, Provisional Liquidator - Brinds Limited
c.c. B.A. Canke, Brinds Limited (Provisional Liquidator Appointed)

In the Supreme
Court of Victoria

No.124
Exhibit "AG 17"
Bundle of documents
concerning Aureole
Investments Pty.Ltd.

No. 124

" A G 17 "

Bundle of documents concerning
Aureole Investments Pty. Ltd.

AUREOLE INVESTMENTS PTY. LIMITED

233 6022

Telephone 216021

7th Floor, 82 Elizabeth Street
Sydney 2000

30 AUG 1982	
165	
CK	
FILE	
DESTROY	

27th August 1982

Nadi Bay Beach Corporation Ltd
9th Floor
82 Elizabeth Street
Sydney NSW 2000

Dear Sir

Re: Loan from Aureole Investments Pty Ltd

According to our records as at 30th June, 1982 the sum of \$1,000,000 together with interest in the sum of \$1,435,532 making a total of \$2,435,532 is owing by your company to Aureole Investments Pty Ltd., in respect of a loan made to your company and repayable on the 30th June, 1981. Therefore, please take notice that we require payment of the sum of \$2,435,532 by 12 noon on Tuesday, 31st August, 1982.

10

Yours faithfully

Aureole Investments Pty Ltd

K G Wilshire
Secretary

kgw-lsf/953.110

This is the annexure marked ^{GA3} referred to in the affidavit of ~~SA GASTON~~

SWORN at ^{S47} the 22 day of MAR 19 83
before me:

A Justice of the Peace
son

In the Supreme
Court of Victoria

No.124
Exhibit "AG 17"
Bundle of
documents concern-
ing Aureole
Investments Pty.
Ltd.

(continued)

31st August 1982

The Secretary
Aureole Investments Pty Ltd
7th Floor
32 Elizabeth Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 27th August, 1982.

The amount you claim is due has been advanced by way of a long-term loan.

Terms of the funds are due for repayment at call

Yours sincerely

Madf Bay Beach Corporation Limited

-Ks/970.114

This is the annexure marked *CAS 4* referred to
in the affidavit of *BAGANKU*

SWORN at *SVD* the *22* day of *MAR 19 83*
before me *[Signature]*

A Justice of the Peace
SOE

In the
Supreme
Court of
Victoria

Sydney 2000

kgw.cas

No.124
Exhibit
"AG 17"
Bundle of
documents
concerning
Aureole
Invest-
ments Pty.
Ltd.

31 August 1982

The Secretary
Nadi Bay Beach Corporation Limited
82 Elizabeth Street
SYDNEY NSW 2000

(continued)

Dear Sir,

Advances - Offshore Oil N.L.

Thank you for your letter of 31 August 1982.

While this company has entered into a substantial loan agreement we are unable to find documents in relation to the loan. Would you kindly advise us of the nature of the loan, the period of repayment, rate of interest.

The assertion made in your letter appears to be extraordinarily bland and we ask that you provide documentary evidence in their support no later than Friday 3rd September 1982 by noon.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire
K.G. Wilshire,
Secretary.

- 1 SEP 1982	
165	
CK	
FILE	
DESTROY	

10

This is the annexure marked *GAS* referred to
in the affidavit of *B A G ANRE*

SWORN at *Sydney* the *22* day of *MAR 1983*
before me:

John Denny
A Justice of the Peace
501

In the Supreme
Court of
Victoria

No.124
Exhibit "AG 17"
Bundle of
documents
concerning
Aureole
Investments
Pty.Ltd.

(continued)

X

3rd September 1982

The Secretary
Aureole Investments Pty Ltd
7th Floor
82 Elizabeth Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 31st August, 1982.

As-already advised, the amount you claim was in respect of a freehold property in Fiji which was made as a long-term loan.

None of the funds are due for repayment at call and we are awaiting mortgage documents to be submitted to the company for execution.

Yours sincerely

Nadi Bay Beach Corporation Limited

-ks/970.114

This is the annexure marked *W.H.* referred to
in the affidavit of *B. A. GANRE*
SWORN at *Sydney* the *22* day of *MAR* 19
before me: *[Signature]*
A Justice of the Peace
SOE

In the Supreme Court of Victoria
No. 124 Exhibit "AG 17"
Bundle of documents concerning Aureole
Investments Pty.Ltd. (continued)

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

27th August 1982

Southern Cross Exploration N L
7th Floor
82 Elizabeth Street
Sydney NSW 2000

30 AUG 1982	
BG	✓
LP	
ROY	

Dear Sir

Re Loan from Offshore Oil N L

According to our records as at 30th June, 1982 the sum of \$608,044.00 is owing by your company to Offshore Oil N L in respect of a loan of that amount made to your company and repayable at call. Therefore, please take notice that we require payment of the sum of \$608,044.00 by 12 noon, Tuesday, 31st August, 1982.

Yours faithfully

Offshore Oil N L

K G Wilshire
Secretary

kgw-lsf/953.110

This is the annexure marked CA57 referred to
in the affidavit of B A G ANKE

SWORN at SYD the 22 day of MAR 1982
before me:

A Justice of the Peace

SO

31st August 1982

In the Supreme
Court of Victoria
No.124 Exhibit "AG 17"
Bundle of documents
concerning Aureole
Investments Pty.Ltd.
(continued)

The Secretary
Offshore Oil N L
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 27th August, 1982.

The amount of loan funds advanced to this company has not been checked. However, assuming it is correct, there is no provision that the funds are repayable at call.

It was agreed that on the company arranging a farm-out of its interest in ATP 28, or raising funds from its shareholders, any amount outstanding to your company would be repaid.

Your co-operation will be appreciated.

Yours sincerely

Southern Cross Exploration N L

bg-ks/956.114

This is the annexure marked GAS referred to
in the affidavit of AG ANKE

SWORN at ST the 22 day of MAO 1982
before me: [Signature]
A Justice of the Peace
SOL

In the
Supreme
Court of
Victoria

KGW.cas

31 August 1982

No.124
Exhibit
"AG 17"
Bundle of
documents
concerning
Aureole
Invest-
ments Pty.
Ltd.

The Secretary
Southern Cross Exploration NL
82 Elizabeth Street
SYDNEY NSW 2000

Dear Sir,

(continued) Advances - Offshore Oil NL

Thank you for your letter of 31 August 1982.

We have found no documentary evidence to support the assertion made in your third paragraph. If you hold such documents we ask that they be exhibited to us no later than 12 noon on Friday 3rd September. Any failure on your part to exhibit such documents will act as confirmation of our view that these moneys were loaned on a call basis.

In the absence of any evidence to the contrary the loan is repayable upon demand which has already been made in our letter to you of 27 August 1982.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire

K.G. Wilshire,
Secretary.

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

- 1 SEP 1982	
BG	✓
MT	✓
FILB	
DESTROY	

This is the annexure marked GAS referred to
in the affidavit of BAG ANKE

SWORN at SYDNEY the 22 day of MAR 1983
before me:

[Signature]
A Justice of the Peace

SOL

233 6022

XXX.

In the Supreme
Court of Victoria

No.124
Exhibit "AG 17"
Bundle of documents
concerning Aureole
Investments Pty.Ltd.

(continued)

3rd September 1982

The Secretary
Offshore Oil N L
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 31st August, 1982.

This amount is not at call as it was agreed between the parties that the advance would be of a longer-term nature, sufficient to affect either a farm-out of another form of re-financing.

A document was prepared and executed by both companies, which should indicate that the giving of security at some future time was contemplated and therefore this amount would not be at call.

Yours sincerely

Southern Cross Exploration N L

-ks/956.114

This is the annexure marked "A16" referred to
in the affidavit of A A G ANKE
SWORN at 8:11 the 17 day of MAR 1983
before me:
[Signature]
A Justice of the Peace
SOL

4 GA 36

OFFSHORE OIL N L

No.124
Exhibit "AG 17"
Bundle of documents concerning Aureole Investments Pty.Ltd.
(continued)

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246.GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

27th August 1982

Bonds & Securities (Trading) Pty Ltd
9th Floor
82 Elizabeth Street
Sydney NSW 2000

30 AUG 1982	
BE	
MT	
FILE	
DESTROY	

Dear Sir

Re' Loan from Offshore Oil N L

According to our records as at the 30th June, 1982 the sum of \$417,000.00 together with interest in the sum of \$365,164.00 making a total of \$782,164.00 is owing by your company to Offshore Oil N L in respect of a loan made to your company and repayable on 31st December, 1981. Therefore, please take notice that we require payment of the sum of \$782,164.00 by 12 noon on Tuesday, 31st August, 1982.

Yours faithfully

Offshore Oil N L

K G Wilshire
K G Wilshire
Secretary

rcw-lsf/953.110

This is the annexure marked *GA 36* referred to in the affidavit of *BORIS A. GANKO*

SWORN at *SYD* the *22* day of *MAR* 19*83*
before me:

M. Daniels
A Justice of the Peace

SOC

31st August 1982

In the Supreme
Court of
Victoria

The Secretary
Offshore Oil & Gas
167 Phillip Street
Sydney NSW 2000

No.124
Exhibit "AG 17"
Bundle of
documents
concerning
Aureole
Investments
Pty. Ltd.

Dear Sir

(continued)

Thank you for your letter of 27th August, 1982.

The amount you claim is due has been advanced by way of a long-term loan.

None of the funds are due for repayment at call.

Yours sincerely

Bonds & Securities (Trading) Pty Limited

bg-ks/945.1.114

1982 AUG 31

This is the annexure marked ¹ ~~AG 17~~ referred to
in the affidavit of ~~BAG ANKE~~

SWORN at ~~ST~~ the 22 day of ~~MARCH~~ 1983
before me:

[Signature]
A Justice of the Peace

SOL

[Signature]

In the
Supreme
Court of
Victoria KGW.cas

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

No.124
Exhibit
"AG 17" 31 August 1982
Bundle
of docu-
ments
concerning
Aureole The Secretary
Investments Bonds and Securities (Trading) Pty Ltd
Pty.Ltd. 82 Elizabeth Street
SYDNEY NSW 2000

- 1 SEP 1982	
BG	✓
MT	
FILE	
DESTROY	

(continued)

Dear Sir,

Advances - Offshore Oil NL

Thank you for your letter of 31 August 1982.

We understand that the directors' minute of Offshore Oil NL of 19 May 1981 varied the loan conditions such that the loan was repayable in full on 31 December 1981 and thereafter at call.

We confirm that we now require the payment in full of principal and interest prior to 12 noon on Friday 3 September 1982.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire
K.G. Wilshire,
Secretary.

This is the Annexure marked *AS* referred
to in the Affidavit of *BA G. ANZCO*

made before me this *22*
day of *MAY* 19*82*

St. Danyell
SDC

In the Supreme
Court of
Victoria

3rd September 1982

No.124
Exhibit "AG 17"
Bundle of
documents
concerning
Aureole
Investments
Pty. Ltd.

The Secretary
Offshore Oil N L
167 Phillip Street
Sydney NSW 2000

(continued)

Dear Sir

Thank you for your letter of 31st August, 1982.

This amount was part of a transaction in which our company had absorbed a major part of a share trading loss incurred some years ago, in which Offshore Oil N L had agreed to participate.

The terms of the loan have always been treated as long-term for which there is ample evidence and therefore the amount involved is not at call.

Yours sincerely

Bonds & Securities (Trading) Pty Limited

-ks/945.1.114

This is the annexure marked ^{6/22} referred to
in the affidavit of B A G ANKE

SWORN at
before me:

SYD the 22 day of MAR 1983
Milroy
A Justice of the Peace
SOL.

In the Supreme Court of Victoria
No. 124 Exhibit "AG 17"
Bundle of documents concerning
Aureole Investments Pty.Ltd.
(continued)

31st August 1982

The Secretary
Offshore Oil & L
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 27th August, 1982.

Your company has a 40% shareholding and it was agreed that the amount of loan funds be contributed on the basis of shareholding.

The amount of loan funds which have been advanced by other shareholders amounted to in excess of \$400,000. Your share of these amounts has not been contributed.

Yours sincerely

Alexanders Corporation Limited

bg-ks/975.114

This is the annexure marked "GA" referred to
in the affidavit of B.A. GANKE

SWORN at SYDNEY the 22nd day of MARCH 1983
before me:

[Handwritten Signature]
A Justice of the Peace

SOLICITOR

KGW.cas

OFFSHORE HOUSE
107 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 2336022
TELEX AA22292

31 August 1982

- 1 SEP 1982	
BG	✓
MT	
FILE	
DESTROY	

The Secretary
Alexanders Corporation Limited
82 Elizabeth Street
SYDNEY NSW 2000

Dear Sir,

Advances - Offshore Oil N.L.

Thank you for your letter of 31 August 1982.

Frankly we do not understand your letter. Would you kindly advise to what agreement you refer, to whom were the loans made, the basis of the loan and the repayment conditions.

Your answer to these questions is sought prior to 12 noon on Friday 3 September 1982.

In the absence of any evidence to the contrary the loan is repayable upon demand which has already been made in our letter to you of 27 August 1982.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire,
Secretary.

This is the annexure marked "GA 17" referred to
in the affidavit of B. A. GANICE

SWORN at SPD the 29 day of MARCH 19 83
before me:

A Justice of the Peace

In the Supreme Court of Victoria
No.124 Exhibit "AG 17"
Bundle of documents concerning
Aureole Investments Pty.Ltd.
(continued)

3rd September 1982

The Secretary
Offshore Oil & E...
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 31st August, 1982.

Offshore Oil & E is a 40% shareholder in Alexanders Corporation Ltd and the arrangement between the shareholders was to provide shareholders' loans to the company, proportional to the share capital, in order for the company to act as an underwriting and share trading company.

Offshore Oil has not contributed any amount except the original \$20,000 which was placed as a shareholder loan at 12 months call.

Other shareholders have provided approximately \$500,000.

Please let us know if you require any further information.

Yours sincerely

Alexanders Corporation Limited

-ks/975.114

This is the annexure marked "GA 16" referred to
in the affidavit of B.A. GANKE

SWORN at Sydney the 22 day of MARCH 1983
before me:

[Handwritten Signature]
A Justice of the Peace
Solicitor

In the Supreme Court of Victoria
No.124 Exhibit "AG 17"
Bundle of documents concerning
Aureole Investments Pty Ltd.
(continued)

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

27th August 1982

Hallmark Minerals N L
9th Floor
82 Elizabeth Street
Sydney NSW 2000

30 AUG 1982	
AG	
LP	
FILE	
DESTROY	

Dear Sir

Re Loan from Offshore Oil N L

According to our records as at 30th June, 1982 the sum of \$1,079,320.00 is owing by your company to Offshore Oil N L in respect of a loan of that amount made to your company and repayable at call. Therefore, please take notice that we require payment of the sum of \$1,079,320.00 by 12 noon Tuesday, 31st August, 1982.

Yours faithfully

Offshore Oil N L



K G Wilshire
Secretary

kgw-lsf/953.110

cc.

This is the annexure marked "642" referred to
in the affidavit of B. A. GANKE

SWORN at SYD the 22 day of MAR 1983
before me:


A Justice of the Peace

50

In the
Supreme
Court of
Victoria

31st August 1982

No.124
Exhibit
"AG 17"
Bundle of
documents
concerning

The Secretary
Offshore Oil N L
167 Phillip Street
Sydney NSW 2000

Aureole
Investments
Pty.Ltd.

Dear Sir

Thank you for your letter of 27th August, 1982.

(continued)

The amount of loan funds advanced to this company has not been checked. However, assuming it is correct, there is no provision that the funds are repayable at call.

It was agreed that on the company arranging a farm-out of its interest in WA-64-P, or raising funds from its shareholders, any amount outstanding to your company would be repaid.

Your co-operation will be appreciated.

Yours sincerely

Hallmark Minerals N L

bg-ks/966.114

This is the annexure marked "6A24" referred to
in the affidavit of B.A. GANKE

SWORN at SYD the 22 day of MAR 1983
before me:

[Signature]
A Justice of the Peace
[Signature]

In the Supreme Court of Victoria
No.124 Exhibit "AG 17"

Bundle of documents concerning
Aureole Investments Pty. Ltd.

KGW.cas - (continued)

OFFSHORE HOUSE
167 PHILIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA2772

31 August 1982

The Secretary
Hallmark Minerals NL
82 Elizabeth Street
SYDNEY NSW 2000

Dear Sir,

Advances - Offshore Oil NL

Thank you for your letter of 31 August 1982.

We have been unable to find any documentary evidence to support the assertion made in the third paragraph of your letter. If you are holding such evidence would you kindly make it available to us prior to 12 noon on Friday 3 September 1982.

In the absence of any evidence to the contrary the loan is repayable upon demand which has already been made in our letter of 27 August 1982.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire

K.G. Wilshire
Secretary.

This is the annexure marked "GA25" referred to
in the affidavit of B.A. GANKE
SWORN at SYD the 22 day of MAR 1983
before me: *[Signature]*
A Justice of the Peace

SOL.

- 11 SEP 1982	
BG	/
MT	
FILE	
DESTROY	

In the
Supreme
Court of
Victoria

No.124 3rd September 1982
Exhibit
"AG 17"
Bundle of
documents concerning The Secretary
Offshore Oil N L
Aureole 167 Phillip Street
Investments Sydney NSW 2000
Pty.Ltd.

(continued)

Dear Sir

Thank you for your letter of 31st August, 1982.

No funds were actually advanced to this company but Offshore Oil, as part of a complicated settlement arrangement with the joint venture parties in WA-64-P, agreed to guarantee the contributions of Hallmark Minerals to Offshore Oil as operator for the Barrow Joint Venture.

This guarantee was in consideration of the joint venture parties refraining from taking any action for negligence against Offshore Oil as operator and it was at the time considered the most reasonable settlement to be reached.

In the circumstances, these funds can not be treated as being at call, as the guarantee from Offshore Oil continues in respect of any future payments - some of which are already due to be paid by Offshore Oil.

Yours sincerely

Hallmark Minerals N L

-ks/966.114 ✓

This is the annexure marked ^{"GA 26"} referred to
in the affidavit of B.A. GANICE

SWORN at SYD the 22 day of MAR 1983
before me;

M. D. Dwyer
A Justice of the Peace



OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

27th August 1982

Acron Pacific Limited
9th Floor
82 Elizabeth Street
Sydney NSW 2000

30 AUG 1982	
163	
CK	
FILE	
DESTROY	

Dear Sir

Re Loan from Offshore Oil N L

According to our records, as at the 30th June, 1982 the sum of \$614,429.67 together with interest in the sum of \$164,710.00 making a total of \$779,139.67 is owing by your company to Offshore Oil N L in respect of a loan made to your company and repayable at call. Therefore, please take notice that we require payment of the sum of \$779,139.67 by 12 noon on Tuesday, 31st August, 1982.

Yours faithfully

Offshore Oil N L

K G Wilshire
Secretary

RCW-lsf/953.110

This is the annexure marked "6A-3" referred to
in the affidavit of B.A. GAWKE

SWORN at Syd the 22 day of MAR 19 82
before me:

A Justice of the Peace
SOL

Exhibit "AG 17"
Bundle of documents
concerning Aureole
Investments Pty.Ltd.
(continued)

31st August 1982

The Secretary
Offshore Oil NL
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 27th August, 1982.

The amount you claim is due has been advanced by way of a long-term loan.

Some of the funds are due for repayment at call.

Yours sincerely

Acron Pacific Limited

eks/960.114

This is the annexure marked "6A31" referred to
in the affidavit of B.A. GAWIKE

SWORN at 547 the 22 day of MAR 1983
before me:

M. Danyalek
A Justice of the Peace
SOL.

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6072
TELEX AA22292

KGW.cas

31 August 1982

The Secretary
Acron Pacific Limited
GPO Box 4246
SYDNEY NSW 2001

- 1 SEP 1982	
IGS	
CK	
FILE	
DESTROY	

Dear Sir,

Advances - Offshore Oil NL

Thank you for your letter of 31 August 1982.

We do not accept that the \$614,429.67 loaned to your company was by way of long term loan. We have found no documentary evidence to support the loan being other than at call. We believe that the principal and interest is repayable upon call and repeat our request for immediate payment of the loan.

If you hold documentary evidence that these loans were other than at call we ask that such evidence be provided to us by 12 noon on Friday 3 September 1982.

In the absence of any evidence to the contrary the loan is repayable upon demand which has already been made in our letter to you of 27 August 1982.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire
K.G. Wilshire,
Secretary.

This is the annexure marked "6A32" referred to in the affidavit of B. A. GANKE

SWORN at SYD the 22 day of MAR 1983.
before me:

Cl. Daryll
A Justice of the Peace
501

In the Supreme
Court of Victoria
No.124 Exhibit "AG 17"
Bundle of documents
concerning Aureole
Investments Pty.Ltd.
(continued)

233 6022
xxxxxx

3rd September 1982

The Secretary
Offshore Oil & L
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 31st August, 1982.

As already advised, the amount you claim was to be linked with the advance in respect of a freehold property in Fiji, which was made as a long-term loan to our subsidiary.

None of the funds are due for repayment at call and we are awaiting mortgage documents to be submitted to the company for execution.

Yours sincerely

Acron Pacific Limited

-ks/960.114

This is the annexure marked "6A33" referred to
in the affidavit of G. A. GAWICK
SWORN at 547 the 22 day of MAR 19 83
before me:
Ch. Danyluk
Justice of the Peace

FA



OFFSHORE OIL N.L.

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

27th August 1982

Gulf Resources N L
9th Floor
82 Elizabeth Street
Sydney NSW 2000

30 JUN 1982	
B6	✓
LP	
FILE	
DESTROY	

Dear Sir

Re Loan from Offshore Oil N L

According to our records as at 30th June, 1982 the sum of \$390,477.00 is owing by your company to Offshore Oil in respect of a loan of that amount made to your company and repayable at call. Therefore, please take notice that we require payment of the sum of \$390,477.00 by 12 noon, Tuesday 31st August, 1982.

Yours faithfully

Offshore Oil N L

K G Wilshire
Secretary

kgw-lsf/953.110

(formerly - **COCKS ELDORADO NL**)

PLEASE ADDRESS ALL CORRESPONDENCE TO BOX 4246 GPO SYDNEY NSW 2001

In the
Supreme
Court of
Victoria

INCORPORATED IN VICTORIA - EASTERN STATES OFFICE: 3rd FLOOR, 82 ELIZABETH STREET, SYDNEY - TELEX: AA22292 - TELEPHONE: 233 6022

This is the Annexure marked "A2"
referred to in the affidavit of **B. GANKE**
sworn this day of **JUNE**, 1983
before me:

31st August 1982

Solicitor/A Justice of the Peace

31 AUG 1982	
KW	✓
FILE	
DEB ROY	

No.124
Exhibit
"AG 17"
Bundle of
documents
concerning
Aureole
Investments
Pty.Ltd.

The Secretary
Offshore Oil N L
167 Phillip Street
Sydney NSW 2000

(continued)

Dear Sir

Thank you for your letter of 27th August, 1982.

The amount of loan funds advanced to this company has not been checked. However, assuming it is correct, there is no provision that the funds are repayable at call.

It was agreed that on the company arranging a farm-out of its interest in NTP 28, or raising funds from its shareholders, any amount outstanding to your company would be repaid.

Your co-operation will be appreciated.

Yours sincerely

Gulf Resources N L

bg-ks/957.114



In the Supreme Court of Victoria
 No.124 Exhibit "AG 17" Bundle of
 documents concerning Aureole
 Investments Pty.Ltd. (continued)

This is the Annexure marked "A3"
 referred to in the affidavit of B. GANKE
 sworn this day of JUNE, 1983
 before me:

KGW.cas

Solicitor/A Justice of the Peace

31 August 1982

The Secretary
 Gulf Resources NL
 82 Elizabeth Street
 SYDNEY NSW 2000

Dear Sir,

Advances - Offshore Oil NL

Thank you for your letter of 31 August 1982.

We are unable to find any documentary evidence to support
 the assertion made in the third paragraph of your letter.
 If such documentary evidence exists please provide this to us
 prior to 12 noon on Friday 3 September 1982.

In the absence of any evidence to the contrary the loan is
 repayable upon demand which has already been made in our letter
 of 27 August 1982.

Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire,
 Secretary.

OFFSHORE OIL N.L.

OFFSHORE HOUSE
 167 PHILLIP STREET SYDNEY
 BOX 4246 GPO SYDNEY AUSTRALIA 2001
 TELEPHONE 233 6022
 TELEX AA22292

- 1 SEP 1982	
BG	✓
MT	
FILE	
DESTROY	

In the Supreme
Court of Victoria
No.124 Exhibit "AG 17"
Bundle of documents
concerning Aureole
Investments Pty.Ltd.
(continued)

3rd September 1982

The Secretary
Offshore Oil N L
167 Phillip Street
Sydney NSW 2000

Dear Sir

Thank you for your letter of 31st August, 1982.

This amount is not at call as it was agreed between the parties that the advance would be of a longer-term nature, sufficient to affect either a farm-out or another form of re-financing.

A document was prepared and executed by both companies, which should indicate that the giving of security at some future time was contemplated and therefore this amount would not be at call.

Yours sincerely

Gulf Resources N L

-ks/957.114

This is the annexure marked *ALS* referred to
in the affidavit of *B A G ANKE*

SWORN at *347* the *22* day of *MARCH 1983*
before me:

M. D. [Signature]
A Justice of the Peace

502



In the Supreme Court of Victoria
 No.124 Exhibit "AG 17"
 Bundle of documents concerning
 Aureole Investments Pty.Ltd. (cont'd)

OFFSHORE OIL N.L.
 INCORPORATED IN A.C.T.

OFFSHORE HOUSE
 167 PHILIP STREET SYDNEY
 BOX 4246 GPO SYDNEY AUSTRALIA 2001
 TELEPHONE 233 6022
 TELEX AA22292

KGW/JK

27th August, 1982.

Investment Corporation of Fiji Limited,
 9th floor,
 82 Elizabeth Street,
 Sydney 2000.

30 AUG 1982	
BG	✓
MT	
FILE	
DESTROY	

Dear Sirs,

re : Loan from Offshore Oil N.L.

According to our records as at the 30th June, 1982 the sum of \$664,780 together with interest in the sum of \$159,088 making a total of \$823,868 is owing by your company to Offshore Oil N.L. in respect of a loan made to your company and repayable at call.

Therefore please take notice that we require payment of the sum of \$823,868 by 12 noon on Tuesday 31st August, 1982.

Yours faithfully,
 Offshore Oil N.L.

K.G. Wilshire

K.G. Wilshire.
 Company Secretary.

This is the annexure marked GA 9 referred to
 in the affidavit of DA GANKU
 SWORN at SYD the 22 day of MAR 1983
 before me:
[Signature]
 A Justice of the Peace
 SA

In the
Supreme
Court of
Victoria

No.124
Exhibit
"AG 17"
Bundle of 31st August 1982
documents
concerning

Aureole
Investments
Pty.Ltd.

The Secretary
Offshore Oil N L
157 Phillip Street
Sydney NSW 2000

(continued)

Dear Sir

Thank you for your letter of 27th August, 1982.

The funds on deposit with the company are not at call. The advance has been made for a period of three years.

Therefore, none of the funds are due for repayment at present.

The funds advanced are directly related to the company's shareholding. There is actually a shortfall in your contribution to the company's loan capital.

Yours sincerely

Investment Corporation of Fiji Limited

by-ks/965.114

This is the annexure marked ⁶450 referred to
in the affidavit of A A C ANKE.

SWORN at SPT the 22 day of MAR 1982
before me:

Clifford
A Justice of the Peace

SOA



OFFSHORE OIL N.L.
INCORPORATED IN A.C.T.

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 4246 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

KGW.cas

31 August 1982

The Secretary
Investment Corporation of Fiji Limited
82 Elizabeth Street
SYDNEY NSW 2000

- 1 SEP 1982	
B6	✓
MT	
FILE	
DESTROY	

Dear Sir,

Advances - Offshore Oil N.L.

Thank you for your letter of 31 August 1982.

10 We have found no documentary evidence to support the assertion made in your letter.

In the absence of such evidence we consider the loan to be at call.

If documentary evidence is available to support your assertion please exhibit such evidence to us prior to 12 noon on Friday 3 September 1982.

In the absence of such evidence to the contrary the loan is repayable upon demand which has already been made in our letter of 27 August 1982.

20 Yours faithfully,
OFFSHORE OIL N.L.

K.G. Wilshire
K.G. Wilshire,
Secretary.

This is the annexure marked AS1 referred to in the affidavit of BAGANKE

SWORN at 841 the 22 day of MAR 19 82
before me: *[Signature]*
A Justice of the Peace
S.O.C.

In the
Supreme
Court of
Victoria

No.124 3rd September 1982
Exhibit
"AG 17"
Bundle of
documents
concerning The Secretary
Aureole Offshore Oil N L
Investments 167 Phillip Street
Pty.Ltd. Sydney NSW 2000

(continued)

Dear Sir

Thank you for your letter of 31st August, 1982..

Offshore Oil N L is a 45% shareholder in Investment Corporation of Fiji Limited. Arrangements between the shareholders of the company were that loan capital funds would be provided for three years by shareholders in direct proportion to their shareholding. 10

Application was made to and granted by the Reserve Bank for funds to be remitted for a period of three years. The Reserve Bank approval is on file.

The funds have been used to provide essential working capital for the expansion of the Haviti Beach Resort.

If loan funds had not been advanced, the same funds would have had to be subscribed as share capital, which would have been against the ultimate interests of the shareholders. 20

Please let us know if you require any further information.

Yours sincerely

Investment Corporation of Fiji Limited

-kz/965.114

This is the annexure marked GAS referred to
in the affidavit of B A C ANIKO

SWORN at 941 the 22 day of MAR, 1982
before me:

M. Douglas
A Justice of the Peace

SD

In the Supreme
Court of Victoria

No.125
Exhibit "AG 18"
Southern Cross letter
to shareholders dated
24th September 1982

No. 125

" A G 18 "

Southern Cross letter to shareholders
dated 24th September, 1982

In the Supreme Court of Victoria

No. 125 Exhibit "AG 18"

Southern Cross letter to
shareholders dated 24th
September 1982 (continued)

SOUTHERN CROSS EXPLORATION N L

(Incorporated in New South Wales)

SHARE PROCESSING CENTRE:
Corporate Computer Services P/L
411 Kent Street
Sydney NSW Phone: (02) 29 3805

REGISTERED OFFICE:
7th Floor
82 Elizabeth Street
Sydney NSW
Phone: (02) 233 6022

Dear Shareholder

Enclosed is a formal notice of a five cent (5c) call on the contributing shares in the company held by you. The company, during its thirteen years of corporate life, has only made two calls previously.

Funds are now required to meet the current obligations arising out of the drilling of the West Barrow well (offshore, west of Barrow Island, W.A.) and for future exploration.

The permit - WA-64-P, in which the West Barrow well has been drilled - remains highly prospective for the discovery of a major oil/gas field. Although the well could not be tested due to mechanical problems, the official press release, on 14th September, 1982, which was approved by the operating committee of all joint venturers in the permit, stated:-

"Offshore Oil N L and its joint venturers in WA-64-P consider that a significant hydrocarbon discovery has been made in the offshore Carnarvon Basin, Western Australia. The West Barrow 1A well was suspended at 3,520 metres after encountering oil and gas shows in the Mardie Greensand and Barrow group.

Due to technical problems, no drill stem tests were run. Analysis of the results of the well indicates that a 110 metre net pay zone in the lower Barrow group below 3,376 metres contains high A.P.I. gravity liquid hydrocarbons in a combined structural/stratigraphic trap. The hydrocarbon/water contact for this zone was not reached by total depth.

In addition to the stratigraphic component of the trap, a structural closure has been mapped over 15 sq. kms. immediately updip from the well site.

A further well is planned for early 1983 to ascertain the total thickness of the main hydrocarbon zone and to test this zone and overlying reservoirs encountered in the well".

Furthermore, independent consultants, ECL Australia Limited, have reprocessed the seismic data and based on this reprocessed data, the operator, Offshore Oil N L, has calculated a structural closure of 15 sq. kms. The operator estimates the potential recoverable reserves at a possible 400 million barrels of liquid hydrocarbons.

It must be emphasised that these estimates and evaluations should be treated with utmost caution as only further drilling of one or more wells could prove definitely whether commercial reserves will be established.

However, just so that one could demonstrate what could happen to our small company if such a discovery was made, an example is shown below. Please remember that we are talking about possibilities and not about a proven discovery.

Example

Given the size of the closure of 15 sq. kms. and assuming that the 110 metre pay zone would be uniform, then a field of 400,000,000 barrels of oil is a possibility.

An acceptable "rule of thumb" formula is to value reserves of oil in the ground at, say, \$5 per barrel.

Thus: 400,000,000 x \$5 = \$2,000,000,000 (i.e. \$2 billion)
of which 12% = \$240,000,000

It is again stressed that these figures at this stage are completely hypothetical and are only shown so that shareholders can see the dramatic effect which such a discovery would have on a small company such as Southern Cross.

Because of the high exploration costs and high development costs of any commercial discovery, it is probable that Southern Cross will have to reduce its existing share of the permit from 12% - perhaps by half, or more.

such an event, the above figures would be reduced proportionately, whilst the company may then spend a lower proportion on exploration, depending on the terms of any farm-out.

Petrel Field - NTP 28 - Bonaparte Gulf, Northern Territory

Apart from the above described permit, your company has a 5% interest in a major discovery of natural gas and condensate made earlier this year in the Bonaparte Gulf. Petrel No. 3 was drilled and flowed gas and oil/condensate from these zones:

3,832 metres - 3,868 metres	-	22.7 million cubic feet gas/day and 150 barrels condensate/day
3,664 metres - 3,765 metres	-	7.0 " " " " " " some condensate
3,586 metres - 3,625 metres	-	10.7 " " " " " "
<u>TOTAL</u>		<u>40.4 million cubic feet gas/day and 150 barrels condensate/day</u>

The present value of our company's share of this discovery has been conditionally estimated in the range of \$4 million to \$8 million.

It is vital that the company maintains its interests in these potentially valuable exploration assets and to do so, the company requires more funds to meet its share of the expenditure on exploration of the permits.

In addition, the company has other oil, mineral and gold exploration prospects, although it has recently concentrated on petroleum rather than mineral exploration.

If the company will be able to retain a major portion of its existing oil and gas projects, it could develop into a major oil/gas explorer and producer and the effect on its market capitalisation could be quite dramatic.

Your directors recommend the retention of your interest in Southern Cross Exploration N L by payment of the call.
DO NOT RISK THE FORFEITURE OF YOUR INVESTMENT!

Yours sincerely

SOUTHERN CROSS EXPLORATION N L

C. Kristallis
Secretary

24th September, 1982

ADDITIONAL INFORMATION AS REQUIRED BY THE STOCK EXCHANGES

- 10 1. The latest available market sale prices on the Sydney Stock Exchange of the company's shares before the date of issue of the Call Notice was four cents (4¢) for the ten cent contributing shares and fourteen cents (14¢) for the twenty-five cent fully paid shares.
2. The highest and lowest sale prices on the Sydney Stock Exchange of the company's shares during the three months immediately preceding the date of issue of the Call Notice was six cents (6¢) and three cents (3¢) for the ten cent contributing shares on 6th July, 1982 and 5th August, 1982 and fifteen cents (15¢) and nine cents (9¢) for the twenty-five cent fully paid shares on 21st July, 1982 and 30th June, 1982.
3. The latest available market sale prices on the Sydney Stock Exchange of the company's shares immediately before the announcement of the call to the Exchange was four cents (4¢) for the ten cent contributing shares and fourteen cents (14¢) for the twenty-five cent fully paid shares.
- 20 4. The total amount expended by the company on exploration and administration since 31st December, 1981 was about \$2.5 million.
5. The funds raised will be used for exploration activities as described above and for the repayment of short term borrowings and future requirements of the company.
6. Pending utilisation for the above purposes, any balance of funds will be invested in the short term money market or in such other investments as may be considered suitable.
7. No taxation deduction will apply to the call.
8. The company's Directors intend to pay the call in respect of the shares in which they have a beneficial interest, namely a total of 34,200 shares.

-ks/956.180

In the Supreme
Court of Victoria

No.128
Exhibit "AG 21"
Bundle of
correspondence
produced by Ganke
on 29th April 1983

No. 128

" A G 21 "

Bundle of correspondence produced
by Ganke on 29th April, 1983



OFFSHORE OIL N.L.

OFFSHORE HOUSE
167 PHILLIP STREET SYDNEY
BOX 1244 GPO SYDNEY AUSTRALIA 2001
TELEPHONE 233 6022
TELEX AA22292

RW.cs

DELIVERED

In the Supreme
Court of Victoria

7 September 1982

Gulf Resources NL
82 Elizabeth Street
SYDNEY NSW 2000

Attention: Mr B. Ganke

Dear Sirs,

Charge of NT/P28 to Offshore Oil N.L.

On 4 June 1982 your company executed an Agreement to charge in favour of Offshore Oil N.L. whereby it agreed to execute all necessary documents to effect the terms of the Deed.

We now enclose a Deed of Charge for execution under the Common Seal of your company and return to us for registration.

Yours faithfully,
OFFSHORE OIL N.L.

D. Lance,
Consultant.

- 8 SEP 1982	
BG	✓
FILE	
DESTROY	

No.128
Exhibit "AG 21"
Bundle of correspondence produced by Ganke on 29th April 1983

(continued)

encl.../

In the
Supreme
Court of
Victoria

THIS DEED is made the _____ day of _____ 1982

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April
1983

BETWEEN GULF RESOURCES N.L. a company incorporated in the State of New South Wales and having its registered office at 7th Floor, 82 Elizabeth Street, Sydney ("the Mortgagor"); AND
OFFSHORE OIL N.L. a company incorporated in the State of New South Wales and having its registered office at 7th Floor, 82 Elizabeth Street, Sydney ("the Mortgagee").

(cont'd) WHEREAS:

- A. The Mortgagor and the Mortgagee together with Australian Aquitaine Petroleum Pty. Limited, Alliance Minerals Australia N.L., Gulf Resources N.L. (formerly Cocks Eldorado N.L.) and Lenoco (Northern Territory) Pty. Limited ("the Holders") are the registered holders of Exploration Permit for Petroleum No. NT/P28 ("the Permit") pursuant to the Petroleum (Submerged Lands) Act 1967 of the Commonwealth of Australia. 10
- B. The Holders have agreed to form a Joint Venture for exploration of the area covered by the Permit ("the Area") with a view to the development and production of petroleum from the Area. 20
- C. The Mortgagor has an undivided five percent (5%) interest in the Permit and any Production Licence and all property of whatsoever kind acquired by or on behalf of the Holders for the purpose of the Joint Venture and all petroleum and gas derived by the Holders from the Area from time to time and any contracts which may exist for the sale of petroleum or gas and the proceeds of sale thereof (which five percent 5% interest is hereinafter referred to as "the

Participating Interest").

- D. The Mortgagee has advanced the sum of THREE HUNDRED AND THIRTY THOUSAND DOLLARS (\$330,000) to the Mortgagor and has agreed to make further advances to the Mortgagor from time to time.

NOW THIS DEED WITNESS as follows:-

1. In consideration of the advance of THREE HUNDRED AND THIRTY THOUSAND DOLLARS (\$330,000) and the agreement of the Mortgagee to advance further sums from time to time the Mortgagor as beneficial owner DOES HEREBY EXPRESSLY CHARGE its Participating Interest including any rights and interests whether presently owned or hereafter to be acquired under the agreement by which the Joint Venture is constituted (hereinafter referred to as "the Mortgaged Property" which expression shall where the context so admits include any part thereof) with the payment to the Mortgagee of;

- A. All moneys now or hereafter to become owing or payable to the Mortgagee by the Mortgagor either alone or in conjunction with any other person on any account whatsoever including (but without prejudice to the generality of the foregoing) all amounts payable pursuant to this deed and all costs charges and expenses which the Mortgagee may incur or become liable for in connection with or incidental to this deed or the mortgaged property or any part thereof;

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April
1983
(cont'd)

- B. All moneys which the Mortgagee shall pay or become liable to pay to for or on account of the Mortgagor either alone or in conjunction with any other person either by direct loans or advances or otherwise whatsoever or by entering into any bond indemnity or guarantee or otherwise incurring liabilities for or on behalf of the Mortgagor;
- C. All moneys which the Mortgagee shall pay or become liable to pay or may have advanced or may advance the repayment of which the Mortgagor may have guaranteed or may hereafter guarantee to the Mortgagor; and
- D. All other moneys whatsoever which the Mortgagee shall lend pay or advance or become in any way whatsoever liable to lend pay or advance to for or on the credit or for the accommodation or otherwise on account of the Mortgagor or to for or on account of any other person upon the order or request or under the authority of the Mortgagor,
2. (1) The said charge shall operate as a first floating charge except that, as regards the interest of the Mortgagor in any contract for the sale of Petroleum and in present and future freehold and leasehold lands included among the assets of the Joint Venture, such charge shall be a first fixed charge to rank ahead of and prior to any and all other charges, mortgages, pledges, liens, security interest or other encumbrances given entered into or incurred by the Mortgagor. The Mortgagor hereby covenants that any other charge, mortgage, pledge

10

20

30

lien, security interest or other encumbrance which may be given entered into or incurred by it shall acknowledge the priority of and be subject to the charge hereby created and shall contain a provision that any such other charge, mortgage, pledge, lien, security interest or other encumbrance is thereby postponed to the rights of the Mortgagee.

10 (2) Notwithstanding anything herein expressed or implied the Mortgagee shall be at liberty at any time by notice in writing to the Mortgagor to determine the floating character of the charge aforesaid as regards any particular property or asset specified in such notice and thereupon the charge as regards such asset shall become and operate as a fixed and shall cease to be a floating charge.

20 (3) The first floating charge created by this Deed shall not hinder any sale or other dealings by the Mortgagor or the Operator of the Joint Venture in the ordinary course of or for the purpose of carrying on the business of the Joint Venture or with the property and assets charged thereby prior to the commencement of proceedings to enforce the charge. The property and assets charged by this deed as a first fixed charge shall not be sold or otherwise disposed of prior to the commencement of proceedings to enforce the charge except with the written approval of the Mortgagee. The Mortgagor shall not assign absolutely (as distinct from by way of charge) the proceeds from the sale of Petroleum without first obtaining the written approval of the Mortgagee.

30

030882

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(cont'd)

3. The Mortgagor HEREBY EXPRESSLY COVENANTS with the Mortgagee as follows:-

(1) That the Mortgagor will pay to the Mortgagee the moneys hereby secured as and when the same shall become due and payable and the amount of any judgment or order in which the liability of the Mortgagor under this deed becomes merged when called upon so to do by the Mortgagee and will duly perform and observe all and every the covenants and provisions herein contained referred to or implied.

(2) That the Mortgagor will at all times during the continuance of this security duly and punctually pay or cause to be paid all taxes rates duties charges outgoings and assessments whether municipal local or of any other description now charged or chargeable or payable or which may hereafter be charged or chargeable or payable upon or in respect of all or any part of the mortgaged property or upon the owner or occupier in respect of all or any part of the mortgaged property and will forthwith hand to the Mortgagee the receipt for every such payment.

(3) That the Mortgagor will duly and punctually pay all rents and perform and observe all covenants and conditions on the part of the Mortgagor contained or implied in any lease licence or underlease for the time being held by the Mortgagor and will forthwith on demand produce to the Mortgagee the receipt for every such payment.

(4) That as to such parts of the mortgaged property as require maintenance or repair the Mortgagor will maintain and protect the same and keep the same in a good and tenantable state of repair or in good working order and condition and will on being required so to do by the Mortgagee forthwith repair and mend or cause to be repaired and mended every defect in the repair and condition thereof.

10 (5) That the Mortgagor will insure and cause to be insured and cause to be kept insured with a reputable insurance company in the joint names of the Mortgagor and the Mortgagee for their respective interests therein for their full insurable value such parts of the mortgaged property as shall be of an insurable nature against fire and such other risks as the Mortgagee may from time to time require and will effect such workers' compensation public risk and other insurances as should be effected by a prudent company engaged in a similar business to the Mortgagor and will at all times pay or cause to be paid the premiums and other sums of money payable for all the above purposes and produce to the Mortgagee such evidence concerning compliance with this covenant as the Mortgagee may require AND in the event of loss damage by fire or otherwise, the sum received on account of any such insurance shall at the option of the Mortgagee be applicable in or towards replacement, reconstruction or repair of the mortgaged property affected or in or towards repayment of the moneys hereby secured whether due

20

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
On 29th
April 1983

(continued)

or not and the Mortgagee alone shall have full power to make, enforce, settle or compromise any and every claim in respect of such insurance and to demand sue for recover receive and give discharges for all moneys payable by virtue thereof whether the insurance be in the name of the Mortgagee or the Mortgagor or both and whether or not the same covers other property as well as the mortgaged property AND if any moneys payable under any such insurance come into the hands of the Mortgagor before a final discharge hereof such moneys shall be held in trust for the Mortgagee and paid to the Mortgagee forthwith.

10

(6) That the Mortgagor will duly and punctually comply with and observe all statutes now or hereafter in force and all ordinances regulations and by-laws thereunder and all requirements and orders of any authority statutory or otherwise in all cases in which the non-compliance therewith or non-observance thereof would or might impose some charge or liability or disability upon the mortgaged property or any part thereof or prejudicially affect this security.

20

(7) That if the Mortgagor shall make any default in duly performing or observing any covenant or agreement on the part of the Mortgagor herein contained or implied it shall be lawful for but not obligatory for the Mortgagee without prejudice to any other right power or remedy of the Mortgagee hereunder (whether express or implied) to do all things and

30

pay all moneys necessary or expedient in the opinion of the Mortgagee to make good or in attempting to make good such default to the satisfaction of the Mortgagee.

(8) That the Mortgagor has good right and full power to charge the mortgaged property in manner aforesaid and that the mortgaged property is free from all mortgages charges liens and other encumbrances whatsoever.

10 (9) That the Mortgagor and all persons having or lawfully or equitably claiming any estate or interest in the mortgaged property or any part thereof will from time to time and at all times hereafter upon the request of the Mortgagee and at the cost of the Mortgagor until sale and afterwards of the person or persons requiring the same make do and execute or cause to be made done and executed all such acts deeds and assurances whatsoever for more effectively and satisfactorily assuring the
20 mortgaged property and the moneys hereby secured to the Mortgagee or as the Mortgagee may direct and in particular will whenever requested by the Mortgagee so to do execute in favour of the Mortgagee such legal mortgages sub-mortgages transfers assignments or other assurances of all or any part of the mortgaged property and moneys hereby secured in such form and containing (in the case of mortgages sub-mortgages or other like assurances) such powers (including power of sale) and provisions the express exclusion of all moratorium acts and/or regulations)
30
200780
229.

In the
Supreme
Court of
Victoria

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

- (10) That the Mortgagor will forthwith on receipt thereof lodge with the Mortgagee as further security for the moneys hereby secured all mortgages liens or charges over any real or personal property whatsoever which shall have been or shall from time to time be given by any person to secure the payment of any moneys to the Mortgagor and also all deeds and documents of title relating to any real and/or leasehold or other personal property from time to time acquired by the Mortgagor. 10
- (11) That the Mortgagor will obtain and renew from time to time at the proper times all licences permits authorities and documents necessary or desirable in relation to the business of the Mortgagor and to the carrying on thereof.
- (12) That the Mortgagor will carry on and conduct in a proper and efficient manner the business of the Mortgagor.
- (13) That the Mortgagor will keep proper books of account and therein make true and perfect entries of all 20
dealings and transactions of and in relation to the business of the Mortgagor and will keep the said books of account and all other documents relating to the affairs of the Mortgagor at its registered office and will ensure that the same shall at all times be open for the inspection of the Mortgagee or its officers or such persons as it or its officers shall from time to time in writing for that purpose appoint and will give to the Mortgagee or its

officers or persons as aforesaid such information as it or he shall require as to all matters relating to the said business or any after-acquired property of the Mortgagor.

- 10
- (14) That the Mortgagor will not pull down or remove any building erection or other improvements being part of the mortgaged property or within which any part of the mortgaged property is contained or any fixtures or improvements annexed to the same or any of them without the previous consent in writing of
- (15) That the Mortgagor will keep proper books of account and therein make true and perfect entries of all dealings and transactions of and in relation to the business of the Mortgagor and will keep the said books of account and all other documents relating to the affairs of the Mortgagor at its registered office and will ensure that the same shall at all times be open for the inspection of the Mortgagee or its officers or such persons as it or its officers shall from time to time in writing for that purpose appoint and will give to the Mortgagee or its officers or persons as aforesaid such information as it or he shall require as to all matters relating to the said business or any after-acquired property of the Mortgagor.
- 20

- (16) That the Mortgagor will not pull down or remove any building erection or other improvements being part of the mortgaged property or within which any part of the mortgaged property is contained or any fixtures or improvements annexed to the same or any of them without the previous consent in writing of
- 30

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

the Mortgagee AND that in the case of the pulling down or removal of any such premises as aforesaid the Mortgagor will replace the same by others of a similar nature and of at least equal value and the Mortgagor will when necessary renew and replace all moveable plant machinery and equipment now used or hereafter to be used for the purpose of or in connection with the business of the Mortgagor when and as the same shall become worn out or destroyed or unsuitable for the purposes for which they were acquired.

10

- (17) That any subsidiary companies of the Mortgagor shall not at any time during the continuance of this security except with the prior written consent of the Mortgagee give any bond or execute or create any mortgage lien charge or encumbrance over all or any part of their or its assets in favour of any person firm or company other than the Mortgagee or borrow any moneys whether secured or unsecured from any person firm or company.

20

- (18) Neither the Memorandum nor the Articles of Association of the Mortgagor shall be altered varied or modified without the written consent of the Mortgagee first had and obtained which consent the Mortgagee may in its absolute discretion without assigning any reason therefor refuse.

- (19) That the Mortgagor will at the same time as any notice balance sheets and/or accounts is by the Companies Act 1981 or any other legislation or by the Articles of Association of the Mortgagor

30

required to be given to the members of the Mortgagor
forward to the Mortgagee a copy of such notice
balance sheets and/or accounts.

10 (20) That with respect to the mortgaged property the
Mortgagor will not without the prior written consent
of the Mortgagee grant or agree to grant any lease
or accept the surrender of any lease or assign
transfer or part with possession or grant any
tenancy or licence and will not without the prior
written consent of the Mortgagee do or omit to do
any act or thing the doing of or omitting to do
which requires the consent of the lessor.

20 (21) That as a method of payment of the moneys hereby
secured the Mortgagor will as and when required by
the Mortgagee so to do sign an order or orders upon
the Mortgagor's bankers directing the payment of all
or any of the moneys hereby secured by the debiting
of the Mortgagor's account (whether opened or to be
opened) therewith and crediting the same to the
Mortgagee's account at a bank nominated by the
Mortgagee.

(22) That the Mortgagor will on demand by the Mortgagee
pay to the Mortgagee all costs charges fees and
expenses incurred by the Mortgagee (including legal
costs as between solicitor and own client) in
relation to the preparation and completion of this
deed and will forthwith at the cost and expense of
the Mortgagor lodge with the Corporate Affairs
Commission in the State of New South Wales and in

In the
Supreme
Court of
Victoria

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

any other State or Territory of Australia specified by the Mortgagee in which the Mortgagor is or may hereafter be registered as a foreign company or have assets, a copy of this deed together with a statutory declaration verifying the execution of this deed and verifying the copy as being a true, copy of this deed, and shall pay all stamp duty payable on or in respect of this deed and all costs and expenses of stamping and registration of this deed.

10

(23) That the Mortgagor will forthwith notify the Mortgagee if the Mortgagor shall become registered as a foreign company in any State or Territory of Australia.

4. AND IT IS HEREBY EXPRESSLY AGREED AND DECLARED as follows:-

(1) That the Mortgagor shall not be at liberty to create or permit to subsist any mortgage charge lien or other encumbrance (however ranking) relating to or affecting the mortgaged property or any part thereof except with the consent in writing of the Mortgagee first had and obtained.

20

(2) That the moneys hereby secured or intended so to be shall at the option of the Mortgagee and notwithstanding any delay or previous waiver of the right to exercise such option immediately become payable without the necessity for any demand or notice and this security shall at the option of the Mortgagee become enforceable and also at the like option the right of the Mortgagor to deal for any purpose with any of the mortgaged property shall

30

forthwith cease in each or any of the following
events, namely:-

- (a) If a petition is presented, or an order is made, or an effective resolution is passed, or a meeting is summoned or convened for the purpose of considering a resolution for the winding up or dissolution without winding up of the Mortgagor or any subsidiary of the Mortgagor;
- 10 (b) If a receiver of the assets or any part thereof of the Mortgagor or of any subsidiary of the Mortgagor shall be appointed or if steps be taken for the appointment of such receiver by any person corporation or authority other than the Mortgagee;
- (c) If any execution or other process of any court or authority is issued against or levied upon the whole or any part of the mortgaged property or any property of any property of any subsidiary of the Mortgagor;
- 20 (d) If the Mortgagor shall without the consent in writing of the Mortgagee first had and obtained give or purport to or attempt to give or to permit to subsist any guarantee;
- (e) If the Mortgagor or any subsidiary of the Mortgagor without the prior consent in writing of the Mortgagee suspends payment generally or without like consent ceases or threatens to cease to carry on its business or is unable to pay its debts within the
- 30

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

meaning of Section 222 of the Companies Act
1961 as amended of the State of New South
Wales;

(f) If without the prior consent in writing of
the Mortgagee the Mortgagor or any subsidiary
of the Mortgagor enters into any arrangement
reconstruction or composition with its
creditors or any of them or proposes so to
do;

(g) If the balance sheet and profit and loss
account of the Mortgagor shall not be duly
made out in accordance with its Articles of
Association or as required by law and
reported on by an auditor approved of by the
Mortgagee;

10

(h) If without the Mortgagee's written consent
(which consent may be withheld by the
Mortgagee in its absolute discretion without
assigning any reason therefor or given by the
Mortgagee upon such terms and conditions as
the Mortgagee in its absolute discretion may
require):-

20

(i) a transfer of any share or shares in
the capital of the Mortgagor is
registered, recorded or entered in its
books or in any way given effect to or
its memorandum and articles of
association is altered, varied or
modified or its capital (whether
issued or not) is increased or if any

30

special right, privilege or
qualification is attached to any share
or shares therein or if any attempt is
made to do any of the foregoing, or

(ii) the holder or holders for the time
being of shares in the capital of the
Mortgagor directly or indirectly
transfer, assign mortgage charge
encumber declare or create a trust of
or in any way whatsoever deal with all
or any of such shares or attempt to do
any of the foregoing,

10

(i) If any of the covenants conditions or
provisions herein are not duly and punctually
observed or performed.

(j) If the Mortgagor shall do any act deed matter
or thing or knowingly or willingly permit or
suffer any act deed matter or thing to be
done by or through its means or
instrumentality whereby or by reason or means
whereof this security shall in the opinion of
the Mortgagee become deteriorated or lessened
in value;

20

(k) If without the written consent of the
Mortgagee first had and obtained any meeting
of the Mortgagor or of any subsidiary of the
Mortgagor be convened for the purpose of
considering or passing the Special Resolution
referred to in Section 56 of the Companies
Act 1961 of the State of New South Wales or

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

- if without the like consent at any meeting of the Mortgagor or of any subsidiary of the Mortgagor any such resolution be proposed;
- (l) If a special resolution as defined by Section of the Companies Act 1961 (or by corresponding provision of any similar enactment of any other place or state) is duly passed placing the Mortgagor or any subsidiary under official management and appointing an official manager; 10
- (m) If the continued carrying on of the business of the Mortgagor would in the opinion of the Mortgagee endanger the security of the Mortgagee;
- (n) If without the prior consent in writing of the Mortgagee the Mortgagor assigns transfers or parts with possession of any part of its undertaking or assets otherwise than in the ordinary course of business of the Mortgagor; 20
- (o) If the Mortgagor without the prior consent of the Mortgagee reduces its share capital or attempts to do so.
- (3) That this security may be enforced notwithstanding acceptance of any payment of interest or any other payment after any default and notwithstanding any previous or other default and without the necessity of any notice to or of any consent or concurrence on the part of the Mortgagor or any other person.

(4) That at any time after the moneys hereby secured become payable or the security becomes enforceable and from time to time thereafter the Mortgagee or its officers may exercise any of the powers herein contained and may whether it has entered into possession of the whole of the mortgaged property or any part thereof or not appoint in writing any person to be a receiver and/or receiver and manager (hereinafter referred to as "Receiver") of the mortgaged property or any part or parts thereof and may remove any such Receiver and in case of the removal retirement or death of any such Receiver may appoint another in his place and may fix the remuneration of any such Receiver PROVIDED ALWAYS that upon the appointment of any Receiver in exercise of the power hereby conferred unless and until the Mortgagee shall by notice in writing to the Mortgagor and to the Receiver require that such Receiver shall act as agent of the Mortgagee such Receiver shall be the agent of the Mortgagor and the Mortgagor alone shall be responsible for his acts and defaults and remunerations and such Receiver so appointed shall without any consent on the part of the Mortgagor have full power:-

10

20

- (a) To take possession of, collect and get in the whole or any part of the mortgaged property and for such purpose to take proceedings in the name of the Mortgagor or otherwise.
- (b) To exercise all or any of the rights powers

In the
Supreme
Court of
Victoria

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

Mortgagee by this deed and exercisable by the
Mortgagee under or by virtue thereof and
without prejudice thereto conform to the
directions of the Mortgagee from time to time
given.

- (c) To carry on or concur in carrying on so far
as he lawfully may the business of the
Mortgagor in and with the mortgaged property
or any of it and for that purpose to employ
any managers agents clerks accountants
servants or others and upon such terms and
with such salaries wages or remuneration as
he shall think proper and at any time to
discontinue so doing and to make and effect
all repairs purchases and insurances AND
GENERALLY to do all other acts and things
which the Mortgagor might do in the ordinary
conduct of its business for the protection or
improvement of the mortgaged property or any
part thereof or for obtaining income or
returns therefrom and for conducting the
business of the Mortgagor and without being
responsible for any loss.

- (d) To hire out lease or license in the name of
the Mortgagor or otherwise (whether such
Receiver shall or shall not have so taken
possession as aforesaid) any part of the
mortgaged property from year to year or for
any term of years or for any term less than a
year at such rent or licence fee and upon

such terms and conditions as to such Receiver may seem expedient and with or without the option of purchase;

10 (e) To settle arrange compromise and submit to arbitration any accounts claims questions or disputes whatsoever which may arise in connection with the business of the Mortgagor or the mortgaged property or in any way relating to this deed and to execute releases or other discharges in relation thereto;

20 (f) To sell or concur in selling (whether or not such Receiver shall have so taken possession as aforesaid) exchange or otherwise dispose of absolutely or conditionally all or any part of the mortgaged property either by public auction or private treaty or by tender for cash or on credit and either in one lot or in parcels and either with or without special conditions or stipulations as to title or time or mode of payment or purchase money or otherwise and with power to allow the whole or any part of the purchase money to remain on mortgage over the property sold or over any other security or to remain owing without any security and upon other terms and conditions as such Receiver may consider expedient without being responsible for any loss occasioned thereby and to execute assurances of all or any of the mortgaged
30 241.
property in the name and on behalf of the

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

- Mortgagor or otherwise and to do all other acts and things for completing any such sale which the Receiver may deem necessary;
- (g) To insure the whole or any part of the mortgaged property of an insurable nature against loss or damage by fire or other risks in such sums as he shall think fit;
- (h) To sever fixtures belonging to the Mortgagor and sell them apart from any other part of the mortgaged property; 10
- (i) To employ managers solicitors accountants agents auctioneers officers workmen and servants for all or any of the purposes aforesaid at such salaries or remuneration as the Receiver shall think fit;
- (j) To give effectual receipts for all moneys and and other assets which may come to the hands of such Receiver in exercise of any power hereby conferred which receipts shall exonerate any person paying or handing over such moneys or other assets from all liability to see to the application and from all liability to enquire whether the moneys hereby secured have become payable or otherwise as to the propriety or regularity of the appointment of such Receiver; 20
- (k) To carry out and enforce specific performance or otherwise obtain the benefit of all contracts entered into or held by the

Mortgagor or entered into in exercise of the powers or authorities hereby conferred;

- (1) To make debtors bankrupt and to wind up companies and to do all things in connection with any bankruptcy or winding up which the Receiver shall think necessary for the recovery or protection of the mortgaged property or any part thereof or for the security of the Mortgagee;
- 10 (m) To take proceedings at law or in equity or in bankruptcy in the name of the Mortgagor or otherwise for all or any of the purposes aforesaid;
- (n) To do all things necessary to perform or observe any of the covenants on the part of the Mortgagor herein contained;
- (o) To do or cause to be done all such other acts and things without limitation as such Receiver shall think expedient in the
- 20 interests of the Mortgagee;
- (p) With the consent in writing of the Mortgagee to delegate to any person for such time or times as the Mortgagee shall approve any of the powers hereinbefore conferred upon him.

- (5) That in addition to the power hereinbefore given the Mortgagee or its officers may at any time after the moneys hereby secured shall have become payable appoint in writing any person to be an additional Receiver of the mortgaged property or any part thereof and may remove any Receiver or any

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

additional Receiver and in case of the removal
retirement or death of any such Receiver may appoint
another in his place and may fix the remuneration of
any such Receiver but so that where a Receiver is
appointed under this sub-clause he shall without any
further consent on the part of the Mortgagor have
full power and authority to exercise all or any part
of the powers expressed to be conferred on a
Receiver appointed pursuant to the last preceding
sub-clause or such and so many of such powers as are
still subsisting and capable of being exercised.

10

- (6) That the Mortgagee may at any time give up
possession of any part of the mortgaged property
and/or withdraw any receivership.
- (7) That notwithstanding a Receiver may or may not have
been appointed as aforesaid it shall be lawful for
the Mortgagee at any time after the moneys hereby
secured shall have become payable and without giving
any notice to exercise all or any of the powers
authorities and discretions conferred on a Receiver
as aforesaid.

20

- (8) That it shall not be incumbent on the Mortgagee to
give any notice of this security to any debtor or
member of the Mortgagor or to any person or company
whomsoever or whatsoever or to enforce payment of
any moneys payable to the Mortgagor or to take any
steps or proceedings for any such purpose unless the
Mortgagee shall think fit so to do and the Mortgagee
shall not nor shall any Receiver appointed by the
Mortgagee as aforesaid be answerable for any

omission or delay in that behalf or for any
involuntary losses or irregularities which shall
happen in or about the exercise or non-exercise of
any of the powers rights or remedies conferred on
the Mortgagee or on such Receiver by this deed.

- 10 (9) That upon any lease sale or mortgage purporting to
be made in exercise of the powers herein contained
no lessee purchaser or mortgagee shall be bound to
enquire whether any default as aforesaid has been
made or as to the due appointment of any Receiver or
otherwise as to the propriety or regularity of any
such lease sale or mortgage and shall not be
affected by express notice that any such lease sale
or mortgage is unnecessary or improper and
notwithstanding any irregularity or impropriety in
any such lease sale or mortgage the same shall as
regards the protection of the lessee purchaser or
mortgagee be deemed authorised by the aforesaid
powers and shall be valid and effectual
20 accordingly.

- (10) That all moneys received by any such Receiver or by
the Mortgagee under or by virtue of this deed may be
applied in the manner following, namely:-

- (a) In payment of all costs charges and expenses
incurred in or incidental to the exercise or
performance or attempted exercise or
performance of any of the powers or
authorities hereby conferred or otherwise in
relation to this deed;

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

- (b) In payment of such other outgoings as such Receiver or the Mortgagee shall think fit to pay;
- (c) In payment to the Receiver of any remuneration whether by way of commission or otherwise;
- (d) In payment to the Mortgagee of the moneys hereby secured

and the surplus (if any) shall belong to the Mortgagor but such surplus shall not carry interest and the Receiver or the Mortgagee shall be at liberty to pay the same to the credit of a bank account in the name of the Mortgagor and shall thereupon be under no further liability in respect thereof.

- (11) That the Mortgagee or its officers shall be at liberty to complete in favour of the Mortgagee or any appointee of the Mortgagee or any purchaser lessee or mortgagee under the powers hereby given all instruments of whatsoever nature executed by or on behalf of the Mortgagor in blank and deposited with the Mortgagee as collateral security to this deed.

- (12) That in applying any moneys towards satisfaction of the moneys hereby secured the account of the Mortgagor shall be credited only with so much of the said money available for the purpose as shall be actually received by the Mortgagee such credit to date from the time of such receipt.

10 (13) That a statement in writing made up from the books of the Mortgagee and signed by for or on behalf of the Mortgagee or its officers or any other duly authorised person of the amount of the moneys hereby secured at the date mentioned in such statement shall without it being necessary to produce any books or vouchers to verify the same and without retrospection beyond the preceding half-yearly balance of account in the books of the Mortgagee be conclusive evidence that such amount is so due or owing or secured and of all the matters therein set forth.

20 (14) _ That the Mortgagee shall be at liberty from time to time without further authority than this deed to debit and charge any accounts of the Mortgagor with all costs charges and expenses legal or otherwise (including but without prejudice to the generality of the foregoing premiums for insurance and compensation and other moneys paid or payable by the Mortgagee or any attorney of the Mortgagee under any statute or ordinance relating to workers' compensation and also stamp duty, if any, in respect of the receipt by the Mortgagee of any moneys paid to the Mortgagee in reduction or repayment of the moneys hereby secured or in respect of interest) which the Mortgagee or any such Receiver as aforesaid shall pay incur sustain or be put to in connection with the account of the Mortgagor or the mortgaged property or this security or the preparation or completion thereof or the exercise or

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

attempted exercise of any right power authority or
remedy conferred on the Mortgagee or any such
Receiver as aforesaid or on any attorney of the
Mortgagor under or by virtue of this security or by
statute and the same shall be covered by this
security and be portion of the moneys hereby secured
and the Mortgagor shall pay such moneys to the
Mortgagee upon demand.

- (15) That it shall be lawful for the Mortgagee or its
officers or any person authorised by the Mortgagee 10
or its officers to enter without notice upon any
land and/or building for the time being occupied by
the Mortgagor or forming part of or in which are
contained retained or enclosed any chattels or goods
which form part of the mortgaged property at all
reasonable times to inspect the state and condition
thereof and to inspect and take copies of or
extracts from all books of account vouchers and
other documents relating in any way to the business
transactions of the Mortgagor. 20
- (16) That the receipt of the Mortgagee or its officers or
other duly authorised person for any moneys payable
to or receivable by the Mortgagee by virtue hereof
shall exonerate the person paying the same from all
liability to enquire whether the moneys hereby
secured have become payable and every such receipt
shall as to the moneys paid or expressed to be
received in that receipt effectually discharge the
person paying the same therefrom and from being
concerned to see to it

answerable or accountable for any loss or
misapplication thereof.

- (17) That all acts and things which under all or any of
the covenants and agreements herein contained or
implied could or ought to be done by the Mortgagor
or which the Mortgagee is hereby or by virtue hereof
or by statute authorised or empowered to do may be
done by any attorney of the Mortgagor hereinafter
appointed either in the name of the Mortgagee or the
10 Mortgagor or of such attorney AND the Mortgagor
hereby irrevocably appoints the Mortgagee and its
officers and as an independent appointment appoints
any Receiver appointed in pursuance of this deed
severally the true and lawful attorney of the
Mortgagor for the purposes aforesaid AND also with
full license power and authority at any time or
times hereafter at the cost of the Mortgagor to take
all such steps and proceedings and to do and execute
all such acts deeds and things for securing or
20 perfecting if necessary or as to the Mortgagee or
the said attorney shall seem expedient the security
hereby created and to execute in favour of the
Mortgagee all such legal mortgages sub-mortgages
transfers assignments and other assurances as
aforesaid of all or any part of the mortgaged
property AND also in the name and on behalf of the
Mortgagor or in the name of the Mortgagee or the
said attorney to ask demand sue for recover and
receive from all and every persons or person
249. companies or company whomsoever and whatsoever and

In the
Supreme
Court of
Victoria

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
procuded
by Ganke
on 29th
April 1983

(continued)

give effectual receipts for all or any part of the
mortgaged property and in particular for all or any
of debts and moneys hereby charged or any part or
parts thereof and to commence carry on and prosecute
settle and compromise all actions suits and
proceedings at law or in equity for obtaining or
enforcing the payment or delivery of the same or any
part or parts thereof AND therein to proceed to
judgment decree and execution or to discontinue
therein or become non-suit therein and to act in all 10
respects therein as the process of the court or
occasion may require AND also to receive money out
of court in any such action suit or proceeding AND
also to take all necessary proceedings for procuring
the sequestration of the estate or the winding up of
any debtor or debtors of the Mortgagor and to attend
all meetings of creditors therein and to vote AND to
receive all dividends in any such bankrupt insolvent
or assigned estate or in any such winding up or to
appoint a proxy or proxies for all or any of such 20
matters and things as aforesaid AND also to compound
or compromise any of the debts of the Mortgagor AND
also to execute any deed or deeds of assignment
composition or release AND generally to do perform
and execute all such further and other acts deeds
matters and things which shall become necessary or
be regarded by the Mortgagee or the said attorney as
necessary for more satisfactorily securing the
payment of the moneys hereby secured as effectually

all or any of the purposes aforesaid from time to time to appoint any substitute or substitutes and such substitutes at pleasure to remove.

(18) That this security shall be a continuing security notwithstanding any settlement of account intervening payment or other matter or thing whatsoever until a final discharge hereof shall have been given to the Mortgagor.

10 (19) That nothing herein contained shall merge extinguish postpone lessen or otherwise prejudicially affect any other security now or hereafter held by the Mortgagee or any right or remedy which the Mortgagee now has or hereafter may have against the Mortgagor or any other person nor shall any other security now or hereafter held by the Mortgagee in any way prejudicially affect the powers and provisions herein contained or implied.

20 (20) The Mortgagee shall not be answerable or accountable for any loss of any kind whatsoever which may happen in or about the exercise or attempted exercise of any of the powers or trusts herein contained and shall not nor shall any Receiver by reason of the Mortgagee's or such Receiver's entering into possession of the mortgaged property or any part thereof be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee in
251. possession might be liable and every Receiver under these presents shall be deemed as regards

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
procuded
by Ganke
on 29th
April 1983

(continued)

responsibility for loss damage or misconduct to be
the agent of the Mortgagor which shall be solely
responsible for his actions and default.

- (21) The Mortgagee and every officer receiver attorney
agent or other person appointed by the Mortgagee
hereunder shall be entitled to be indemnified out of
the mortgaged property in respect of all liabilities
and expenses incurred by it or him in the execution
or purported execution of any of the powers
authorities or discretions vested in it or him
pursuant to this deed including liabilities and
expenses consequent upon any mistake oversight error
or judgment or want of prudence on the part of the
Mortgagee or any officer or such appointee unless
the same be wilfully or grossly negligent and
against all actions proceedings costs claims and
demands in respect of any matter or thing done or
omitted in any wise relating to the mortgaged
property and the Mortgagee or Receiver may obtain
and pay out of any moneys in its or his hands
arising from the trusts or powers of this deed all
sums necessary to effect such indemnity.

10

20

5. The Mortgagor so far as it has power so to do hereby
authorises the Mortgagee and its officers and/or any
Receiver appointed hereunder at any time after the moneys
hereby secured become payable to make calls on the members
of the Mortgagor in respect of the uncalled capital of the
Mortgagor and to sue in the name of the Mortgagor or
otherwise for the recovery of moneys becoming due in
respect of calls and to give valid receipts for such moneys

30

and this authority shall subsist during the continuance of this security notwithstanding any change of directors of the Mortgagor and shall be exercisable to the exclusion of the powers of the directors of the Mortgagor and shall be assignable.

6. AND IT IS ALSO EXPRESSLY AGREED AND DECLARED as follows:

10 (1) That all moneys which may become payable as purchase money or compensation or otherwise in respect of the mortgaged property shall at the option of the Mortgagee be applicable in or towards repayment of the moneys hereby secured or by any security collateral hereto AND the Mortgagee is empowered to make claim therefor and alone to agree compromise and settle any such claim and to demand sue for recover receive and give discharge for all such moneys and to execute any necessary assurances and releases and all of the foregoing to do in the name of the Mortgagor and the Mortgagee notwithstanding anything in any local government acts public works acts land acquisition acts or any other act or ordinance under which the moneys may be payable AND the Mortgagor releases the Mortgagee from any claim for anything done or omitted by the Mortgagee hereunder AND should any such moneys come into the hands of the Mortgagor before a final discharge of this security the same shall forthwith be paid to the Mortgagee.

20
253. (2) That the powers conferred on a Mortgagee by any statute or ordinance shall be in augmentation of the powers hereby expressly conferred and may be

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(continued)

exercisable by the Mortgagee immediately upon or at any time after any default by the Mortgagor hereunder without any notice or expiration of time under the statute or ordinance being necessary AND all other provisions of any statute or ordinance shall be deemed to be negatived or varied only so far as they are inconsistent with the terms and provisions herein expressed.

- (3) That any notice to be given to or demand to be made upon the Mortgagor by or for or on behalf of the Mortgagee or any Receiver hereunder shall be deemed to be duly given or made if the same be in writing and be signed for or on behalf of the Mortgagee or its officers or such Receiver and if the same be left at or sent through the post in a prepaid envelope or wrapper addressed to the Mortgagor at the registered office or usual place of business of the Mortgagor last known as such to the person signing such notice or demand or be affixed to some part of any land or premises occupied by the Mortgagor for the purposes of its business or be advertised in the Commonwealth or New South Wales Government Gazette and any such mode of service shall in all respects be valid and effectual notwithstanding that at the date of such service the Mortgagor may be in course of liquidation or wound up and notwithstanding any other matter or event whatsoever and any such notice or demand if sent through the post as aforesaid shall be deemed to

10

20

the envelope or wrapper containing such notice or demand would in the ordinary course of post have been delivered and the proof of the posting of such notice of demand shall be conclusive proof of the giving or making of same.

(4) That except to the extent that such interpretation shall be excluded by or be repugnant to the context:

- 10
- (a) every covenant or agreement expressed or implied in this deed and by which two or more persons are bound such covenant or agreement shall bind every two or more of them jointly and each of them severally;
 - (b) "the Mortgagor" shall include the Mortgagor its successors and assigns;
 - (c) "the Mortgagee" shall include the Mortgagee its successors and assigns;
 - (d) "its officers" shall mean and include the directors, managing director, general manager, assistant general manager and the secretary for the time being of the Mortgagee and each or any of them;
 - (e) "person" shall include a corporation;
 - (f) words importing the singular number or plural number shall include the plural number and singular number respectively;
 - (g) reference to statutes or ordinances shall include all statutes or ordinances amending or consolidating the statutes or ordinances referred to.
- 20

In the
Supreme
Court of
Victoria 5)

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April 1983

(cont'd)

That any statute proclamation order regulation ordinance or moratorium whether Federal or State present or future shall not apply to this security or any collateral security so as to abrogate extinguish impair diminish fetter delay or otherwise prejudicially affect any rights powers or remedies given by or accruing to the Mortgagee or to the moneys hereby secured or to the covenants or provisions hereof or of any collateral security and shall not affect prejudice or abridge any of the rights remedies and powers of the Mortgagee statutory or otherwise.

10

IN WITNESS WHEREOF the parties hereto have executed this instrument the day and year first hereinbefore written.

IF COMMON SEAL of GULF)
RESOURCES N.L. was hereunto)
affixed by authority of the)
Board of Directors in the)
presence of:)

OFFSHORE OIL NL - DIRECTORS MINUTES
LOANS/ADVANCES

3. 2. 76

Mortgage Documents - Bank of New South Wales/ Aureole/
Nadi Bay Beach Corporation Limited

Resolved to approve the use of the Company's Common Seal required in the documents assigning the Aureole/ Nadi Bay Beach Corporation Limited Mortgage to the Bank of New South Wales.

The Secretarial Report was tabled and it was Resolved:-

1. to accept the Schedule of Loans as at 31st January, 1976.

13. 4. 76

Mortgage Aureole Investments Pty. Ltd/Acron Pacific Ltd.

A letter received from Acron Limited was tabled and discussed at length.

Resolved to approve release to the Bank of New South Wales, Suva First Mortgage over 14½ acres, to be substituted by a Second Mortgage over this site, subject to:

1. Approval by the Bank of New South Wales.
2. Advances by the Bank of New South Wales on First Mortgage be limited to \$250,000.
3. Advances by the "Bank" be made against certified progress payments.
4. Proper documentation to encompass the foregoing.

26. 4. 77

Letter from Acron Pacific Ltd dated 12/4/77

RESOLVED that, after due consideration of the commercial advantages involved, approval be given, subject to the conditions detailed below, to the application by Acron Pacific Ltd for:

1. The partial release from the company's first mortgage over the Nadi Bay Beach property, of Lot 1 comprising 14 acres
2. The provision by the company of a guarantee to the Bank of NSW for the amount of \$150,000 in support of accommodation by the Bank to Nadi Bay Beach Corporation Ltd for the development of a residential subdivision on the area of 14 acres.

No.128
Exhibit "AG 21"
Bundle of corres-
pondence produced
by Ganke on 29th
April 1983
(continued)

Conditions of such approval being the provision of:-

- (a) An unregistered second mortgage to the company over Lot 1
- (b) An undertaking to repay to the company a minimum of \$100,000 from the net proceeds of the sale of the subdivision
- (c) An undertaking to submit to the company for information, accounts and details of expenditure to be incurred in the development of the subdivision
- (d) Payment of a guarantee fee of two percent.

10

17.5.77

Acron Pacific Ltd - Mortgage on Nadi Bay Beach Property

RESOLVED that the terms of the proposed second mortgage to be given to Aureole Investments Pty Ltd over Lot 1 Nadi Bay Beach be submitted to the Board for approval.

21.7.77

The Secretary was requested to have available for the next Meeting, draft financial statements for the twelve months ending 30th June, 1977. A list of approved borrowers from the company was tabled.

20

RESOLVED that the list be approved and attached to these minutes.

Letter from Brinds Ltd dated 9th June, 1977 stating that the group intends to pay the call of one cent per share in respect of the total group's holding of shares was tabled and noted.

An estimate from Corporate Computer Services Pty Ltd dated 21/6/77 of the cost of processing the call on shareholders was tabled.

30

RESOLVED that a schedule of commitments payable out of call monies be prepared and that the balance of call monies not immediately required be placed on deposit with selected borrowers on the list as approved.

Mortgage Loan to Nadi Bay Beach Corp. Ltd

Letter from Nadi Bay Beach Corporation Ltd to Aureole Investments Pty Ltd dated 20th June, 1977 requesting extension of the due date of the existing mortgage loan from 30th June, 1978 to 30th June, 1981 was tabled.

40

RESOLVED that authority be given to Aureole Investments to approve the request by Nadi Bay Beach Corporation Ltd for extension of the due date of the mortgage loan to 30th June, 1981.

Loan to Bonds & Securities (Trading) Pty Ltd

Letter from Bonds & Securities (Trading) Pty Ltd dated 16th June, 1977 regarding loan arrangements with that company was tabled.

The Chairman declared his interest and abstained from discussion and voting on the matter.

RESOLVED that the existing loan arrangements with Bonds & Securities (Trading) Pty Ltd be converted to make the principal amount together with interest repayable on a fixed date, namely 31st December, 1980

10

29. 11. 77,

Letter from Bonds and Securities (Trading) Pty Limited dated 17.11.77 covering change in security for the loan of \$467,000 was tabled and accepted. Letter from I.C.S. Enterprises Pty Limited dated 25.11.77 regarding the proposal to make an offer for the shares in Acron Pacific Limited was tabled.

21. 3. 78

Mortgage Loan by Aureole Investments Pty Limited to Nadi Bay Beach Corporation Limited

20

Letter from Nadi Bay Beach Corporation Limited dated 15th March, 1978 requesting reduction in loan interest rate to 14% per annum from 1.1.78 was tabled.

RESOLVED that Aureole Investments Pty Limited be authorised to approve the request for reduction in interest rate for the twelve months ended 31st December, 1978 subject to review after that date.

20. 6. 78

Letter from Bonds & Securities (Trading) Pty Ltd

30

Letter from Bonds & Securities (Trading) Pty Ltd dated 8 June 1978 proposing for consideration an alternative offer in relation to interest on the loan to that company was tabled.

The Chairman declared his interest in the matter and refrained from voting on the proposal.

RESOLVED that the proposal is unacceptable on the terms submitted however the Directors would be prepared to accept the offer by Bonds & Securities (Trading) Pty Ltd of the right to apply for 400,000 shares in Acron Pacific Ltd at a price of 1 cent per share in lieu of payment of interest outstanding on the loan provided that, at the time, the net tangible asset value of such shares is, in the opinion of the Directors, not less than 70% of the amount of the loan interest then outstanding, otherwise the Directors reserve the right not to accept the shares and to require payment of the interest.

40

The Secretary was requested to advise Bonds & Securities (Trading) Pty Ltd accordingly.

In the Supreme
Court of
Victoria

21. 10. 80

Mortgage documents to be prepared in respect of the loan to Acron Pacific Limited. The security will be the first charge mortgage for the properties at Nadi Bay.

No.128
Exhibit "AG 21"
Bundle of
correspondence
produced by
Ganke on 29th
April 1983

19. 5. 81

RESOLVED that the option to purchase 400,000 shares in Acron Pacific Ltd at 1 cent each in lieu of interest on the loan of \$417,000 to Bonds and Securities (Trading) Pty Ltd be declined and that the due date of the loan be extended to 31 December 1981 on the same interest terms as before.

(continued)

10

16. 3. 82

Discussion on the WA64P project and on recent meetings of the joint venture parties included the following:

1. The position of outstanding calls due.
2. Deposit of joint venture funds with Alexanders Securities Ltd.
3. The offer by Offshore Oil to provide funds or a guarantee for the outstanding calls by Offshore (Far East) and Hallmark if those companies do not pay within 48 hours.

OFFSHORE OIL N L

LIST OF APPROVED BORROWERS (SECURED OR UNSECURED)

1. All Banks.
2. All Official Money Market Dealers and their affiliated companies
3. Industrial Companies and Merchant Banks.

AMATIL

ALEXANDERS CORPORATION LIMITED

ALEXANDERS SECURITIES LIMITED

AMALGAMATED WIRELESS (A'ASIA) LTD

10

BRINDS LIMITED

CHAPMANS LIMITED

COLONIAL SUGAR REFINING CO LTD

DAVID JONES LIMITED

EURO-PACIFIC FINANCE CORPORATION LTD

ESSO STANDARD OIL (AUST) LTD

FAIRFAX JOHN & SONS LTD

INDUSTRIAL ACCEPTANCE CORP. LTD

INTERNATIONAL PACIFIC CORPORATION LTD

MATINE LTD

20

MILTON CORPORATION LIMITED

MYER EMPORIUM LTD

ORD-B T CO LTD

PHILIPS INDUSTRIES HOLDINGS LTD

ROTHMANS OF PALL MALL (AUST) LTD

TRICONTINENTAL CORPORATION LTD

VAVASSEUR PACIFIC LTD

4. Any industrial company on recognised security of bank-accepted Commercial Bills or sound industrial companies which may be approved from time to time by the Board.

12 April 1977

The Secretary
Offshore Oil N L
7th Floor/82 Elizabeth Street
Sydney 2000

Dear Sir:

Re Nadi Bay Beach (P-92P)

As previously advised, the company has applied for a residential subdivision of 47 lots on an area of 14 acres.

Finance for the development was to be arranged through the Nadi branch of the Bank of New South Wales. Following considerable negotiations and in view of the fact that your company and the local Bank of New South Wales would have to be parties to the partial release of the mortgage over the 14 acre lot, the Bank of New South Wales has now reconsidered the application and will approve an amount of \$150,000 for a period of 18 months provided a guarantee from Offshore Oil is also obtained. Their reasoning is that in the event that the land marketing proposed by the company will not yield sufficient funds within 18 months, they want to have a secondary assurance of a take-out within the agreed period.

As your company's security is going to be very much improved and the sales of individual lots will produce sufficient revenue to pay-off at least \$100,000 from the existing mortgage, we are hereby making an application for your consent as follows:

- 1) to release partially Lot 1 (14 acres) from the first mortgage
- 2) to provide a guarantee to the Bank of New South Wales for ~~the~~ amount of \$150,000.

The partial release

l

12 April 1977

The Secretary
Offshore Oil & L

No.128
Exhibit "AG 21"
Bundle of
correspondence
produced by
Ganke on 29th
April 1983

(continued)

- 2 -

The partial release will not impair your security. However, in any event, an undertaking to pay at least \$100,000 after repayment of the bank and development expenses will be sufficient consideration to do so.

As regard the provision of the guarantee, Hasi Bay Beach Corporation Limited will agree to pay an amount of 2% p.a. as a guarantee fee to your company.

We hope that you will give this proposal your earliest favourable consideration.

Yours sincerely

Axon Pacific Limited

-rb/P-92P

In the Supreme
Court of
Victoria

No.128
Exhibit "AG 21"
Bundle of
correspondence
produced by
Ganke on 29th
April 1983

x

(continued)

20th June 1977

Anreole Investments Pty Limited
7th Floor
82 Elizabeth Street
Sydney NSW 2000

Dear Sir

Re Mortgage Loan

As you are aware, the existing mortgage loan is due for repayment on 30th June, 1978.

Following subsequent variations relating to interest payments and the most recent arrangements in which new time schedules were made, the development and marketing is expected to extend past the originally agreed date. 10

In order to assist your budgets and also ours, we are making an early application to have this mortgage loan extended for a period of at least three years. It is suggested that the principal amount, together with interest, be made repayable on 30th June, 1981.

In the meantime, arrangements for development and marketing will be continued and the amount of \$100,000 which is expected to be released next year, will be paid on completion, as recently confirmed. Any other development or sales which may occur during this period will also provide for partial discharge of the mortgage with an acceptable formula based on percentage of land being released. 20

.../2

e

It is also suggested that sometime in July your Directors may wish to inspect the progress on this development and suitable arrangements can be made for this purpose.

If you will accede to our proposal, would you please instruct your solicitors to prepare the necessary variation of mortgage and in the meantime advise us of your decision by letter.

Yours sincerely

Nadi Bay Beach Corporation Limited

-ks/97).114

In the
Supreme
Court of
Victoria

---- 233 6022

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April
1983

16 June 1977

The Secretary
Offshore Oil N L
7th Floor/42 Elizabeth Street
Sydney 2000

(cont'd)

Dear Sir

We refer to our existing loan arrangements. As you are aware, these funds were advanced for a specific transaction involving a company take-over which was originally envisaged to be a joint venture.

10

Following subsequent developments, and to ensure that your company did not suffer any losses, the arrangements were altered to cover a straight-out advance. The transaction has not yet been completed and may take some years yet.

In accordance with the arrangements, it leaves an entirely indefinite period for completion which may not be satisfactory for your budgetary reasons.

It is therefore suggested that the principal amount together with interest be made repayable on a fixed date. It is suggested that this be 31st December 1980 and if you agree with this proposal, would you please have the copy of this letter executed under the Common Seal of your company.

20

Yours sincerely

Bonds & Securities (Trading) Pty Ltd

-rd/...114✓

AUREOLE INVESTMENTS PTY LTD - DIRECTORS MINUTES
LOANS / ADVANCES

26.1.73

Nadi Bay Beach Development (P-92)

It was reported that the parent Company recommended an advance of \$750,000 to "Acron Pacific" subsidiary of Acron Holdings of Australia Limited, at a rate of 9 1/4% per annum subject to first mortgage security over the Freehold land involved in this development. The subject was discussed and it was resolved to advance sums not exceeding \$750,000 to "Acron Pacific" at an interest of 9 1/4% per annum subject to first mortgage security over the Freehold land involved.

10

10.9.74

Mortgage - Acron Pacific Limited/Consolidated Industries (Roadwork & Civil) Ltd.

A letter received from Acron Pacific Limited was tabled seeking a variation of the original Mortgage document.

20

Resolved to offer a variation of the original Mortgage in that interest be paid annually at a rate of 18% p.a. reducing to 15% p.a. if met on the due date.

Further Resolved that first interest payment be then due as at 30th June, 1974.

Resolved that the variation to the Mortgage be considered by the Company's Solicitors as it effects the Money Lenders Act within this State.

30

Mr. Ganke declared his position as a major shareholder in Acron Pacific Limited and abstained from voting.

Resolved that the Title Deed for 500 acres at Navua, Fiji be excluded from the Mortgage document at the time the amendments or alterations are made to it.

3.12.74

Mortgage - Acron Pacific Limited

267.

Resolved that the Company negotiate to refinance this Mortgage.

In the
Supreme
Court of
Victoria

4. 2. 75

No.128
Exhibit
"AG 21"
Bundle of
corres-
pondence
produced
by Ganke
on 29th
April
1983

(cont'd)

Mortgage - Acron Pacific Limited

Reported that the Company's negotiations to discount the Mortgage with the Bank of New South Wales, Suva, had been rejected by that Bank.

A letter received from Acron Pacific Limited seeking a possible further extension of interest due on 30th June to 31st December, 1975 was tabled. After general discussion it was Resolved that the request be rejected.

10

Further Resolved that Acron Pacific Limited be notified that their interest is due and payable on 30th June, 1975.

3. 6. 75

Mortgage - Nadi Bay Beach Corporation Limited.

A letter received from Nadi Bay Beach Corporation Limited concerning the Company's Mortgage over their property was tabled. Resolved to extend payment of interest due 30th June, 1975 to the 31st December, 1975 subject to the rate of interest being 20% per annum for the period 1st July, 1974 to 31st December, 1975 reducible to 18% per annum for that period if paid on the due date - 31st December, 1975.

20

1. 7. 75

Mortgage - Nadi Bay Beach Corporation Limited.

A letter, received from Nadi Bay Beach Corporation Limited requesting the release of not more than ten acres of land from their Mortgage, was tabled. The matter was discussed.

Resolved to approve the release of land not to exceed ten acres from the Mortgage over their land at Nadi, Fiji.

30

Their being no further business the Chairman declared the Meeting closed at 6.20 p.m.

3. 2. 76

Mortgage Documents - Bank of New South Wales/ Aureole/
Nadi Bay Beach Corporation Limited

Resolved to approve use of the Common Seal required in the documents assigning the Aureole/Nadi Bay Beach Corporation Limited Mortgage to the Bank of New South

268.

7.6.77

RESOLVED that the following arrangements entered into with Acron Pacific Limited and Nadi Bay Beach Corporation Limited be confirmed:-

In the Supreme Court of Victoria

No.128 Exhibit "AG 21" Bundle of correspondence produced by Ganke on 29th April 1983

(cont'd)

10

1. Partial release from the company's first mortgage over the Nadi Bay Beach property of Lot 1 comprising 14 acres.
2. Provision by Offshore Oil N.L. of a guarantee to the Bank of NSW for an amount of \$150,000 in support of accommodation by the Bank to Nadi Bay Beach Corporation Limited for the development of Lot 1.
3. Completion of an un-registered second mortgage by Nadi Bay Beach Corporation Limited to the company over Lot 1.
4. An undertaking to repay to the company a minimum of \$100,000 from the net proceeds of sales of the subdivision of Lot 1.
5. An undertaking to submit to the company for information accounts and details of expenditure to be incurred in the development of the subdivision.

20

RESOLVED that completion of the following document under the Common Seal be confirmed:

Mortgage by Nadi Bay Beach Corporation Limited to the company over Lot 1 DP3472, C.T. 13585 for the sum of \$150,000 repayable with interest at the rate of 9½% on or before 31st December, 1978 such interest being part of and not in addition to interest payable on the original loan to the mortgagor for which the land was part security.

30

21.6.77

Letter from Nadi Bay Beach Corporation Ltd dated 20th June, 1977 requesting extension of the due date for repayment of the principal and interest on the existing mortgage loan from 30th June, 1978 to 30th June, 1981, was tabled.

RESOLVED that extension of the due date for repayment of principal and interest to 30th June, 1981 be approved.

15.4.77

269.

Noted that approval has been given by Offshore Oil N L to an additional advance of \$150,000 to Acron Pacific Limited on security of the Nadi Bay Beach property making total advances \$1,000,000.

4

18.12.81

RESOLVED that:

the company enters into an agreement to mortgage acceptable scrip as part security for the facility being granted by Citicorp Australia Limited to Offshore Oil N L pursuant to loan agreement to be dated 21 December 1981;

that a Power of Attorney in favour of Christopher Geoffrey Chenoweth and Robin Margaret Gibson be executed authorising either person to execute a deed of mortgage between Offshore Oil N L as debtor, Aureole Investments Pty Limited as guarantor and Citicorp as lender;

10

the company guarantees the indebtedness of Offshore Oil N L to Citicorp Australia Limited with respect to the \$2 million loan facility granted and that Messrs J B Kippist and K G Wilshire be authorised to sign the deed under the seal of the company.

Ref: 953/110/346-1
 Prepared by HM
 on
 Reviewed by
 on
 Period To 30/6/83

WORKING PAPER

COMPANY Offshore Oil NL

DETAIL Sundry loans

Alexander Graham		32219	-		
Bonds & Securities Trading		782164	63		
Bonds		3484853	60		
Investment Bank of Fiji		823868	31		
Hallmark Franch	1033132-49 burs 46187-18	1079319	67	Interest	12/2/83
Southern Cross	230,000 burs 279043-99	608043	99	"	"
Gulf Resources	230,000 burs 60476-7	390476	67	"	"
		<u>7200945</u>	<u>87</u>		

Above made up as follows:
 (Refers to schedule by M. Gais 31-12-81)

	Total	Included	Interest Schedule	415 30/6/82 Schedule
Alexander Graham	32219-00	20000 -	12219 -	3593 -
Bonds & Securities Trg	782164-63	417000 -	365164 -	37530 -
* Bonds	3484853-60	2252000 -	1232954 -	581615 -
Investment Bank of Fiji	823868-31	664700 -	159088 -	112775 -
Hallmark Franch	1079319-67	1079319-67		
Southern Cross	608043-99	608043-99		
Gulf Resources	390476-67	390476-67		
	<u>7200945-87</u>	<u>5431621 -</u>	<u>1769325 -</u>	<u>735513</u>

* \$600,000 retained during the year has been taken as
 retirement of capital

- y/c 214

Acron Pacific

Advanced 26/9/80 period	779139-67	614429-67	164710 -	.98309
-------------------------	-----------	-----------	----------	--------

In Anzole's Books

Nadi Bay Beach hotel - record	2435532-00	1000000 -	1435532 -	313107
-------------------------------	------------	-----------	-----------	--------

In the Supreme Court of Victoria

No.128 Exhibit "AG 21" Bundle of correspondence produced by Ganke on 29th April 1983

(continued)

NAME		ADDRESS		INTEREST		PRINCIPAL		BALANCE		CREDIT		DEBIT		BALANCE	
BRINDS LIMITED		OFFSHORE OIL NE		INTEREST		PRINCIPAL		BALANCE		CREDIT		DEBIT		BALANCE	
DATE	ITEM	%	DATE	ITEM	FOL.	DATE	ITEM	CREDIT	BALANCE	DATE	ITEM	FOL.	DEBIT	DATE	BALANCE
30.4.79	908 6/04.	11	30.4.79	FORWARD		30.4.79			967050.00				52271.00		1019341.00
2.7.79	98A		30.4.79			30.4.79							614		
2.7.79	NSW Paid												7084		
24.8.79	"												17341		
31.8.79	56A												1590		
28.9.79	AMZ							100.000	146700.00				1102		
12.10.79	NS												1722		
6.12.79	NSW												1895		1353418
21.12.79	NSW R/C							100.000	117050.00				2818		
14.2.80	NSW							140.000					2774		
11.3.80	NSW												4672		
27.3.80	"							28.000	159900.00				1565		
21.4.80	"												19467		
27.4.80	Amsett							136666					4230		
11.5.80	NSW	13						100.000					138531		
2.5.80	NSW							218812					2081		
28.5.80	NSW							56480					1191		
28.5.80	NSW							100.000					13061		
2.6.80	"	14											9184		
4.6.80	"	14							1646160.24				3700		
12.6.80	"	14							1749160.24				659		

No.128
Exhibit "AG 21"
Bundle of
correspondence
produced by
Ganke on 29th
April 1983

(continued)

NAME BANKS LTD		ADDRESS										CARD NO.	CARD S.I.C. NO.
DATE	ITEM	POL.	DEBIT	CREDIT	BALANCE	DATE	ITEM	POL.	DEBIT	CREDIT	BALANCE		
1976													
31.12.77	A-F			24000		30.6.80	181.905.64	11/64	9768				
	Postage			13800			91905.64	12/64	8833	225167	1971327	34	
	Expense			355	1701004.96		1565		1565	226732.60	193322	46	
	Transfer		1565		1706438.96								
	AM.		47955										
	Credit		88										
	Transfer		5336										
	Postage			29500									
	Expense			9200	175200								
19.11.80	CSA		200000			31.9.80	1722716.72		22633.40	22573	1978732	60	
	Postage		7000						21024				
	Expense		300000						20002				
	Transfer		200000						20002				
	Postage			17500	912700				4791	291012	3043012	-	
	Expense			300000					6877				
	Transfer		200000						2616				
	Postage			100000					5100				
	Expense			200000					2181				
	Transfer			50000					25400	375255	4387255	-	
	Postage			200000					14530				
	Expense			50000					17764				
	Transfer			200000					5701				
	Postage			200000					16778	497228	414226	-	
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			200000									
	Transfer			200000									
	Postage			200000									
	Expense			20									

No.128
Exhibit "AG 21"
Bundle of
correspondence
produced by
Ganke on 29th
April 1983

(continued)

NAME INVESTMENT CORPORATION OF FIJI LIMITED		OFFSHORE OIL NL CARD		A/C. No.		
DATE	DEBIT	CREDIT	DATE	DEBIT	CREDIT	BALANCE
01.08.83	67,677.51		30.09.83	12.91		69,068.31
16.11.83	60,000.00		01.12.83	1,161.18		
20.12.83	100,000.00		01.12.83	1,377.18		
27.1.84	77,000.00		31.01.84	1,212.00	5,605.00	333,283.31
21.3.84	259,854.00		31.03.84	3,698.00		
			31.03.84	10,622.00	19,925.00	424,602.31
			30.6.84	15,923.00	35,898.00	440,525.31
			30.9.84	18,465.00	46,312.00	710,844.31
			30.9.84	26,657.00	72,970.00	717,501.31
			31.11.84	27,656.00	100,626.00	765,157.31
			31.1.85	28,193.00	129,319.00	793,850.31
			30.6.85	29,769.00	159,488.00	823,619.31
			31.12.85			249.00
						823,868.31

15/10/84 a/c. 12 months call

In the Supreme
 Court of Victoria
 No.128
 Exhibit "AG 21"
 Bundle of correspondence
 produced by Ganke on
 29th April 1983
 (continued)

NAME		ADDRESS		CARD NO.	
MAGI BAY BEACH CORPORATION		AUREOLE INVESTMENTS			
PRINCIPAL		IN INTEREST			
DATE	ITEM	FOL.	DEBIT	CREDIT	BALANCE
21.11.71	601		750000		111541
21.11.71	602		100000		115045
21.11.71					119071
					1332805
					1379453
				529458	1379453
				577254	1427205
				627705	1427205
				679425	1529425
				732955	1582955
				798358	1628358
21.11.80	11541		150000		1849571
				94306	1914306
				981306	1981306
				105052	2050652
				1122425	2122425
				14245	2196710
				122525	2273595

NAME		ADDRESS										CARD NO.
CHAPMANS LIMITED		OFFSHORE OIL NL.										
12-5-7-139/1-1.5.80		DEPOSITS INTEREST										
PRINCIPAL												
DATE	ITEM	FOL	DEBIT	CREDIT	BALANCE	DATE	ITEM	FOL	DEBIT	CREDIT	BALANCE	
31-12-77	6-1-81		200 000		250 000	30-6-79	OVERWARD			32562	281569	DR
15-3-78	PAID		50 000		200 000	31-9-79	24-381567	1-24	8779	41368	270368	
23-7-78	RECEIVED			1000	201 000	4-11-79	270368		9074	50442	299442	DR
19-1-81	RECEIVED			249 000	NIL	31-3-81	24-297442	2-3	9357	59799	308799	
19-7-81	RECEIVED			699 552	699 552	30-6-80	24-308799	1-2	123217			
1-9-81	PAID		100 000		599 552	11-7-81	24-308799	2-11	6691	69707	318707	DR
14-9-81	PAID		300 000		299 552	11-9-81	24-318707	1-2	10368	80 075	29 075	
16-4-82	PAID		279 552		NIL	8-2-81	24-319075	1-2	10694	90769	339769	DR
						20-3-81	339769	2-2	11842	101811	350811	DR
						20-4-81	150811	-	11908	113210	362212	DR
						20-5-81	113210	-	11711	124924	273924	DR
						11-11-81	124924	-	12150	15718	26618	DR
						31-1-81	15718	60	1872	139010	382010	DR
						19-3-82	382010	1-2	12432	154448	400448	
						19-3-81	RECEIVED		(51448)	NIL	NIL	
						21-3-82	400448	1-2	3449	3449	703001	
						6-4-82	703001	1-2	1733	5182	841404	
						14-4-82	841404	1-2	1982	7114	911906	
						18-7-82	911906	1-2	249	7413	206495	DR
							OVERWARD		6412	NIL	NIL	
							OVERWARD					

This one has a NIL balance

O N A P P E A L

FROM THE FULL COURT OF THE SUPREME COURT
OF VICTORIA

IN THE MATTER OF THE COMPANIES (VICTORIA) CODE

- and -

IN THE MATTER OF BRINDS LIMITED

B E T W E E N :

BRINDS LIMITED, BORIS ANDREW GANKE,
GULF RESOURCES N.L., ALEXANDERS SECURITIES
LIMITED, CHAPMANS LIMITED, NORTHERN STAR
INVESTMENTS PTY. LIMITED and HALLMARK
MINERALS N.L.

Appellants

- and -

OFFSHORE OIL N.L., MARTIN CORPORATION
LIMITED and JACKSON GRAHAM MOORE AND
PARTNERS (a Firm)

Respondents

RECORD OF PROCEEDINGS
VOLUME TWO

MESSRS. INGLEDEW, BROWN,
BENNISON & GARRETT,
International House,
26 Creechurch Lane,
London, EC3A 5AL

Solicitors for the
Appellants

MESSRS. COWARD CHANCE,
Royex House,
Aldermanbury Square,
London,
EC2V 7LD

Solicitors for the
Respondents