

45/85

IN THE PRIVY COUNCIL

No. 30 of 1984

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O N A P P E A L

FROM THE FULL COURT OF THE SUPREME COURT  
OF VICTORIA

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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

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RECORD OF PROCEEDINGS

ADDITIONAL EVIDENCE AND AFFIDAVITS  
VOLUME FIVE

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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

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INDEX OF REFERENCE

No.	Description of Document	Date	Page No.
<u>IN THE FULL COURT</u>			
175	Affidavit of Phillip Kevin Smith	23rd September 1983	1
	Exhibits referred to therein:		
176	"PKS 1" Copy of letter from Messrs. Abadee, Dresdner and Freeman, Solicitors dated 27th July 1983		9

No.	Description of Document	Date	Page No.
177	"PKS 2" Copy of Amending letter of same date		13
178	"PKS 3" Copy of Transcript of Evidence of David Harry Lance in N.S.W.Proceedings No.3803 of 1982		14
179	"PKS 4" Copy of Acknowledgment of Deposit		26
180	"PKS 5" Copy of New Statement of Claim in N.S.W. Proceedings No.4254 of 1983		27
181	"PKS 6" Copy of Request for Particulars from Dawson Waldron Solicitors dated 9th September 1983		45
182	"PKS 7" Copy of letter in reply from Abadee Dresdner & Freeman dated 15th September 1983		56
183	"PKS 8" Copy of Affidavit of Martin Anthony Tosio sworn 21st September 1983 in N.S.W.Proceedings No.4292 of 1983		84
184	"PKS 9" Copy of Affidavit of Martin Anthony Tosio sworn 22nd September 1983 in N.S.W. Proceedings No.4292 of 1983		96
185	Affidavit of Phillip Kevin Smith	29th September 1983	100

No.	Description of Document	Date	Page No.
	Exhibits referred to therein:		
186	"PS 1" Copies of 2 subpoenae served on David Harry Lance in N.S.W. Proceedings No.3803 of 1982		104
187	"PS 2" Copies of Documents produced by Lance in answer to the Subpoenae		106
188	"PS 3" Copy of Contract Note produced by Messrs. Norths in answer to a Subpoena in N.S.W. Proceedings No.4254 of 1983		107
189	"PS 4" Copy of "sell" order also produced by Messrs. Norths		108
190	"PS 5" Bundle of documents produced after searches of Companies at the Corporate Affairs Office		109
191	"PS 6" Copies of Contract Notes produced by Nationwide Resources Pty.Ltd.		152
192	"PS 7" Stock Exchange Report dated 9th August 1983		155
193	"PS 8" Copy of Memorandum of David Lance dated 2nd August 1983		177
194	"PS 9" Copy of letter from Lawrence J.Adler to Sydney Stock Exchange dated 10th August 1983		178
195	"PS 10" Copy of Article from "Australian Financial Review" dated 21st September 1983		180



No.	Description of Document	Date	Page No.
196	"PS 11" Copy of Report on Offshore Oil N.L. prepared by Jackson, Graham, Moore and Partners		181
197	"PS 12" Copy of Extract from "Sydney Morning Herald" dated 29th September 1983		227
198	Supplementary Affidavit of Phillip Kevin Smith	30th September 1983	228
	Exhibits referred to therein:		
199	"P" Copy of extract from "Sydney Morning Herald" dated 30th September 1983		231
200	Affidavit of Phillip Kevin Smith	10th October 1983	232
	Exhibits referred to therein:		
201	"KGW" Copy of Transcript of Evidence of Kenneth George Wilshire in N.S.W. Proceedings No.3803 of 1982		236
202	"M" Copy of letter from Mercantile Mutual Holdings Limited to Messrs. Abadee Dresdner & Freeman dated 5th October 1983		246
203	"AAH" Copy of letter from Mercantile Mutual Holdings Limited to Allen, Allen & Hemsley dated 16th September 1983		247

No.	Description of Document	Date	Page No.
204	"FR 1" Copy of Article from "Australian Financial Review" dated 18th May 1983		248
205	"FR 2" Copy of Article from "Australian Financial Review" dated 24th May 1983		249

IN THE SUPREME  
COURT OF VICTORIA

1983 No.C 013015

FULL COURT In the matter of the Companies (Victoria) Code  
and  
In the matter of Brinds Limited

BETWEEN

BRINDS LIMITED, BORIS ANDREW GANKE, GULF  
RESOURCES N.L., ALEXANDER SECURITIES LIMITED  
CEAPMANS LIMITED, NORTHERN STAR INVESTMENTS  
PTY. LIMITED, HALLMARK MINERALS N.L.,  
L.S.D. HOLDINGS LIMITED.

Appellants

AND

OFFSHORE OIL N.L., MARTIN CORPORATION LIMITED,  
MERCANTILE MUTUAL LIFE INSURANCE COMPANY  
LIMITED AND JACKSON, GRAHAM, MOORE &  
PARTNERS (a firm)

Respondents

I, PHILLIP KEVIN SMITH of 130 Phillip Street, Sydney, make oath  
and say as follows:-

1. I am a Solicitor in the employ of Messrs. Abadee, Dresdner &  
Freeman. My firm acts for Southern Cross Exploration N.L.  
(hereinafter referred to as "Southern Cross") in Sydney.

2. On 28th October, 1982 Winding-Up Proceedings, being No. 3803  
of 1982, were commenced in the Supreme Court of New South  
Wales by Fire and All Risks Insurance Company Limited  
(hereinafter referred to as "F.A.R.") against Southern  
Cross. This matter was partly heard by His Honour, Mr.  
Justice McLelland in June, 1983 and was again before His  
Honour during the week commencing 25th July, 1983.

3. I acted as the Solicitor for Southern Cross instructing  
Senior Counsel on the presentation of a Defence to F.A.R.'s  
Application, and the following events occurred during the  
course of the hearing:-

(a) Senior Counsel for Southern Cross, namely Mr. L. Gruzman,  
Queen's Counsel, appeared on my instructions and submitted  
that the Application was not bona fide, inter alia, because  
F.A.R. held as security for a debt of \$400,000.00 (the

*R. [Signature]*  
PKS

(continued)

subject of the Winding-Up Application), four million (4,000,000) shares in Offshore Oil N.L. ("Offshore") such shares then trading on the Stock Exchange at 15 cents and readily saleable over five (5) to ten (10) days for a sum substantially more than the amount of the debt.

- (b) Two letters each dated 27th July, 1983, copies of which are exhibited to me at the time of swearing this my Affidavit and are marked "PKS1" and "PKS2" respectively, were hand delivered to Messrs. Dawson Waldron on that day.
- (c) On the morning of 28th July, 1983 there were available in Court, two Bank Cheques in the sum of \$400,000.00 and Senior Counsel for Southern Cross offered to pay into Court a further sum of \$150,000.00 to cover any possible claim for interest or costs. 10
- (d) The aforesaid offer was rejected by F.A.R. and Senior Counsel for F.A.R. advised the Court that F.A.R. intended to sell the aforesaid 4,000,000 shares in Offshore.
- (e) Mr. Gruzman then sought an Injunction to restrain the sale of the four million (4,000,000) shares in Offshore. Such Injunction was sought on my instructions as it was feared that F.A.R. would not sell the shares to the best advantage. 20
- (f) Whilst Mr. Gruzman was in the process of making the Application for the Injunction, Mr. Gleeson Q.C., on behalf of F.A.R., advised the Court that the shares had been sold at 10.35 a.m.
- (g) On Friday, 29th July, 1983, Mr. Gruzman called as a Witness, Mr. David Harry Lance, a Stockbroker and Consultant with Messrs. Norths who had effected the sale, and a copy of the Transcript of his evidence is exhibited to me at the time of swearing this my Affidavit and is marked "PKS3". 30

R. Dawson PKS3

10 (h) By a Notice of Motion dated 29th July, 1983 Offshore applied for an Order that it be substituted as Plaintiff in place of F.A.R. in the instant proceedings and sought ancillary Orders. The Application by Offshore was based on the non-compliance by Southern Cross with a Demand in Terms of Section 364(2)(a) of the Companies (New South Wales) Code in the sum of \$608,044.00 dated 7th September, 1982. An Affidavit was sworn by the Company Secretary of Offshore, namely, Mr. K.G. Wilshire, in support of that Application and annexed to that Affidavit was a copy of a document headed "Acknowledgement (sic) of Deposit" which is now exhibited before me marked with the letters "PKS4" and refers to an amount of \$330,000.00 deposited by Offshore with Southern Cross. In delivering his Judgment on 2nd August, 1983, His Honour Mr. Justice McLelland held, inter alia, "... that it is unlikely that the Defendant's (i.e. Southern Cross) non-compliance with the Applicant's (Offshore) Notice of Demand of 7th September, 1982 would be held to give rise to any deemed insolvency pursuant to Section 364(2)(a) of the Code. I base this latter conclusion on the circumstance that there is fairly strong evidence that the \$330,000.00 component of the sum demanded was repayable on ninety days' call; ...". His Honour then dismissed the Application of Offshore with costs.

20  
4. It was not immediately possible to conduct any Searches in respect of Nationwide Resources Pty. Limited, being the Company which purchased the four million (4,000,000) shares in Offshore, because the micro fiche at the Corporate Affairs Commission did not become available until the following Thursday, 4th August, 1983. As a result of matters ascertained from that search, an Ex Parte Injunction was obtained from His Honour, Mr. Justice Kearney on 5th August, 1983 and Proceedings No. 4254 of 1983 were thereby instituted and that Injunction continues in force today in accordance with an Order made by His Honour Mr. Justice Waddell on 6th September, 1983.

30  
*R. Justice PKS*

5. The allegations contained in the New Statement of Claim filed in the said Proceedings, No. 4254 of 1983, include an improper exercise of a Mortgagee's power of sale and breaches of certain provisions of the Securities Industry (New South Wales) Code including Section 123 (Stock Market Manipulation), Section 124 (False Trading and Market Rigging), Section 125 (False and Misleading Statements), Section 128 (Prohibition of Dealing in Securities by Insiders) and other related matters.

6. Exhibited to me at the time of swearing this Affidavit is the New Statement of Claim filed in the same Proceedings No. 4254 of 1983 and the Request for Particulars received from Messrs. Dawson Waldron dated 9th September, 1983 and the Reply made by my Firm dated 15th September, 1983 which are marked "PKS5", "PKS6" and "PKS7" respectively.

7. It is alleged in Proceedings No. 4254 of 1983 that the effect of the conduct of the Defendants was not only to deprive Southern Cross and the other Plaintiffs of the difference between the price at which the shares were sold and the price at which they should have been sold, but also, to permanently depress the value of the shares held by Southern Cross and Companies associated with it. The total shareholding of those Companies is of the order of thirty million (30,000,000) shares and I am informed by Mr. Ganke and verily believe that such shares today could have been sold at not less than 25 cents per share, taking into account the market in rights, if the market had not been impaired by the matters complained of in the aforementioned New Statement of Claim.

8.  
(a) On 23rd September, 1983 an Application was made by Mr. L. Gruzman Q.C., on behalf of Southern Cross, to have a Final Hearing of Proceedings No. 4254 of 1983 at the earliest possible time, which Mr. Justice Waddell had earlier indicated would be the first week of the 1984 Law Term in February.

*R. Fisher* PKP

(b) In support of the Application, Mr. Gruzman argued that such an expedited Hearing was essential in view of the prospect that proceedings involving Brinds Limited and Offshore, before the Full Court of the Supreme Court of Victoria, may be adjourned until Proceedings No. 4254 of 1983 were finally determined in New South Wales, because of the relevance of the allegations in the Sydney proceedings to the Melbourne proceedings.

10 (c) The Application was opposed by the Defendants on the ground that would not be able to procure Senior Counsel at least until 12th March, 1984.

(d) In the light of the above, Mr. Justice Waddell directed that the Final Hearing of Proceedings No. 4254 of 1983 should not take place until 12th March, 1984, but the Hearing should take place in the week commencing 12th March, 1984 or as soon as possible thereafter.

9.

20 (a) As a result of the conclusions contained in the Judgment of Mr. Justice McLelland delivered on 2nd August, 1983, a Notice of Demand claiming the sum of \$281,247.24 dated 5th August, 1983, was issued by Offshore and served on Southern Cross.

(b) On 26th August, 1983, an Ex-Parte Injunction was obtained by Southern Cross from His Honour Mr. Justice Wootten, restraining Offshore from instituting winding-up proceedings based on the aforesaid Notice of Demand and Proceedings No. 4292 of 1983 were thereby commenced.

30 (c) On 15th September, 1983 His Honour Mr. Justice Helsham ordered Southern Cross to file a further Affidavit in support of its Injunction by 5.00 p.m. on 21st September, 1983.

(d) On 21st September, 1983, the Affidavit of Mr. M. A. Tosio, being the principal Accounting Officer of Southern Cross, was sworn and filed in accordance with the aforesaid

No.175  
Affidavit of  
Phillip  
Kevin Smith  
dated 23rd  
September  
1983

Order. At paragraph 12 in his Affidavit, Mr. M.A. Tosio states, "I have not had sufficient time to consider in depth every item comprising the \$281,247.24 claimed but, I state positively, in my view, the amount of \$59,369.13 detailed herein, is neither due nor payable at all by Southern Cross to Offshore Oil".

(continued)

(e) On 22nd September, 1983, Mr. Tosio swore another Affidavit in the same proceedings before me and a copy of that Affidavit is exhibited to me at the time of swearing this my Affidavit together with a copy of Mr. Tosio's Affidavit sworn on 21st September, 1983 and marked "PKS8" and "PKS9" respectively.

10

10. I am also informed that Mr. Lawrence James Adler said to Mr. Ganke words to this effect, "In view of what you have done, I have no option but to destroy you and I will do everything possible to destroy you!".

11. I am instructed that at the present time a number of other actions between the Companies controlled by Mr. Lawrence Adler and the Companies controlled by Mr. Boris Ganke are in existence including the following, namely:-

<u>PARTIES</u>	<u>ACTION NO.</u>	<u>JURISDICTION</u>
Acron Pacific/Offshore/ Aureole Investments	2419 of 1983 2832 of 1983	Supreme Court of N.S.W.
Acron Pacific & Ors -v- Offshore & Ors	232 of 1983 77/78 of 1983	Ct. of Appeal High Court
Alexanders/FAI - I - II	187 of 1982 55 of 1983	Supreme Court of Queensland
Bonds & Securities (Trading)/Offshore	1459 of 1983 310 of 1983	Ct. of Appeal New South Wales
Chapmans P/L v. FAI		New South Wales

*R. P. ... PKS*



<u>PARTIES</u>	<u>ACTION NO.</u>	<u>JURISDICTION</u>
Offshore v. Gulf Resources N.L.	13172 of 1983	Victoria
Hallmark Minerals N.L. ats. Offshore	2564 of 1983	New South Wales
Hallmark/Southern Cross/Offshore	4525 of 1982	New South Wales
Southern Cross v. Bennett & Offshore	4513 of 1983 89/90 of 1983	High Court

10

SWORN at Sydney in the State of New South Wales )  
 this 23rd day of September, 1983 )  
 Before me )





---

A Solicitor of the Supreme Court of  
New South Wales

This Affidavit is filed on behalf of the Appellants.

In the Full  
Court

No.175  
Affidavit  
of Phillip  
Kevin Smith  
dated 23rd  
September  
1983

(continued)

IN THE SUPREME COURT

OF VICTORIA

FULL COURT

1983 No. C 013015

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., ALEXANDER SECURITIES  
LIMITED, CHAPMANS LIMITED, NORTHERN  
STAR INVESTMENTS PTY. LIMITED, HALLMARK  
MINERALS N.L., L.S.D. HOLDINGS LIMITED

Appellants

AND

OFFSHORE OIL N.L., MARTIN CORPORATION  
LIMITED, MERCANTILE MUTUAL LIFE  
INSURANCE COMPANY LIMITED AND JACKSON,  
GRAHAM, MOORE & PARTNERS (a firm)

Respondents

---

AFFIDAVIT OF PHILLIP K. SMITH

---

Date sworn: 23rd September, 1983.

GODFREY AND GODFREY,  
Solicitors,  
358 Lonsdale Street,  
MELBOURNE, 3000.

Tel. 67 5694

EXHIBIT "PKS 1" COPY OF LETTER  
FROM MESSRS. ABADEE, DRESDNER AND  
FREEMAN, SOLICITORS

# ABADEE, DRESDNER & FREEMAN

SOLICITORS & ATTORNEYS

STEVERN R. ABADEE I.L.M.  
RAYMOND D. DRESDNER B. COM., LL.B.  
DAVID M. FREEMAN B. COM., LL.B.

130 Philip Street,  
SYDNEY, N.S.W. 2000  
Telephone: 233 2799  
D.X. 158 SYDNEY

Our Ref: SRA:MY:2899  
Your Ref: 31.BAW.6208/82

"PKS1"

27th July, 1983.

Messrs. Dawson Waldron,  
Solicitors,  
60 Martin Place,  
SYDNEY. N.S.W. 2000.

Dear Sirs,

RE: FIRE AND ALL RISKS INSURANCE COMPANY  
v. SOUTHERN CROSS EXPLORATION N.L.  
SUPREME COURT NO. 3803 OF 1982

10 We, on behalf of our Client, Southern Cross Exploration  
N.L., make the following offer:-

1. To repay the Principal Sum of \$400,000.00 by Bank Cheque, or by cash if your Client should require it, upon acceptance by your Client of this offer.
2. To request the Honourable Mr. Justice McLelland to forthwith determine the amount of interest presently due under the Deed dated 3rd. June, 1982 and to authorise the immediate payment of that sum to your Client out of monies to be lodged in Court upon acceptance by your Client of this offer.
- 20 3. We offer to pay to your Client the proper sums payable under Clause 3 of the said Deed. If there is a dispute between the parties as to the proper sum so payable, The Court, as above constituted, will be asked to forthwith determine a proper sum which is payable by the Defendant to the Plaintiff under this Clause.
4. Upon acceptance by you of this offer, we will pay into Court a sum as follows:-
  - (a) Interest as claimed by your Client under the Deed; and
  - 30 (b) Such sum as the Court thinks proper in respect of amounts payable under Clause 3 of the said Deed.

Each of such sums will be held by the Court as security for and the source of payment of sums determined by the Court or agreed to be paid to your Client in respect of each of the abovementioned items.

In the Full Court

No.176

Exhibit "PKS 1"

Copy of letter from

Messrs. Abadee, Dresdner

& Freeman, Solicitors

dated 27th July 1983

(continued)

5. It is a condition of this offer that upon acceptance by your Client and upon payment to your Client of the said sum of \$400,000.00 and upon payment into Court of the respective sums mentioned in Paragraph 4 above, your Client will hand to the Defendant, or as it may direct, the Share Scrip for four million (4,000,000) Offshore Oil N.L. shares held by your Client as security under the said Deed, together with Transfers in blank duly executed by the Registered Proprietors of the shares.
6. Please note that your Client's entitlement to interest is disputed upon, inter alia, the following grounds:- 10
- (a) That your Client had a duty when exercising its discretion as to power of sale of the shares held by it as security to minimise its loss, to consider the interests of the Borrower as well as its own interests and in the exercise of its discretion should have disposed of the shares within a period of thirty (30) days following the 29th November, 1982 when the suspension of the quotation of the shares was lifted. The Court will be asked to find that if the secured shares had been disposed of in the ordinary course of business over that period of thirty (30) days, the interest payable under the Deed in those circumstances is the maximum sum now payable by the Defendant to the Plaintiff. 20
- (b) That the true interest agreed upon between the parties was 22% per annum and the difference between the 17.50% per annum provided for by the Deed and the sum of 22% per annum, was to be provided by the share deals enumerated in Paragraph 20 of the Affidavit of Mr. Ganke dated 19th November, 1982. The Defendant claims that the difference between the value of the shares then transferred at Mr. Adler's request, and the amount paid for the shares, constitutes a payment of interest at the said rate of 22% per annum *and the surplus is to be regarded as a further part payment of interest.* 30
- (c) That the rate of interest stated to be 30% per annum is, in fact, a penalty and, as such, is void.
7. The Court will, in the exercise of its discretion, be asked to dismiss the Petition upon, inter alia, the following grounds:-
- (a) The refusal of the offer abovementioned, if such should occur.

- (b) The refusal by the Plaintiff to agree to the abovementioned proposal prior to the commencement of Proceedings at 10.00 a.m. on 27th July, 1983.
- (c) The fact that the Plaintiff did not require the winding-up of the Company in order to get paid.
8. The Petition was not issued bona fide or in good faith in that:-
- 10 (a) The Petition was used as a lever to compel Mr. Ganke or his Companies to purchase the shares held by Mr. Adler or his Companies in Southern Cross Exploration N.L.
- 20 (b) If the sale of the 4,000,000 Offshore Oil N.L. shares held as security by the Plaintiff had depressed or held down the market price of those shares, the Plaintiff and its Company which held about 100,000,000 shares in the same Company would have suffered a diminution of the market value of its holdings of around \$1,000,000 for each cent the market in Offshore Oil N.L.'s shares was depressed.
- 30 (c) That the winding-up of the Defendant would render it extremely unlikely that the Defendant's claims in respect of Oil Permit WA-64P would be pursued and that if, in fact, the Defendant ultimately loses its interest in WA-64P, the Plaintiff as the holder of approximately one-third of the issued share capital of Offshore Oil N.L., would benefit by reason of the fact that upon the forfeiture of the Defendant's interest in WA-64P, its interests would be divided rateably among the remaining Joint Venturers. A notional present value of the WA-64P is of the order of Two Thousand Million Dollars (\$2,000,000,000.00), and the 12% interest held by the Defendant would, on this basis, be worth \$240,000,000.00, and the benefit to the Plaintiff on the forfeiture of WA-64P would, on that basis, be \$80,000,000.00.
9. Further to Paragraph 8 above:-
- (a) About the end of August, 1982 the Defendant faced substantial payments to Offshore Oil N.L. as operator of WA-64P.

In the Full  
Court  
No.176  
Exhibit  
"PKS 1"  
Copy of  
letter from  
Messrs.Abadee,  
Dresdner &  
Freeman,  
Solicitors  
dated 27th  
July 1983

(continued)

(b) Therefore, the Defendant made a Call of 5 cents on its approximate 40,000,000 shares which would have netted in excess of \$2,000,000.00 and the Company would have been in a fluid position well able to meet its obligations.

(c) Mr. Adler prevented the success of that Call by:-

(i) Refusing to pay the Call on 10,000,000 shares held by Mr. Adler or his Companies.

(ii) Influencing Mr. A. MacIntosh not to permit the payment of the Call by Brinds Limited and other parties to the Moratorium Deed who collectively held 17,000,000 shares.

10

(d) As a result of Mr. Adler's actions, the Defendant only received about \$250,000.00 on the Call. The consequences of the failure of the Call were that

(i) The Defendant was unable to meet its obligations in respect of WA-64P in a timely manner; and

20

(ii) Was unable to pay the Plaintiff on demand.

10. That the Plaintiff was motivated by a desire to destroy the Defendant and to bring about the financial ruin of Mr. Ganke and not for the purpose of obtaining payment of the sum of \$400,000.00 and legitimate interest.

11. Paragraph 6 hereof is included in this letter in response to the request by Senior Counsel for the Plaintiff and comprise the issues yet to be considered if the matter proceeds.

30

Yours faithfully,

ABADEE, DRESDNER & FREEMAN

No. 177  
EXHIBIT "PKS 2"  
COPY OF AMENDING LETTER OF  
SAME DATE  
**ABADEE, DRESDNER & FREEMAN**  
SOLICITORS & ATTORNEYS

STEVERN R. ABADEE I.L.M.  
RAYMOND D. DRESDNER B. COM., LL.B.  
DAVID M. FREEMAN B. COM., LL.B.

130 Philip Street,  
SYDNEY, N.S.W. 2000  
Telephone: 233 2799  
D.X. 158 SYDNEY

Our Ref: SRA:KRM:2899

Your Ref: 31.BAW.6208/82

"PKS 2"

27th July, 1983

Messrs. Dawson Waldron,  
Solicitors,  
60 Martin Place,  
SYDNEY, N.S.W. 2000

Dear Sirs,

RE: FIRE AND ALL RISKS INSURANCE COMPANY  
v. SOUTHERN CROSS EXPLORATION N.L.  
SUPREME COURT NO. 3803 OF 1982

10

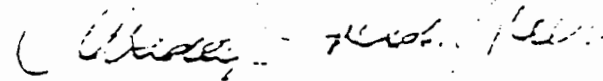
We refer to our earlier letter of today's date in this matter.

We formally advise that we inadvertently omitted to add the following paragraph immediately after paragraph 5 to read as follows, namely :-

"5A. It is a condition of this offer that upon acceptance of this offer your Client will support the dismissal of the winding up application."

Yours faithfully,

20



ABADEE, DRESDNER & FREEMAN

PKS3"

DAVID HARRY LANCE  
Sworn and examined:

MR. GRUZMAN: Q. Is your full name David Harry Lance? A. Yes.

Q. Where do you reside? A. Goodhope Street, Paddington.

Q. You are a stockbroker with the firm of Norths? A. I am.

Q. Which carry on business where? A. 51 Pitt Street, Sydney.

Q. I think you have been with a number of stockbrokers and with Norths for how many years? A. I have been with Norths getting on towards six years.

Q. Have you from time to time done work on behalf of companies with which Mr. Adler is associated? A. I have. 10

Q. Did you have some special appointment by Mr. Adler in connection with Offshore Oil? A. Yes, I did.

Q. What was that? A. I became a consultant to Offshore Oil on the appointment of Mr. Adler to assist, I think have a sort of supervisory brief and then to be involved more directly in a number of the activities of Offshore Oil.

---

This is the exhibit marked "PKS3"  
and is exhibited to me at the time  
of swearing my Affidavit.

*Phillip Smith*  
*R. Fisher*

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20

D.H. Lance x.



MR. GRUZMAN: Q. Did you attend the offices of Offshore Oil on a daily or what basis? A. On a regular basis, most days.

Q. Over what period? A. Over a period of, I would think, about six months.

Q. At a certain stage, owing to a change in circumstances, were you asked by Mr. Ganke to leave those premises? A. I was.

Q. Have you conducted numerous transactions in Offshore Oil shares? (objected ; irrelevant.)

(The following three letters were tendered; objected to; admitted and marked Ex.6.

10

Letter dated 27th July, 1983 from Dawson Waldron to Abadee, Dresdner and Freeman,  
Letter dated 28th July, 1983 from Abadee, Dresdner and Freeman to Dawson Waldron;  
Letter also dated 28th July, 1983 from Dawson Waldron to Abadee Dresdner and Freeman.)

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(Mr. Gleeson states that his objection to this witness being asked questions about the circumstances surrounding the sale of the shares is that the evidence is irrelevant and it is being asked for the collateral purpose of obtaining information that might at some stage become relevant to proceedings between the mortgagor and the mortgagee.)

HIS HONOUR: I propose to not rule irrelevant evidence on the subject matter which Mr. Gleeson has just indicated.

MR. GLEESON: Without taking objection to each question?

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HIS HONOUR: Yes.

MR. GRUZMAN: Q. Mr. Lance, did you sign this letter? (shown)  
A. Yes I did.

Q. Your capacity then was, you say, as consultant to Offshore Oil? (objected to; leading.)

Q. In what capacity did you write that letter? A. If I might see the letter again, it is a long time since I have had any involvement with Offshore Oil and I would like to consider the content.

Q. Yes. (letter shown) A. I don't know that I am quite sure of how to answer the question, in what capacity I signed the letter.

Q. Don't you know? A. I am not quite sure. I was a consultant to the company and assisting in various ways and presumably I had the legal officer asked me to sign this letter and I did so on behalf of Offshore Oil.

Q. Addressed to Southern Cross? A. Addressed to Southern Cross.

Q. May I ask you did you have available to you the documents relating to the matter at the time you signed the letter or at any time prior thereto? A. That I don't recall.

Q. Just put that to one side for the moment. Have a look at this document. (shown) Did you receive the original of that document? A. (no answer)

Q. Do you recognise Mr. Wheeler's handwriting? A. I was just trying to recall who the writer was. Yes, it appears to be Mr. Wheeler's, and I would imagine that I received it.

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Q. Mr. Wheeler was the legal officer to whom you referred in respect of the earlier letter, was he not? A. Presumably so, there was more than one there at the time.

Q. Mr. Wheeler was a partner or employee in the firm (objected to; leading.)

Q. Who was Mr. Wheeler? A. Mr. Wheeler, as I understand it, was employed by Dawson Waldron and was acting as an advisor to Offshore Oil.

Q. What periods of time did Mr. Wheeler spend in the Offshore Oil offices? A. A substantial time during a period of several months.

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(Copy letter with a stamp on it dated  
8th September, 1982 from Offshore Oil  
ML to the defendant tendered; objected  
to; irrelevant; admitted and marked  
Ex.8.)

Q. Have you, as a stockbroker, done considerable training in Offshore Oil shares? A. Yes I have.

Q. Over what period? A. I suppose over a very long period I have dealt in Offshore Oil prior to any of those matters, I suppose.

30

Q. In your capacity of stockbroker are you aware of the approximate holdings by FAI of Offshore Shares? A. Yes I am.

Q. Approximately what are they? (objected to; allowed) A. My understanding is that they are in the order of 25 to 30 percent of the capital of that company.

Q. What does that mean in numbers of shares approximately? A. In the order of between 100 and 120 million shares.

01

Q. Did you receive any instructions in recent times with respect to the sale of shares from anyone from FAI? A. I have received instructions over a number of weeks from Mr. Adler.

D. Lance X

Q. From whom in particular at FAI? A. From Mr. Adler.

Q. Have they been buying or selling orders or both? A. These have all been selling orders in recent weeks.

Q. Can you indicate to the court the numbers of shares which you have sold during the period that you have referred to as recent weeks? A. The numbers which we have sold would be in the order of, I think, and I haven't looked at our records on this, but I would think about 7½ million.

Q. Total? A. Total.

10 Q. I wonder if you could help by defining, so far as you can, what you mean by recent weeks, dates or numbers of weeks? A. Over the last four to six weeks.

Q. Can you tell us up until say one week ago how many shares you had sold? A. Something between, I think, 1½ and 2 million shares.

Q. Did you receive any specific selling order in recent times? A. Yes, I have received a number of selling orders in recent times.

20 Q. Could you tell us specifically what they were in the last few days? A. Wednesday of this week I received a selling order for ten million shares and - do you want me to go into further details?

Q. Yes please, just tell us what you can about it? (objected to)  
A. I received a selling order for 10 million shares on Wednesday.

Q. I think you were asked to bring some documents to the court which were on subpoena on Wednesday, are they here? A. Yes.  
(witness produced documents)

(Mr. Gruzman seeks access to the documents produced by the witness; Mr. Gleason does not consent; access granted to both parties.)

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Q. Do you have with you a copy of the subpoena? A. Yes I have.  
(Subpoena produced and placed with the documents)

Q. On that subpoena you were asked to produce all files, share scrip vouchers, diary entries and other documents relating to shares in Offshore Oil NL and any particular documents being or related to the share scrip, bought and sold notes, the source of the share scrip, order notes, contract notes executed by your firm on behalf of clients of your firm on 27th and 28th July, 1983. Do you remember that was the terms of the subpoena? A. Yes I do.

Q. Are there no documents other than the two pieces of paper? A. Some of these documents won't be raised until today and many of them are not in our - contract notes are raised, as I understand it, by the exchange computer and go direct to the client so we have no control of those. Share certificates and

scrip has not been delivered by the client. The internal records of the transactions in some cases won't be raised until today so that they don't, as I understand it, would not as until later some time today, refer to the transactions. I only received that late last night.

Q. The question I asked you is are these the only two pieces of paper in your possession or control relating to this transaction as asked in the subpoena? A. They are the only two first thing this morning that I could ----

Q. There might be some more by 2 pm, is that right? A. That could be so. 10

Q. I wonder if you would be good enough to interpret just what the documents mean to us? (objected to; allowed)

Q. In other words, could you explain it, which might be better? A. Perhaps I should say to explain an earlier statement where I said I had received an order for 10 million shares to sell, that I did not write out that order because I intended to discuss that with a particular client, institutional client, and that, therefore, is not a document.

Q. When did you receive the order to sell 10 million shares? A. I received the order on Wednesday. 20

Q. On Wednesday when? A. It would have been during the morning of Wednesday I think.

Q. That was a conversation between yourself and Mr. Adler? A. Correct.

Q. And that was a sell order for 10 million shares? (Objected to)

Q. What was the conversation please? A. Mr. Adler said that he would be prepared to sell 10 million shares.

Q. Was there a discussion, any further discussion, about the proposed client, proposed purchaser? A. I told him I had a particular purchaser in mind. 30

Q. Did you tell him who it was? A. I did.

Q. Who was that? A. Westpac.

Q. Was anything done pursuant to that order? A. Yes, I had a meeting with two of the officers of that company on Wednesday afternoon.

Q. At what time? A. Between 3.30 and 4.

Q. Can you tell us what happened at that meeting? (objected to)

HIS HONOUR: Q. This is a meeting with Westpac? A. Investment management side of Westpac.

(Question objected to on p.23 allowed.)

MR. GRUZMAN: Q. What happened? A. Well, I discussed the company, I told them that I was a seller on that day only - many orders are cancelled at 5 o'clock and are reinstated the next day - and that the order was for 10 million and they said that they were interested and they would come back to me the following morning - or no, that's not correct. They said to me they may be interested and they would come back to me the following morning.

Q. Was a price quoted? A. I offered them at 15 cents.

10 Q. What was the next thing that happened? A. The next thing that happened was that I met with Mr. Adler on Thursday morning.

Q. At what time was this? A. This would have been earlier, around about 8.15.

Q. Whereabouts? A. In his office.

Q. That is FAI House, in Macquarie Street? A. Correct.

20 Q. What conversation took place there? A. Mr. Adler asked me "What was the result of the discussion with Westpac" and I said they could be buyers" but they had not come back to me that evening. He said that he required to sell a substantial line of shares and he asked my opinion as to what price he would get if he were to sell them on the market. I told him that the market was 14/15 the previous evening and that there would be buyers at 14 but I did not think they would want a quantity like five or six million and I said that at 13 there could be interest and in fact a client company of mine would be interested at 13.

Q. Did you tell him which company? A. I did.

Q. What company was that? A. It is the company who is buying here, Nationwide Resources.

30 Q. Would you tell us something about that company, who are they? (objected to; rejected)

Q. The name of the company was Nationwide? A. Resources.

Q. Limited or Pty. Limited? A. Pty. Limited.

Q. And that is buying order from them that is the second document attached to the subpoena? A. Correct.

Q. Would you mind finishing the conversation with Mr. Adler at 8.15, what else was said? A. He asked me to do my very best to contact Westpac and see if in fact they were buyers which is an unusual thing for me to do because normally one waits for the institution to come back but I said that I would do it and volunteered to do it and he agreed that he would talk to me prior to the market opening.

D. Lance X

Q. Did you contact Westpac? A. I did.

Q. What took place? A. I spoke to, neither of the people that I had spoken to the previous evening would take my call; one was in a meeting and one was in some other way involved.

Q. What were their names? A. One was named Riordan (question objected to; rejected) I then spoke to the person who had answered the phone and said that I required to speak (Mr. Gleeson objected to evidence of the communications between this witness and Westpac; allowed)

HIS HONOUR: Q. Yes, go on. A. I said that I wanted to speak to them urgently and left the message for them to ring me back urgently.

MR. GRUZMAN: Q. Did something transpire as a result of that? A. Not until later, much later in the day, in fact after the close of business.

Q. I think after you had this conference with Mr. Adler at 8.15 what was the next event? A. The next event was a discussion with Mr. Adler prior to the market opening when he re-confirmed his instruction to sell 5 million 900 thousand-odd shares. 20

Q. What time was that? A. That would have been around about 10 o'clock.

Q. Would you mind telling us in words what the precise conversation was? A. He said, "Has Westpac rung back?" and I said, "No" and he said, "Well, sell 5,926,000 shares in Offshore OIL at best". They were the instructions.

Q. That was all that was said? A. That is all of substance that I can recall.

HIS HONOUR: Q. What time did the market open? A. 12 minutes past 10. 30

MR. GRUZMAN: Q. What does "at best" mean? A. Well, that instruction means at the best price possible.

Q. Just asking you as an expert stock broker, if one wishes to obtain the best price is there a method such as matching the number of shares offered with the number of shares to be bought over a period? (objected to; rejected)

Q. Just what did you do then after the conversation with Mr. Adler at 10 o'clock? A. I then spoke to our senior dealer, a person who attends on the Stock Exchange Floor. I told him that I had the order. I asked him whether he could guess how many might be required at 14 cents and he told me that probably some hundreds of thousands, perhaps more and I said to him we had two alternatives if I had (objected to; admitted)

D. Lance X

10 Q. You were speaking to your senior dealer? A. Yes, he said that a quantity would be required at 14 presumably, the market had not yet opened, and I told him to give the market an opportunity to open and for the buyers to reveal themselves, if they did, which he did; and then the market was 13/14 and I told him that we had a buying order or he was aware that we had a buying order but I said, "Satisfy other buyers first and ensure that other buyers in the market are taken out before we buy for our client" which he did and the transaction went through, I gather, 12 or 15 minutes after the market had opened. That I am not certain of, that is my understanding of it.

Q. Were you aware that there had been an overnight sale of two million shares at 16 cents? A. I was not aware at that time.

Q. At what time? A. I was not aware of that in fact until today, but our senior dealer would have been aware, that is his area of expertise. He is on the floor and that information is revealed to dealers on the floor.

Q. But you were ~~the~~ stock broker? (objected to; leading.)

20 Q. In your capacity as stock broker selling the shares is it normal for you to know what the market is? A. It is normal for me to know what the market is and the market was 14/15.

Q. I am just asking your expert knowledge on this but haven't the rules of the Stock Exchange been, in recent times, altered to provide that there shall be chalked up before the opening of the market overnight sales? (objected to; rejected)

Q. You have told us you were unaware of any sales at 16 cents? A. I was unaware of it.

30 Q. Could you tell me as a result of any information which had come to you whether you were aware of the circumstances of the sale, namely a sale by FAI of shares held by it as security? (objected to; rejected in that form)

Q. Did you have any knowledge of any special circumstances surrounding the sale of the shares? (objected to; rejected)

Q. What actually happened with the shares in the end? (objected to)

Q. What happened in the end so far as the sale of the shares, what was the final outcome? A. In terms of prices?

Q. What was the final outcome in terms of who got them and for how much? A. The document I submitted shows here (Mr. Gruzman approached)

Q. You are showing me now the first document and that is the selling order, is it? A. That is the selling order. (objected to)

D. Lancs X

Q. What are those two documents? A. One is a buying, one is a selling order on which - one is a selling order. Shall I go into more detail?

HIS HONOUR: Q. How is it produced? A. It is produced when a client telephones the broker and gives an instruction. The broker would normally write out on some form the name of his client, the number of shares, the name of the security and the instructions as to price, the time at which the order is taken, the date and the initials of the person taking the order. Those are the major elements of this document here.

MR. GRUZMAN: Q. Pausing there for a moment, was that document written by you? A. It was.

Q. Was it written following the 10 o'clock conversation with Mr. Adler? A. Correct.

Q. The second document ---- A. The second document is a buying order which shows the name of the client, the securities and the price and that was written out by me.

Q. Can you tell us from the document when you wrote that out? A. I wrote that out at around the same time.

Q. At about 10 o'clock? A. At about 10 o'clock.

Q. Before the market opened? A. Before the market opened.

(Two documents identified by Mr. Lance  
tendered; objected to; admitted and  
marked Ex.9.)

HIS HONOUR: Q. Mr. Lance, you have told us how these two documents came into existence; when they were prepared in the manner you have indicated did they have on them all the writing that now appears on them? A. No they didn't.

Q. Could you identify what they didn't then have on them by reference to them? A. Yes. (Ex.9 shown) Your Honour, they show some numbers here (indicated). Shall I circle what has been added?

HIS HONOUR: Q. Yes, that is probably convenient. Have you got a red pen or something of that kind? (pen handed to witness)  
A. (witness circles portions of Ex.9).

HIS HONOUR: Mr. Gruzman, Ex.9 will exclude the portions circled in red.

MR. GRUZMAN: Q. Mr. Lance, can you tell us how many of the Offshore shares sold in this transaction were sold respectively at 13 and 14 cents? (no answer)

HIS HONOUR: Q. Do you need to refer to the document? A. I recall, your Honour, that there were either 202 or 204,000 that was sold at 14 cents.

D. Lance X



Q. Could you specify exactly by looking at the documents?  
A, I could. (ex.9 shown) To the extent that I believe this is what the dealer has written here, 202 at 14 and the balance of the shares at 13.

MR. REUZMAN: Q. Are you able to tell us whether the shares sold at 14 were sold on the market? A. They were sold on the market.

Q. Are you able to tell us whether <sup>any</sup> were sold at 13 on the market?  
A. It would appear from this that something between one and 2 hundred thousand, the exact figure I don't think is here, one and two hundred thousand were sold on the market at 13.

10

Q. Have you any precise knowledge of the opening bids on the market that day? A. The opening bid was 14 cents.

Q. What was the selling bid? A. 15 cents.

Q. What was the last sale? A. At the end of the day's trading?

Q. No, at the end of the preceding day, as at the opening of the market? What had been the last sale? A. The preceding day, I am not certain of it, I would have thought it was 14 or 15.

Q. At the end of the day what were the bids? A. At the end of the day I believe the market closed 14/15.

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Q. With the last sale at? A. That I haven't looked at.

(Luncheon adjournment)

D. Lance X

Mr. GRUZMAN: Q. Mr. Lance, would you tell us, please, what discussions took place and when with the purchaser Nationwide Resources (Objected to; rejected.)

Q. Mr. Lance, are you aware whether or not 12.4 million Offshore shares were sold by Mr. Adler within the last few days? A. No. I am not aware of that.

Q. Are you aware of whether brokers other than yourself have been selling shares in Offshore for Mr. Adler? (Objected to; question withdrawn.)

Q. Has Mr. Adler told you that 12.4 million shares of Offshore had been sold by him or on his direction within the last two days? (Objected to as leading ; rejected.) 10

Q. You have mentioned your conversations with Mr. Adler and you have mentioned in each case that you could not recollect anything further being said. By way of refreshing your memory and in view of what has just been said does anything further occur to you that Mr. Adler said? A. In relation to the selling of Offshore?

Q. Yes. A. On Wednesday and Thursday. No.

Q. And in relation to selling of Offshore at any other time? (Objected to.) 20

HIS HONOUR: At any other time?

MR. GRUZMAN Q: Any other time within the last two weeks or so? (Allowed) A. Other than giving specific instructions, and I cannot remember any other discussion beyond the specific buying or selling orders. In this case selling orders.

Q. Did Mr. Adler tell you the source of the shares which you were being instructed to sell? (Objected to; allowed.) A. No. He did not .

Q. Did you ask? A. No. I would not have thought that was a correct question to ask a client. 30

Q. If I might just elucidate whether they were shares held by him in his own right or on behalf of someone else? A. Mr. Adler did say that they were not shares F.A.I. held in Offshore.

Q. And what did you understand from that? A. That they were not shares that F.A.I. held in Offshore Oil.

Q. Did he say anything else on the subject of the ownership or the capacity in which he was selling the shares? A. No. Mr. Adler's conversations usually are very brief. He didn't - I don't recall him saying anything else.

Q. As a result of your activities as the consultant to Offshore did you have any knowledge of the holding of the shares? (Objected to; rejected.)

D. Lance, x.

(No cross-examination.)

(Witness retired and excused.)

(That part of p.13 of the Sydney Morning Herald of Friday, 29th July under the heading "Adler Unloads Offshore Stock to recover loan" tendered; objected to; rejected.)

(Case for the defendant closed.)

(Counsel addressed.)

10

(Various lists of sale prices of shares in Offshore Oil NL on the Stock Exchange, the two in blue folders from the custody of the defendant, the one not in a folder from the custody of the applicant tendered and marked Exh. 10)

(Counsel addressed)

(Judgment reserved)

(Matter stood over for judgment to Tuesday, 2nd August 1983 at 2.00 p.m.)

D. Lance retired.

In the Full  
Court  
No. 179  
Exhibit  
"PKS 4"  
Copy of  
Acknowledg-  
ment of  
Deposit

No. 179  
EXHIBIT "PKS 4"  
COPY OF ACKNOWLEDGMENT OF DEPOSIT  
"A"

"PKSL"



# Southern Cross Exploration N.L.

INCORPORATED IN NEW SOUTH WALES

7th Floor 82 Elizabeth Street Sydney Australia 2000 Cables Southexplor Telephone 233 6022

Offshore Oil N L  
167 Phillip Street  
Sydney NSW 2000

This is the exhibit marked "PKS4"  
and is exhibited to me at the time  
of swearing my Affidavit.  
*Phillip Smith*  
P. Smith

Dear Sir

Re Acknowledgement of Deposit

We acknowledge receipt of the following amount(s) as unsecured/  
~~secured~~ deposits:

- Date of Receipt : 3rd June, 1982
- Broker : -
- Amount : \$220,000
- Rate : 13%
- Terms : 90 days call

Yours sincerely

*L. R. ...*

Southern Cross Exploration N L

-ks

AofD

This is the annexure marked with  
the letter "A" referred to in the  
Affidavit of KENNETH GEORGE WILSHIRE  
sworn this 28th day of July 1983  
before me:

*[Signature]*  
Solicitor/A Justice of the Peace.

*Phillip South*

*R. J. ...*

IN THE SUPREME COURT OF NEW

SYDNEY REGISTRY

EQUITY DIVISION

No. 4254 of 1983

SOUTHERN CROSS  
EXPLORATION N.L.

First Plaintiff

ALEXANDERS SECURITIES  
LIMITED

Second Plaintiff

10 CHAPMANS LIMITED  
Third Plaintiff

ALEXANDERS DISCOUNTS  
PTY. LIMITED

Fourth Plaintiff

AVIVA HOLDINGS  
LIMITED

Fifth Plaintiff

20 FIRE AND ALL RISKS  
INSURANCE COMPANY  
LIMITED

First Defendant

NATIONWIDE RESOURCES  
PTY. LIMITED

Second Defendant

DAVID HARRY LANCE

Third Defendant

OFFSHORE OIL N.L.

Fourth Defendant

30 LAWRENCE JAMES ADLER  
Fifth Defendant

NEW STATEMENT OF  
CLAIM

FILED IN ACCORDANCE WITH  
ORDER OF MR. JUSTICE  
WADDELL MADE ON 8.9.1983

ABADEE, DRESDNER &  
FREEMAN,  
Solicitors  
130 Phillip Street,  
SYDNEY. N.S.W. 2000  
T'phone: 233-2799  
D.X. SYDNEY 158

1. The First Plaintiff (hereinafter referred to as "Southern Cross") is a Corporation duly incorporated in accordance with the laws of New South Wales and entitled to sue in and by its corporate name and style.

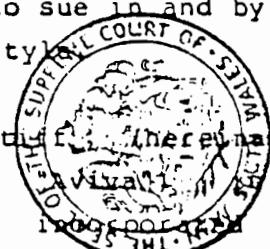
2. The Second Plaintiff (hereinafter referred to as "Securities") is a Corporation duly incorporated in accordance with the laws of the State of Queensland and entitled to sue in and by its corporate name and style.

3. The Third Plaintiff (hereinafter referred to as "Chapmans") is a Corporation duly incorporated in accordance with the laws of New South Wales and entitled to sue in and by its corporate name and style.

4. The Fourth Plaintiff (hereinafter referred to as "Discounts") is a Corporation duly incorporated in accordance with the laws of New South Wales and entitled to sue in and by its corporate name and style.

5. The Fifth Plaintiff (hereinafter referred to as "Aviva") is a Corporation duly incorporated in accordance with the laws of New South Wales and entitled to sue in and by its corporate name and style.

6. Southern Cross, Securities & Chapmans are herein referred to collectively as "the Plaintiffs" and Discounts and Aviva are referred to jointly as "the continuing shareholders".



7. The First Defendant (hereinafter referred to as "F.A.R.") is a Company duly incorporated in accordance with the laws of New South Wales and liable to be sued in its corporate name and style.
8. The Second Defendant (hereinafter referred to as "Nationwide") is a Company duly incorporated in accordance with the laws of New South Wales and liable to be sued in its corporate name and style.
9. The Third Defendant (hereinafter referred to as "Lance") is a Member of the Sydney Stock Exchange operating in the State of New South Wales (hereinafter referred to as "the Exchange") and is an Executive Consultant to Messrs. Norths, Stockbrokers. 10
10. The Fourth Defendant (hereinafter referred to as "Offshore") is a Company duly incorporated in the Australian Capital Territory and liable to be sued in its corporate name and style.
11. The Fifth Defendant (hereinafter referred to as "Adler") is the Chairman of Directors of Offshore, F.A.R. and FAI Insurances Limited (hereinafter referred to as "F.A.I."). 20
12. The Plaintiffs are Corporations whose securities are traded on the Exchange.
13. F.A.R. is a wholly owned subsidiary of F.A.I.
14. F.A.I. is a Company duly incorporated in accordance with the laws of the State of Victoria of which the shares are listed for trading as securities on the Exchange.
15. Offshore is a Company the securities of which are traded on the Exchange. It has on issue approximately 380,000,000 fully paid shares (the issued capital in Offshore is hereinafter referred to as "units"). 30
16. The Plaintiffs have been at all relevant times the holder of a considerable number of units.

17. F.A.R. and F.A.I. have been the holders at all relevant times of a substantial number of units.
18. Lance was during certain relevant times an Executive Consultant to Offshore.
19. Lance is a Director of and has a beneficial interest in Ricdal Consultants Pty. Limited (hereinafter referred to as "Ricdal").
20. Ricdal has at all material times held 30,000 shares in Nationwide.
- 10 21. Lance is a Director of Nationwide.
22. F.A.I. has at all material times held 20,000 shares in Nationwide.
23. Adler has at all material times had a beneficial interest in shares of F.A.R. and F.A.I.
24. By Agreement made 3rd June, 1982 between Southern Cross and F.A.R., 4,000,000 fully paid units in Offshore, were made the subject of security for an advance of \$400,000.00 by F.A.R. to Southern Cross.
- 20 25. By Agreement dated 5th June, 1979 made between Securities and F.A.R., 5,000,000 units paid to five (5c) cents a share, were made the subject of security for an advance of \$220,000.00 from F.A.R. to Securities.
26. By Agreement dated 5th June, 1979 between Chapmans and F.A.R., 3,400,000 units paid to five (5c) cents a share, were made the subject of security for an advance of \$150,000.00 from F.A.R. to Chapmans.
27. The three Agreements referred to in the preceding three paragraphs are hereinafter collectively referred to as "the Mortgages".
- 30 28. At certain relevant times F.A.R. has claimed that the Plaintiffs were in breach of the Mortgages.

29. The market price of the units on the Exchange (hereinafter referred to as "the price") on 12th July, 1983 was in the range of fourteen - sixteen cents (14-16c) and the number sold on that day, as reported to the Exchange, was approximately 800,000 units.

30. On 12th July, 1983, F.A.R., Lance and Adler agreed together and did purport to sell 1,506,000 units being the property of the Plaintiffs at thirteen cents (13c) in a purportedly bona fide exercise of a power of sale under the Mortgages or any one of them. Lance was required by the rules of the Exchange to report all sales to the Exchange. No such sale was reported to the Exchange.

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For some time and in particular during the months of July and August in 1983 Southern Cross and F.A.R. were parties to proceedings in the Supreme Court of New South Wales, Sydney Registry, Equity Division proceedings No. 3803 of 1982 wherein F.A.R. sought to wind up Southern Cross by reason of the failure of Southern Cross to pay its debt under the Agreement dated 3rd June, 1982 referred to herein.

32. On 28th July, 1983 Southern Cross offered to pay to F.A.R. by bank cheque the capital sum of \$400,000.00 secured upon the 4,000,000 units which were the security referred to in the Agreement dated 3rd June, 1982 referred to herein and in addition to pay into Court the sum of \$150,000.00 in payment of such sum as the Court might think proper in respect of interest and/or costs payable by Southern Cross to F.A.R. pursuant to the said Agreement.

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33. F.A.R. threatened to sell Southern Cross' 4,000,000 units held by F.A.R. as security and Southern Cross sought an Order of the Court restraining such sale.

30

34. The Plaintiffs charge and the fact is that F.A.R. purported to sell the said 4,000,000 units whilst the Order referred to in the preceding paragraph was being sought and prior to the decision of the Court thereon.

35. On and from 12th July, 1983, the price was strong and rising.



36. On 27th/28th July, 1983 an overnight sale of 2,000,000 units on the Exchange at sixteen cents (16c) per share was reported to the Exchange and exhibited to Brokers and Traders on the Trading Board prior to the commencement of trading on 28th July, 1983.
37. On 28th July, 1983 at 10.00 a.m., Adler and Lance agreed that 5,574,000 units, being the property of the Plaintiffs, would be sold by F.A.R. to Nationwide.
- 10 38. Soon after making the agreement referred to in the preceding paragraph and pursuant to the common purpose of Adler and Lance to depress the price, Lance sold seven (7) parcels of units totalling 198,000 units at fourteen (14c) cents soon after the Exchange opened for trading.
39. Immediately after making the sales referred to in the preceding paragraph, 5,574,000 units were "married" by Lance at thirteen (13c) cents in execution of the abovementioned agreement reached between Adler and Lance. 150,000 units were also traded at approximately the same time at thirteen (13c) cents per share.
- 20 40. The Plaintiffs charge and the fact is that the said 5,574,000 units and the said 150,000 units were arranged by agreement to be sold by Lance acting on behalf of F.A.R. to Nationwide and that such shares represented the property of the Plaintiffs and were some of the units which were the subject of the Mortgages. The Plaintiffs are unable to say which of the units relate to the Mortgages except that 4,000,000 units were the subject of the Mortgage involving Southern Cross.
41. Subsequent sales of units on the Exchange on 28th July, 1983 were at prices in excess of thirteen cents (13c) per share.
- 30 42. The Plaintiffs charge and the fact is that Nationwide had no funds available to pay for the said 5,574,000 units and by an arrangement agreed to between all of the Defendants, other than Offshore, no moneys were payable by Nationwide to F.A.R. until some deferred date which is not known to the Plaintiffs.

43. On 4th August, 1983, on behalf of Nationwide, Lance purported to sell the said 5,574,000 units at a price of approximately fifteen and one-half cents (15.5c) per unit.
44. The Plaintiffs charge and it is a fact that in its purportedly bona fide actions under the Mortgages, F.A.R. has not properly exercised any power of sale under the Mortgages.
45. The Plaintiffs charge and it is a fact that acting in its purported capacity as Mortgagee exercising its powers of sale in respect of the Mortgages, F.A.R. has acted recklessly and without regard to the rights of the Plaintiffs. 10
46. The Plaintiffs further charge and it is a fact that in the purported exercise of the power of sale in respect of each of the parcels of units, F.A.R. did not act bona fide.
47. The Plaintiffs further charge and it is a fact that in the purportedly bona fide exercise of the power of sale of the 5,574,000 units, each of the Defendants, other than Offshore, colluded and conspired together to procure the purportedly bona fide sale of the said units to Nationwide at an undervalue.
48. The Plaintiffs further charge and it is a fact that in the purportedly bona fide exercise of the power of sale of each of the parcels of units the Defendants, other than Offshore, fraudulently conspired together to procure the purported sale of the units to Nationwide at an undervalue. 20
49. The Plaintiffs charge and the facts are that each of the Defendants, other than Offshore, knew and had notice of each of the breaches of duty and improper conduct hereinbefore alleged and of F.A.R.'s failure to exercise properly any power of sale purported to be vested in it by the Mortgages and of the failure of F.A.R. acting in its purported capacity as Mortgagee under its Mortgage to take reasonable care to obtain the true market value of the said units and to take reasonable care to obtain a proper price for the said units. 30

50. The Plaintiffs charge and the fact is that:-
- (a) The Plaintiffs and the continuing shareholders and Companies associated with them hold approximately 50,000,000 units.
  - (b) Adler and the Companies with which he is associated have made a number of Applications to wind up Southern Cross and other Companies associated with the Plaintiffs.
  - (c) The solvency and/or the value of the assets of the Companies mentioned in paragraph (a) hereof is materially affected by the price.
- 10
51. F.A.R., Adler and Lance agreed to depress the price and/or to prevent the price from increasing as it would otherwise have done.
52. The Plaintiffs and the continuing shareholders charge and the facts are that in the transactions referred to herein, the Defendants, other than Offshore, have taken part in two or more transactions in units which were transactions which had the effect of lowering the price with intent to induce other persons to sell units.
- 20 53. The Plaintiffs charge and the facts are that the Defendants, other than Offshore, have in the matters set out herein taken part in a transaction in respect of units, being transactions which have had the effect of maintaining the price with intent to induce other persons to sell units.
54. The Plaintiffs charge and the facts are that the Defendants, other than Offshore, have by reason of the matters alleged herein within the State of New South Wales created a false or misleading appearance with respect to the price of or the market for the units.
- 30 55. The Plaintiffs charge and the facts are that Lance and Adler, both being persons who at times in the preceding six months have been connected with Offshore have dealt in the units where, by reason of their having been connected with Offshore, they were in possession of information which was not generally known, but if it were, would have been likely to have materially affected the price.

56. The Plaintiffs charge and the fact is that Lance has disseminated information that is false or misleading in a material particular, namely, that the respective parcels of units referred to herein were bona fide sales at thirteen cents (13c) and such information is likely to have the effect of lowering the price, when he knew the information was false or misleading in the material respect aforementioned.
57. The Plaintiffs charge and the fact is that the price is and will continue to be reduced by reason of the matters complained of herein and thereby the value of such units presently held by the Plaintiffs and the continuing shareholders is and will be reduced whereby the Plaintiffs and the continuing shareholders have suffered and will suffer loss and damage. 10
58. Southern Cross says that it is by reason of the matters stated herein a person entitled to redeem the 4,000,000 units mortgaged by it to F.A.R. and hereby offers to do so and in the alternative, seeks an Order for sale, instead of redemption, on such terms as the Court may seem just.
59. The Plaintiffs offer to submit to the taking of such accounts as the Court may Order. 20
60. The Plaintiffs and the continuing shareholders, notwithstanding the purported sales of units pursuant to the Mortgages, continue to hold beneficially about 30,000,000 units.
61. The Plaintiffs and the continuing shareholders charge, and the fact is, that by reason of the purportedly bona fide sales of the units referred to herein and by reason of the facts alleged herein, the value of the units held by the Plaintiffs and the continuing shareholders have been greatly diminished. 30

PARTICULARS OF FRAUD AND MISCONDUCT referable to paragraphs 30, 44 - 57 inclusive.

- (a) Adler controlled F.A.R. and F.A.I. F.A.R. held 12,400,000 units including the parcels of 1,506,000

units and 5,574,000 units referred to herein. Such shares were held by F.A.R. as a Mortgagee. F.A.I. and its associated Companies also held beneficially about 100,000,000 units. The total issued capital of Offshore was approximately 380,000,000 units.

10 (b) The price had declined from 40 cents at the beginning of 1982 to eight cents (8c) by April 1983. For a period during July, 1983, the market was strong and rising with sales at fifteen cents (15c) commonplace and frequent sales at fourteen (14c), fifteen (15c) and sixteen (16c) cents occurred during the period from 12th July, 1983 to 27th July, 1983 (inclusive). On the evening of 27th/28th July, 1983 the aforementioned sale of 2,000,000 shares at sixteen cents (16c) occurred.

(c) Lance is a Member of the Exchange and operates in the capacity of a Consultant employed by Messrs. Norths, a firm of stockbrokers operating on the Sydney and Melbourne Stock Exchanges.

20 (d) Nationwide is a proprietary Company of whom the shareholders were as at 28th July 1983 as follows :

F.A.I. (controlled by Adler) 20,000 shares  
Ridcal Consultants Pty. Limited (controlled by Lance)  
30,000 shares  
Trassyer Pty. Limited (controlled by John Peter  
("Boyer")) 30,000 shares  
International Investment Consultant Corporation, Sao  
Paulo, Brazil 45,000 shares  
Messrs. Wesemann & Co., Vienna, Austria 15,000 shares  
Peak Nominees Pty. Limited (a Nominee Company  
30 established by Messrs. Simons & Baffsky, Solicitors,  
acting for undisclosed Principals) 60,000 shares

(e) At a time when Adler was Chairman of Offshore, Lance and Boyer were appointed by Adler as Consultants to Offshore working in executive capacities in the offices of Offshore.

- (f)
- (i) At all relevant times, the Directors of Nationwide were Lance and Boyer.
  - (ii) As at 30th June, 1982, Nationwide had an issued capital of \$2.00 and had sustained losses in the sum of SIX THOUSAND FIVE HUNDRED AND TWENTY SIX DOLLARS AND SEVENTY SIX CENTS (\$6,526.76).
- (g) On various occasions Adler, for the purpose of depressing and/or preventing the price from rising, informed a number of stockbrokers that large quantities of shares in Offshore were available for sale. 10
- (h) The price of shares is affected by many factors including rumours and indications that large quantities of units would be sold by persons such as Adler affected the price. Adler was a person who would be expected to have confidence in the future of Offshore.
- (i) The price of shares is also affected, particularly in the eyes of large corporate investors and other institutional investors by the pattern of share prices and volume traded over a period of years.
- (j) If it had not been for the matters complained of herein, the price would have risen to at least 20 cents. 20
- (k) At 10.00 a.m. on the morning of 28th July, 1983, notwithstanding the last overnight sale of 2,000,000 units took place at 16 cents, Adler and Lance agreed that Nationwide would buy 5,574,000 units from F.A.R., held by F.A.R. as security, at 13 cents per unit.
- (l) The Stock Exchange opened for trading in units, including those in Offshore at 10.10 a.m., and prior to such commencement, notification of the aforesaid sale of 2,000,000 shares at sixteen cents (16c) was posted on the Stock Exchange board for the information of brokers and traders. 30

- (m) Pursuant to the common intention of Adler and Lance to depress the price, Lance procured the sale of seven parcels of units totalling 198,000 units at fourteen cents (14c) soon after the market opened and thereafter, by a "marriage" sale in the offices of Messrs. Norths, carried out the transaction agreed upon at 10.00 a.m. whereby the purportedly bona fide sale of the 5,574,000 units from F.A.R. to Nationwide was effected.
- 10 (n) The exact time at which the purportedly bona fide sale took place is not known, however it was within one-half hour of the Exchange opening for trading on 28th July, 1983.
- (o) Nationwide did not have the funds to pay for the purchase of the said 5,574,000 units, and it was agreed between F.A.R., Nationwide, Lance and Adler that the said units would be sold on a credit basis.
- 20 (p) The said sale of 5,574,000 units was reported to the Exchange. The sale of this parcel of units, at a price substantially below the market price, had and was intended to have the effect of depressing the price and/or to prevent the price from rising as it otherwise would have done.
- (q) On 2nd August, 1983, Lance wrote a Memorandum in which he expressed his belief that the price "will move towards 20 cents over the coming weeks." The Memorandum was not released to the Exchange nor were the public made aware of its contents.
- 30 (r) On 4th August, 1983 Lance and Adler agreed that the units bought by Nationwide should be sold and an average price of approximately fifteen and one-half cents (15.5c) was obtained in doing so. This sale was further calculated to prevent the price from rising.
- (s) The sale of 1,506,000 units by F.A.R., and alleged to be a sale of shares being the property of the Plaintiffs,

is evidenced by a contract Note numbered 128, issued by Messrs. Norths, specifying that such a sale occurred at thirteen cents (13c) on 12th July, 1983.

- (t) The sale of 1,506,000 shares was, in fact, according to the records of Norths, a sale by Lance as principal.
- (u) Messrs. Norths are required to report each share transaction to the Exchange but no such sale was so reported.
- (v) On the 28th July, 1983 Adler reported to the media that he had caused the sale of 12,400,000 units to take place in exercising F.A.R.'s power of sale as Mortgagee. This action was intended to and did depress the price and/or prevent it from rising. 10
- (w) On or about 10th August, 1983 Adler, in his capacity as Chairman of Directors of Offshore, announced a one-for-two renouncable rights issue. This involves the issue of a further 190,000,000 units and this announcement was so timed that it was calculated to depress the price and to prevent it from rising.
- (x) The Plaintiffs and Companies associated with them still own some 30,000,000 units. The effect of the conduct of the each of F.A.R., Nationwide, Lance and Adler is to deprive the Plaintiffs and the continuing shareholders and other holders of units of the true asset and security value of their shareholdings. 20
- (y) Lance and Adler had, at the time when the sales mentioned herein took place, by reason of being or having been connected with Offshore information that was not generally available, but if it was, would have been likely to materially affect the price of shares. 30
- (z) Offshore is seeking in current proceedings to wind up Brinds Limited, a Company incorporated in Victoria, on the ground that it is insolvent. Brinds Limited owns



19,000,000 units. The price of those units is relevant to the solvency of that Company. Brinds Limited is associated with the Plaintiffs.

- 10
- (aa) With respect to the sale of the abovementioned parcel of 5,574,000 units the Plaintiffs charge that, F.A.R. by entering into a conspiracy with Nationwide, Lance and Adler whereby, in purported exercise of its powers as Mortgagee and purporting to utilise the services of an independent Stockbroker selling to an independent and arms-length Purchaser, F.A.R. in fact sold the said units to a Company of which a Company wholly owned by F.A.R. was a shareholder, and furthermore, the purportedly independent Stockbroker was, in fact himself a Director and shareholder in the Company which purchased the units at a price which was rigged by arrangement between F.A.R., Nationwide, Lance and Adler.
- 20
- (ab) The intrinsic value of the units was and is thirty cents (30c) to forty cents (40c) and would have returned in time to the pre-existing price of forty cents (40c), and had it not been for the market manipulation and fraud alleged herein the price would now be at least twenty cents (20c).

The Plaintiffs and each of them respectively claim -

1. As against F.A.R. and Nationwide, a Declaration that the contract purportedly entered into by them in respect of the said 5,574,000 units was entered into by F.A.R. in fraud of the power of sale contained in the Mortgages.
2. As against F.A.R. and Nationwide, an Order that in respect of 4,000,000 units being the security for the Mortgage given by Southern Cross that they may be restrained from completing the Contract as set out in paragraph 1 of this Claim for relief. 10
3. As against F.A.R., a Declaration that F.A.R. in entering into the contract purportedly entered into by it with Nationwide as set out in paragraph 1 of this Claim for relief, has acted recklessly and without regard to the rights of the Plaintiffs.
4. A Declaration that the purportedly bona fide sale of units by F.A.R. was not bona fide.
5. An Order restraining Lance from exercising any purported rights alleged to be conferred upon him by any agreement made between him and Nationwide in respect of the said units adverse to the rights and interest of Southern Cross. 20
6. A Declaration that each of the Defendants, other than Offshore, agreed and conspired together to sell the aforesaid units held by F.A.R. at an undervalue.
7. That the Defendants, other than Offshore, be ordered to pay to the Plaintiffs the difference between the amount which should have been realised by the sale of the said units in the ordinary course of realisation and the amount actually realised.
8. An Order that Nationwide be restrained from exercising or purporting to exercise any rights, including voting rights 30

attached to the said 4,000,000 units obtained by Nationwide as the result of the purported contract referred to in paragraph 1 of this Claim for relief.

9. An Order that Nationwide be restrained, until further Order of the Court, from transferring, alienating, charging or in any way dealing with the said 4,000,000 units obtained by Nationwide as a result of the purported contract referred to in paragraph 1 of this Claim for relief.
10. An Order that the transfer of the said 4,000,000 units from F.A.R. to Nationwide pursuant to the purported agreement referred to in paragraph 1 of this Claim for relief, be set aside.
11. As against Offshore, an Order that it be restrained from registering any transfer of the said 4,000,000 units from F.A.R. to Nationwide pursuant to the purported agreement referred to in paragraph 1 of this Claim for relief.
20. As against Offshore, an Order that its Register of Members be rectified by removing from the said Register any entry indicating the purported transfer of the said 4,000,000 units as referred to in paragraph 1 of this Claim for relief.
30. As against Adler, a Declaration that in relation to the transaction referred to in paragraph 1 of this Claim for relief, Adler took part in two or more transactions in securities of a body corporate being transactions likely to have the effect of lowering the price of the securities of a body corporate, namely Offshore, on the Exchange being a Stock Exchange in New South Wales with intent to induce other persons to sell securities of the said body corporate.
14. As against Adler, a Declaration that by means of purchases or sales of securities not involving a change in beneficial ownership of those securities as provided by Section 124 of the Securities Industry (New South Wales) Code Adler caused fluctuations in the price of the units referred to in paragraph 1 of this Claim for relief.

15. As against Adler, a Declaration that Adler as a person connected with a body corporate, namely Offshore, dealt in the securities of such body corporate in circumstances where by reason of his being connected with that body corporate he was in possession of information that was not generally available but, if it were, would be likely to materially affect the price of those securities.
  
16. As against F.A.R., Nationwide, Lance and Adler, a Declaration that all units of the Plaintiffs and the continuing shareholders in Offshore have been reduced in value by reason of the breaches of the Securities Industry (New South Wales) Code. 10
  
17. As against F.A.R., Nationwide, Lance and Adler an Order that an enquiry be held as to the loss or damages suffered by the Plaintiffs and the continuing shareholders as a result of the matters complained of herein.
  
18. An Injunction restraining F.A.R., Nationwide, Lance and Adler from engaging in conduct being breaches of Sections 123, 124, 125, 126 and 128 of the Securities Industry (New South Wales) Code . 20
  
19. That in addition to or in substitution of the granting of the Injunction referred to in the preceding paragraph hereof, an Order that such Defendants pay to the respective Plaintiffs and continuing shareholders such damages as may be ascertained by the Court upon the basis:-
  - (a) as to the purported sales of units referred to herein - the difference between the sale price of those units and such sum as would have been realised if the price had not been affected by the conduct complained of herein. 30
  - (b) as to shares sold by or on behalf of the Plaintiffs or the continuing shareholders since the commencement of the conduct complained of herein - the difference between the sale price of

the units and such sum as would have been realised if the price had not been affected by the conduct complained of herein.

- (c) as to units retained by the Plaintiffs and the continuing shareholders - the difference between the current market price of the units and the price which the shares would have had if the market had not been affected by the conduct complained of herein.
- 10 (d) An order that an account be taken on the basis of wilful neglect and default to ascertain what is due to F.A.R. from each the Plaintiffs under the Mortgages for principal, interest and other moneys secured thereby and all costs and expenses properly incurred by F.A.R. in consequence of the default together with an account of all sums received or which should have been received by F.A.R. on the sale of the said shares and all sums paid by the Plaintiffs.
- 20 (e) An Order that upon Southern Cross paying the amount found to be due on the taking of accounts, F.A.R. shall transfer the said 4,000,000 units to Southern Cross, those being the units subject to the Mortgage given by Southern Cross.
- (f) Alternatively, an Order that if the title of the said shares has passed to Nationwide, that upon payment to Nationwide of the amounts found to be due by Southern Cross to F.A.R. on the taking of accounts hereinbefore mentioned, Nationwide may be ordered to transfer the said 4,000,000 units to Southern Cross.
- 30 (g) Alternatively, an Order under Section 103 of the Conveyancing Act, 1919 that a proper person be appointed for the purpose of selling the said

In the Full Court  
No. 180 Exhibit "PKS 5"  
Copy of New Statement of Claim  
in N.S.W. Proceedings No. 4254  
of 1983 (cont'd)

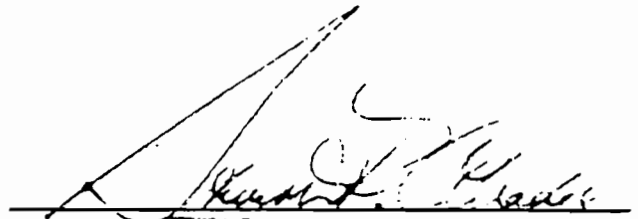
4,000,000 units and that all necessary directions and orders be given or made to enable the sale of the said units and the distribution of the proceeds of sale thereof.

(h) An Order that the Defendants pay the costs of Southern Cross of and incidental to these proceedings.

(i) Such further or other relief as to the Court may seem fit.

FILED: 8th. September, 1983

10



STEVERN ROSS ABADEE

Solicitor for the Plaintiffs

AFFIDAVIT

On 2nd September, 1983 I BORIS ANDREW GANKE of 82 Elizabeth Street, Sydney say on oath ;

1. I am a Director of each of the Plaintiffs and am duly authorised to swear this Affidavit.
2. I believe that the allegations of fact in this New Statement of Claim set out above are true.

SWORN at Sydney before )

me :



20

A Solicitor of the Supreme Court of New South Wales





DAWSON WALDRON

TO: Messrs. Abadee, Dresdner & Freeman

DATE 9.9.83

PAGE: 2

- (c) Is it alleged such claims were made in writing?  
If so please identify the documents.
- (d) Is it alleged such claims were made orally? If so please  
identify who on behalf of FAR made the claims.

Paragraph 30

- (a) Is it alleged the agreement was in writing? If so please  
identify the writing.
- (b) Is it alleged the agreement was oral?
- (c) Whom on behalf of FAR is it alleged so agreed?
- (d) At what time was the alleged agreement entered into? 10
- (e) Where is it alleged such agreement was entered into?
- (f) What "property" is it alleged the plaintiffs or any of them  
had in the 1,506,000 units?
- (g) Is it alleged that 13¢ was not the best available market  
price?
- (h) When is it alleged the 1,506,000 units were sold?
- (i) On which Stock Exchange(s) is it alleged the 1,506,000  
units were sold?
- (j) Please identify the relevant rule(s) of the Exchange  
relied on. 20
- (k) Is it alleged that the sale(s) of the 1,506,000 units was  
not reported on 12 July, 1983 or was/were never reported  
to the Exchange?
- (l) To whom is it alleged the 1,506,000 units were sold and  
who were the brokers involved?
- (m) In what respects is it alleged the exercise of the power  
of sale was not bona fide?
- (n) Which of the particulars of fraud and misconduct (a) - (ab)  
are alleged to be referable to this paragraph of the  
Statement of Claim? 30

Paragraph 32

- (a) Is it alleged the offer was in writing? If so please identify  
the writing.
- (b) Is it alleged the offer was oral?
- (c) Whom on behalf of Southern Cross made the alleged offer?
- (d) To whom on behalf of FAR is it alleged the offer was made?
- (e) What were the full terms of the alleged offer?



Paragraph 33

- (a) Is it alleged the threat was in writing? If so please identify the writing.
- (b) Is it alleged the threat was oral?
- (c) Whom on behalf of FAR made the alleged threat?
- (d) To whom on behalf of Southern Cross was the alleged threat made?
- (e) What were the full terms of the alleged threat?
- 10 (f) At what time and on what date is it alleged the threat was made?
- (g) How is it alleged that the 4,000,000 units were "Southern Cross' 4,000,000 units"? What property is it alleged Southern Cross had in the 4,000,000 units?

Paragraph 34

- (a) At what time and on what date is it alleged FAR sold the 4,000,000 units?
- (b) At what time and on what date is it alleged Southern Cross sought an Order of the Court restraining such sale?
- 20 (c) Is it alleged that FAR sold the units pursuant to its power of sale under the Southern Cross mortgage?
- (d) At what price(s) is it alleged the units were sold?
- (e) Is it alleged such price(s) was not the best available market price?
- (f) On which Stock Exchange(s) is it alleged the units were sold?
- (g) To whom is it alleged the units were sold? Who were the brokers involved?

Paragraph 36

- (a) Who is it alleged sold the units?
- 30 (b) Who is it alleged purchased the units?
- (c) Who were the brokers involved?
- (d) Where did the sale occur?
- (e) Who reported the sale to the Exchange?

Paragraph 37

- (a) Is it alleged the agreement was written or oral?

- (b) What "property" is it alleged the plaintiffs or any of them had in the 5,574,000 units?
- (c) At what price is it alleged that Adler and Lance agreed the units were to be sold at?
- (d) By what means is it alleged that Adler and Lance were to sell the shares?
- (e) Where is it alleged the agreement was entered into?

Paragraph 38

- (a) Please particularise the facts and circumstances the plaintiffs rely on to support the allegation of "the common purpose of Adler and Lance to depress the price". 10
- (b) Is it alleged the 198,000 units were sold on the Exchange?
- (c) Is it alleged that 14¢ was not the best available market price?
- (d) How is it alleged that Lance effected the sales?
- (e) Is it alleged the units were sold by FAR?
- (f) Is it alleged the plaintiffs had some property in the 198,000 units? If so what property is it alleged the plaintiffs or any of them had in the units?
- (g) Is it alleged the sales were pursuant to the power(s) of sale under the mortgages? 20

Paragraph 39

- (a) Please particularise what is meant by "married".
- (b) Is it alleged that 13¢ was not the best available market price?
- (c) Is it alleged that the sales did not take place on the Exchange?
- (d) To whom is it alleged the 150,000 units were sold? Who was the broker involved?
- (e) Is it alleged the 1,574,000 and 150,000 units were sold pursuant to the power(s) of sale under the mortgages? 30

Paragraph 40

- (a) Is it alleged that the 150,000 units were sold to Nationwide?
- (b) What "property" is it alleged the plaintiffs or any of them had in the 5,574,000 units and 150,000 units?
- (c) Is it alleged that only some of the 5,574,000 units and

.../

150,000 units were the subject of the mortgages? Does this mean the plaintiffs allege that FAR sold units the property of the plaintiffs which were not the subject of the mortgages?

Paragraph 41

- (a) How many units is it alleged were subsequently sold on 28 July, 1983?
- (b) At what price(s) is it alleged such units were sold?
- (c) At what time(s) is it alleged such units were sold?
- (d) By whom is it alleged such units were sold?
- 10 (e) To whom is it alleged such units were sold?

Note - please do not attempt to answer these particulars by annexing documents. Please provide the particulars as requested.

Paragraph 42

- (a) Is it alleged Nationwide had no funds at all, or had no funds available?
- (b) Was the alleged arrangement in writing? If so please identify the document(s).
- (c) Is it alleged the arrangement was oral?
- (d) When is it alleged such arrangement was made?
- 20 (e) Who on behalf of FAR made the arrangement?
- (f) Who on behalf of Nationwide made the arrangement?

Paragraphs 44 - 46

- (a) Is it alleged the mortgages contained powers of sale?
- (b) Are the allegations in these paragraphs limited to the sales referred to in paragraphs 30, 38 and 39 or are the allegations made in respect of the totality of the 12,400,000 units the subject of the mortgages?
- (c) Insofar as the allegations are made in respect of any sale(s) other than those referred to in paragraphs 30, 38 and 39 please particularise:
  - (i) The number of units sold.
  - (ii) The date(s) of the sale(s).
  - (iii) The price(s) of the sale(s).
  - (iv) The names of the purchaser(s).
  - (v) The broker(s) acting.

- (d) Is it alleged that FAR sold all 12,400,000 units the subject of the mortgages?
- (e) Is it alleged that all 12,400,000 units the subject of the mortgages were sold by FAR pursuant to the power(s) of sale?
- (f) Is it alleged that FAR sold units other than units the subject of the mortgages?
- (g) If so is it alleged any such units were the property of the plaintiffs?
- (h) In respect of which sale(s) of which units is it alleged that FAR's action(s) were not bona fide? 10
- (i) In what respects is it alleged such action(s) were not bona fide?
- (j) In respect of which sale(s) of which units is it alleged FAR's exercise(s) of the power(s) of sale were not proper?
- (k) In what respect(s) is it alleged that such exercise(s) of the power(s) of sale were not proper?
- (l) In respect of which sale(s) of which units is it alleged that FAR acted recklessly?
- (m) In what respect(s) is it alleged that FAR acted recklessly in respect of such sale(s). 20
- (n) What "rights" of the plaintiffs are referred to in paragraph 45?
- (o) In respect of which sale(s) of which units is it alleged FAR acted without regard to such rights?
- (p) In what respect(s) is it alleged FAR acted without regard to such rights?
- (q) Insofar as any of the parcels of units referred to in paragraph 46 are not covered by answers to the above questions, please identify the parcels of units referred to and particularise the respect(s) in which FAR did not act bona fide. 30
- (r) Which of the particulars of fraud and misconduct (a) - (ab) are referable to paragraph 44?
- (s) Which of the particulars of fraud and misconduct (a) - (ab) are referable to paragraph 45?
- (t) Which of the particulars of fraud and misconduct (a) - (ab) are referable to paragraph 46?

.../7

Paragraphs 47 - 48

- (a) When is it alleged the defendants so colluded and conspired?
- (b) Whom on behalf of FAR is it alleged so colluded and conspired?
- (c) Whom on behalf of Nationwide is it alleged so colluded and conspired?
- (d) What are the overt acts relied upon in support of the allegation of collusion and conspiracy?
- (e) Which, if any, of the particulars of fraud and misconduct (a) - (ab) are referable to the allegations in these paragraphs?

10 Paragraph 48

- (a) Identify the parcel(s) of units referred to other than the 5,574,000 units referred to in paragraph 47.
- (b) When is it alleged such parcel(s) were sold?
- (c) At what price(s) is it alleged such parcel(s) were sold?
- (d) To whom is it alleged such parcel(s) were sold?
- (e) Who were the broker(s) acting on the sale(s) of such parcel(s)?

Paragraph 49

- 20 (a) How is it alleged that FAR was under a duty to take reasonable care?
- (b) In what respects is it alleged that FAR failed to take reasonable care?
- (c) In what respects is it alleged that any sales pursuant to the powers of sale under the mortgage were not at true market value or at a proper price?
- (d) Which of the particulars of fraud and misconduct (a) - (ab) are alleged to be referable to this paragraph?

Paragraph 50

- 30 (a) Please identify the companies it is alleged Adler is associated with.
- (b) Please identify the companies "associated with the plaintiffs".
- (c) Please particularise the applications. By whom, against whom and when were such applications made?

Paragraph 51

- (a) When is it alleged this agreement was entered into?

- (b) Is it alleged such agreement was in writing?
- (c) Is it alleged such agreement was oral?
- (d) Whom on behalf of FAR entered the agreement?
- (e) Is it alleged the price was depressed?
- (f) When is it alleged the price was depressed?
- (g) Is it alleged the price was prevented from rising?
- (h) When it is alleged the price was prevented from rising?
- (i) By what means is it alleged FAR, Adler and Lance would depress the price?
- (j) By what means is it alleged FAR, Adler and Lance would prevent the price from rising? 10
- (k) Which, if any, particulars of fraud and misconduct (a) - (ab) are referable to this paragraph?
- (l) Please particularise the relevant conditions of mind of the defendants as required by Part 16 Rule 3.

Paragraphs 52 - 53

- (a) Do the allegations in this paragraph relate to the transactions referred to in paragraphs 30, 38 and 39 only, or the sales of all the 12,400,000 units the subject of the mortgages?
- (b) Identify the two or more transactions.
- (c) How is it alleged FAR took part in the transactions? 20
- (d) How is it alleged Nationwide took part in the transactions?
- (e) How is it alleged Lance took part in the transactions?
- (f) How is it alleged Adler took part in the transactions?
- (g) Was the price maintained?
- (h) When was the price maintained?
- (i) How is it alleged that the transactions had the effect of so maintaining the price? 30
- (j) Was the price lowered?
- (k) When was the price lowered?
- (l) How is it alleged the transactions had the effect of so lowering the price?

- (m) How is it alleged that lowering or maintaining the price would induce other persons to sell units?
- (n) Please particularise the relevant conditions of mind of the defendants as required by Part 16 Rule 3.
- (o) Which, if any, of the particulars of fraud and misconduct (a) - (ab) are referable to these paragraphs?
- (p) How is it alleged that the plaintiffs have suffered any damage from the matters alleged?
- 10 (q) How is it alleged that the current shareholders have suffered any damage from the matters alleged?

Paragraph 54

- (a) In what respects is it alleged the appearance with respect to the price of or the market for the units is or has been false?
- (b) In what respects is it alleged the appearance with respect to the price of or the market for the units is or has been misleading?
- (c) When is it alleged that the appearance with respect to the price of or the market for the units was false or misleading?
- 20 (d) How is it alleged that FAR created a false or misleading appearance?
- (e) How is it alleged that Nationwide created a false or misleading appearance?
- (f) How is it alleged that Lance created a false or misleading appearance?
- (g) How is it alleged that Adler created a false or misleading appearance?
- (h) Please particularise the relevant conditions of mind of the defendants as required by Part 16 Rule 3.
- 30 (i) Which, if any, of the particulars of fraud and misconduct (a) - (ab) are referable to this paragraph?
- (j) How is it alleged that the plaintiffs have suffered any damage from the matters alleged?
- (k) How is it alleged that the current shareholders have suffered any damage from the matters alleged?
- (l) Is it alleged anyone was misled by such appearance? If so, whom?

Paragraph 55

- (a) Identify the 6 months referred to.

- (b) In what respects is it alleged Lance was connected with Offshore?
- (c) In what respects is it alleged Adler was connected with Offshore?
- (d) How is it alleged Lance "dealt" in the units?
- (e) How is it alleged Adler "dealt" in the units?
- (f) What was the "information" Lance had that was not generally known?
- (g) What was the "information" Adler had that was not generally known? 10
- (h) How is it alleged that such information would have materially affected the price?
- (i) Is it alleged that such information would have affected the price by:
  - (i) lowering
  - (ii) maintaining
  - (iii) raisingit?
- (j) Please particularise the relevant conditions of mind of Lance and Adler as required by Part 16 Rule 3. 20
- (k) Which, if any, of the particulars of fraud and misconduct (a) - (ab) are referable to this paragraph?
- (l) How is it alleged the plaintiffs have suffered damage from the matters complained of?
- (m) How is it alleged the continuing shareholders have suffered damage from the matters complained of?

Paragraph 56

- (a) When is it alleged the information was disseminated?
- (b) How is it alleged the information was disseminated?
- (c) To whom is it alleged the information was disseminated? 30
- (d) Was the information allegedly disseminated in writing? If so please identify the document(s).
- (e) Was the information allegedly disseminated orally?
- (f) Which parcels of units are referred to?

.../1



- (g) Is it alleged that the false or misleading element of the information was that:
- (i) the sales were bona fide or
  - (ii) the sales were at 13¢
  - (iii) something else.
- (h) How is it alleged such information was likely to have the effect of lowering the price?
- (i) Which, if any, of the particulars of fraud and misconduct (a) - (ab) are referable to this paragraph?
- 10 (j) Presumably the continuing shareholders do not join in this allegation, but if they do, how is it alleged they suffered damage from the matters complained of?

Paragraphs 57 and 61

- (a) Which matters in particular is it alleged are and continue to reduce the price?
- (b) How is it alleged that such matters reduce and continue to reduce the price?
- (c) Which, if any, of the particulars of fraud and misconduct (a) - (ab) are referable to these paragraphs?
- 20 (d) How is it alleged the plaintiffs have suffered loss or damage?
- (e) Please particularise the loss or damage alleged and how it is calculated.
- (f) How is it alleged the continuing shareholders have suffered loss or damage?
- (g) Please particularise the loss or damage alleged and how it is calculated.

Yours faithfully,

*Dawson Waldron*

No. 182  
EXHIBIT "PKS 7"  
COPY OF LETTER IN REPLY FROM  
ABADEE DRESDNER & FREEMAN  
dated 15th September 1983

**ABADEE, DRESDNER & FREEMAN**  
SOLICITORS & ATTORNEYS

STEVERN R. ABADEE LL.M.  
RAYMOND D. DRESDNER B. COM., LL.B.  
DAVID M. FREEMAN B. COM., LL.B.

Our Ref: SRA:JK:2899  
Your Ref: 22 4114/83

This is the exhibit marked "PKS7"  
and is exhibited to me at the time  
of swearing my Affidavit.

*Phillip Smith*  
*D. Freeman*

Messrs. Dawson Waldron,  
Solicitors,  
60 Martin Place,  
SYDNEY. N.S.W. 2000

BY HAND

Dear Sirs,

RE: SOUTHERN CROSS EXPLORATION N.L. & ORS. - V -  
FIRE AND ALL RISKS INSURANCE CO. LIMITED & ORS. (4254 OF 1983)

We refer to your request for further and better particulars dated 9th September, 1983 and note that you are seeking insofar as is possible, "yes" or "no" answers.

10

We are sure you will appreciate the work involved in answering your voluminous requests for particulars and admire the fact that these particulars have been supplied to you at 6.00 p.m. today. Particularly, in the light of the knowledge that Senior Counsel and ourselves were engaged with our Client in Melbourne on Monday of this week and fully occupied in Court before Helsham C.J. in Equity yesterday in proceedings No. 4292 of 1983.

Whilst recognising our responsibility to furnish the best particulars available concerning allegations of fact and that you are entitled to know the case made by the Plaintiffs in these respects, it is obvious that most of the material relates to conduct by your Clients of which they are fully aware.

20

Our Clients have no investigatory powers, except such as are afforded by Court process and our Clients have not received any voluntary assistance from the Stock Exchanges or anyone else.

Accordingly, the particulars supplied herein may subsequently require amendment and we reserve that right. The numbering below refers to the relevant paragraph number in the New Statement of Claim.

30

No. 182  
 Exhibit "PKS 7"  
 Copy of letter in  
 reply from Abadee  
 Dresdner & Freeman  
 dated 15th September  
 1983  
 (continued)

24. - 26. These are matters of Law.
28. (a) - (c) We enclose herewith a copy of a Notice of Demand Section 364 (2) (a) of the Companies (New South Wales) Code dated 18th February, 1983, specifying the breaches claimed by F.A.R.
- (d) No claims were made orally.
30. (a) We do not know but a purported agreement is evidenced by the following documents, namely:-
- 10 (i) A Sell Order No. 14315 in respect of 1,506,000 units on behalf of F.A.R. dated 12th July, 1983.
- (ii) A Contract Note No. 128 dated 12th July, 1983 purporting to record the sale of 1,506,000 units at thirteen (13) cents by F.A.R. A copy of the Sale Note and Contract Note are annexed.
- (b) - (e) See above.
- (f) We cannot determine at this stage, whether or not the said 1,506,000 units, referred to in paragraph (a) were units which were the subject of any of the three Mortgages in the New Statement of Claim or not.
- 20
- However, the Defendant, F.A.R. in a document, a copy of which is enclosed, and marked with the letters "F.A.R.", appears to claim that the units were comprised in the Mortgages and were part of the total 12,400,000 mortgaged units.
- (g) Yes.
- (h) See (a) - According to the Defendant's document the sale took place on 12th July, 1983.
- 30 (i) Not known.
- (By-Law 12) (j) By-Law 54.  
3/77
- (k) Both.
- (l) Not known.
- (m) (i) The units were sold at thirteen (13) cents according to the said Contract Note on 12th July, 1983, at a time when the market price was fifteen (15) cents.

No.182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

(ii) A document produced by Messrs. Norths discloses a Sell Order in the name of "D.H.L." (which we interpret as an abbreviation of Lance's name) for 2 million units in Offshore Oil at thirteen (13) cents dated 7th July, 1983 (copy annexed). It appears from notations on that document that 1,204,000 such units were sold on behalf of Mr. Lance. There is also the aforesaid Sell Order dated 12th July, 1983, at midday, whereby F.A.R. purports to direct the sale of 1,506,000 units at thirteen (13) cents and a Buyer's Record of the same date appears to refer also to those same units.

10

On the day when F.A.R. ordered 1,506,000 units to be sold, the price was fifteen (15) cents and the allegation is that there never was any sale of those units on that day.

The records of the Stock Exchanges of Sydney and Melbourne do not disclose any record of the sale of 1,506,000 units on 12th July, 1983.

20

If there was a sale of mortgaged units at thirteen (13) cents on 12th July, 1983, it was a sale at an undervalue. Alternatively, Lance and Adler agreed to create a situation whereby the said units could be sold by Lance in his own name. If the market went down Lance could claim that they were sales on behalf of himself or F.A.R. or some other Client and if the market went up, as it did, it would be alleged that they were a sale of mortgaged units.

30

- (n) All.
32. (a) Yes.  
(b) No.  
(c) - (e) See copies of letters dated 27th July, 1983, enclosed.
33. (a) No.  
(b) Yes.  
(c) Mr. M. Gleeson, Senior Counsel for P.A.R.  
(d) The Supreme Court of New South Wales and the Plaintiffs.  
(e) - (f) At approximately 10.00 a.m. on 28th July, 1983, Mr. Gleeson informed His Honour, Mr. Justice

No. 182  
 Exhibit "PKS 7"  
 Copy of letter in  
 reply from Abadee  
 Dresdner & Freeman  
 dated 15th September  
 1983

(continued)

McLelland, that the offer of Southern Cross was rejected and that F.A.R. would sell the units themselves.

- (g) The units were the subject of the Mortgages as alleged in the New Statement of Claim. The rights of the Mortgagee in respect of Mortgaged property are matters of Law.
34. (a) The information that the Plaintiffs have as to the time of sale is as follows:-
- 10 (i) Buy and Sell Orders were prepared by the Third Defendant by arrangement with the First, Second and Fifth Defendants at 10.00 a.m.
- (ii) Senior Counsel for the First Defendant informed His Honour, Mr. Justice McLelland, in the Supreme Court at 10.40 a.m. that he understood that the sale had taken place at 10.35 a.m.
- (iii) Records supplied by the Sydney Stock Exchange indicate that the sale time was recorded as a trade at 11.02 a.m.
- 20 (b) At about 10.30 a.m.
- (c) It is alleged that F.A.R. purported to exercise its power of sale by a transaction which was not bona fide. Your question is a matter of Law on the facts alleged.
- (d) Subject to (c), thirteen (13) cents.
- (e) Yes.
- (f) The sale of 4,000,000 units was the result of a "Marriage" arranged in Norths' Office which was reported to the Sydney Stock Exchange.
- 30 (g) Nationwide Resources Pty. Limited and Norths.
36. (a) - (e) These matters are unknown to us at this time.
37. (a) Both.
- (b) It is alleged that F.A.R. purported to exercise its power of sale by a transaction which was not bona fide. Your question is a matter of law on the facts alleged.
- (c) Thirteen (13) cents.

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

5.

- (d) By means of a purported sale by F.A.R. to Nationwide Resources Pty. Limited.
- (e) Not known.
38. (a) (i) During July, 1982, Adler became Chairman of Offshore Oil N.L. and appointed Lance as a Consultant in an executive capacity, employed to work in the offices of Offshore. Lance was also appointed an alternate Director of Offshore, on behalf of Mr. John Belfer, from 19th October, 1982 until 14th January, 1983 and, on behalf of Adler, from 7th December, 1982 until 15th February, 1983. Additionally, Mr. John Boyer was appointed as an executive consultant of Offshore. 10
- (ii) Adler wished to obtain and maintain control of Offshore by obtaining large numbers of units cheaply and also to harm Mr. Boris Ganke and Companies with which he was associated and Lance assisted him in these matters. The Companies with which Mr. Ganke was associated held very large numbers of Offshore units and owed certain sums of money to Offshore. Insofar as the price of Offshore units was low, the value of the assets of the Ganke Companies affected, was reduced. Adler endeavoured to have the Companies wound up by claiming sums due to Offshore at a time when the price of the units was so reduced, that sums due to Offshore would not be paid. 20
- (iii) On or about 1st July, 1982, when the "price" was 15 - 16 cents, Adler demanded that a placement of 10,000,000 units be made to FAI at ten (10) cents. 30
- (iv) Adler announced a one for two issue amounting to approximately 125,000,000 units at ten (10) cents each.
- (v) F.A.R. underwrote the issue through a subsidiary, namely Metropolitan Executors & Nominees Pty. Limited. The issue was without rights so that Shareholders either, had to find the cash to pay, or forfeit their entitlement. There was a large shortfall of some 45 million units of which Adler obtained approximately 40 million at ten (10) cents.
- (vi) Normal commercial practice would require Directors to furnish information about the prospects of the Company to Stockbrokers who

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

were interested in the units and to encourage such Stockbrokers to prepare and release information on the Company to interested Clients.

- (vii) On or about June 1982, Adler deterred Messrs. Jackson Graham, Moore and Messrs. Meares & Phillips from releasing favourable reports on Offshore which they had wholly or partially prepared. In April 1983, Adler deterred Messrs. Jackson Graham, Moore from preparing a report on Offshore.
- (viii) Having promised Ganke as a term of becoming Chairman of Offshore, that F.A.R. & FAI would provide loan funds required by Offshore, Adler did not so procure F.A.R. & FAI to provide these funds, whereby Offshore, under Adler's control, delayed payment to certain creditors.
- (ix) The matters alleged in the New Statement of Claim and in these further particulars.
  - (b) Yes.
  - (c) Yes.
  - (d) The mechanism is not presently known to us.
  - (e) These units appear to us to be included in the document annexed "F.A.R.". Upon that basis the answer is Yes.
  - (f)-(g) These are matters of Law.
- 39. (a) This term is used in respect of a transaction in which only one Stockbroker is involved on behalf of both Buyer and Seller.
- 30 (b) Yes
- (c) As to the 4,000,000 units - see 34 (f) herein.
- (d) Messrs. Norths (Seller) and Broker No. 2013 (Buyer's Broker).
- (e) These were purported sales under the Mortgages and your question is one of Law.
- 40. (a) It is believed that these units were sold to Nationwide or at Lance's direction and are comprised in the sale of 5,724,000 units at thirteen (13) cents shown on the document marked "F.A.R.".

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

- (b) This is a matter of Law.
- (c) No; no
41. (a) - (b) 161,750 units  
6,250 units at 14 cents  
155,000 units at 15 cents  
500 units at 16 cents
- (c) According to the records of the Sydney Stock Exchange between 1111 hours and 1525 hours.
- (d) If you do not wish us to rely on the only documents in our possession which would give you the best information available to answer your questions, we cannot answer. We have no information as to actual purchasers and vendors. 10
42. (a) The latter.
- (b) - (f) We cannot answer these questions with certainty, but it is believed that it was an oral arrangement between Messrs. Lance, Adler and Mr. John Boyer (who is also a Director of Nationwide Resources Pty. Limited). 20
44. - 46.
- (a) This is a matter of Law.
- (b) The latter.
- (c) (i)-(v) See the document marked "F.A.R." except for sales noted thereon dated 28th July, 1983.
- (d) Subject to the particulars furnished herein in respect of 1,506,000 units sold on 12th July, 1983, the answer is Yes.
- (e) Insofar as it is alleged that the power of sale was not exercised, bona fide, the question whether a particular sale was exercised under Mortgage is a question of Law. 30
- (f) Yes.
- (g) No.
- (h) Each sale, comprising a total of 12,400,000 units.



No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983

(continued)

- 10
- (i) (a) Sales were made on a market depressed by the conduct of the Defendants, namely: F.A.R., Adler and Lance.
  - (b) In respect of 5,574,000 units, they were purportedly sold to Nationwide Resources, whose Directors and Shareholders are set forth in the New Statement of Claim, at a price below the depressed market price.
  - (c) In respect of 1,506,000 units these were sold at a price below the depressed market price.
  - (j) All.
  - (k) See (i) above.
  - (l) All.
  - (m) See (i) above.
  - (n) This is a matter of Law.
  - (o) All.
  - (p) See (i) above.
  - (q) Not applicable.
  - (r) - (t) All.
- 20 47. - 48.
- (a) 27th July and 28th July, 1983.
  - (b) Adler.
  - (c) Lance and Boyer.
  - (d) See Particulars of Fraud and the allegations in the New Statement of Claim and particulars thereof herein.
  - (e) All.
- 30 48.
- (a) It is believed that a further 150,000 units were sold to Nationwide or at its direction or at that of Lance.
  - (b) - (e) See before.
- 49.
- (a) This is a matter of Law.
  - (b) - (c) See Particulars of Fraud and Misconduct. As to (c), in respect of the sales of 12,400,000

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

units, they were sold on a market which had been artificially depressed by Lance, Adler and F.A.R. As to the specific sales of 5,574,000 units 1,506,000 units and of 150,000 units these sales were effected at a price below the already depressed market price.

- (d) All.
50. (a) Offshore Oil N.L., F.A.R., FAI.
- (b) Brinds Limited, Bonds & Securities (Trading) Pty. Limited, Acron Pacific Limited, Gulf Resources N.L. and the Plaintiffs other than Southern Cross. 10
- (c) See attached List.
51. (a) - (d) Your questions cannot be answered in terms but the Court will be asked to infer the agreement from the facts alleged in the New Statement of Claim and in these particulars.
- (e) Yes.
- (f) From June, 1983 onwards.
- (g) Yes. 20
- (h) From June, 1983.
- (i) - (j) See 38(a) hereof. Further by placing selling orders for large quantities of units with a number of Brokers, thereby making it seem that large quantities of units were available for sale from different sources.
- By failing to make statements or release information such as would normally occur in the usual conduct of a Company in order to keep the market fully informed. 30
- (k) All.
- (l) Both Adler and Lance are highly experienced businessmen, especially in the arena of corporate affairs. Each is or has been a Director of large publicly listed Companies and Lance is a practising Stockbroker. The particular acts which it is alleged were performed are stated in the New Statement of Claim and these further particulars. It is alleged that by reason of their experience and knowledge of the stockmarket, they knew and

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983

(continued)

intended, that their relevant acts would have the effect of depressing the price of the units and/or to prevent the price from increasing as it would otherwise have done.

52. - 53.

- (a) The former.
- (b) See (a).
- (c) By authorising or apparently authorising purported sale of units.
- 10 (d) By the purported bona fide purchase of 5,574,000 at thirteen (13) cents.
- (e) By arranging with Adler the transactions referred to in (a).
- (f) By arranging with Lance the transactions referred to in (a).
- (g) Yes.
- (h) From June, 1983.
- 20 (i) The market was strong and rising and had reached sixteen (16) cents on an overnight sale of 2,000,000 units on 27th/28th July, 1983. The market would have risen to at least twenty (20) cents in the ensuing few weeks had it not been for the series of seven sales at fourteen (14) cents, the very large sale of 5,574,000 at thirteen (13) cents and the apparent resale within six (6) days of the same units at approximately fifteen (15) cents.
- (j) Yes.
- (k) From June, 1983.
- 30 (l) See (i) above. The price was rising to at least twenty (20) cents over next ensuing period of several weeks and the immediate effect of the transactions was to lower the price to a price of approximately fifteen (15) cents during the next ten (10) days.
- (m) Because the effect of the transactions was to induce persons to sell units who may otherwise not have sold them as the strong and rising market was suddenly interrupted by a massive downward trend whereby the market capitalisation of Offshore fell by almost 20%.

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

- (n) See 51(1) hereof.
- (o) All.
- (p) (a) By the sale of the units the subject of the Mortgages.
  - (i) On a market depressed by the Defendants other than Offshore Oil N.L.; and
  - (ii) As to 5,574,000 units, at a price below that depressed market price.
- (b) Insofar as the Plaintiffs still hold units, see (q) below. 10
- (q) The market was strong and rising and that upward trend would have continued faster and higher had it not been for the permanent depressing effect on the market of the massive downward trend in share sales on 28th July, 1983 and the massive sale on 4th August, 1983, whereby the units of the current shareholders are and always will be of a lower value on the Stock Exchange than otherwise would have been.
- 54. (a) - (c) The market was led to believe that in a bona fide arms-length transaction involving an independent Seller and an independent Buyer acting through an independent Stockbroker an agreement for the sale of 5,574,000 units at thirteen (13) cents had been entered into. Furthermore, a further sale of 150,000 units at thirteen (13) cents had occurred, although an overnight sale of 2,000,000 units at sixteen (16) cents had followed two weeks of almost continuous trading at fifteen (15) cents. So far as the persons interested in the price of Offshore units could observe, the market had suddenly turned down with seven transactions taking place at fourteen (14) cents followed by the said sales at thirteen (13) cents. An observer of the market would have noted that on 4th August, 1983 when the price increased to fifteen (15) cents a further quantity of almost 6 million units was sold and the apparent situation was exacerbated by the matters alleged under paragraph 51 (i) to (j) hereof. 20
- (d) - (g) F.A.R. was the apparently independent seller, Nationwide was the apparently independent buyer, Lance was apparently independent of both F.A.R. and Nationwide and Adler, on behalf of 30

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

F.A.R., arranged the transaction together with  
Lance and Boyer.

- (h) See 51 (l).
- (i) All.
- (j) - (k) See paragraphs 52 (p) & (q) and 57 - 61 of  
these particulars.
- 10 (l) Yes, we do not know the names of persons or  
corporations concerned but they would include  
Stockbrokers, Institutions and others who are  
or may be interested in the market performance  
of Offshore or in buying, selling or holding  
units in Offshore or in taking Offshore units  
as security for loans.
55. (a) Six months prior to 28th July, 1983.
- (b) During the month of July, 1983 Lance was  
granted an option of taking up 600,000 units in  
Offshore for a period of two years at twelve  
20 (12) cents as additional remuneration for his  
activities as a consultant working in an  
executive capacity to Offshore Oil. Lance also  
acted as a Broker to Offshore and was an  
alternate Director of Offshore appointed by  
Adler up to and including 15th February, 1983.
- (c) Adler was the Chairman of Directors, acted as  
Chief Executive Officer and was also the  
Chairman of Directors and Chief Executive  
Officer of FAI and F.A.R., and by reason  
thereof was able to exercise the influence of  
the substantial shareholding held by FAI in  
Offshore.
- 30 (d) - (e) The dealings referred to have been  
particularised as the transaction of the  
apparent bona fide sale by F.A.R. to Nationwide  
of 5,574,000 units at thirteen (13) cents, the  
further sale of 150,000 at thirteen (13) cents  
and the seven sales at fourteen (14) cents.
- (f) - (i) The Court will be asked to infer from the facts  
that Lance and Adler had information relating  
to Offshore which was not generally known and  
that such information if known would have been  
likely to have materially affected the price.  
Such information would include pre-publication  
knowledge of impending announcements and  
intimate knowledge of details of the progress  
of Offshore's projects and finances which might

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

never be made public or at least, not for a long time.

For example, the Defendants would have been aware of the following:-

- (a) The effect on Offshore's future financial position arising from the leveraged lease of the drill ship "Energy Searcher", that is, producing short term losses and long term windfall profits.
- (b) The prospect of arranging to "farm-in" B.H.P. to W.A.-64-P.
- (c) The prospect of recovering substantial compensation from Global Marine or others in proceedings before the International Court of Arbitration or otherwise.

(j) See 51 (l).

(k) All.

(l) - (m) See paragraphs 52 (p) & (q) and 57 - 61 hereof.

56. (a) 28th July, 1983.

(b) - (e) The information was conveyed to the Exchange, of which Lance was a member, through internal machinery within the Exchange, the mechanics of which are not presently known to the Plaintiffs. 20

(f) 5,574,000 and 150,000 units.

(g) (i) Yes.

(ii) Yes.

(iii) That the Vendors and Purchasers were independent and at arms-length from each other. The Stockbroker was independent with no interest in the transaction. 30

(h) See paragraphs 52 (i) and (l) and 53 (m) hereof.

(i) All.

(j) Your presumption is incorrect, the continuing shareholders say that market value of their units has been permanently depressed by the matters complained of.

(continued)

14.

57. - 61.

- (a) The distortion of the record of share market transactions in Offshore.
- (b) Purchasers of shares in a Company have regard to the history of the market over a period of years. The price of Offshore units had been strong and rising and would have reached at least twenty (20) cents within a few weeks and would have eventually reached at least thirty (30) cents in due course.
- 10
- The apparent stability of the rising market was harshly interrupted by a massive downward trend on 28th July, 1983, commenced by seven sales at fourteen (14) cents and culminating in a sale of 5,574,000 units and a further sale of 150,000 units at thirteen (13) cents.
- The instability thus shown in the market for Offshore and the apparent inability to sell a major parcel of units at market price, let alone a premium, would suggest the units were an unsafe purchase and that the price would not rise and would fall markedly under any selling pressure. This permanent distortion of the record of the trading of those units results in the permanent diminution of the market price of the units. The upward trend of the market was also disrupted by a sale by Nationwide of 5,574,000 units on 4th August, 1983 at approximately fifteen (15) cents.
- 20
- (c) All.
- 30
- (d) - (f) See (b) above.  
Further, the value of an asset to its holder, whether for the purposes of security or otherwise, is measured by its value. The commonly accepted value of a share in a publicly listed Company is its current market price. The Plaintiffs and the continuing shareholders have been permanently deprived of part of the value of their assets.
- (g) The loss or damage to the Plaintiffs and to the continuing shareholders is claimed on the basis of the difference between the market value of the units and the market value which they would have had were it not for the matters complained of. The amount claimed cannot be fully particularised at the present time but is between six (6) cents and sixteen (16) cents so that the amount claimed would be as follows:

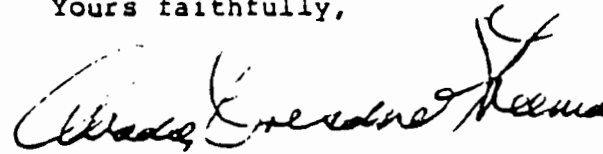
In the Full Court

No. 182  
Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

15.

<u>Plaintiff</u>	<u>Units</u>	<u>Minimum Claim</u>	<u>Maximum Claim</u>
Southern Cross	7,530,500	\$ 451,830	\$1,204,880
Securities	5,934,875	\$ 356,093	\$ 949,580
Chapmans	3,400,000	\$ 204,000	\$ 544,000
Discounts	2,861,250	\$ 171,675	\$ 457,800
Aviva	1,305,000	\$ 78,300	\$ 208,800
	<u>TOTAL:</u>	\$1,261,898	\$3,365,060

Yours faithfully,



ABADEE, DRESDNER & FREEMAN



COMPANIES (NEW SOUTH WALES) CODE

NOTICE OF DEMAND PURSUANT TO PARAGRAPH 364(2) (a)

To:- Southern Cross Exploration N.L.,  
82 Elizabeth Street,  
SYDNEY, N.S.W. 2000.  
(hereinafter called the "Debtor")

(continued)

10

WHEREAS the Debtor is indebted to FIRE AND ALL RISKS INSURANCE COMPANY LIMITED (hereinafter called the "Creditor") a company duly incorporated in the State of New South Wales and having its registered office in that State at 185 Macquarie Street, Sydney, New South Wales in a sum exceeding one thousand dollars.

WITHOUT PREJUDICE to the Creditor's rights under its Notice of Demand dated 1st October, 1982 TAKE NOTICE that pursuant to paragraph 364(2) (a) of the Companies (New South Wales) Code (the "Code") the Creditor hereby demands and requests the Debtor to pay the Creditor the sum so due, namely \$50,000-00 being the amount of interest outstanding due and payable by the Debtor to the Creditor pursuant to the terms of a Deed of Charge dated 3rd June, 1982.

20

AND TAKE FURTHER NOTICE that in the event of the Debtor failing to pay the Creditor the sum so due within a period of 21 days from the date of service of this Notice upon the Debtor or to secure or compound the said debt as aforesaid to the reasonable satisfaction of the Creditor; the Creditor will rely upon such failure in support of its application to the Supreme Court of New South Wales for an order for the appointment of a receiver of the Debtor's assets.

In the Full Court

No. 182  
Exhibit  
"PKS 7"  
Copy of  
letter in  
reply from  
Abadee  
Dresdner &  
Freeman  
dated 15th  
September  
1983  
(continued)

New South Wales for the winding up of the Debtor in proceedings  
No. S3803 of 1982 (Equity Division) on the ground that it is  
unable to pay its debts as provided by paragraph 364(1)(e) of  
the Code.

DATED this 13<sup>th</sup> day of February, 1983.

THE COMMON SEAL of FIRE AND )  
ALL RISKS INSURANCE COMPANY )  
LIMITED was hereunto duly )  
affixed by authority of the )  
Directors in the presence of: )



10

.....*A. Stapleton*.....  
Secretary

.....*[Signature]*.....  
Director

In the Full Court  
 No. 182 Exhibit "PKS 7" Copy of  
 letter in reply from Abadee  
 Dresdner & Freeman dated 15th  
 September 1983 (continued)

NEW CLIENT

**SELL**

CLIENTS / MR.  
 NAME / MRS  
 and / MISS  
 ADDRESS

*John - Bill - [unclear]*

TICK

ACCOUNT NUMBER:  
 84 05755

PHONE:

*12/7 150600023*

Unit	Security	Class	Unit
<i>1.50600023</i>	<i>offshore oil</i>		<i>13</i>
<i>This is original order</i>			

Date	Time	Taken By:
<i>12/7</i>	<i>12</i>	<i>lh</i>

Special Instructions

14315

NEW CLIENT

In the Full Court

No.182  
 Exhibit "PKS 7"  
 Copy of letter in  
 reply from Abadee  
 Dresdner & Freeman  
 dated 15th September  
 1983  
 (continued)



N O R T H S  
 ESTABLISHED 1862 **14 JUL 1983**  
 Member firm of the Sydney Stock Exchange Limited  
 51 PITT STREET SYDNEY 2000  
 349 COLLINS ST. 21 BOLTON ST.  
 MELBOURNE 3000 NEWCASTLE 2300

Contract Note - Please retain this portion.

Telegrams 27-8851  
 Telex AA20362  
 Vision Sydney  
 PO BOX R257  
 ROYAL EXCH 2000

THIS DAY WE SOLD THE FOLLOWING SECURITIES FOR YOU						
COMPANY NAME / AUTHORITY OFFSHORE OIL N.L.						
SECURITY DESCRIPTION FULLY PAID ORDINARY 100 OFF						
LIN NO	DATE	ACCOUNT	TOTAL UNITS	TOTAL CONSIDERATION		
128	12.7.83	8405755	1506000	195780.00		
UNITS AT PRICE		UNITS AT PRICE				
1506000 0.13				<b>NET PROCEEDS</b>		
BRANDS	STAMP DUTY	DIVERSITY DEDUCTION	APPLICATION MONEY			
2312.80	587.40				192879.80	

FIREBALL RISKS INSURANCE CO LTD  
 FAI INSURANCE BLDG  
 185 MACQUARIE ST  
 SYDNEY  
 NSW 2000

DL



12

Issued subject to the Articles, Regulations, By-Laws, Rules, customs and usages of The Sydney Stock Exchange Limited and the constitution of orders of business.

In the Full Court

No. 182  
 Exhibit "PKS 7"  
 Copy of letter in  
 reply from Abadee  
 Dresdner & Freeman  
 dated 15th September  
 1983  
 (continued)

OFFSHORE OIL N.L. - SHARE SALES

<u>Date</u>	<u>No. of Units</u>	<u>Unit Price</u>	<u>Net Proceeds</u>	<u>Stockbroker</u>
29th June 1983	20,000	a 12c	2,327.80	Jacksons
12th July 1983	1,506,000	a 13c	192,879.80	Norths
13th July 1983	850,000	a 15c	125,717.00	Jacksons
13th July 1983	150,000	a 15c	22,019.00	Jacksons
14th July 1983	1,322,000	a 15c	195,973.85	Jacksons
15th July 1983	886,000	a 15c	131,504.55	Jacksons
18th July 1983	1,036,000	a 15c	155,483.10	Jacksons
25th July 1983	8,000	a 16c	18,782.20	Bain & Co.
25th July 1983	264,000	a 15c	25,708.70	Bain & Co.
27th July 1983	176,000	a 15c	37,900.90	Bain & Co.
28th July 1983	256,000	a 15c		
	5,726,000	average:		
	202,000	5c	765,319.70	Norths
		5c		
		4,000,000		
	12,400,000		1,693,816.50	

Security Given for Loans

<u>Borrower</u>	<u>No. of Shares</u>
Chapmans Limited	3,400,000
Alexander Securities Limited	5,000,000
Southern Cross Exploration N.L.	4,000,000
	<u>12,400,000</u>

In the Full Court

No. 182  
 Exhibit "PKS 7"  
 Copy of letter in  
 reply from Abadee  
 Dresdner & Freeman  
 dated 15th September  
 1983  
 (continued)

**SELL**

NEW CLIENT

CLIENTS / MR.  
 NAME / MRS.  
 and MISS  
 ADDRESS

(DUE)

ACCOUNT NUMBER

PHONE

Units	Securities	Class	Lot
Quoted 12400 745000 300 490	offshore cat		13

11/7 300-13

Date	Time	Taken by
7/7	10	RL

Special Instructions

21730

In the Full Court

No. 182

Exhibit "PKS 7"  
Copy of letter in  
reply from Abadee  
Dresdner & Freeman  
dated 15th September  
1983  
(continued)

BUYER'S RECORD				BUYER'S IDENTITY
DATE 12/7	SOLD TO	BUYER'S NUMBER	FIRM (M)	
QUANTITY 1506030	STOCK CODE OFF	PRICE 13	CONDITIONS B.P.O	
SELLER'S NAME		SELLER'S NUMBER 20-04	SHIP NUMBER 206085	
SELLER'S IDENTITY	CREDIT ALLOCATION			

In the Full Court

No. 182  
Exhibit  
"PKS 7"  
Copy of  
letter in  
reply from  
Abadee  
Dresdner &  
Freeman  
dated 15th  
September  
1983  
(continued)

ABADEE, DRESDNER & FREEMAN

SOLICITORS & ATTORNEYS

SILVANA K. ABADIE LL.M.  
RAYMOND D. DRESDNER LL.B.  
DAVID M. FREEMAN LL.B.

110 Phillip Street,  
SYDNEY, N.S.W. 2000  
Telephone 333 2799  
D.A. 158 SYDNEY

Our Ref: SRA:MY:2899  
Your Ref: 31.BAW.6208/82

27th July, 1983.

Messrs. Dawson Waldron,  
Solicitors,  
60 Martin Place,  
SYDNEY, N.S.W. 2000.

Dear Sirs,

RE: FIRE AND ALL RISKS INSURANCE COMPANY  
v. SOUTHERN CROSS EXPLORATION N.L.  
SUPREME COURT NO. 3803 OF 1982

We, on behalf of our Client, Southern Cross Exploration N.L., make the following offer:-

1. To repay the Principal Sum of \$400,000.00 by Bank Cheque, or by cash if your Client should require it, upon acceptance by your Client of this offer.
2. To request the Honourable Mr. Justice McLelland to forthwith determine the amount of interest presently due under the Deed dated 3rd. June, 1982 and to authorise the immediate payment of that sum to your Client out of monies to be lodged in Court upon acceptance by your Client of this offer.
3. We offer to pay to your Client the proper sums payable under Clause 3 of the said Deed. *It* there is a dispute between the parties as to the proper sum so payable, *the* Court, as above constituted, will be asked to forthwith determine a proper sum which is payable by the Defendant to the Plaintiff under this Clause. *20*
4. Upon acceptance by you of this offer, we will pay into Court a sum as follows:-
  - (a) Interest as claimed by your Client under the Deed; and
  - (b) Such sum as the Court thinks proper in respect of amounts payable under Clause 3 of the said Deed. *30*

Each of such sums will be held by the Court as security for and the source of payment of sums determined by the Court or agreed to be paid to your Client in respect of each of the abovementioned items.



5. It is a condition of this offer that upon acceptance by your Client and upon payment to your Client of the said sum of \$400,000.00 and upon payment into Court of the respective sums mentioned in Paragraph 4 above, your Client will hand to the Defendant, or as it may direct, the Share Scrip for four million (4,000,000) Offshore Oil N.L. shares held by your Client as security under the said Deed, together with Transfers in blank duly executed by the Registered Proprietors of the shares.
- 10 6. Please note that your Client's entitlement to interest is disputed upon, inter alia, the following grounds:-
- (a) That your Client had a duty when exercising its discretion as to power of sale of the shares held by it as security to minimise its loss, to consider the interests of the Borrower as well as its own interests and in the exercise of its discretion should have disposed of the shares within a period of thirty (30) days following the 29th November, 1982 when the suspension of the quotation of the shares was lifted. The Court will be asked to find that if the secured shares had been disposed of in the ordinary course of business over that period of thirty (30) days, the interest payable under the Deed in those circumstances is the maximum sum now payable by the Defendant to the Plaintiff.
- 20 (b) That the true interest agreed upon between the parties was 22% per annum and the difference between the 17.50% per annum provided for by the Deed and the sum of 22% per annum, was to be provided by the share deals enumerated in Paragraph 20 of the Affidavit of Mr. Ganke dated 19th November, 1982. The Defendant claims that the difference between the value of the shares then transferred at Mr. Adler's request, and the amount paid for the shares, constitutes a payment of interest at the said rate of 22% per annum and the scrip is to be regarded as a further part
- 30 (c) That the rate of interest stated to be 30% per annum is, in fact, a penalty and, as such, is void.
7. The Court will, in the exercise of its discretion, be asked to dismiss the Petition upon, inter alia, the following grounds:-
- (a) The refusal of the offer abovementioned, if such should occur.

In the Full Court

No. 182  
Exhibit  
"PKS 7"  
Copy of  
letter in  
reply from  
Abadee  
Dresdner &  
Freeman  
dated 15th  
September  
1983  
(continued)

- (b) The refusal by the Plaintiff to agree to the above-mentioned proposal prior to the commencement of Proceedings at 10.00 a.m. on 27th July, 1983.
- (c) The fact that the Plaintiff did not require the winding-up of the Company in order to get paid.
8. The Petition was not issued bona fide or in good faith in that:-
- (a) The Petition was used as a lever to compel Mr. Ganke or his Companies to purchase the shares held by Mr. Adler or his Companies in Southern Cross Exploration N.L. 10
- (b) If the sale of the 4,000,000 Offshore Oil N.L. shares held as security by the Plaintiff had depressed or held down the market price of those shares, the Plaintiff and its Company which held about 100,000,000 shares in the same Company would have suffered a diminution of the market value of its holdings of around \$1,000,000 for each cent the market in Offshore Oil N.L.'s shares was depressed. 20
- (c) That the winding-up of the Defendant would render it extremely unlikely that the Defendant's claims in respect of Oil Permit WA-64P would be pursued and that if, in fact, the Defendant ultimately loses its interest in WA-64P, the Plaintiff as the holder of approximately one-third of the issued share capital of Offshore Oil N.L., would benefit by reason of the fact that upon the forfeiture of the Defendant's interest in WA-64P, its interests would be divided rateably among the remaining Joint Venturers. A notional present value of the WA-64P is of the order of Two Thousand Million Dollars (\$2,000,000,000.00), and the 12% interest held by the Defendant would, on this basis, be worth \$240,000,000.00, and the benefit to the Plaintiff on the forfeiture of WA-64P would, on that basis, be \$80,000,000.00. 30
9. Further to Paragraph 8 above:-
- (a) About the end of August, 1982 the Defendant faced substantial payments to Offshore Oil N.L. as operator of WA-64P.

10

(b) Therefore, the Defendant made a Call of 5 cents on its approximate 40,000,000 shares which would have netted in excess of \$2,000,000.00 and the Company would have been in a fluid position well able to meet its obligations.

(c) Mr. Adler prevented the success of that Call by:-

(i) Refusing to pay the Call on 10,000,000 shares held by Mr. Adler or his Companies.

(ii) Influencing Mr. A. MacIntosh not to permit the payment of the Call by Brinds Limited and other parties to the Moratorium Deed who collectively held 17,000,000 shares.

(d) As a result of Mr. Adler's actions, the Defendant only received about \$250,000.00 on the Call. The consequences of the failure of the Call were that

20

(i) The Defendant was unable to meet its obligations in respect of WA-64P in a timely manner; and

(ii) Was unable to pay the Plaintiff on demand.

10. That the Plaintiff was motivated by a desire to destroy the Defendant and to bring about the financial ruin of Mr. Ganke and not for the purpose of obtaining payment of the sum of \$400,000.00 and legitimate interest.

30

11. Paragraph 6 hereof is included in this letter in response to the request by Senior Counsel for the Plaintiff and comprise the issues yet to be considered if the matter proceeds.

Yours faithfully,

ABADEE, DRESDNER & FREEMAN

In the Full  
Court

# ABADEE, DRESDNER & FREEMAN

SOLICITORS & ATTORNEYS

No. 182  
Exhibit  
"PKS 7"  
Copy of  
letter in  
reply from  
Abadee  
Dresdner &  
Freeman  
dated 15th  
September  
1983  
(continued)

STEVEN R. ABADEE LL.M.  
RAYMOND D. DRESDNER B.COM. LL.B.  
DAVID M. FREEMAN B.COM. LL.B.

Dist. Ref. SRA:RDM:2899  
V. Ref: D1.B/W.6208/82

130 Philip Street,  
SYDNEY, N.S.W. 2000  
Telephone 233 2799  
D.A. 156 SYDNEY

27th July, 1983

Messrs. Dawson Waldron,  
Solicitors,  
60 Martin Place,  
SYDNEY, N.S.W. 2000

Dear Sirs,

RE: FIRE AND ALL RISKS INSURANCE COMPANY  
V. SOUTHERN CROSS EXPLORATION N.L.  
SUPREME COURT NO. 3803 OF 1982

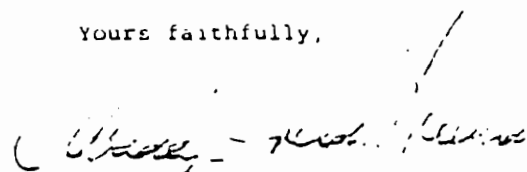
We refer to our earlier letter of today's date in this  
matter.

10

We formally advise that we inadvertently omitted to add  
the following paragraph immediately after paragraph 5  
to read as follows, namely :-

"5A. It is a condition of this offer that  
upon acceptance of this offer your  
Client will support the dismissal of  
the winding up application."

Yours faithfully,



ABADEE, DRESDNER & FREEMAN

20

In the Full Court

No. 182 Exhibit "PKS 7" Copy of letter in reply from  
Abadee Dresdner & Freeman dated 15th September 1983 (cont'd)

	Aeron Pacific/Offshore/ Aureole Investments	2419 of 1983 2832 of 1983	Supreme Court of N.S.W.
	Aeron Pacific & Ore -v- Offshore & Ore	232 of 1983 77/78 of 1983	Ct. of Appeal High Court
	Alexanders/FAI - 1 - 11	187 of 1982 55 of 1983	Supreme Court of Queensland
	Bonds & Securities (Trading)/Offshore	1459 of 1983	Proposed Ct. of Appeal
10	Brinds Limited v. Offshore/FAI	13015 of 1983	Ct. of Appeal Victoria
	Brinds Limited v. Offshore	1174 of 1983	New South Wales
	Chapmans P/L FAI		New South Wales
	Gulf Resources N.L. Offshore	13172 of 1983	Victoria
	Hallmark Minerals N.L. Offshore	2564 of 1983	New South Wales
	Hallmark/Southern Cross/Offshore	4525 of 1982	New South Wales
	Southern Cross v. Bennett & Offshore - I	4513 of 1983	Proposed High Court
	Southern Cross v. Bennett & Offshore - II	4513 of 1983	Proposed High Court

This is the exhibit marked "PKS8  
and is exhibited to me at the time  
of swearing my Affidavit.

*Phillip Smith*  
R. P. [Signature]

In the Full  
Court

No.183  
Exhibit  
"PKS 8"  
Copy of  
Affidavit  
of Martin  
Anthony  
Tosio  
sworn 21st  
September  
1983 in  
N.S.W.  
Proceedings  
No.4292 of  
1983

IN THE SUPREME COURT  
OF NEW SOUTH WALES

SYDNEY REGISTRY

EQUITY DIVISION

No. 4292 of 1983

SOUTHERN CROSS  
EXPLORATION N.L.

Plaintiff

OFFSHORE OIL N.L.

Defendant

AFFIDAVIT

Filed in accordance  
with the Order of  
His Honour Mr.  
Justice Helsham made  
on 15th September,  
1983

DEPONENT:

Martin Anthony Tosio

SWORN:

21st September, 1983

ABADEE, DRESNER &  
FREEMAN,  
130 Phillip Street,  
SYDNEY. N.S.W. 2000  
Telephone - 233 2799  
D.X. 158 SYDNEY.

On the 21st September, 1983 I, MARTIN  
ANTHONY TOSIO of 40 Provincial Road,  
Lindfield in the State of New South Wales,  
Chartered Accountant, make oath and say:-

1. I am a Chartered Accountant and the  
Principal Accounting Officer of  
Southern Cross Exploration N.L.

2. Annexed hereto and marked with the  
letter "A" is a copy of a Notice of  
Demand pursuant to Paragraph 364 (2)(a)  
of the Companies (New South Wales) Code  
which was served on Southern Cross  
Exploration N.L. ("Southern Cross")  
together with the two covering letters  
dated 5th August, 1983, copies of which  
are annexed hereto and marked with the  
letters "A1" and "A2" respectively.

3. Both Southern Cross and Offshore Oil  
N.L. ("Offshore Oil") are Companies  
listed on the Sydney Stock Exchange.  
At the time when the alleged debt  
referred to in the aforesaid Notice of  
Demand was incurred, there was a Common  
Accounting Department used by Southern  
Cross and Offshore Oil.

4. Offshore Oil and Southern Cross bot  
carried on an oil exploration business  
and, in respect of a number o  
exploration permits, were join  
venturers.

5. It is apparent that from 1st April  
1979 to 30th June, 1980 in relation t  
a Joint Venture known as "WA-64-P" the  
Twenty Five (25) per centum of the

No. 183  
Exhibit "PKS 8"  
Copy of Affidavit of  
Martin Anthony Tosio  
sworn 21st September  
1983 in N.S.W. Proceedings  
No.4292 of 1983  
(continued)

total administration costs were charged by Offshore Oil as an overhead fee to the joint venture of Offshore Oil. As from 30th June, 1980 the administration fee charged by Offshore Oil to Southern Cross was Ten (10) per centum of the total administration charges and I believe that both these amounts were simply arbitrary amounts decided upon.

6. No Invoices, Statements, Accounts or other documents evidencing the claim of Offshore Oil have been received by Southern Cross to my knowledge since January 1981 and entries in the Books and Balance Sheets of Southern Cross have been made on an arbitrary basis.
7. I am not a Director of Southern Cross nor was I a Director of Offshore Oil at the relevant time, but it was my understanding, as it was common practice in respect of other Companies in the Group, that prior to making any actual repayment of this type of accrual, the prior consideration, determination and approval of the respective Board of Directors would be made and given and this would include a review of the method of calculation of the amount.
8. The amount referred to in the Notice of Demand is an amalgam of specific advances of Offshore Oil and Southern Cross and an apportionment of overheads which were common to both Companies. For example, the Companies were jointly involved in the Exploration Permit known as WA-64-P, which required a number of employees of each Company to be involved, but for differing lengths of time, and not necessarily in proportion to the respective Company's interest in the Permit. Further, the charge includes an amount required to be paid by Southern Cross to Offshore Oil, as the Operator pursuant to a Joint Venture arrangement entered into in 1976.
9. Annexed hereto and marked with the letter "B" is a reconciliation which I believe to be prepared by the Accountants of Offshore Oil and it purports to claim that an amount in the sum of SIX HUNDRED AND ELEVEN THOUSAND, TWO HUNDRED AND FIFTY TWO DOLLARS AND TWENTY FIVE CENTS (\$611,252.25) is owing by Southern Cross to Offshore Oil.

In the Full Court

No. 183  
Exhibit "PKS 8"  
Copy of Affidavit of  
Martin Anthony Tosio  
sworn 21st September  
1983 in N.S.W. Proceedings  
No. 4292 of 1983  
(continued)

This total figure includes the amount of THREE HUNDRED AND THIRTY THOUSAND DOLLARS (\$330,000.00), which has been accepted as not presently due and payable.

10. Annexed hereto and marked with the letter "C" is a copy of a reconciliation prepared by me. My reconciliation differs from the reconciliation prepared by Offshore Oil in the following respects, namely :-

(a) The amount of THREE THOUSAND TWO HUNDRED SIXTY TWO DOLLARS AND EIGHTY THREE CENTS (\$3,262.83) was not credited to the account of Southern Cross in June, 1976 by Offshore Oil. 10

(b) The amount of NINE THOUSAND FIVE HUNDRED AND SEVENTY THREE DOLLARS AND THIRTY CENTS (\$9,573.30) included in the charges under Item (XI), has been charged in error to Southern Cross. I believe that this amount has been included in the Offshore Oil reconciliation under reference GJ48 namely ONE HUNDRED AND SIXTY ONE THOUSAND AND FORTY THREE DOLLARS AND THIRTY CENTS (\$161,043.30). My reason for saying this is that the amount of NINE THOUSAND FIVE HUNDRED AND SEVENTY THREE DOLLARS AND THIRTY CENTS (\$9,573.30) represents Ten (10) per centum of the administration cost to Offshore Oil, which amount had already been charged to the Joint Venture in the quarters of 30th September, 1979 and 31st December, 1979. 20

(c) All administration charges rendered on the Joint Venture as from 1st January, 1980 should not have been levied, as an administration overhead factor had been included in the daily/hourly charge rate separately charged to the Joint Venture. Annexed hereto and marked with the letter "D" is a table setting out the resultant overcharges and is based upon a Memorandum from Mr. K.G. Wilshire, Secretary of Offshore Oil, dated 20th February, 1980 to Southern Cross concerning the calculation of the administration charges between the Companies in respect of the said Permit WA-64-P. 30



No. 183  
Exhibit "PKS 8"  
Copy of Affidavit of  
Martin Anthony Tosio  
sworn 21st September 1983  
in N.S.W. Proceedings  
No.4292 of 1983  
(continued)

(d) Annexed hereto and marked with the letter "E" is a Schedule of Claims for Goods and Services provided by Southern Cross to Offshore Oil.

11. For the reasons stated herein, I say that the sum of TWO HUNDRED AND EIGHTY ONE THOUSAND, TWO HUNDRED AND FORTY SEVEN DOLLARS AND TWENTY FOUR CENTS (\$281,247.24) claimed in these proceedings is genuinely in dispute and is not owing by Southern Cross to Offshore Oil.

10 12. I have not had sufficient time to consider in depth every item comprising the \$281,247.24 claimed but, I state positively, in my view, the amount of \$59,369.13 detailed herein, is neither due nor payable at all by Southern Cross to Offshore Oil.

13. I am concerned that, unless restrained from doing so, Offshore will in the very near future institute Winding-Up Proceedings under the Companies (New South Wales) Code purportedly based on the Notice of Demand referred to in this Affidavit.

14. In my opinion Southern Cross is a solvent company.

20 SWORN before me at )  
Sydney on the 21st )  
day of September, )  
1983 :- )

*Philip Smith*

*m A Low*

A Solicitor of the Supreme Court of New South Wales

NOTICE OF DEMAND PURSUANT TO PARAGRAPH 364(2) (a)

To: Southern Cross Exploration N.L.  
7th floor  
82 Elizabeth Street  
SYDNEY. N.S.W. 2000

This is the Annexure marked "A"  
referred to in the affidavit of Mr. M.A. Tosio  
sworn the 21st day of September 1983  
before me: *Phillip Smith*  
Solicitor / A member of the Bar

(hereinafter called the "Debtor")

WHEREAS the Debtor is indebted to OFFSHORE OIL N.L. (hereinafter called the "Creditor") a company duly incorporated in the Australian Capital Territory and having its registered office in that Territory, 10 C/- Phipson Nominees Pty. Ltd., 12th Floor, National Mutual Centre, Darwin Place, Canberra City in a sum exceeding one thousand dollars.

THE NOTICE that pursuant to paragraph 364(2) (a) of the Companies (New South Wales) Code 1981 (the "Code") the Creditor hereby demands and requests the Debtor to pay the Creditor the sum so due, namely \$281,247.24 being the total amount advanced to or on behalf of the Debtor presently due and payable by the Debtor to the Creditor.

AND TAKE FURTHER NOTICE that in the event of the Debtor failing to pay the Creditor the sum so due within a period of 21 days from the date of service of this Notice upon the Debtor or to secure or compound the said debt as aforesaid to the reasonable satisfaction of the Creditor, the Creditor will make an application to the Supreme Court of New South Wales for the winding up of the Debtor on the ground that it is unable to pay its debts as provided by paragraph 364(2) (a) of the Code.

DATED: 5<sup>th</sup> August 1983

THE COMMON SEAL of OFFSHORE OIL N.L. )  
was hereunto affixed in the presence )  
of: )



Director:

*D. G. Silsby*  
Secretary:

In the Full Court  
 No. 183 Exhibit "PKS 8" Copy of  
 Affidavit of Martin Anthony Tosio  
 sworn 21st September 1983 in N.S.W. Proceedings  
 No. 4292 of 1983 (continued)

In the Affidavit marked "A1"  
 referred to in the affidavit of Mr. M.A. Tosio  
 sworn the 21st day of September 1983  
 before me: *Phillip Smith*  
 Solicitor/A Justice of the Peace



**OFFSHORE OIL N.L.**

OFFSHORE HOUSE  
 167 PHILLIP STREET SYDNEY  
 BOX 4234 GPO SYDNEY AUSTRALIA 2001  
 TELEPHONE 233 6299  
 TELEAX AA73266 FAX NO. (02) 233 6514

5 AUG 1983	
AS	
FILE	
DESTROY	

DELIVERED  
 5:10

5th August 1983

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

Dear Sirs

10 We enclose by way of service on you a Notice of Demand pursuant to Section 364(2)(a) of the Companies (New South Wales) Code 1981, in relation to the amount presently due and payable to Offshore Oil N L by your company. You are well aware of the circumstances surrounding these loans, Mr Ganke being Chairman of Directors of both this company and your company at the relevant times.

You will note as set out in our letter to you of even date, the sum of \$330,000 advanced on 3rd June, 1982 has not been included in the amount set out in the Notice of Demand.

20 The enclosed Notice demands payment of only those amounts presently due and payable; and is not intended to preclude any future claim by Offshore Oil N L that it is also a creditor of Southern Cross Exploration N L to the extent of the advance of \$330,000 together with interest thereon and any other amounts advanced to or on behalf of Southern Cross Exploration N L.

Yours faithfully

Offshore Oil N L

*K G Wilshire*

K G Wilshire  
 Secretary

kgw-lsf/953.106

"A2"

"A2"  
Mr. M. A. Tosio  
21st Sept 1983  
Bobby Smith  
Solicitor/A Justice of the Peace

In the Full Court



OFFSHORE OIL N.L.

No. 183  
Exhibit  
"PKS 8"  
Copy of  
Affidavit  
of Martin  
Anthony  
Tosio  
sworn 21st  
September  
1983 in  
N.S.W.  
Proceedings  
No.4292 of  
1983  
(continued)

OFFSHORE HOUSE  
167 PHILLIP STREET SYDNEY  
BOX 4234 GPO SYDNEY AUSTRALIA 2001  
TELEPHONE 233 6295  
TELEX AA73269 FAX NO (02) 233 6514

5th August 1983

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

5 AUG 1983	
58	
FILE	
DESTROY	

DELIVERED  
5-10 p

Dear Sirs

We note the sum of \$330,000.00 was advanced to your company on 3rd June, 1982. We have at all material times maintained that this amount was repayable upon demand, however we note your contention that the amount advanced was only repayable on ninety (90) days call. 10

Accordingly in order to avoid any possible argument in relation to the terms of repayment, we hereby call for payment of the full amount of the advance, namely \$330,000 together with interest thereon at the acknowledged rate of 18% per annum from 3rd June, 1982, ninety (90) days from the date hereof.

We therefore demand payment by yourselves of the monies on or before 3rd November, 1983.

Yours faithfully

Offshore Oil N L

K G Wilshire  
Secretary

kgw-lsf/953.106

RECONCILIATION: OILFIELD ROSS EXPLORATION SOUTHERN CORPORATION TO OFFSHORE INDEBTEDNESS: NIOIL

DATE	RTICU	PA	LARS	F.	DR. \$	RE	COMMENTS	CR. \$	Journal
30/6/77	i) plora duct	Ex - P751 Depotional SHallmark For	tion Control	8	1.5 (3)	GJ00-53, 00-98	General Journ Southern Cros Hallmark - 16)	11a 50 3%	- Project 751 30% - \$1,165.00 - \$388.00
20/10/77	ii) plora duct	Ex P751 Southern Cros	tion Control	16	5.3	B/78-36, GJ00-92	General Journ Southern Cros Hallmark - 16)	11a 55 3%	- Project 751 30% - \$919 - \$273
30/6/78	iii) plora duct	Cash Southern Cros	Receipts - BNS	6	2.35	R6	General Journ Southern Cros Hallmark - 16)	1,165.00	Loan Account Led
30/6/78	iv) plora duct	Cash Southern Cros	Receipts - BNS	23	9.8	R6 GJ00-18	General Journ Southern Cros Hallmark - 16)	2,073.95	
30/6/78	v) plora duct	Partial of South made on beh	South Cros	118	55	CF-20 30	Cash Payment: Hallmark - 16)		
30/6/78	vi) plora duct	South Cros - \$65 - Southern les,	756.20	20	2.35	GJ00-91			
30/6/78	vii) plora duct	Depotional SHallmark For	tion Control	121	1.4	00-21	Hallmark		
31/12/78	viii) plora duct	Min Development Exploratio	Costs	29	5.6	GJ00-85	General Journ Southern Cros		
30/6/79	ix) plora duct	South Cros	n Cros & Ha	142	74.5	GJ00-46	General Journ Southern Cros		
31/12/78	x) plora duct	Depotional SHallmark For	tion Control	121	18.5	00-36	Hallmark - 16) and the following 1		
31/5/79	xi) plora duct	South Cros	rial fees	121		CF-80 70	Cash Payment: 31/1/79 \$4, 1/1/79 \$2, 1/1/79 \$7		

1 Court Exhibit "PK" No. 183 Affidavit of Copy of Affidavit sworn (Anthony Toepfer) S.W. Proceeding 1983 in N.No. 429 continued) of 1983 (c

Journal 0 0 0

Journal 00. 80. 80.

Handwritten signatures and notes at the bottom right of the page, including a signature that appears to be "Jelly" and some illegible text.

In the Full Court  
 No. 183

DATE	RTICU	PA	ILARS	F.	DR \$	RE	COMMENTS	CR \$
30/6/79	Southern Jarvis	Administration Cross - Advech - 42 Sa8	as, Travellin		2,000	GJ0017.		
31/12/79	Interes cover duct	In on & administ, exploration tra re to 31/12/79 ed accruals Deceivable nc - interest applist a n Cross to Southern proportional - Hallmark pre sha n 751 exploratic			161,000 (114,800 cable 9,100)	GJ3013. 0090. 0045.		
30/6/80	Southern duct	Southern exploratn Cross, Hallmark & rati 53 Deportional S Hallmark Pre share			36,700 admin. (9,100)	GJ5560. 1490.	General Journ Southern Cros Administratio Exploration	
30/11/80	Explorati	Exploration Control		162	1,100	GJ2542.		
31/12/80	Southern Admin. 2,215 duct	Exploration \$n Cross: E: 5,15,64 Ac Hallmark: E \$8,257,47. Prati xplic 166 \$2,752.49 .05, Admin. . Deportional S Hallmark Pre share			19,800 (4,900)	GJ1670. .5467		
1/6/80	Secret	Southern Crarial Fees - to bs 169			1,700 Dec. 1980	G.0074		
30/6/81	Explorati	Exploration		180	181,400 (60,400 share	G.0030 .6776	General Ledg Southern Cro: Cocks Eldora,	
3/6/82	Advanc	Ado Proporti Cocks Eldorl Share AP Cross e to Southern		40 per Card 12	330,000 Led: 4 614,000 1491			3,238.95
30/6/82	ALANC	B	E C/F		611,000	.2952		

Project 751  
 share made up of  
 recovered 10.18  
 1.38  
 22.57

Project 751  
 \$120,953.53  
 (Gulf Resources)

SOUTHERN CROSS EXPLORATION N L

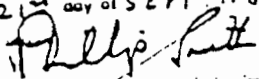
ANNEXURE "C"

In the Full Court  
No. 183  
Exhibit "PKS 8"  
Copy of Affidavit of  
Martin Anthony Tosio  
sworn 21st September 1983  
in N.S.W.Proceedings  
No.4292 of 1983  
(continued)

RECONCILIATION - SOUTHERN CROSS EXPLORATION N L to OFFSHORE OIL N L INDEBTEDNESS

	\$
Balance per "Reconciliation" as prepared by Offshore Oil - ref. JB.cs/8.9.83	611,252.25
<u>Less:</u> June '82 "Advance to Southern Cross" - not presently owing	<u>330,000.00</u>
	281,252.25
 <u>Less:</u> June '76 - Journal Folio 84 - item not credited to Southern Cross	 <u>3,262.83</u>
	277,989.42
 <u>Less:</u> December '79 - Amount included in error in charges of \$161,043.30	 <u>9,573.30</u>
	268,416.12
 <u>Less:</u> June '80 - Administration charge levied in error	 <u>10,186.00</u>
	258,230.12
 <u>Less:</u> December '80 - Administration charge levied in error	 <u>8,258.00</u>
AMOUNT DUE BEFORE CROSS CLAIM	<u>249,972.12</u>
<u>LESS:</u> CROSS CLAIM	<u>28,089.00</u>
	<u>\$221,883.12</u>

This is the Annexure marked C referred to in the affidavit of MARTIN ANTHONY TOSIO sworn this 21st day of SEPT. 1983 before me

  
Solicitor

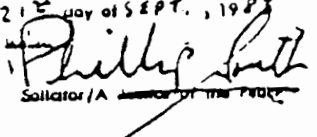
In the Full Court  
 No.183 Exhibit "PKS 8" SOUTHERN CROSS EXPLORATION N L  
 Copy of Affidavit of  
 Martin Anthony Tosio  
 sworn 21st September  
 1983 in N.S.W.  
 Proceedings No.4292  
 of 1983 (continued)

ANNEXURE "D"

RE: WA-64-P - TABLE OF ADMINISTRATION OVERCHARGES (E & O.E.)

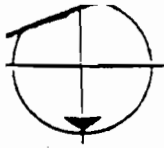
1. As from 1.1.80, no administration overhead should have been directly recovered as against the WA-64-P Joint Venture - because an overhead recovery factor was included in the charge out rate (ref. Mr Wilshire's Memo of 20.2.80).
  
2. During 1980, the following administration expenses were charged to the joint venture:

<u>Quarter to:</u>	<u>Total</u>	<u>SouthernCross 30% Share</u>	10
	\$	\$	
31 March	12,462.17	3,738.60	
30 June	21,492.20	6,447.66	
<u>HALF YEAR TO 30 JUNE 1980</u>		<u>\$10,186.26</u>	
30 September	13,274.62	3,982.39	
31 December	14,250.00	4,275.00	
<u>HALF YEAR TO 31 DECEMBER 1980</u>		<u>\$8,257.39</u>	
<u>TOTAL - 1980</u>		<u>\$18,443.65</u>	

This is the Annexure marked 'D'  
 referred to in the affidavit of MARTIN ANTHONY TOSIO  
 sworn this 21<sup>st</sup> day of SEPT., 1983  
 before me:  
  
 Solicitor/A member of the Bar

mt-ks/21983





# Southern Cross Exploration N.L.

INCORPORATED IN NEW SOUTH WALES

82 Elizabeth Street Sydney Australia 2000 • Telex AA22292 • Telephone 233 6022

21 September 1983

Offshore Oil N L  
167 Phillip Street  
Sydney 2000

In the Full  
Court

No.183  
Exhibit  
"PKS 8"  
Copy of  
Affidavit  
of Martin  
Anthony  
Tosio  
sworn 21st  
September  
1983 in  
N.S.W.  
Proceedings  
No.4292 of  
1983  
(continued)

## INVOICE

	\$
Geologist's time	
Mr Zahir Shah July 1981 - 1 day	320
Adelaide etc - Air Fare	400
10   30% of 6 days	576
August 1981 Adelaide Air Fare, etc	400
Five days on Ngalia Basin	
70% of costs	1,120
Assessments of mining & mineral investments proposals - (continuous over 2.5 years - but say 30 days @ \$320)	9,600
	12,416
Charges for J B Kippist in 1975/76 ½ his salary & allowances - but say only	10,000
Use of furniture over seven (7) years	1,000
20   Sale of furniture - now in your possession	4,673
Amount due	28,089

-rb/956.117

This is the Affidavit marked "E"  
referred to in the affidavit of Mr. A. Tosio  
sworn this 21st day of Sept 1983  
before me: *Phillip Kitz*  
Solicitor/A Justice of the Peace

No. 184  
EXHIBIT "PKS 9"  
COPY OF AFFIDAVIT OF MARTIN  
ANTHONY TOSIO sworn 22nd  
September 1983 in N.S.W.  
Proceedings No.4292 of 1983

This is the exhibit marked "PKS9  
and is exhibited to me at the ti  
of swearing my Affidavit.

*Phillip Little*  
R. Freeman

THE SUPREME COURT OF NEW SOUTH WALES

SYDNEY REGISTRY

EQUITY DIVISION

NO. 4292 OF 1983

SOUTHERN CROSS  
EXPLORATION N.L.

Plaintiff

OFFSHORE OIL N.L.

Defendant

AFFIDAVIT

DEPONENT:  
Martin Anthony Tosio

SWORN:  
22nd. September,  
1983.

ABADEE, DRESDNER &  
FREEMAN,  
Solicitors,  
130 Phillip Street,  
Sydney. N.S.W. 2000  
Telephone: 233.2799  
DX 158 Sydney

On the 22nd. day of September, 1983, I,  
MARTIN ANTHONY TOSIO of 40 Provincial  
Road, Lindfield in the State of New South  
Wales, Chartered Accountant, make oath  
and say:-

1. I crave leave to refer to my Affidavit sworn on 21st September, 1983 and filed in these Proceedings. The material contained in that Affidavit was prepared by me under great pressure and in a comparatively short space of time. 10
2. I have had almost nineteen years experience in professional Accounting Offices and in Commerce. I prepared the Financial Statements of Southern Cross in accordance with the Accounting Standards promulgated by the Institute of Chartered Accountants of Australia and the accounting requirement of the Companies (New South Wales) Code which, inter alia, require compliance with "materiality" and "truth and fairness" considerations. 20
3. (a) In the abovementioned Financial Statements as at 31st December, 1982, an amount of \$611,235.00 due to Offshore Oil N.L., was included in the item "Sundry Creditors" listed under current liabilities. 30

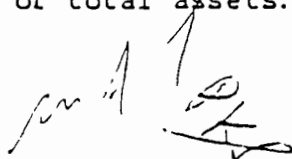
10 (b) The amount of \$611,235.00 included a sum of \$330,000.00 thereby making it possibly appear that the sum of \$330,000.00 was presently due and payable. It was not until Offshore Oil N.L. sought to be substituted as Plaintiff in Proceedings No. 3803 of 1982 by way of Notice of Motion filed on 29th July, 1983 wherein Offshore Oil sought a Winding-up Order against Southern Cross on the basis of an amount due of \$608,044.00, that I saw a document which revealed that the sum of \$330,000.00 was, in fact, on a ninety day call basis. At the relevant time, no such call had been made.

(a) The Financial Statements of Southern Cross as at 31st December, 1982 presented a true and fair view of the affairs of Southern Cross at that date and, with that belief, I recommended to the Directors concerned that they should sign the Financial Statements in accordance with my view.

20 (b) Nothing that has occurred since that date has caused me to materially alter my belief as to that recommendation.

Had the adjustments referred to in Paragraph 10 of my Affidavit of 21st September, 1983 been known to me at the time of finalising the 1982 Financial Statements of Southern Cross, appropriate adjustments would certainly have been made. All such amounts, but for \$11,000.00, would have had no effect on the Profit or Loss Account, as they relate mainly to assets and liabilities rather than income or expenses.

30 In terms of materiality, the \$60,000.00 adjustment would represent 0.9% of the total assets of Southern Cross. To Offshore Oil, this amount would represent 0.06% of total assets.



In the Full Court

No. 183 Exhibit "PKS 8"  
Copy of Affidavit of Martin  
Anthony Tosio sworn 21st September  
1983 in N.S.W.Proceedings No.4292  
of 1983 (continued)

5. The Financial Statements of Southern Cross were prepared and published in good faith. In my experience as a professional Accountant, I state that in the environment in which business is to-day conducted, accounting errors (such as those outlined in my Affidavit of 21st September, 1983) do arise out of complex transactions which are entered into by enterprises and on discovery, are later rectified. The concept of "Prior Period Adjustments" is common knowledge in the Accounting Profession.

SWORN at Sydney on the )  
22nd. day of September, )  
1983, before me:- )

*M. J. Lewis*

*Phillip Sid*

---

A Solicitor of the Supreme Court of  
New South Wales

IN THE SUPREME COURT OF VICTORIA

IN THE FULL COURT

1983 No. Co. 13105

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  
and NORTHERN STAR INVESTMENTS PTY LTD  
HALLMARK MINERALS N.L. and L.S.D.  
HOLDINGS LIMITED

Appellants

-and-

OFFSHORE OIL N.L., MARTIN CORPORATION  
LIMITED, MERCANTILE MUTUAL LIFE INSURANCE  
COMPANY LIMITED and JACKSON GRAHAM MOORE  
AND PARTNERS (a firm)

Respondents

A F F I D A V I T

I, PHILLIP KEVIN SMITH of 130 Phillip Street, Sydney in the State of New South Wales make oath and say as follows:-

No.185  
Affidavit  
of Phillip  
Kevin Smith  
dated 29th  
September  
1983

1. I crave leave to refer to my Affidavit sworn on the 23rd day of September, 1983 and filed in these proceedings.

2. On 28th July, 1983 I am informed and verily believe that a Subpoena for Production and a Subpoena to Give Evidence were served on David Harry Lance, copies of which are exhibited to me at the time of swearing this Affidavit and marked with the letters "PS1".

3. On 29th July, 1983, David Harry Lance gave evidence in Proceedings No. S 3803 of 1982 in the Supreme Court of New South Wales. A transcript of his evidence was exhibited to me at the time of swearing my earlier Affidavit and was marked with the letters "PKS3". During examination-in-chief, Mr. Lance produced two documents in answer to the Subpoena for Production referred to in the previous paragraph, namely, a "Buy" Order numbered 21341 and a "Sell" Order numbered 14322. Both documents are copied on the page marked with the letters "PS2" exhibited to me at the time of swearing this my Affidavit.

4. In answer to a Subpoena served on the Proper Officer, Messrs. Norths, in Proceedings No. 4254 of 1983 in the Supreme Court of New South Wales, the Contract Note marked with the letters "PS3", exhibited to me at the time of swearing this my Affidavit was, inter alia, produced. In addition, the "Sell" Order No. 20815 was produced by the said Proper Officer, a copy of which is exhibited to me at the time of swearing this Affidavit and marked with the letters "PS4".

5. Exhibited to me at the time of swearing this Affidavit is a bundle of documents marked with the letters "PS5", comprising a copy of the Search referred to in paragraph 4 of my earlier Affidavit in respect of Nationwide Resources Pty. Limited, together with copies of Searches conducted in





respect of Peak Nominees Pty. Limited, Trassyer Pty. Limited and Ricdal Consultants Pty. Limited. The latter three Companies were shown as shareholders in Nationwide Resources Pty. Limited in the first mentioned Search. The material contained in "PS5" was the source of the information particularised in paragraph (d) and (f) of the Particulars of Fraud and Misconduct in the New Statement of Claim in Proceedings No. 4254 of 1983 in the Supreme Court of New South Wales.

In the Full Court  
No.185  
Affidavit  
of  
Phillip  
Kevin  
Smith  
dated 29th  
September  
1983

(cont'd)

- 10 6. In answer to a Subpoena served on the Proper Officer, Nationwide Resources Pty. Limited, in the said Proceedings, the documents marked with the letters "PS6", exhibited to me at the time of swearing this Affidavit were, inter alia, produced. Contract Notes Nos. 91, 118 and 136 exhibited therein form the basis of the allegation in paragraph 43 of the New Statement of Claim in the said Proceedings.
7. In answer to a Subpoena served on the Proper Officer, Sydney Stock Exchange, in Proceedings No. 4254 of 1983 in the Supreme Court of New South Wales, the Stockwatch Enquiry Report dated 9th August, 1983 was produced and is exhibited to me at the time of swearing this Affidavit and is marked with the letters "PS7".
- 20 8. In further answer to the Subpoena served on the Proper Officer, Messrs. Norths, a Memorandum dated 2nd August, 1983 from David Harry Lance to Paul Gow was discovered, a copy of which is exhibited to me at the time of swearing this Affidavit and is marked with the letters "PS8". This Memorandum is that referred to in paragraph (q) of the said Particulars of Fraud and Misconduct in the said Proceedings.
- 30 9. Exhibited to me at the time of swearing this my Affidavit and marked with the letters "PS9" is a copy of a letter dated 10th August, 1983 from Lawrence J. Adler, Chairman of Offshore Oil N.L., addressed to The Sydney Stock Exchange Limited.

DHF

PKS

In the  
Full  
Court  
No.185  
Affidavit  
of  
Phillip  
Kevin  
Smith  
dated 29th  
September  
1983

(continued)

10. Exhibited to me at the time of swearing this my Affidavit is a copy of an article which appeared in the Australian Financial Review on 21st September, 1983 and is marked with the letters "PS10".
11. Exhibited to me at the time of swearing this my Affidavit and marked with the letter "PS11" is a copy of an evaluation of Offshore Oil N.L. prepared by Messrs. Jackson, Graham, Moore & Partners, dated 20th September, 1983.
12. Exhibited to me at the time of swearing this my Affidavit and marked with the letters "PS12" is an extract from page 16 of today's Sydney Morning Herald, Business Section, and in particular, the Section relating to shares traded in Mining and Oil Companies, including Offshore Oil N.L., on Wednesday 28th September, 1983 on the Sydney Stock Exchange.

10

SWORN at Sydney on )  
29th September, 1983 )  
Before me: . )



\_\_\_\_\_  
A Solicitor for the Supreme Court  
of New South Wales



IN THE SUPREME COURT  
OF VICTORIA  
FULL COURT  
1983 No. Co. 13015

In the Full  
Court  
No.185  
Affidavit of  
Phillip Kevin  
Smith dated  
29th September  
1983  
(continued)

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. LTD  
HALLMARK MINERALS N.L. and L.S.D.  
HOLDINGS LIMITED

Appellants

and

OFFSHORE OIL N.L., MARTIN  
CORPORATION LIMITED, MERCANTILE  
MUTUAL LIFE INSURANCE COMPANY  
LIMITED and JACKSON GRAHAM MOORE  
AND PARTNERS (a firm)

Respondents

---

A F F I D A V I T

---

Deponent: Phillip Kevin Smith

Sworn: 29th September, 1983

GODFREY & GODFREY,  
Solicitors,  
358 Lonsdale Street,  
MELBOURNE. VIC. 3000

Tel: 67 5694  
Ref: G63/83 WRH:AM

This is the exhibit marked "PS1" and is exhibited to me at the time of swearing my Affidavit dated 29th September, 1983.

*Phillip Smith*

In the Full Court

No.186  
Exhibit  
"PS 1"  
Copies of  
2 subpoenae  
served on  
David Harry  
Lance in  
N.S.W.  
Proceedings  
No.3803 of  
1982

IN THE SUPREME COURT OF NEW SOUTH WALES

SYDNEY REGISTRY  
EQUITY DIVISION  
S.3803 of 1982

FIRE AND ALL RISKS  
INSURANCE COMPANY  
LIMITED

Plaintiff

SOUTHERN CROSS  
EXPLORATION N.L.

Defendant

SUBPOENA  
FOR PRODUCTION

ABADEE, DRESDNER  
& FREEMAN,  
Solicitors,  
130 Phillip St.,  
SYDNEY. 2000

DX 158 SYDNEY

Telephone: 233.2799

To MR. DAVID LANCE

of C/- North J. & J.,  
(Norths)  
51 Pitt Street,  
SYDNEY. N.S.W. 2000

THE COURT ORDERS that you shall attend and produce this subpoena and the documents and things described in the schedule -

(a) before the Court\*

(b) at Court 12B, Queen's Square, Sydney

(c) on 29th. July, 1983 at 10.00 a.m.<sup>(1)</sup>  
or, if notice of a later date is given to you, the later date (or the date of the  
of  
at 10 a.m.<sup>(1)</sup> and until you are excused from further attending  
out -

- (i) you need not attend or produce any document or thing on any day unless reasonable expenses have been paid or tendered to you;
- (ii) instead of so attending, you may produce this subpoena and the documents and things described in the schedule to a clerk of the Court at the above place by hand or by post, in either case so that he receives them not later than two days before the first date on which you are required so to attend;
- (iii) you need not comply with this subpoena if it requires your attendance at a place in Sydney and is served on you after <sup>(2)</sup>

19

SCHEDULE <sup>(3)</sup>

All files, Share Scrip, Vouchers, Diary entries and other documents relating to the sale of Shares in Offshore Oil N.L. and, in particular, documents being or related to:-

- (a) The Share Scrip,
- (b) Bought and Sold Notes,
- (c) The source of the Share Scrip,
- (d) Order Notes,
- (e) Contract Notes

executed by your Firm on behalf of Clients of your Firm on 27th and 28th July, 1983.

Dated 28th. July, 1983.

By the Court:  
(10)

Clerk of the Court.

Issued at the request of <sup>(11)</sup> STEVERN ROSS ABADEE, of Messrs. Abadee, Dresdner & Freeman

the solicitor for the Defendant.

IN THE SUPREME COURT OF NEW SOUTH WALES

SYDNEY REGISTRY  
 EQUITY DIVISION  
 S.3803 of 1982

FIRE AND ALL RISKS  
 INSURANCE COMPANY  
 LIMITED

Plaintiff

SOUTHERN CROSS  
 EXPLORATION N.L.

Defendant

SUBPOENA  
 TO GIVE EVIDENCE

To<sup>(1)</sup> Mr. DAVID LANCE

of<sup>(2)</sup> C/- North J. & J.  
 (Norths),  
 51 Pitt Street,  
SYDNEY, N.S.W. 2000

THE COURT ORDERS that you shall attend for the purpose of giving evidence -

- (a) before the Court<sup>(3)</sup>
- (b) at<sup>(4)</sup> Court 12B, Queen's Square, Sydney
- (c) on<sup>(5)</sup> 29th. July, 1983  
 or, if notice of a later date is given to you, the later date<sup>(6)</sup> (on a day  
 during the sitting beginning at<sup>(7)</sup> \_\_\_\_\_ and ending at<sup>(7)</sup> \_\_\_\_\_  
~~date will be given to you~~) at 10.00 a.m.<sup>(8)</sup> and until you are excused from  
 further attending, but you need not attend on any day -
- (i) unless reasonable expenses have been paid or tendered to you;
  - (ii) if, as a medical expert, you are to give evidence of medical matters at a trial at Sydney and this subpoena is served on you after<sup>(9)</sup> 19
- or (iii) if it requires your attendance at a place in Sydney and is served on you after<sup>(9)</sup> 19

Dated 28th. July, 1983.

By the Court:

ABADEE, DRESDNER  
 & FREEMAN,

Solicitors,  
 130 Phillip St.,  
SYDNEY, 2000

DX 158 SYDNEY

Telephone: 233.2799

Clerk of the Court  
 (10)

Issued at the request of<sup>(11)</sup> STEVERN ROSS ABADEE, of  
 Messrs. Abadee, Dresdner & Freeman,  
 the solicitor for the Defendant

Note that -

- (1) if you do not comply with this subpoena you may be arrested; and
- (2) if, as a medical expert, you are to give evidence of medical matters at a trial at Sydney and you are not called as a witness, you shall, unless you are given notice 14 days or more before the date for your attendance that your attendance will not be required on that date, or unless the Court otherwise orders, be entitled to be paid \$<sup>(12)</sup> \_\_\_\_\_ in addition to any sum paid or tendered to you.

EXHIBIT "PS 2"  
COPIES OF DOCUMENTS PRODUCED  
BY LANCE IN ANSWER TO THE  
SUBPOENAE

(5)

NEW CLIENT

**BUY**

CLIENTS / MR.  
NAME / MRS.  
and MISS  
ADDRESS

NATIONAL RESERVE

Tick

ACCOUNT NUMBER:

8412900

PHONE:

Units	Security	Class	Limit
5926000 <del>5874000</del> 316000	offshore oil		13
PART			

28/7 5574000-13

Date

28/7

Time

10

Taken By:

EL

Special Instructions

21341

**SELL**

CLIENTS / MR.  
NAME / MRS.  
and MISS  
ADDRESS

Fire & All Risks Insurance

NEW CLIENT

Tick

ACCOUNT NUMBER:

8405755

PHONE:

Units	Security	Class	Limit
5926000  202000 14 102000 13 10-26	offshore oil		13
5724000 202000 <u>5926000</u>			

28/7

28/7 2021-14  
5,724,000 13  
5926

Date

28/7

Time

10

Taken By:

EL

Special Instructions

14322

This is the exhibit marked "PS2"  
and is exhibited to me at the time  
of swearing my Affidavit dated  
29th September, 1983.

Phillips

No. 188  
 EXHIBIT "PS 3"  
 COPY OF CONTRACT NOTE PRODUCED  
 BY MESSRS. NORTHS IN ANSWER TO A  
 SUBPOENA IN N.S.W. PROCEEDINGS  
 NO.4254 of 1983



**N O R T H S**  
 ESTABLISHED 1867  
 Member firm of The Sydney Stock Exchange Limited  
 51 PITT STREET SYDNEY 2000  
 349 COLLINS ST. 21 HOLTON ST.  
 MELBOURNE 3000 NEWCASTLE 2300

Telephone  
 27-8851  
 Telegrams  
 VISION SYDNEY  
 Telex  
 AA2C362  
 Postal Address  
 PO BOX R257  
 ROYAL EXCH 2000

Contract Note — Please retain this portion.

<b>THIS DAY WE SOLD THE FOLLOWING SECURITIES FOR YOU</b>				
COMPANY NAME / AUTHORITY OFFSHORE OIL N.L.				
SECURITY DESCRIPTION	FULLY PAID ORDINARY	100	OFF	
C/N No.	DATE	ACCOUNT	TOTAL UNITS	TOTAL CONSIDERATION
139	23. 7.83	8405755	5926000	772400.00
UNITS AT PRICE		UNITS AT PRICE		<b>NET PROCEEDS</b>
572400	0.13	20200	0.14	
BROKERAGE	STAMP DUTY	DIVIDEND DEDUCTION	APPLICATION MONEY	765319.70
4763.10	2317.20.			

FIRE & ALL RISKS INSURANCE CO LTD  
 FAI INSURANCE BLDG  
 185 MACQUARIE ST  
 SYDNEY  
 NSW 2000

DL



Issued subject to the Articles, Regulations, By-Laws, Rules, customs and usages of The Sydney Stock Exchange Limited and the correction of errors or omissions.

This is the exhibit marked "PS3"  
 and is exhibited to me at the time  
 of swearing my Affidavit dated  
 29th September, 1983.

*Phillip Smith*

In the Full Court

No.189  
 EXHIBIT "PS 4"  
 COPY OF "SELL" ORDER ALSO  
 PRODUCED BY MESSRS. NORTHES

No.189  
 Exhibit  
 "PS 4"  
 Copy of  
 "sell"  
 order also  
 produced  
 by Messrs.  
 Northes

" PS 4 "

<b>SELL</b>				NEW CLIENT	
CLIENTS NAME / MR. and MISS	NATIONWIDE INC.			Tick	
ADDRESS					
ACCOUNT NUMBER:	8412700		PHONE:	259 256	
Units	Security	Class	Limit		
15.5741			2960000		
<del>5.5M</del>	24/12		15		
	OFF		15		
4.000.000			2960000		
2.960.000			1000000		
1.040.000					
90					
Date	Time	Taken By:	Special Instructions	20815	
4-8	9.00	HE	1/2 Comm		

This is the exhibit marked "PS4" and is exhibited to me at the time of swearing my Affidavit dated 29th September, 1983.

*Phillip Smith*

PS 5

No. 190  
EXHIBIT "PS 5"  
BUNDLE OF DOCUMENTS PRODUCED AFTER  
SEARCHES OF COMPANIES AT THE  
CORPORATE AFFAIRS OFFICE

In the Full  
Court

No.190  
Exhibit  
"PS 5"  
Bundle of  
documents  
produced  
after search  
of Companies  
at the  
Corporate  
Affairs  
Office



No. of Company  
29776-97

Certificate of Incorporation on Change of Name of  
Company

Companies Act, 1961—Section 21 (6)

This is to Certify that

**FURRY PTL. LIMITED**

which was, on the seventeenth day of February, 1962,  
incorporated under the Companies Act, 1961, did on the seventh  
day of June, 1982, change its name to

**HASTINGS/ONE FINANCIAL PTL. LIMITED**

and that the company is limited by shares and is a Proprietary Company.

**GIVEN** under the seal of the Corporate Affairs Commission at Sydney,  
this seventh day of June, 1982.

Ed.

*Lead*  
Commissioner

The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney  
General by notification published in the Government Gazette on the  
28th day of September, 1979 to be an approved person for the purposes of  
Section three of the Evidence (Reproduction) Act, 1967 **EXHIBIT CERTIFICATE**  
pursuant to the Section that this transcript is made as a permanent  
record of a document in its custody or control.

DATED this eleventh day of July 19 82.

10755

*Lead*  
Commissioner  
under delegation from the Commission

This is the exhibit marked "PS5"  
and is exhibited to me at the time  
of swearing my Affidavit dated  
29th September, 1983.

*Phillip Smith*

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

Name of company	(*) Christian or other name	Address	Number of shares allotted								
			Preference		Ordinary		Other Class				
			Cash	Otherwise	Cash	Otherwise	Cash	Otherwise			
International Investment Consultant Corporation		Imperial Court - Rue Maranhao No. 133, Sao Paulo, Brazil			19,998						
Woodsman & Co.		Doblinger Esprit de L'Esprit St A-1190, Vienna Austria			5,000						
		Total			19,998						

Dated this 9th day of November 1982

Signature of Director / Chairman of the Board

Name of Signatory IN BLOCK LETTERS JOHN PETER ROYER

CERTIFICATE (\*)

(This certificate need not be completed if paragraph 3 of this form is completed)

I certify in relation to \_\_\_\_\_ Limited that -

- (a) the company has more than 500 members;
- (b) the company keeps its principal share register at a place within 25 kilometers of the office of \_\_\_\_\_;
- (c) the company provides reasonable accommodation and facilities for persons to inspect and take copies of its list of members and its particulars of shares transferred, and
- (d) the shares referred to in the return were allotted for cash.
- (e) the shares referred to in the return were allotted for a consideration other than cash and the number of persons to whom the shares have been allotted exceeds 500.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

Signature of Director / Secretary / Principal Executive Officer

Name of Signatory IN BLOCK LETTERS

\* Delete not applicable.

- (1) Shares submitted for to the Registrar shall be deemed to have been allotted as at the date of incorporation under subsection 113 (1) and shall be included in the first return.
- (2) Where the capital of the company is divided into shares of different classes the class of shares to which each share submitted in the statement submitted is to be stated. In the case of the first return, shares submitted for to the Registrar are to be included in the return and included as cash.
- (3) If the statement is made for shares fully paid or partly paid up otherwise than in cash payment to a company in writing, the necessary shall be made with the return the return containing the residence of the allottee or a copy of any such return verified in accordance with section 12. In the case of a verified return being lodged subsection 113 (1) requires the original return to be produced at the time of the return to the Registrar.
- (4) Where by virtue of subsection 113 (7), a company does not include in paragraph 3 of this form the particulars mentioned in paragraph 113 (1) (b) the company shall complete the certificate as set in this form.
- (5) Shares of Christian or other name or at least one Christian or other name and other matters.
- (6) This certificate must be completed if paragraph 3 of this form is not completed (except where the company lodging the return is a no liability company) and the shares referred to in the return were allotted for cash.
- (7) Return shall be forwarded to the Registrar / Secretary.

DIRECTIONS

- 1. When shares are, alleged to be otherwise than cash, the return should be accompanied by the account (see subsection 113 (2) and (4)) or if there is no account by the statement in subsection 113 (2).
- 2. Statements relating to returns are set out in regulation 6.

TIME FOR LODGMENT

This return must be lodged within one month after date of allotment or incorporation (in the case of subsection 113 (1)).

THE CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 28th day of September, 1979 to be an approved person for the purposes of Section three of the Evidence (Reproduction) Act, 1977 HEREBY CERTIFIES pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

DATED this 19th day of November 1982

11290

[Signature]  
 Commissioner  
 under delegation from the Commission

1982, Last Printed  
 and Published in January



In the Full Court  
 No.190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

THIS FORM IS TO BE LOANED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED.  
 SEE INSTRUCTIONS, AT OFFERLEAF FOR THE COMPLETION OF THIS FORM.  
 11/976

FEDERAL RESERVE AND SECURITIES COMMISSION  
 Schedule Form 88  
 RETURN OF ALLOTMENT OF SHARES  
 Form No. 54089

\$10.  
 15 MAR 1983

Reg. No. 295883-001  
RAJOWIK RESOURCES PTL. Limited  
 The shares referred to in this return were allotted (1) on the 10<sup>th</sup> day of February, 1983 and the 10<sup>th</sup> day of February, 1983

Description	Quantity of Shares		Other Class
	Preferred	Ordinary	
1. For cash consideration			
(a) No. of Shares		20,000	
(b) Amount of cash paid on EACH share	1	\$1.00	
(c) Amount of cash not readily on EACH share	1	\$1.00	
(d) Amount of cash not readily on EACH share	1		
(e) Amount of securities paid or payable on EACH share	1		
2. For consideration other than cash			
(a) No. of Shares		1,666 2/3	
(b) Amount of cash paid up		1.50	
(c) Amount of cash not readily paid up			
(d) Amount of securities paid or payable on EACH share	1		
(e) Amount of securities not paid up or payable on EACH share	1		

3. (1) The names and addresses of shareholders of the company and the number and class of shares allotted to them are as follows:

Name	(2) Ordinary or other class	Address	Number of Shares Allotted			
			Preferred	Ordinary	Other Class	Other Class
Medical Council	Lentis P/L	24 Goodwyn St Piedlington NSW		20,000		
Transpac Pty. Limited	Limited	404/700 Pacific Highway, Cross West. N.S.W.		20,000		

Lodged by: LANDOVER & CO.  
 Address: Level 23, 56 Pitt St.,  
Sydney. NSW 2000  
 Phone No. 241 7021

Lodged with the Commission  
 ON 15 MAR 1983 AT  
J. JARRON SECRETARY

THIS FORM IS TO BE LOANED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED.  
 SEE INSTRUCTIONS, AT OFFERLEAF FOR THE COMPLETION OF THIS FORM.

THIS FORM IS TO BE LOANED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED.  
 SEE INSTRUCTIONS, AT OFFERLEAF FOR THE COMPLETION OF THIS FORM.  
 11/976

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

APPLICANT'S COPY TO BE DESTROYED BY THE ISSUING OFFICE ON THE DATE OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY  
 31/3/01.

Name	No. of Shares or Part Shares	Address	Particulars of Shares Held		Other Currencies
			Ordinary	Preference	
International Investment Development Corporation		1000 Avenue No. 113, Rue Pavie, St-Louis		40,000	
Business & Co		Banking Rue de la Paix 12, L-1900, Luxembourg Municipality		10,000	
Total				50,000	

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_  
 Signature of Director / Secretary / Principal Executive Officer  
 JOHN F. SOYER  
 Name of Signatory in BLACK LETTERS  
 (COMPANY NAME)

(This certificate need not be completed if paragraph 2 of this form is completed)  
 I certify to declare in \_\_\_\_\_ Limited that -  
 1) the company has more than 200 members;  
 2) the company keeps its principal share register at a place within 25 kilometers of the office of \_\_\_\_\_  
 3) \_\_\_\_\_ company provides reasonable communication facilities for the purpose to inspect and take copies of its list of members and its particulars of shares transmitted, and  
 4) the shares referred to in this return were obtained for sale.  
 5) the shares referred to in this return were obtained for a consideration other than cash and the number of shares to which the shares have been obtained amounts to \_\_\_\_\_  
 Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_  
 Signature of Director / Secretary / Principal Executive Officer  
 Name of Signatory in BLACK LETTERS  
 (Name of Signatory)

1) Shares subscribed for in the Memorandum shall be deemed to have been obtained as of the date of incorporation under sub-section 113 (2) and need not be included in the first return.  
 2) Where the capital of the company is divided into shares of different classes, the class of shares in which cash shares subscribed for in the Memorandum is to be stated. In the case of the first return, shares subscribed for in the Memorandum are to be included in the return and classified as cash.  
 3) If the allotment is made for shares fully paid or partly paid up otherwise than in cash pursuant to a contract in writing, the company shall comply with the return the contract containing the amount of the advance or a copy of any such contract executed in accordance with sub-section 72. In the case of a certified copy being issued, sub-section 113 (2) requires the original contract to be produced in the case that in the Memorandum.  
 4) Where, by virtue of sub-section 113 (2), a company does not include in paragraph 2 of this form the particulars mentioned in paragraph 113 (2) (b), the company shall transmit the certificate as set in this form.  
 5) Return of Shares or Part Shares, or of both one Share or Part Share and other matters.  
 This certificate need not be completed if paragraph 1 of this form is not completed, except where the company holding the return is a public company and the shares referred to in the return transmitted for sale.  
 (Name of Corporate Affairs Commission for the Territory)

(Name of Signatory)  
 (Name of Signatory)  
 (Name of Signatory)  
 (Name of Signatory)

These shares are obtained for consideration other than cash, the return should be accompanied by the amount in sub-section 113 (2) and (2) of this form in an amount to be returned to members with Form 26.  
 (Name of Signatory)

THIS POLICE OFFICER  
 (Name of Signatory)

This return must be lodged within one month after date of allotment or transmission for the case of "shareholder" shares.

In the Full Court  
 No. 190 Exhibit "ps 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

This form is to be completed by the company or its agent in accordance with the instructions on the reverse side of this form. It should be completed in duplicate and the original and a copy should be submitted to the Registrar of Companies, Dover, Kent, on or before the date specified. Form 15/6/83.

**NO FEE**  
31 MAR 1983

**NATIONAL COMPANIES AND SECURITIES COMMISSION**  
 Schedule Form 01  
**PARTICULARS AND CHANGES OF PARTICULARS IN REGISTER OF  
 DIRECTORS, PRINCIPAL EXECUTIVE OFFICER AND SECRETARIES**

Doc. No. 005370

Reg. No. **293554-17**

**NATIONAL SERVICES LTD**

Names of persons and addresses for the year of change who have ceased to hold office since the last return	Address (*)	Other appointments held, in the year of change, by the persons named	Particulars and dates of appointment or change, and removal from office
Director (*) WOTER, John Peter	703 New South Road Rd., Edgcliffe, 7027	Co. Director	continuing
LANCE, David Barry	24 Goodhope Street, Puddington,	Co. Director	continuing
Principal Executive Officer (*)			
Director (*) WOTER, John Peter ADAMEX, Sotelle	703 New South Road Rd., Edgcliffe, 7027 54 George St., Dover	Co. Director	continuing APPC. 13 9.3.83

Send to: REATH day of March 1983.

(\*) Signature of Director / Secretary / Principal Executive Officer: [Signature]

Name of Signatory in BLOCK LETTERS: JOHN WOTER

WHERE A FEE IS APPLICABLE IT WILL BE PAID BY THE COMPANY QUANTITATIVELY ACCORDING TO:

Lodged by: <u>Dover</u> Address: <u>54 GEORGE ST - EDGCLIFF CHURCH</u> <u>205 NEW SOUTH ROAD GO</u> Place: <u>EDGCLIFF</u> <u>DOVER</u>	Lodged with the Commission on <u>31 MAR 1983</u> at <u>Y. LUXFORD</u>
---	---

THIS FORM IS TO BE LODGED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED  
 SEE INSTRUCTIONS & OVERLEAF FOR THE COMPLETION OF THIS FORM



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

This document is a copy of the original document filed with the Commission. It is not a certified copy. The Commission is not responsible for the accuracy of the information contained herein.

JANUARY 8

NATIONAL COMPANIES AND SECURITIES COMMISSION

Company Form 26

RETURN OF ALLOTMENT OF SHARES

Date No. 010003

Reg. No. 99955-117

NATIONWIDE RESOURCES PTY. Limited

The shares referred to in this return were allotted (\*) on the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_ / between the 25th day of \_\_\_\_\_ MARCH, 19 83, and the 7th day of \_\_\_\_\_ APRIL, 19 83

	No. of shares	Details of shares		
		Preference	Ordinary	Other (specify class)
<b>1. For each contribution</b>				
(a) No. of shares			80,000	
(b) Nominal amount of EACH share			11.00	
(c) Amount of cash paid on EACH share			11.00	
(d) Amount of cash not paid on EACH share				
(e) Amount of proceeds paid or payable on EACH share	70,000 @ \$1.50		\$1.50	
<b>2. The contribution after cash call</b>				
(a) No. of shares				
(b) as fully paid up				
(c) as partly paid up				
(d) Nominal amount of EACH share				
(e) If partly paid up - the amount toward or paid up on EACH share				
(f) Amount of proceeds toward or paid up or payable on EACH share				
(*) The contribution for which the shares have been so allotted is as follows:				

3. (\*) The names and addresses of the allottees of shares in the company and the number and class of shares allotted to them are as follows:

Surname	(*) Christian or other name	Address	Number of shares allotted						
			Preference		Ordinary		Other Class		
			Cash	Otherwise	Cash	Otherwise	Cash	Otherwise	
FBI Insurance	Limited	12th Floor, 124 Macquarie St., Sydney			70,000				
Peak Builders Pty. Limited		10th Floor, 40 Martin Place, Sydney. 2000			50,000				

NOTES: A form receipt will not issue unless specifically requested.

Lodged by: Nationwide Resources Pty. Limited  
 Address: PO Box South Head Road, Edgecliff. 2027.  
 Phone No: 32 0265

Lodged with the Commission  
 ON 5 MAY 83 AT  
Y. LUXFORD  
 SYDNEY

THIS FORM IS TO BE LODGED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED

SEE DIRECTIONS, & SYDNEY FOR THE COMPLETION OF THIS FORM

Name	Address	Profession		Date of Birth	Sex	Race	Complexion	Hair	Eyes	Complexion	Other
		Occupation	Business								

Companies at Corporate Affairs of (cont.)

1. Name of Company: \_\_\_\_\_  
 2. Date of Incorporation: \_\_\_\_\_  
 3. Name of Director / Secretary: \_\_\_\_\_  
 4. Name of Director / Secretary: \_\_\_\_\_  
 5. Name of Director / Secretary: \_\_\_\_\_  
 6. Name of Director / Secretary: \_\_\_\_\_  
 7. Name of Director / Secretary: \_\_\_\_\_  
 8. Name of Director / Secretary: \_\_\_\_\_  
 9. Name of Director / Secretary: \_\_\_\_\_  
 10. Name of Director / Secretary: \_\_\_\_\_  
 11. Name of Director / Secretary: \_\_\_\_\_  
 12. Name of Director / Secretary: \_\_\_\_\_  
 13. Name of Director / Secretary: \_\_\_\_\_  
 14. Name of Director / Secretary: \_\_\_\_\_  
 15. Name of Director / Secretary: \_\_\_\_\_  
 16. Name of Director / Secretary: \_\_\_\_\_  
 17. Name of Director / Secretary: \_\_\_\_\_  
 18. Name of Director / Secretary: \_\_\_\_\_  
 19. Name of Director / Secretary: \_\_\_\_\_  
 20. Name of Director / Secretary: \_\_\_\_\_  
 21. Name of Director / Secretary: \_\_\_\_\_  
 22. Name of Director / Secretary: \_\_\_\_\_  
 23. Name of Director / Secretary: \_\_\_\_\_  
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 96. Name of Director / Secretary: \_\_\_\_\_  
 97. Name of Director / Secretary: \_\_\_\_\_  
 98. Name of Director / Secretary: \_\_\_\_\_  
 99. Name of Director / Secretary: \_\_\_\_\_  
 100. Name of Director / Secretary: \_\_\_\_\_

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

201810(a,b)  
 EF 02005 2000

**ANNUAL RETURN OF A COMPANY HAVING SHARE CAPITAL**  
 Form No. 201

Reg. No. 201810-17

**SALISBURY RESOURCES PTY** Limited

**THE PERIOD TO WHICH THIS ANNUAL RETURN RELATES**

1. The information in this return is correct as at the 23rd day of October, 1982, being the date of the annual general meeting for 1982.

\*The annual general meeting of the ordinary shareholders, or deemed to be held in accordance with section 150, in respect of the calendar year 1982 was held / deemed to be held on 29 October 1982.

2. The address of the registered office of the company is  
Suite 504 Edgecliff Centre 203 New South Head Road, EDGECLIFF

3. The name of the company is registered under the laws of the following participating States or participating Territories:

\* The address of the principal office of the company (if any) in the participating States or participating Territories are:

NOTE: A true copy will not be sent unless specifically requested.

Lodged by FOSTER & POTTS SERVICES PTY  
 Address P.O. BOX 1331  
CROWS NEST 2065  
 Phone No. 5275877

Lodged with the Commission on 19 FEB 1983  
J. GOODON

THIS FORM IS TO BE LODGED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED

This return is to be lodged at the Corporate Affairs Office in the place in which the company is incorporated. It must be lodged with the Commission on or before the date specified in the notice. The return must be accompanied by the prescribed fee. The return must be signed by a director or secretary of the company. The return must be accompanied by a true copy of the return as filed in the place in which the company is incorporated. The return must be accompanied by a true copy of the return as filed in the place in which the company is incorporated. The return must be accompanied by a true copy of the return as filed in the place in which the company is incorporated.

9/3/83  
 11888

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

PARTICULARS RELATING TO COMPANY (continued)

\*The address of the place at which the register of members is kept, if other than at the registered office, is  
 Suite 404/200 Pacific Way CROSS WEST 2045

\*The business name (if any) under which the company carries on business is

The nature of the principal business carried on by the company is  
 Consultancy

THE ACCOUNTS OF THE COMPANY FOR ITS LAST FINANCIAL YEAR

Date of Incorporation  
 From 17 February 1988 to 30 June 1988

3. The accounts of the company have had / have not had / have been audited / have not been audited / have been audited by the company / have not been audited by the company / have been audited by the company / have not been audited by the company

\* If the accounts referred to were not the accounts sent out before the meeting, specify details

DICTIONARY

Except to the extent of -  
 (a) a company that, during the whole of the financial year, or each financial year, in which the return is made, was an exempt company under the provisions of section 117  
 (b) a company that, during the whole of the financial year, or each financial year, in which the return is made, was an exempt company under the provisions of section 117  
 (c) a company that, during the whole of the financial year, or each financial year, in which the return is made, was an exempt company under the provisions of section 117

PARTICULARS OF INDEBTEDNESS

\* Particulars of the indebtedness of the company in respect of all charges required to be registered under the Companies Act 1985 (\*\*) Code of a corresponding provision law are as follows

Registered member	Date of registration	Amount of the indebtedness
Total \$ _____		

\* Particulars of charges not required to be registered under the Companies Act 1985 (\*\*) Code of a corresponding provision law are as follows

Total \$ _____		
Total amount of indebtedness \$ _____		

\* If the accounts referred to were not the accounts sent out before the meeting, specify details

This document is a copy of the original document filed with the Registrar of Companies on 9/3/88. It is not a certified copy. The original document is available for inspection at the Registrar of Companies, 11188.



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

THE STATE SECRETARY OF THE ATTORNEY GENERAL'S OFFICE  
 HAS RECEIVED FROM THE COMPANY THE FOLLOWING INFORMATION  
 IN RELATION TO THE SHARE REGISTER AS AT 31/12/81.  
 THIS INFORMATION IS FOR YOUR INFORMATION ONLY AND IS NOT  
 TO BE USED FOR ANY OTHER PURPOSE. 9/1/81 FILE NO. 11888

**SUMMARY OF SHARE CAPITAL**

1. Issued share capital \$ 100,000	divided into (1) _____ shares of \$ _____ each
	Refer Annexure _____ shares of \$1.00 each
Total number of shares taken up (1) to the _____ day of _____ 1982, (being the date at which the information on this return is correct (see paragraph 1)).	2
Number of shares issued subject to payment wholly in cash	2
Number of shares issued as fully paid up otherwise than in cash	
Number of shares issued as partly paid up in the amount of _____ per share otherwise than in cash	
(1) Number of shares (if any) of each class issued or discount	
Total amount of discount on the issue of shares that has not been written off at the date of this return	
(2) There has been called up on each of 2 Ordinary shares \$ 1.00	
(3) There has been called up on each of _____ shares \$ _____	
(4) There has been called up on each of _____ shares \$ _____	
(5) Total amount of calls received including payments on application and otherwise	
Total amount (if any) agreed to be considered as paid on shares that have been issued as fully paid up otherwise than in cash	
Total amount (if any) agreed to be considered as paid on shares that have been issued as partly paid up in the amount of _____ per share otherwise than in cash	
Total amount of calls unpaid	
Total amount of the calls (if any) paid by way of exoneration in respect of any shares or debentures since the date of the last return	
Total amount of the calls (if any) allowed by way of discount in respect of any debentures since the date of the last return	
Total number of shares forfeited	
Total amount paid (if any) on shares forfeited	

(1) Where there are shares of different kinds as mentioned in s. 226 and 227 state the numbers and nominal value of each.  
 (2) If the shares are of different kinds, state them separately.  
 (3) Where various amounts have been called up on shares of different kinds, state them separately.  
 (4) Include calls that have been received in full or in part on shares.

**LIST OF MEMBERS**

Persons holding shares in the company and the number of the shares held by them respectively are as follows:

Full names and addresses	(1)(2) Number of shares held by classifying members
Treasurer Pty Ltd 46A/200 Pacific Hwy Crows Nest	1 Ordinary
Bicdel Consultants Pty Ltd 51 Pitt Street, SYDNEY 2000	1 Ordinary
	Total 2

(1) The aggregate number of shares held, and not the different numbers, must be stated, and the total must agree with that stated in the summary in paragraph 1 or 2 as the case may be.  
 (2) Where the shares are of different kinds, the number of each class held must be stated separately. Where any shares have been transferred from one class, particulars of the transfer must be stated.

**DIRECTIONS**

1. If the names in this list are not arranged in alphabetical order, or have sufficient to enable the name of any person in the list to be readily found, care is to be taken to this list.  
 2. In the case of a company registered as a company incorporated under the provisions of section 244, the list is not required to be compiled.



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

This document is a summary of the information provided to the Registrar of Companies by the company in response to a request for information under the provisions of section 349 of the Companies Act, 1993. It is not intended to be a substitute for the full disclosure of information required by the Act. The information contained herein is correct as at the date of preparation of this document. 9/1/03 11888

**SUMMARY OF SHARE CAPITAL**

1. Nominal share capital \$ 100,000	divided into (*)	_____ shares of \$ _____ each
	Refer Appendixure	_____ shares of \$11.00 each
Total number of shares taken up (*) to the _____ day of _____, 1983, (having the date or dates the information in this return is correct) (see paragraph 111)		_____
Number of shares issued subject to payment wholly in cash		_____
Number of shares issued as fully paid up otherwise than in cash		_____
Number of shares issued as partly paid up to the extent of _____ per share otherwise than in cash		_____
(*) Number of shares (if any) of each class issued as discounts		_____
Total amount of discounts on the issue of shares that has not been written off at the date of this return		_____
(*) There has been called up on each of 2 Ordinary shares \$ 1.00		_____
(*) There has been called up on each of _____ shares \$ _____		_____
(*) There has been called up on each of _____ shares \$ _____		_____
(*) Total amount of calls received including payments on application and otherwise		_____
Total amount (if any) agreed to be considered as paid on shares that have been issued as fully paid up otherwise than in cash		_____
Total amount (if any) agreed to be considered as paid on shares that have been issued as partly paid up to the extent of _____ per share otherwise than in cash		_____
Total amount of calls unpaid		_____
Total amount of the sums (if any) paid by way of commission in respect of any shares or debentures since the date of the last return		_____
Total amount of the sums (if any) allowed by way of discount in respect of any shares since the date of the last return		_____
Total number of shares forfeited		_____
Total amount paid (if any) on shares forfeited		_____

- (\*) Where there are shares of different kinds or classes, e.g., Preference and Ordinary, of £20 and £10) state the numbers and nominal value of each class.
- (\*) If the shares are of different kinds, state them separately.
- (\*) Where shares are issued as fully paid up or there are shares of different kinds, state them separately.
- (\*) Indicate what has been received on a forfeited or sold as an existing share.

**LIST OF MEMBERS**

f. Persons holding shares in the company and the number of the shares held by them respectively are as follows:

Full names and addresses	(*) (*) Number of shares held by existing members
Treasurer Pty Ltd 40A/200 Pacific Hwy CROWS NEST	1 Ordinary
Ricdel Consultants Pty Ltd 51 Pitt Street, SYDNEY 2000	1 Ordinary
Total	2

- (\*) The aggregate number of shares held, and the share certificate numbers, must be stated, and the total must agree with that stated in the summary in paragraph 1) or 2) as the case may be.
  - (\*) Where the shares are of different kinds, the number of each kind held must be shown separately. Where any shares have been transferred since the date of preparation of the return, state the number of each kind of shares.
- DECLARATIONS**
- I, if the return is filed for me, or am authorised to sign it, or have authorised to execute the return of any person to the effect that he is entitled to sign it, or am authorised to do so.
- I, in the case of a company, declare that I am a duly qualified member of the company under the provisions of section 241, and that I am entitled to be appointed as a director of the company.

In the Full Court  
No. 190 Exhibit "PS 5"  
Bundle of documents  
produced after searches  
of Companies at the  
Corporate Affairs Office  
(continued)

The documents herein being a private document in the possession of the applicant...  
9/1/73 11688

**LIST OF DIRECTORS, Etc.**

7. Particulars of the directors (1), principal executive officers, secretaries and auditors of the company are as follows:

The general Chairman or general manager or similar old position	Any former Chairman or general manager or similar position	Latest address (1)(2)	Other business occupations, and in the case of directors, particulars of other directorships (3)
Bayer	John Peter	203 New South Head Road, Edgecliff	Company director NIL
Larva	David Harry	24 Goodhope Street, Paddington	Company Director
Principal executive officer (1) (2) nil			
Secretaries (3)			
Bayer	John Peter	As Above	
Auditors for current financial year (2)		NIL	

3 3 3 3 3  
"Director" includes any person occupying or acting in the position of director by whatever name called and any person exercising or performing or appearing to exercise the functions of a director as mentioned in sub-section 1(1) of section 207, section 208 or section 209 of the Companies Act, 1933.  
"Principal executive officer" means the person or persons named in the return required by section 205 of the Companies Act, 1933 as the principal executive officer of the company.  
"Secretaries" means the person or persons named in the return required by section 205 of the Companies Act, 1933 as the secretary or secretaries of the company.  
"As above" means the same address as the address of the person named in the return as the principal executive officer of the company.  
"NIL" means nil or none.  
"Company" means a company registered in New Zealand under the Companies Act, 1933, and includes any company registered in any other country, but excludes any company registered in New Zealand under the Companies Act, 1933, which is a subsidiary of a company registered in another country.  
"Financial year" means the financial year of the company, but where the company is a subsidiary of a company registered in another country, it means the financial year of that other company.  
"Particulars of other directorships" means particulars of other directorships held by the person named in the return as a director of the company, and includes particulars of directorships held by him as a director of any other company, whether or not that other company is a subsidiary of the company.

The documents herein being a private document in the possession of the applicant...  
9/1/73 11688

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

NATIONWIDE RESOURCES PVT LIMITED

BALANCE SHEET  
 AS AT 30th JUNE 1988

		30/6/88
AUTHORISED CAPITAL	NOTES	1100,000.00
SHARE CAPITAL & RESERVES		
ISSUED CAPITAL		2.00
UNAPPORTIONED PROFITS (LOSSES)		110,776.76
TOTAL SHARE CAPITAL & RESERVES		110,778.76
REPRESENTED BY-		
CURRENT ASSETS		
CASH AT BANK		5,054.24
CASH ON HAND		2.00
INTANGIBLES		1,100.00
LESS NON-CURRENT LIABILITIES		1,100.00
LOANS - UNSECURED		13,000.00
LESS CURRENT LIABILITIES		113,000.00
EXCESS OF ASSETS OVER LIABILITIES		110,778.76
THE ACCOMPANYING NOTES FORM PART OF THESE ACCOUNTS		

I, 9/7/88  
 11888  
 The accompanying balance sheet is a true and correct statement of the financial position of the Company as at the date specified therein and is prepared in accordance with the provisions of the Companies Act, 1981.

I, 9/7/88  
 11888  
 The accompanying balance sheet is a true and correct statement of the financial position of the Company as at the date specified therein and is prepared in accordance with the provisions of the Companies Act, 1981.

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

This document is the property of the Attorney General and is loaned to you for the purpose of assisting you in the preparation of the return of the company for the year 1962. It is not to be distributed to any other person and is to be returned to the Attorney General on or before 9/1/63. Any reproduction of this document is prohibited.

**NATIONWIDE RESOURCES PTY LIMITED**  
**STATISTICAL PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 17 FEBRUARY 1962 (DATE OF INCORPORATION) TO 31 JUNE 1962**

NET PROFIT(LOSS) BEFORE INCOME TAX	17/2/62 TO
	30/6/62
LESS INCOME TAX EXPENSE	(4,528.76)
NET PROFIT(LOSS) FOR THE YEAR	(4,528.76)
UNAPPORTIONED PROFITS/LOSSES	(4,528.76)
AS PER BALANCE SHEET	(4,528.76)

THE ABOVE NET OPERATING PROFIT (LOSS) WAS ARRIVED AT AFTER:-



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

NATIONWIDE RESOURCES PTY LIMITED  
 NOTES TO AND FORMING PART OF THE ACCOUNTS  
 AS AT 30TH JUNE 1982

10/6/82

NOTE 1 - ACCOUNTING POLICIES

AS HISTORICAL COST  
 THE ACCOUNTS HAVE BEEN PREPARED ON  
 THE BASIS OF HISTORICAL COST AND  
 DO NOT TAKE INTO ACCOUNT CHANGING  
 MONEY VALUES OR CURRENT VALUATIONS  
 OF NON-CURRENT ASSETS.

NOTE 2 - SHARE CAPITAL

AUTHORISED CAPITAL  
 100,000 SHARES OF \$1.00 EACH

100,000.00  
 100,000.00

ISSUED CAPITAL  
 2 ORDINARY SHARES - FULLY PAID

2.00  
 \$ 2.00

NOTE 3 - INTANGIBLES

FORMATION EXPENSES-AT COST

415.00  
 \$ 415.00

11000  
 9/1/82  
 FILED  
 NATIONAL ARCHIVES  
 CANBERRA  
 11000

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)


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NOTICE

FORMAL SHARE CAPITAL

20,000	Ordinary Shares
1,000	1st Class Shares
1,000	2nd Class Shares
1,000	3rd Class Shares
1,000	4th Class Shares
1,000	5th Class Shares
1,000	6th Class Shares
1,000	7th Class Shares
1,000	8th Class Shares
1,000	9th Class Shares
1,000	10th Class Shares
1,000	11th Class Shares
1,000	12th Class Redeemable Preference Shares

This is the signature of the page referred to in Summary of Share Capital signed by me and dated

  
 \_\_\_\_\_  
 JOE HENRY BOYER

X   
 \_\_\_\_\_  
 DAVID HENRY LANCE

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In the Full Court  
No. 190 Exhibit "PS 5"  
Bundle of documents  
produced after searches  
of Companies at the  
Corporate Affairs Office  
(continued)

**PARTICULARS AS TO FORFEITED SHARES BY NO LIABILITY COMPANIES**

- 2. Particulars as to calls and sales of forfeited shares (to be completed only in the case of a no liability company) —
  - (a) the date when such call was made, the date of the last notice, or the date of a first or second class of shares, as applicable;
  - (b) the date when the last notice of forfeiture of shares forfeited was effected by the call and the date of offer;
  - (c) the number of shares sold or such sale of forfeited shares made since the date of the last notice or the date of a first or second class of shares, as applicable;
  - (d) the number of shares sold or such sale of forfeited shares made since the date of the last notice or the date of a first or second class of shares, as applicable, and
  - (e) the number of shares disposed of pursuant to section 49(2) since the date of the last notice, being shares withdrawn from sale or the stock in the case of shares.

**DECLARATION AS TO INFORMATION**

3. I certify that the information contained in this Annual Return is true to the best of my knowledge and belief.  
Signed this 27th day of October 1987 at 22  
Signature of Director/Secretary/Company Officer \_\_\_\_\_  
Name of Director or BLACK LETTERS JOHN ROYCE BARTY \_\_\_\_\_  
\* Write out if necessary.

*Put on  
back*

**NOTICE**

4. Statements relating to documents are as set out in regulation 4, which reads —
- (a) (i) Where the name provided for a particular document in a form is insufficient to identify the document, the name shall be as set out in an annex.
  - (ii) An annex to a form shall have an identifying mark and be enclosed with the form.  
This is the annex of \_\_\_\_\_ page number \_\_\_\_\_ referred to in the former description of form signed by me and dated \_\_\_\_\_  
and signed by each person signing the form to which the document is annexed.
  - (iii) The page in an annex shall be enclosed separately.
  - (b) Where a document, copy of a document, or other matter is annexed to a form, reference shall be made in the form to the document shall be by an identifying mark, the number of page in it, and a brief description of the nature of the document and to annex.
  - (c) A reference in an annex includes a document, copy of a document or any other matter accompanying, attached to or contained in the form.

**CERTIFICATE**

- A. CERTIFICATE TO BE GIVEN BY ALL COMPANIES
5. I do hereby —
- (a) that the provisions of the law relating to annual returns have been complied with;
  - (b) having made an inspection of the above returns, that neither I nor any person acting under my authority since the date of preparation of the returns, have any knowledge or information in relation to the returns which would lead me to believe that the returns are false or misleading in any material particular;
  - (c) that the company has not, since the date of preparation of the returns, been convicted of an offence under section 49(2) of the Companies Act 1965.





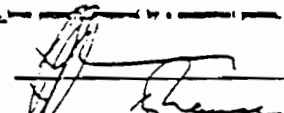
In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

11640  
 9/1/83

**C. CERTIFICATE IN RESPECT OF A COMPANY, THE ACCOUNTS OR GROUP ACCOUNTS OF WHICH, BY REASON OF THE COMPLICATED NATURE INCURRED TO BE SUBSECTIONS 274(1) AND (2) ARE NOT AUDITED.**

For the purposes of subsection 274(2) we certify, in relation to PELLERINE INDUSTRIES  
PTY Limited, in respect of the financial year to which the return relates, that -

- (a) the company <sup>NAME</sup> ~~has~~ <sup>has</sup> its accounting records as accurately stated and explain the transactions and financial position of the company;
- (b) the company <sup>NAME</sup> ~~has~~ <sup>has</sup> its accounting records in such a manner as would enable any person of the ordinary or to be prepared from them to do so;
- (c) the company <sup>NAME</sup> ~~has~~ <sup>has</sup> its accounting records in such a manner as would enable the members of the company to be accurately and properly notified in accordance with the Companies (        ) Act; and
- (d) the accounts and group accounts (if any) <sup>NAME</sup> ~~have~~ <sup>have</sup> been prepared by a competent person.

  
 ( ) Director

Name of Signatory in BLOCK LETTERS (        )  
 (        )  
      

\* Only use subsection 274(2)(b) if the company is a public company.  
 ( ) To be signed by the director.

**DIRECTION**

If any of the requirements of 274(2) are not met by the company, but a director, and to consent, Subsections relating to subsections 274(1) and 274(2) apply to the company if the company complies with 274(2)(a).

**D. CERTIFICATE FOR INCLUSION IN PUBLIC COMPANY'S ANNUAL RETURN THAT DOES NOT INCLUDE LIST OF MEMBERS.**

For the purposes of subsection 265(1) I certify that -

- (a) the company has more than 500 members;
- (b) the company keeps its register of members at a place within 25 kilometres of the office of ( )        and
- (c) the company provides reasonable arrangements for persons to inspect and take copies of its list of members and its particulars of those members.


and that accordingly the company is of a kind to which the subsection applies.

Signed this        day of        19         
 Signature of Secretary       

Name of Signatory in BLOCK LETTERS       

\* Only use if applicable.  
 ( ) Name name of the Director of the Company for the Director.

This and the preceding twenty one (21) pages is the Annexure marked "E" referred to in the Affidavit of Stevern Ross Abadee sworn at Sydney on 5th August, 1983, before me:

A Justice of the Peace 

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

NEW SOUTH WALES



CORPORATE AFFAIRS COMMISSION

No. of Company

153096

Companies Act, 1961  
 (Section 21 (6))

Certificate of Incorporation on Change of Name of  
 Company

*This is to Certify that*

Pulsin No. 2 Pty. Limited

which was, on the eighteenth day of October, 19 72  
 incorporated under the Companies Act, 19 61, did on the fourteenth  
 day of November, 19 72 change its name to

PULSIN INVESTMENTS PTY. LIMITED

and that the company is limited by shares and is a Proprietary Company.

*Given* under the seal of the Corporate Affairs Commission at Sydney,

this fourteenth day of November, 19 72.

Wtd.

*S. J. O. Ryan*  
 General Manager



I hereby certify that the above-named company is duly incorporated under the Companies Act, 1961, and that the name of the company has been changed as stated above. This certificate is valid only if the company is duly incorporated under the Companies Act, 1961, and if the name of the company has been changed as stated above.

DAVID HARRIS  
 Commissioner

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

JACKET B  
 NEW SOUTH WALES  
 Companies Act, 1961  
 Sections 112 (1), (1A) and (1B)  
 246 (1) (i) and (1A)  
 347 (1) (d) and (1A)  
 Document No. 0606

LOGGED with the Corporate  
 Affairs Commission on  
 -6 NOV 1980  
*J. R. Ryan*  
 COMMISSIONER

NO FEE

NOTICE OF ADDRESS OF REGISTERED OFFICE AND OF  
 OFFICE HOURS AND OF PARTICULARS OF CHANGES

Reg. No. 152036-4

TO THE CORPORATE AFFAIRS COMMISSION.

PEAK NOMINEES PTY Limited,  
 a local company.

hereby gives notice that —

As from 15 day of NOVEMBER 1980  
 the date of incorporation of the company.

The address of the registered office of the Company is New South Wales and is  
10TH FLOOR, 60 MARTIN PLACE, SYDNEY  
 Postcode: 2000

The days and hours during which the office will be open are:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Dated this 15 day of NOVEMBER 1980

*J. R. Ryan*  
 Chairman

THE CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney  
 General by notification published in the Government Gazette on the  
 28th day of September 1979 to be an approved person for the purposes of  
 Section three of the Evidence (Improbabilities) Act, 1967 (MILBAY CLERKING  
 pursuant to the Section that this transparency is made as a permanent record  
 of a document in its custody or control.)

DATED this 15 day of NOVEMBER 1980  
B 345  
 under delegation from the Commission

1. Notice may be withdrawn or amended.  
 2. Notice may be suspended.

3. Notice of the date and hours during which the office is open and suspended or the notice is not observed  
 & the office is closed for at least two hours between 10 o'clock in the morning and 10 o'clock in the afternoon of  
 each day, Sunday, holidays and public holidays.

Legated by: ELIZABETH S. HAPPEEY  
10/60 Martin Place  
SYDNEY 2000  
 Phone: 231 1600

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

JACKET B

NEW SOUTH WALES

Companies Act, 1961, section 134 (6)

Doc. No. \_\_\_\_\_

LOADED with the  
 Corporate Affairs Commission on  
 - P JAN 1977  
*[Signature]*  
 COMMISSIONER

Form 43

PARTICULARS AND CHANGES OF PARTICULARS IN REGISTER OF  
 DIRECTORS, MANAGERS AND SECRETARIES OF

PEAK NOMINEES PTY. LIMITED

Reg. No. 152056-24

Company to BELOC LETTERS and others in Corporate Affairs Commission, 175 Connaught Street, Sydney, N.S.W. 2000  
 (C.P.O. Act No. 7218 N.S.W. 2001)

DIRECTORS\*

Present Name	Former Name	Address	Other business occupations (if any)	Particulars of other Directorships (if any, state in)	Name of Appointment or Change	Date of Appointment or Change
DAVID ZALMON BAFFSKY		58 HOPELOUN AVE., VAUCLUSE	SOLICITOR	JENSEN INVESTMENTS LTD. GROUP, MAGEN MINING N.L., INDUSTRIAL MINERAL CORP. N.L., FORBES SECURITIES LTD., BRUCK/AUST. LTD.	CONTINUING	
SUSAN LOPIE ALEINER ROY BERTIE TRAVERS	NEE CHARNY	8 ABOUKIR ST., DOVER HEIGHTS 2 BERTRAM ST., EASTWOOD	SOLICITOR SOLICITOR	NIL JENSEN INVESTMENTS LTD. GROUP, ALT. DIR. FORBES SECURITIES LTD.	CONTINUING CONTINUING	
LESLIE RONALD HOUSEMAN HELEN MARGARET KENNETT		7 NELSON RD., LINDFIELD 33 BEACONSFIELD ST., NEWPORT	SOLICITOR SOLICITOR	NIL NIL	CONTINUING RESIGNED	21.12.67

\* If there is insufficient space in this column, please use an additional sheet, which should also be signed by the filer or the Secretary

Full Name and Office in Company	Address	Other Business Occupations (if any)	Name of Appointment or Change	Date of Appointment or Change
ROY BERTIE TRAVERS	2 BERTRAM ST., EASTWOOD	SOLICITOR	CONTINUING	

Dated this 5TH day of JANUARY 19 62

INSTRUCTIONS FOR COMPLETION OF THIS FORM AND THE FORM MUST BE SIGNED BY A DIRECTOR OR COMPANY SECRETARY

The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 28th day of September, 1979 to be an approved person for the purpose of Section Three of the Evidence (Reproduction) Act, 1967 HEREBY CERTIFIES pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

10005

*[Signature]*  
 Commissioner  
 under delegation from the Commission

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

Company No. \_\_\_\_\_  
 Taxation No. *ABD 716*  
 Date and Batch No. \_\_\_\_\_  
 Filed \_\_\_\_\_  
 Filed \_\_\_\_\_

*2* Form 17  
 NEW SOUTH WALES  
 COMPANIES ACT, 1961  
 (Section 34(1)(2)(b))

Document No. \_\_\_\_\_

RETURN OF ALLOTMENT OF SHARES

FASIM NO. *2* PTY. Limited  
 The shares referred to in this return were issued or are deemed to have been issued under other provisions of section 34 of the  
 Companies Act, 1961.

On the *18th* day of *October*, 19*72*.

- 1. Number of shares allotted to each allottee *two*  
 Nominal amount of E.M.H. of the shares allotted *\$1.00.*  
 Amount paid on the shares by each allottee of the shares allotted *\$1.00.*  
 The total payable on the shares \_\_\_\_\_  
 Amount of premium paid on the shares *E.M.H.*
- 2. Number of shares \_\_\_\_\_  
 Nominal amount of E.M.H. of the shares \_\_\_\_\_  
 Amount to be repaid on the shares \_\_\_\_\_  
 The names and addresses of the allottees \_\_\_\_\_
- 3. The names and addresses of the allottees \_\_\_\_\_

Name	Address	Shares	Amount
DAVID ZALMAN	907 New South Herald Road, North Ryde	2	\$1.00
PETER BOONE	3A Gillmore Avenue, Concord	2	\$1.00

Dated this *18th* day of *October*, 19*72*.

By \_\_\_\_\_  
 Director

By \_\_\_\_\_  
 Secretary

*1972*  
*[Signature]*

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

Code A B C G

NATIONAL COMPANIES AND SECURITIES COMMISSION  
 Companies Form 66  
 ANNUAL RETURN OF A COMPANY HAVING SHARE CAPITAL

Jacker C Doc. No. 10001

Reg. No. 152056-14 10001

PEAK NOMINEES PTY  
 Limited

THE PERIOD TO WHICH THIS ANNUAL RETURN RELATES

1. The information in this return is correct as at the 31st day of December 19 82 being the date of the annual general meeting in 19 82

2. The annual general meeting of the company held, or deemed to be held in accordance with section 240 in respect of the calendar year 19 82 was held 31st December 19 82

3. The previous period in respect of which an annual return has been lodged was for the period 31st December 19 80 to 30th December 19 81

DIRECTIONS

1. Section 241 requires an annual return to be lodged within one month (or 2 months in the case of a company keeping a branch register outside Australia) of the annual general meeting.

2. If no annual general meeting is held within 5 months (or 6 months in the case of an exempt proprietary company) from the end of its financial year, and at least once in every calendar year, section 241 requires the annual return to be lodged within one month (or 2 months in the case of a company keeping a branch register outside Australia) after the last date on which the annual general meeting was required to be held.

PARTICULARS RELATING TO COMPANY

2. The address of a registered office of the company is 10TH LEVEL, 60 MARTIN PLACE, SYDNEY

3. The name of the company is registered under the laws in force in the following participating States or participating Territories

4. The addresses of the principal offices of the company of any in the respective participating States or participating Territories are

NOTE: A fee receipt will not issue where identification is required

Lodged by: Simpson & Saffery, Solicitors  
 Address: 10/60 Martin Place, Sydney  
 Phone No: 233 7400

Lodged with the Commission  
 ON 4 FEB 1983  
 M. QUARTULLO

THIS FORM IS TO BE LODGED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED.

This document is a copy of the original document as filed with the Commission. It is not a certified copy. The Commission is not responsible for the accuracy or completeness of the information contained herein.

This document is a copy of the original document as filed with the Commission. It is not a certified copy. The Commission is not responsible for the accuracy or completeness of the information contained herein.



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

THE SPECIAL VALUE COMPANY being a person declared by the Licensing Board to be a person of special value for the purposes of section 11(1) of the Companies (Incorporation) Act, 1947  
 shall furnish to the Registrar a statement of its affairs in accordance with section 11(1) of the Companies (Incorporation) Act, 1947  
 and shall file a copy of the statement with the Registrar  
 The Registrar  
 11-5-41

**PARTICULARS RELATING TO COMPANY (continued)**

\* The address of the place at which the register of members is kept, if other than at the registered office is \_\_\_\_\_

\* The business names (if any) under which the company carries on business are \_\_\_\_\_

The nature of the principal business carried on by the company is \_\_\_\_\_

General Investment

\* Strike out if inapplicable

THE ACCOUNTS OF THE COMPANY FOR THE LAST FINANCIAL YEAR

From 1st July 1961 to 30th June 1962

1. The accounts of the company were laid ~~before~~ before the annual general meeting referred to above

\* The accounts laid before that annual general meeting were adopted ~~by the meeting~~ by the meeting

\* Strike out if inapplicable

2. If the accounts adopted were not the accounts sent out before the meeting, supply details

**DIRECTION**

Except in the case of

(a) a company that, during the whole of the financial year, or each financial year, in which the return relates, was an exempt proprietary company and an unlimited company; or

(b) a company that, during the whole of the financial year, or each financial year, in which the return relates, was an exempt proprietary company, being a company of which the accounts and group accounts (if any) for that financial year or each of those financial years were audited in accordance with section 279

accounts certified by a director or secretary or the principal executive officers of the company to be a true and correct copy of all accounts and group accounts (if any) required to be laid before the company at the annual general meeting together with a copy of every document required by law to be annexed to the accounts, must be annexed to the return.

**PARTICULARS OF INDEBTEDNESS**

\* Particulars of the indebtedness of the company in respect of all charges required to be registered under the Companies (New South Wales) Code or a corresponding previous law are as follows:

Registered number	Date of registration	Amount of the indebtedness
		Total: A

\* Particulars of charges not required to be registered under the Companies (New South Wales) Code or a corresponding previous law are as follows:

	Total: B
Total amount of indebtedness: A	

\* Strike out if inapplicable

THE SPECIAL VALUE COMPANY being a person declared by the Licensing Board to be a person of special value for the purposes of section 11(1) of the Companies (Incorporation) Act, 1947  
 shall furnish to the Registrar a statement of its affairs in accordance with section 11(1) of the Companies (Incorporation) Act, 1947  
 and shall file a copy of the statement with the Registrar  
 The Registrar  
 11-5-41

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

I hereby certify that the information contained in this return is true and correct to the best of my knowledge and belief.  
 Director  
 11/1/82

SUMMARY OF SHARE CAPITAL

5. Nominal share capital \$ 10,000.00	divided into	Shares of \$	each
	10,000	Shares of \$ 1.00 each	
Total number of shares taken up to the 31st day of December 1982	2		
Date as to which the information in this return is correct (see paragraph 1.1)			
Number of shares issued subject to payment wholly in cash	2		
Number of shares issued as fully paid up (otherwise than in cash)	-		
Number of shares issued as partly paid up to the extent of	-		
	per share (otherwise than in cash)		
(1) Number of shares (if any) of each class issued at a discount	-		
Total amount of discount on the issue of shares that has not been written off at the date of this return	\$ -		
(2) There has been called up on each of 2 Ordinary shares	\$ 1.00		
(3) There has been called up on each of - shares	\$ -		
(4) There has been called up on each of - shares	\$ -		
(5) Total amount of calls received including payments on application and allotment	\$ 2.00		
Total amount of sums agreed to be considered as paid on - shares that have been issued as fully paid up (otherwise than in cash)	\$ -		
Total amount of sums agreed to be considered as paid on - shares that have been issued as partly paid up to the extent of	\$ -		
	per share (otherwise than in cash)		
Total amount of calls unpaid	\$ -		
Total amount of the sums of sums paid by way of commission in respect of any shares or debentures since the date of the last return	\$ -		
Total amount of the sums of sums allowed by way of discount in respect of any debenture since the date of the last return	\$ -		
Total number of shares forfeited	-		
Total amount paid (1) on shares forfeited	\$ -		

6. Persons holding shares in the company and the number of the shares held by them respectively as follows:

Full names and addresses	Number of shares held
DAVID ZALMON BAFFSKY (in trust for PEAK SERVICES PTY LTD)	1 ORDINARY
PEAK SERVICES PTY LIMITED	1 ORDINARY
	Total 2 ORDINARY

7. The aggregate number of approved and non-approved shares held by the company as at the date of the last return is as follows:

8. Where the shares are of different classes, the number of shares of each class held by the company as at the date of the last return is as follows:

**DIRECTIONS**

1. If the company is a public company, the directors shall cause the return to be printed and signed by the directors and the company secretary and to be filed with the Registrar of Companies.

2. In the case of a private company, the directors shall cause the return to be printed and signed by the directors and the company secretary and to be filed with the Registrar of Companies.



In the Full Court  
 No. 190 Exhibit "ps 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

LIST OF DIRECTORS, etc.

7. Particulars of the directors<sup>(1)</sup>, principal executive officer, secretaries and auditors of the company are as follows:

The person's full name in English and Chinese	App. English C through to given name in English or Chinese	Full address in English	Other names or positions held by the person in connection with the company
Directors: David Zaimon <u>BAFFSKY</u>	N11	58 Hoptoun Avenue, VAUCLUSE	Solicitor Jensen Investments Ltd. Group, Industrial Mineral Corp. N.L., Forbes Securities Ltd., Magen Mining Mt. Bruck (Aust) Ltd.
Susan Soohie <u>KLEINER</u>	CHARNY	8 Aboukir Street, DOVER HEIGHTS	Solicitor - N11
Roy Bertie <u>TRAVERS</u>	N11	61 Hale Road, MOSMAN	Solicitor - Jensen Investments Ltd. Group, Alt. Dir. Forbes Securities Ltd.
Leslie Ronald <u>HOUSEMAN</u>	N11	7 Nelson Road, LINDFIELD	Solicitor - N11
Principal executive officer:			
Secretaries:			
Roy Bertie <u>TRAVERS</u>	N11	61 Hale Road, MOSMAN	Solicitor

- (1) "Director" includes any person occupying or acting in the position of director by whatever name called and any person in accordance with whose directions or instructions the directors of a company are accustomed to act.
- (2) Where a director is also the principal executive officer or a secretary, particulars are to be entered under each of the relevant headings "Directors", "Principal executive officer" and "Secretaries".
- (3) In the case of an individual his usual residential address, or in the case of a corporate director the corporate name and the address of the registered or principal office.
- (4) In the case of auditors the address given must be the principal place where the auditors practice as an auditors. (See paragraph 23 (1)(c)).
- (5) Where the company is a public company, the name and address of the auditors.
- (6) In the case of directors who hold the directorship of the company in connection with the law of another jurisdiction, the name of the company in that jurisdiction, the name of the director in that jurisdiction and the address of the director in that jurisdiction.
- (7) Where a person is a director in two or more subsidiaries of the same holding company, it is sufficient to disclose that the person is the holder of one or more directorships in that group of companies and the group may be identified by the name of the holding company with the addition of the word "Group".
- (8) In the case of directors, state accordingly:

The above information was obtained from the company records by the Director of Corporate Affairs Office on 11/11/1987. It is certified that the information is true and correct as far as the Director is aware. The Director is not responsible for the accuracy of the information as provided by the company. The Director is not responsible for the accuracy of the information as provided by the company. The Director is not responsible for the accuracy of the information as provided by the company.

Director  
Director

THE INFORMATION CONTAINED IN PARTS A & B  
TO THE BEST OF MY KNOWLEDGE AND BELIEF

In the Full Court  
No. 190 Exhibit "PS 5"  
Bundle of documents  
produced after searches  
of Companies at the  
Corporate Affairs Office  
(continued)

PEAK NOMINEES PTY LIMITED  
BALANCE SHEET AS AT 30TH JUNE 1982

	<u>1981</u>	<u>1982</u>
<u>AUTHORISED CAPITAL</u>		
10,000 shares of \$1.00 each	\$10,000 *****	\$10,000 *****
<u>ISSUED CAPITAL</u>		
2 Ordinary shares of \$1.00 each fully paid	2.00	2.00
<u>UNAPPROPRIATED PROFIT</u>	\$328.78	4,752.13
<u>SHARE CAPITAL AND RESERVES</u>	\$330.78	4,754.13
Represented by:-		
<u>CURRENT ASSETS</u>		
Sundry debtor	684.06	
Unsecured loan at call	14,918.51	14,918.51
	<u>15,602.57</u>	<u>14,918.51</u>
<u>Less:</u>		
<u>CURRENT LIABILITIES</u>		
Accrued expenses	500.00	500.00
Other creditors	9,771.79	9,664.18
	<u>10,271.79</u>	<u>10,164.18</u>
<u>NET ASSETS</u>	\$5,330.78	\$4,754.13

1. The information contained in this balance sheet is true and correct to the best of my knowledge and belief and is based on the books and records of the company and on the information furnished to me by the directors and officers of the company.

2. The information contained in this balance sheet is true and correct to the best of my knowledge and belief and is based on the books and records of the company and on the information furnished to me by the directors and officers of the company.

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

PEAK NOMINFES PTY LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR YEAR ENDED 30TH JUNE 1982

	<u>1981</u>	<u>1982</u>
<u>INCOME</u>	NIL	NIL
<u>EXPENDITURE</u>		
Audit Accounting and Secretarial	NIL	256.50
Income Tax Expense	NIL	320.15
<u>NET LOSS</u>	NIL	576.65
Unappropriated profits as at 1st July 1981	5,329.78	5,329.78
Unappropriated profits as at 30th June 1982	5,329.78	4,753.13
	*****	*****

This document is a copy of a document produced by the Full Court of the Federal Court of Australia in the case of Peak Nominfes Pty Limited v. The Commonwealth of Australia (1982) 152 ALR 123. It is not to be used for any other purpose.

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

**PARTICULARS AS TO FORFEITED SHARES IN NO LIABILITY COMPANIES**

8. Particulars as to calls and sales of forfeited shares (to be provided only in the case of a no liability company):
- (a) the date when each call made since the date of the last return or (in the case of a first return) since incorporation, was payable;
  - (b) the dates since the last return or incorporation when shares forfeited were offered for sale and the place of offer;
  - (c) the number of shares sold at each sale of forfeited shares made since the date of the last return or (in the case of a first return) since incorporation;
  - (d) the number of shares unsold at each offer for sale of forfeited shares made since the date of the last return or (in the case of a first return) since incorporation; and
  - (e) the number of shares disposed of pursuant to sub-section 448B (5) since the date of the last return being shares withdrawn from sale or for which no bid was received.

**DECLARATION AS TO INFORMATION**

9. I certify that the information contained in this Annual Return is true to the best of my knowledge and belief

Dated this 31st day of December 1982

Signature of "Director" *[Signature]*

Name of Signatory **IN BLOCK LETTERS** ROY BERTLE TRAVERS

**DIRECTION**

- Requirements relating to annexures are set out in regulation 7 which states:
- 8. (1) Where the space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, that information shall be set out in an annexure.
  - (2) An annexure to a form shall have an identifying mark and be endorsed with the words:
 

This is the annexure of \_\_\_\_\_ pages marked \_\_\_\_\_ referred to in the  
 (underline) description of forms signed by me and dated \_\_\_\_\_

Signature(s)

 and signed by each person signing the form to which the document is annexed.
  - (3) The pages in an annexure shall be numbered consecutively.
  - (4) Where a document (copy of a document or other matter) is annexed to a form, reference made in the form to the annexure shall be by its identifying mark, the number of pages in it and a brief description of the nature of the document and its contents.
  - (5) A reference in an annexure includes a document, copy of a document or any other matter accompanying, attached to or annexed to a form.

**CERTIFICATES**

**A. CERTIFICATE TO BE GIVEN BY ALL COMPANIES**

10. "We certify:
- (a) that the provisions of the law relating to unclaimed moneys have been complied with;
  - (b) having made an inspection of the share register that transfers made thereon have not been corrected since the date of the last annual return; and
  - (c) that the company has not since the date of the last annual return:
    - (i) been incorporated in any other jurisdiction;
    - (ii) issued any invitation to the public to subscribe for any shares in or debentures of the company or to deposit moneys for use in providing for the payment of calls;

THE COMPANY'S RETURN, ANNEXURES, STATEMENTS AND PARTICULARS AS TO FORFEITED SHARES TO BE PROVIDED BY THE COMPANY TO THE REGISTRAR OF COMPANIES UNDER THE COMPANIES ACT, 1967 OR THE COMPANIES ACT, 1981, SHALL BE THE PROPERTY OF THE REGISTRAR OF COMPANIES. THE REGISTRAR OF COMPANIES SHALL BE ENTITLED TO MAKE SUCH USE OF THE INFORMATION CONTAINED THEREIN AS HE SEES FIT. THE COMPANY SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED THEREIN. THE REGISTRAR OF COMPANIES SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED THEREIN. THE REGISTRAR OF COMPANIES SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED THEREIN.



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

A. CERTIFICATE TO BE GIVEN BY ALL COMPANIES (continued)

(1) that the names of the members of the company, as defined in section 270, and of the persons who are in the employment of the company or of its subsidiaries or persons who, while previously in the employment of the company or of its subsidiaries, were and thereafter have continued to be, members of the company;

(1A) that to the best of our knowledge and belief the company was during the period to which the return relates

- (i) an unlimited company, proprietary company or
- (ii) an exempt proprietary company that is not an unlimited company, as defined in subsection (1).

(1B) that the company is not a company of which the company is a member, as defined in section 270, and appears as member

(1C) that at the annual general meeting held on the 11th day of December 19 82 the company in pursuance of section 279 did not appoint an auditor

Dated this 11th day of December 19 82

Signature of Director: [Signature]

Name of Signatory IN BLOCK LETTERS LESLIE RONALD HOUSEMAN

Signature of Secretary: [Signature]

Name of Signatory IN BLOCK LETTERS ROY BERTIE TRAVERS

(1) In the case of the first company referred to in paragraph (1), the names of the members of the company and of the persons who are in the employment of the company;

(1A) that to the best of our knowledge and belief the company was during the period to which the return relates

(i) an unlimited company, proprietary company or

(ii) an exempt proprietary company that is not an unlimited company, as defined in subsection (1).

(1B) that the company is not a company of which the company is a member, as defined in section 270, and appears as member

(1C) that at the annual general meeting held on the 11th day of December 19 82 the company in pursuance of section 279 did not appoint an auditor

Dated this 11th day of December 19 82

Signature of Director: [Signature]

Name of Signatory IN BLOCK LETTERS LESLIE RONALD HOUSEMAN

Signature of Secretary: [Signature]

Name of Signatory IN BLOCK LETTERS ROY BERTIE TRAVERS

(1) In the case of the first company referred to in paragraph (1), the names of the members of the company and of the persons who are in the employment of the company;

(1A) that to the best of our knowledge and belief the company was during the period to which the return relates

(i) an unlimited company, proprietary company or

(ii) an exempt proprietary company that is not an unlimited company, as defined in subsection (1).

(1B) that the company is not a company of which the company is a member, as defined in section 270, and appears as member

(1C) that at the annual general meeting held on the 11th day of December 19 82 the company in pursuance of section 279 did not appoint an auditor

Dated this 11th day of December 19 82

Signature of Director: [Signature]

Name of Signatory IN BLOCK LETTERS LESLIE RONALD HOUSEMAN

Signature of Secretary: [Signature]

Name of Signatory IN BLOCK LETTERS ROY BERTIE TRAVERS

(1) In the case of the first company referred to in paragraph (1), the names of the members of the company and of the persons who are in the employment of the company;

(1A) that to the best of our knowledge and belief the company was during the period to which the return relates

(i) an unlimited company, proprietary company or

(ii) an exempt proprietary company that is not an unlimited company, as defined in subsection (1).

(1B) that the company is not a company of which the company is a member, as defined in section 270, and appears as member

(1C) that at the annual general meeting held on the 11th day of December 19 82 the company in pursuance of section 279 did not appoint an auditor

Dated this 11th day of December 19 82

Signature of Director: [Signature]

Name of Signatory IN BLOCK LETTERS LESLIE RONALD HOUSEMAN

Signature of Secretary: [Signature]

Name of Signatory IN BLOCK LETTERS ROY BERTIE TRAVERS

(1) In the case of the first company referred to in paragraph (1), the names of the members of the company and of the persons who are in the employment of the company;

(1A) that to the best of our knowledge and belief the company was during the period to which the return relates

(i) an unlimited company, proprietary company or

(ii) an exempt proprietary company that is not an unlimited company, as defined in subsection (1).

This is a copy of the original document as filed with the Registrar of Companies. It is not a certified copy. The original document is available for inspection at the Registrar of Companies, 11th Floor, 111, Market Street, Singapore.

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

The above is a true and correct copy of the original as submitted to the Government Office of Statistics for the purpose of the Business (Dependants) Act, 1977. It is certified that the above is a true and correct copy of the original as submitted to the Government Office of Statistics for the purpose of the Business (Dependants) Act, 1977. 11/8/77

**C. CERTIFICATE IN RESPECT OF A COMPANY, THE ACCOUNTS OR GROUP ACCOUNTS OF WHICH, BY REASON OF THE CIRCUMSTANCES REFERRED TO IN SUBSECTION 279(1) AND (2), ARE NOT AUDITED.**

For the purposes of subsection 279 (5) we certify, in relation to:

**PEAK NOMINEES PTY Limited.**

in respect of the financial year in which the return relates, that:

- (a) the company **HAS** kept such accounting records as correctly record and explain the transactions and financial position of the company;
- (b) the company **HAS** kept its accounting records in such a manner as would enable true and fair accounts of the company to be prepared from time to time;
- (c) the company **HAS** kept its accounting records in such a manner as would enable the accounts of the company to be conveniently and properly audited in accordance with the Companies (New South Wales) Code; and
- (d) the accounts and group accounts of any **HAVE** been properly prepared by a competent person.

Signatures

Name of Signatories **IN BLOCK LETTERS** } **LESLIE RONALD HOUSEMAN**  
**ROY BERTIE TRAVERS**

\* Name and address of company

\* To be signed by 100 directors

THREE DOLLARS

1. If any of the paragraphs are not applicable, the appropriate full paragraph shall be crossed out.

2. Requirements relating to directors are set out in paragraph 4 (a) and paragraph 5.

**INCLUDE LIST OF MEMBERS**

For the purposes of subsection 285 (1) I certify that:

- (a) the company has more than 500 members;
- (b) the company keeps its principal share register at a place within 25 kilometres of the office of the Corporate Affairs Commission for N.S.W. and
- (c) the company provides reasonable accommodation and facilities for persons to inspect and take copies of its list of members and its particulars of shares transferred;

and that accordingly the company is of a kind in which this subsection applies.

Dated this \_\_\_\_\_ Day of \_\_\_\_\_ 19\_\_\_\_  
 Signature of Secretary

Name of Signatory **IN BLOCK LETTERS**

\* Name and address of company

In the Full Court  
No. 190 Exhibit "PS 5"  
Bundle of documents  
produced after searches  
of Companies at the  
Corporate Affairs Office  
(continued)



No. of Company

27927-14

**Certificate of Incorporation on Change of Name of  
Company**

Companies Act, 1961—Section 31 (6)

**This is to Certify that**

27927-14

which was, on the fourth day of January, 1961,  
incorporated under the Companies Act, 1961, did on the thirty-first  
day of March, 1961, change its name to

27927-14

and that the company is limited by shares and is a Proprietary Company.

**Given** under the seal of the Corporate Affairs Commission at Sydney.

this thirty-first day of March, 1961.

Seal

*[Signature]*  
Commissioner



The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney  
General by notification published in the Government Gazette on the  
24th day of September, 1979 to be an approved person for the purposes of  
Section three of the Evidence (Reproduction) Act, 1967 hereby certifies  
pursuant to the Section that this transparency is made as a permanent  
record of a document in its custody or control.

DATED this 1st day of May, 1981.

8987

*[Signature]*  
Commissioner

under delegation from the Commission

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

JACKET B

NEW SOUTH WALES  
 Companies Act, 1961  
 Sections 112 (1), (1A)  
 146 (1) (i)  
 147 (1) (d)

Reg. No.	2370511481
Enclosure No.	
Type and Batch No.	
Form Sheet No.	
Document No.	2525

FILED in the Office of the  
 Corporate Affairs Commission on  
 26 OCT 1981  
*Beach*  
 COMMISSIONER

Form 17

NOTICE OF ADDRESS OF REGISTERED OFFICE AND OF  
 OFFICE HOURS AND OF PARTICULARS OF CHANGES

TO THE CORPORATE AFFAIRS COMMISSION

TRASSYER PTY. LIMITED

TRASSYER PTY. Limited, a local company  
 incorporated in New South Wales

hereby gives notice that

As from the 9TH day of OCTOBER 1981

the address of the registered office of the Company in New South Wales is  
 C/- MESSRS. FOSTER & POTTS, 404/200 PACIFIC  
 HIGHWAY, CROWS NEST 2065

As from the 9TH day of OCTOBER 1981  
 the days and hours during which that office is to be open and available to the public are  
 as follows:

Dated this 9TH day of OCTOBER 1981

- Director
- Secretary
- Company Secretary
- Company Secretary
- Company Secretary
- Company Secretary

(A) The above information may be inspected at the office of the Commission.

\* Such notices are not enforceable  
 \* Every full address, as to which, where necessary, the full name of the street, road, lane, etc., should be given  
 \* Where the date and hour of the opening of the office is not specified, the office shall be deemed to be open and available to the public during the usual business hours of the office.

Witness my hand and seal this 23rd day of OCTOBER 1981  
 Laid by: SIMONS AND B. FOSTER, SECRETARIES  
 10/50 MARTIN PLACE, SYDNEY 2000  
 Phone 223 7400

The above information is being declared by the Attorney General in compliance with the provisions of the Evidence (Reproduction) Act, 1975. It is to be an approved person for the purposes of the said Act. It is to be made available to the public in accordance with the provisions of the said Act. It is to be made available to the public in accordance with the provisions of the said Act.

9670



In the Full Court  
 No. 190 Exhibit "ps 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

**NO FEE**  
 26 AUG 1982

**FORM 8 NATIONAL COMPANIES AND SECURITIES COMMISSION**  
 Computer Form 81 Sub-section 230(1)  
**PARTICULARS AND CHANGES OF PARTICULARS IN REGISTER OF DIRECTORS, PRINCIPAL EXECUTIVE OFFICER AND SECRETARIES**

Doc. No. \_\_\_\_\_

Reg. No. **237091-12**

**TRASSYER PTY. Limited**

Director or other person and position in the case of director (the only director names to be listed through the current return)	Address (*)	Other companies and, in the case of directors, other directorships (*)	Particulars and nature of appointment or change, and relevant date(s)
<b>Directors (*)</b>			
BOYER, John Peter	142 Hopetoun Ave., Vaucluse	Co. Director	Continuing
BOYER, Marianne	142 Hopetoun Ave., Vaucluse	Co. Director	Continuing
PALLAY, Margaret	7 Benelong Cr., Bellevue Hill	Co. Director	Appointed 26/7/82
BROIT, Dennis	21 Towns Rd., Vaucluse	Accountant	Resigned 26/7/82
STRASSER, Peter Paul	38A Chamberlain Av., Rose Bay	Solicitor	Resigned 26/7/82
Alternate to John Peter Boyer			
ROYEN, David Gregory	142 Hopetoun Ave., Vaucluse		Appointed 26/7/82
Alternate to Marianne Boyer			
BOYER, Jacqueline Ann	142 Hopetoun Ave., Vaucluse		Appointed 26/7/82
Alternate to Margaret Pallay			
BOYER, Michael Joseph	142 Hopetoun Ave., Vaucluse		Appointed 26/7/82
<b>Principal Executive Officer (*)</b>			
<b>Secretaries (*)</b>			
ROYEN, John Peter	"As Above"	"As Above"	Appointed 26/7/82
ROYEN, Marianne	"As Above"	"As Above"	Continuing
BROIT, Dennis	"As Above"	"As Above"	Resigned

Dated this Twenty Sixth day of JULY, 1982

(\*) Signature of "Director"/"Secretary"/"Principal Executive Officer"  
 Name of Signatory (IN BLOCK LETTERS) JOHN P. ROYEN

NOTE: A fee will be charged for each name specifically requested.

Lodged by CHITREK INVESTMENT PTY LTD  
 Address 2/116 2/4 - ENTRANCE COURSE  
203 NEW SOUTH WALK  
 Phone No. 320465 32027

Lodged with the Commission  
26 AUG 1982 AT  
STONE  
J. SIMPSON  
 (Signature of J. Simpson)

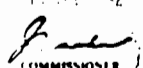
THIS FORM IS TO BE LODGED AT THE CORPORATE AFFAIRS OFFICE IN THE PLACE IN WHICH THE COMPANY IS INCORPORATED  
 SEE DIRECTIONS & OVERLEAF FOR THE COMPLETION OF THIS FORM

The CORPORATE AFFAIRS COMMISSION orders a person registered by the ALLIANCE (hereafter by notification published in the Government Gazette on the 10th day of September, 1979) to be an approved person for the purposes of section three of the Evidence (Reproduction) Act, 1975 (HARVEY EVIDENCE) pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

Set on this 26th day of July, 1982  
 11099  
 under delegation from the Chairman  
 J. Simpson

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

NEW SOUTH WALES  
 Companies Act, 1961  
 Sections 158 and 160

FILED with the Corporate  
 Affairs Commission on  
 17 MAY 1972  
  
 COMMISSIONER

COM A B C G

Annual Return  
 of a Company having a Share Capital

Reg. No. 23705 PART A  
 Annual Return of TRASSVER PTY  
 made up to the 24TH day of JULY  
 being the date of or a date not later than the fourteenth day after the date of the Annual General Meeting of the Company.

1. The accounts of the company were laid before the Annual General Meeting of the company held on 24TH JULY 1981 being the date of this return.

2. The address of the registered office of the company is 13TH FLOOR, 110 MACQUARIE STREET, SYDNEY. REGISTERED OFFICE ADDRESS CHANGED 4/11/81 414/200 PACIFIC HIGHWAY, CROWS NEST.

3. The name of the company as recorded in the participating States is

4. The address of the principal office of the company in any one participating State is

5. The address of the place at which the register of members is kept (other than the registered office) is

6. The business names under which the company carries on business are

THE ABOVE INFORMATION being a return to be taken by the Attorney General by notification published in the Government Gazette on the 27th day of September, 1979 to be an approved period for the purposes of Section 158 of the Evidence (Reproduction) Act, 1975, shall be admissible pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

10689

144

In the Full Court  
 No. 190 Exhibit "ps 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

**PART B**  
 Summary of Share Capital and Shares

1. **MEMORIAL SHARECAPITAL** 2. **19.00** divided into 3. **20,000** shares of 4. **1.00** each

5. Total number of shares taken up to the 26th day of July 1961 2 shares of 1.00 each (Filing the date of the return or other authorized date)

**TOTAL ISSUED CAPITAL (Nominal Value)** 2.00

6. Number of shares issued:  
 (a) Subject to payment wholly in cash 2  
 (b) As fully paid up otherwise than in cash 0  
 (c) As partly paid up to the extent of \_\_\_\_\_ per share otherwise than in cash 0  
**TOTAL of items 6(a), (b) and (c) (This should agree with total in item 5)** 2

7. Number of shares (if any) of each class issued as a dividend 0

8. Total amount of dividend on the basis of shares which has not been written off at the date of this return 0

9. (a) There has been called up on each of 2 shares 1.00  
 (b) There has been called up on each of \_\_\_\_\_ shares \_\_\_\_\_  
 (c) There has been called up on each of \_\_\_\_\_ shares \_\_\_\_\_

10. Total amount:  
 (a) Of calls received including payments on application and advance 2.00  
 (b) (If any) agreed to be considered as paid on which have been treated as fully paid up otherwise than in cash 0  
 (c) (If any) agreed to be considered as paid on which have been treated as partly paid up to the extent of \_\_\_\_\_ per share otherwise than in cash 0  
**TOTAL of items 10 (a), (b) and (c)** 2.00

11. Total amount of calls unpaid 0

12. Total amount of the return (if any) paid by way of commission in respect of any shares or debentures since the date of the last return 0

13. Total amount of the return (if any) allowed by way of dividend in respect of any debentures since the date of the last return 0

14. Total number of shares forfeited 0

15. Total amount paid (if any) on shares forfeited 0

16. Total amount of the subscriptions of the company received on the property (whether real or personal) or vesting of the company:  
 Particulars of each charge REGISTERED WITH THE COMMISSION are as follows:

Registered number	Date of registration	Amount of subscription at the date of the return
101		

**PART C**  
 LIST OF PERSONS holding shares in **TRANSVER PTY. LIMITED** on the 26th day of July 1961 (Filing the date of the return or other authorized date) and an account of the shares so held.

1. Name of the person holding the shares  
 2. Name of the company  
 3. Address of the person holding the shares  
 4. Number of shares held by the person holding the shares

Name of the person holding the shares	Name of the company		Address of the person holding the shares	Number of shares held by the person holding the shares
	Shares	Class and other details		
1. <b>SHARON</b>	<b>2000</b>		<b>50 RUPERTS AVENUE, WINDSOR</b>	<b>1</b>
2. <b>SHARON</b>	<b>2000</b>		<b>1 GARDEN STREET, GARDEN</b>	<b>1</b>

The COMMISSIONER GENERAL OF LANDS being a person declared by the Attorney General by notification published in the Government Gazette on the 26th day of September, 1979 to be an approved person for the purposes of Section 36 of the Building (Registration) Act, 1967 (SARF 10/1/1979) pursuant to the Statute that this temporary record is made as a permanent record of a document in its custody or control.

MADE this 10th day of June 1982.

10689

*[Signature]*  
 Commissioner  
 under delegation from the Commission

In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

**TRASSVER PTY. LIMITED**  
**SALANCE SHEET AS AT 30TH JUNE 1981**

	\$
<b>BURDENHOLDERS' FUNDS</b>	
Issued Capital (Note 2)	2
Represented by:-	
<b>CURRENT ASSETS</b>	
Cash on Hand	2
<b>INTRINSIC ASSETS</b>	
Formation Costs	250
	252
<b>CURRENT LIABILITIES</b>	
Loan	250
	2

**REVENUE STATEMENT**  
**FOR THE PERIOD ENDED 30TH JUNE 1981**

The company did not trade during the period from date of incorporation to 30 June 1981 and did not receive any income or incur any expenditure during the period.

**NOTE TO AND FORMING PART OF THE ACCOUNTS**

**1. ACCOUNTING METHODS**

The accounting policies adopted by the company are in accord with the accounting standards required by the Australian accounting bodies and/or by law.

**2. AUTHORISED CAPITAL**

10,000 Ordinary Shares of \$1.00 each \$10,000

**ISSUED CAPITAL**

2 Ordinary Shares of \$1.00 each fully paid \$ 2

**3. CONTINGENT LIABILITY**

The Company acts as Trustee of the Stumator and Translocor Trusts, for whose liabilities it is personally liable. The Trust Funds, however, indemnify the Trustee such that these liabilities may be met out of the assets of the Trusts.

As at 30 June 1981 the liabilities of the two Trust Estates slightly exceeded their assets.

The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 28th day of September, 1979 to be an approved person for the purposes of Section three of the Brisbane (Reproduction) Act, 1967 HEREBY CERTIFIES pursuant to the Statute that this transparency is made as a permanent record of a document in its custody or control.

DATED this twenty-second day of June 19 82.

*[Signature]*  
 Commissioner

under delegation from the Commission

10689



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

PUT SUPPORTING DOCUMENTS HERE

**PART D**

Particulars of the "Directors, Managers, Secretaries and Auditors at the Date of the Annual Return

The person's Christian or other name (or his firm's name)	Any former Christian or other name (or firm's name) of the person	Usual address	Other business occupations and the date of cessation (particulars of other persons who have been removed in accordance with section 14(2)(c) and (3) of the Companies Act, 1947)
Director SAFFSKY, DAVID ZALMON		58 HOPETOUN AVENUE, VAUCLUSE	SOLICITOR - JENSEN INV. LTD. RAGEN MINING N.L. INDUSTRIAL MINERAL CORP. FORBES SECURITIES LTD.
Director TRAVERS, ROY BERTIE		2 BERTRAM STREET, EASTWOOD	SOLICITOR - JENSEN INV. LTD. ALT. DIR. FORBES SECURITIES LTD.
Manager of 1947 TRAVERS, ROY BERTIE		AS ABOVE	AS ABOVE

**PART E**

Copy of Last Accounts of the Company

Except in the case of

- (a) a company that during the whole of the financial year to which the return relates was an exempt proprietary company and an unlimited company;
- (b) a company that during the whole of the financial year to which the return relates was an exempt proprietary company being a company of which the accounts and group accounts (if any) for that financial year were audited in accordance with the Companies Act, 1947;

the return must include a copy certified by a director or the manager or secretary of the company to be a true copy of all accounts and group accounts (if any) required to be laid before the company at the Annual General Meeting together with a copy of every document required by law to be attached or annexed thereto.

Where the purposes of subsection (1) of section 149B of the Companies Act, 1947, I hereby state in relation to the accounts of \_\_\_\_\_ Limited for the year ended \_\_\_\_\_ That

- (a) the company has had in its possession proper accounting records and other books during the period covered by those accounts;
- (b) the accounts have been properly audited in accordance with this Act;
- (c) I have not referred in my report to any defect or irregularity in the accounts.

I, \_\_\_\_\_ certify in regard to a company, the accounts or group accounts of which, by reason of the circumstances referred to in subsections (1) or (2) of section 149B of the Companies Act, 1947, are not audited.

For the purposes of subsection (1) of section 149B of the Companies Act, 1947, we hereby certify that in respect of the financial year to which the accounts or group accounts relate that

- (a) the company has \_\_\_\_\_ kept such accounting records as correctly record and explain the transactions and financial position of the company;
- (b) the company has \_\_\_\_\_ kept its accounting records in such a manner as would enable true and fair accounts of the company to be prepared from time to time;
- (c) the company has \_\_\_\_\_ kept its accounting records in such a manner as would enable the accounts of the company to be conveniently and promptly audited in accordance with the Companies Act, 1947;
- (d) the accounts and group accounts (if any) have \_\_\_\_\_ been properly prepared for the financial period \_\_\_\_\_

\_\_\_\_\_  
 Director

The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 28th day of September, 1979 to be an approved person for the purposes of Section three of the Evidence (Reproduction) Act, 1967 HEREBY CERTIFIES pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

LATAD site twenty-second day of June 19 82.

10689

*[Signature]*  
 Commissioner

under delegation from the Commission

In the Full Court  
 No. 190 Exhibit "ps 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

Stamp: **FILED**  
 REGISTERED with the Corporate  
 Affairs Commission on  
 - 5 FEB 1980  
*F. D. Ryan*  
 COMMISSIONER

NEW SOUTH WALES  
 COMPANIES ACT, 1961  
 Section 54 (1), (2) (b)

Form 17

Doc. No. 115106

**RETURN OF ALLOTMENT OF SHARES**

Reg. No. 2022174 *2*  
 DUKOR TG PTY. Limited

The shares referred to in this return were allotted or are deemed to have been allotted under section 54 (2) of the Companies Act, 1961, on the 4TH day of JANUARY 1980

Details of shares

1 Shares allotted or deemed to have been allotted

	Preference	Ordinary	Other
<b>1. FOR CASH CONSIDERATION:</b>			
(a) number of shares		2	
(b) nominal amount of EACH share		\$ 1.00	
(c) amount of advance paid on EACH share		\$ 1.00	
(d) amount of advance and payable on EACH share		NIL	
(e) amount of premium payable on EACH share		NIL	
<b>2. FOR CONSIDERATION OTHER THAN CASH:</b>			
(a) number of shares		N/A	
(i) as fully paid up		N/A	
(ii) as partly paid up		N/A	
(b) nominal amount of EACH share		N/A	
(c) if partly paid up, the amount treated as paid up on EACH share		N/A	
(d) amount of premium treated as paid up or payable on EACH share		N/A	
(e) The consideration for which the shares have been so allotted is as follows:			

3. The names and addresses of the allottees of shares in the company and the numbers and classes of shares allotted to them are as follows:

Surname	Christian or other names	Address	Number of shares allotted						
			Preference		Ordinary		Other Class		
			Cash	Otherwise	Cash	Otherwise	Cash	Otherwise	
RAFFSKY	DAVID RALPH	58 HOPETOWN AVENUE VAUGHAN 2030			1				
TRAVERS	ROY BERTIE	2 BRITANN STREET CASTLETON 2122			1				
Total					2				

Dated this 4TH day of JANUARY 1980  
*F. D. Ryan* Director

The SIGNATURE, NAME AND ADDRESS of a person declared by the Attorney General to be a person to whom the Government has made a loan of money under section 179 of the Income Tax Assessment Act, 1936, is hereby notified pursuant to the provision that such notification is made as a permanent record of a document in its custody or control.  
 DATED this 11th day of FEBRUARY 1980  
*F. D. Ryan*  
 Director

7492

In the Full Court  
No. 190 Exhibit "PS 5"  
Bundle of documents  
produced after searches  
of Companies at the  
Corporate Affairs Office  
(continued)

RICDAL CONSULTANTS PTY LTD

COMPANY NUMBER 268717-12

STATE VICTORIA

DATE OF RESERVATION 28.4.81

OBJECTS Trustee

4 NOV 1981 5 3 P

**V**

C/N EFFECTED 30.4.81

The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 28th day of September, 1979 to be an approved person for the purposes of Section three of the Evidence (Reproduction) Act, 1967 HEREBY CERTIFIES pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

DATED this 28th day of November 19 81

9683

*Lead*  
Commissioner  
under delegation from the Commission

In the Full Court  
No. 190 Exhibit "PS 5"  
Bundle of documents  
produced after searches  
of Companies at the  
Corporate Affairs Office  
(continued)

268717-12

COMPANY NO. 161808  
Document No.

Form 82A  
Companies Act 1961  
Section 343D (1) (b)

11/01/81  
1358

NOTICE OF CHANGE OF NAME  
OF A RECOGNIZED COMPANY

RICDAL NOMINEES PTY. LTD.

To the Commissioner for Corporate Affairs

RICDAL NOMINEES PTY. LTD.

a Company incorporated in Victoria hereby gives notice that  
as from the 30th day of April 1981,  
the name of the Company has been changed from RICDAL NOMINEES  
PTY. LTD. to RICDAL CONSULTANTS PTY. LTD.

DATED this 1st day of May, 1981.

*Rance*

Director/Secretary.

compl

LODGED BY Messrs. Mallesons  
ADDRESS 121 William Street,  
Melbourne.  
PHONE NO. 62 9761 (MOR:GDM)

LODGED with the Commissioner on

23-10-81

*Rance*

COMMISSIONER FOR CORPORATE AFFAIRS

The CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 30th day of September, 1979 to be an approved person for the purposes of Section three of the Evidence (Reproduction) Act, 1967 HEREBY CERTIFIES pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

DATED this Fourth day of November 19 81

*Beach*

Commissioner

under delegation from the Commission

9683



In the Full Court  
 No. 190 Exhibit "PS 5"  
 Bundle of documents  
 produced after searches  
 of Companies at the  
 Corporate Affairs Office  
 (continued)

FORM 37A  
 COMPANIES ACT 1961  
 Sections 343C(2) and 343D(a)

1958

KS-268717-12

N. REC  
 2777  
 SA

COMPANY No.	144443
DOCUMENT No.	

NOTICE OF SITUATION OF PRINCIPAL OFFICE AND OF OFFICE HOURS  
 OF A RECOGNIZED COMPANY AND OF PARTICULARS OF CHANGES

To the Commissioner for Corporate Affairs

RICAL CONSULTANTS PTY. Limited
a company incorporated in VICTORIA hereby gives notice that
as from the 22nd day of July, 19 81 the situation of the principal office of the company in NEW SOUTH WALES <del>has been changed to</del>
13 C/ FRANK CLUNE & SON, CHARTERED ACCOUNTANTS, 27TH LEVEL, AUSTRALIA SQUARE, SYDNEY 2000
<small>Insert full address, including where applicable, the number of the room and of the floor level of the building in which the office is situated.</small>
As from the day of 19 the hours during which that office is will be open and accessible to the public are have been changed to
<small>NOTE:— Notice of the days and hours during which the office is open and accessible to the public is not required if the office is open for at least 4 hours between nine o'clock in the morning and five o'clock in the afternoon of each day, Saturdays, Sundays and holidays excepted.</small>
Dated this 22nd day of July, 19 81
Signature: <i>[Signature]</i> Director

LOGGED WITH THE COMMISSIONER on  
 21.07.81  
*[Signature]*  
 COMMISSIONER FOR CORPORATE AFFAIRS

LOGGED BY COMPANY & TITLE SECRETARIAT  
 ADDRESS 1RD FLOOR,  
 190 ST. KILDA ROAD,  
 MELBOURNE VIC. 3004  
 PHONE No. 57 4322

THE CORPORATE AFFAIRS COMMISSION being a person declared by the Attorney General by notification published in the Government Gazette on the 30th day of September, 1979 to be an approved person for the purposes of Section three of the Evidence (Reproduction) Act, 1907 HEREBY CERTIFIES pursuant to the Section that this transparency is made as a permanent record of a document in its custody or control.

DATED this Third day of December 19 81

9781  
*[Signature]*  
 Commissioner  
 under delegation from the Hon. Justice

**OFFSHORE OIL N.L.**

(INCORPORATED UNDER THE COMPANIES ORDINANCE 1982 OF THE AUSTRALIAN CAPITAL TERRITORY)

REGISTERED OFFICE

12TH FLOOR, NATIONAL MUTUAL CENTRE, DARWIN PLACE, CANBERRA CITY, A.C.T., 2601

ADDRESS OF SHARE REGISTRY

COOPERS & LYBRAND, 24 MARCUS CLARKE STREET, CANBERRA CITY, A.C.T., 2601

PLEASE ADDRESS ALL CORRESPONDENCE TO:

COOPERS & LYBRAND, BOX 4216, G.P.O., SYDNEY, N.S.W. 2001  
 20-22 O'CONNELL STREET, SYDNEY, N.S.W. 2000



**ORDINARY SHARE CERTIFICATE**

HOLDER REFERENCE	NAME AND ADDRESS	NUMBER OF ORDINARY SHARES REGISTERED	CERTIFICATE NUMBER	DATE
WIDE YL** 027	NATIONWIDE RESOURCES PTY LIMITED SUITE 504 EDGECLIFF CENTRE 203 NEW SOUTH HEAD ROAD EDGECLIFF NSW 2027	*5574000*	729919  REGISTER  ACT	4AUG1983

MILLIONS	HUNDREDS OF THOUSANDS	TENS OF THOUSANDS	THOUSANDS	HUNDREDS	TENS	UNITS
FIVE	FIVE	SEVEN	FOUR	*****	*****	*****

THIS IS TO CERTIFY that the person herein is the registered holder of Fully Paid Ordinary Shares of 10 cents each in OFFSHORE OIL N.L. as specified above, subject to the Memorandum and Articles of Association of the Company

GIVEN UNDER THE SHARE SEAL OF THE COMPANY  
 ON THE ABOVE DATE



*[Signature]* DIRECTOR

*[Signature]* SECRETARY

THIS CERTIFICATE MUST BE SURRENDERED ON TRANSFER OF THE WHOLE OR ANY PORTION OF THE ABOVE ORDINARY SHARES

This is the exhibit marked "PS6" and is exhibited to me at the time of swearing my Affidavit dated 29th September, 1983.

*[Signature]*



N O R T H S - 1 AUG 1983  
 ESTABLISHED 1867

27-1151

Telegrams  
 VISION SYDNEY

Member firm of The Sydney Stock Exchange Limited

51 PITT STREET SYDNEY 2000  
 247 COLLINS ST. 21 BOLTON ST.  
 MELBOURNE 3000 NEWCASTLE 2300

Telex  
 AA20362

Postal Address  
 PO BOX 1257  
 ROYAL EXCH 2000

Contract Note - Please retain this portion.

THIS DAY WE BOUGHT THE FOLLOWING SECURITIES FOR YOU

COMPANY NAME / AUTHORITY OFFSHORE OIL N.L.

SECURITY DESCRIPTION		FULLY PAID ORDINARY		100	OFF
C/N No.	DATE	ACCOUNT	TOTAL UNITS	TOTAL CONSIDERATION	
113	29.7.83	8412900	5574000	732620.00	
UNITS AT PRICE		UNITS AT PRICE			
5574000	0.13			<b>TOTAL COST</b>	
BROKERAGE	STAMP DUTY	DIVIDEND DEDUCTION	APPLICATION MONEY		
553.10	2174.10			732647.20	

NATIONWIDE RESOURCES PTY LTD  
 SUITE 504 EDGECLIFF CENTRE  
 203 NEW SOUTH HEAD RD  
 EDGECLIFF

0 L



N O R T H S  
 ESTABLISHED 1867

Member firm of The Sydney Stock Exchange Limited

51 PITT STREET SYDNEY 2000  
 349 COLLINS ST. 21 BOLTON ST.  
 MELBOURNE 3000 NEWCASTLE 2300

Telephone

27-8851

Telegrams

VISION SYDNEY

Telex

AA20362

Postal Address

PO BOX R257  
 ROYAL EXCH 2000

Contract Note - Please retain this portion.

THIS DAY WE SOLD THE FOLLOWING SECURITIES FOR YOU

COMPANY NAME / AUTHORITY OFFSHORE OIL N.L.

\*\*\*COPY\*\*\*

SECURITY DESCRIPTION		FULLY PAID ORDINARY			
C/N No.	DATE	ACCOUNT	TOTAL UNITS	TOTAL CONSIDERATION	
91	8.8.83	8412900	24,000	3600.00	
UNITS AT PRICE		UNITS AT PRICE			
24,000	0.15			<b>NET PROCEEDS</b>	
BROKERAGE	STAMP DUTY	DIVIDEND DEDUCTION	APPLICATION MONEY		
9.00	10.80			3580.20	

NATIONWIDE RESOURCES PTY. LIMITED,  
 SUITE 504 EDGECLIFF CENTRE,  
 203 NEW SOUTH HEAD ROAD,  
 EDGECLIFF. N.S.W. 2027

AS AT 5.8.83

First  
 Tear Here

In the Full Court  
 No. 191  
 Exhibit "PS 6"  
 Copies of Contract Notes produced by Nationwide Resources Pty.Ltd.



**N O R T H S**  
**ESTABLISHED 1867**  
 Member firm of The Sydney Stock Exchange Limited  
 51 PITT STREET SYDNEY 2000  
 349 COLLINS ST. 21 BOLTON ST.  
 MELBOURNE 3000 NEWCASTLE 2300

Telephone  
 27-8851  
 Telegrams  
 VISION SYDNEY  
 Telex  
 AA20362  
 Postal Address  
 PO BOX 2257  
 ROYAL EXCH 2000

Contract Note — Please retain this portion.

(continued)

<b>THIS DAY WE</b>		<b>SOLD THE FOLLOWING SECURITIES FOR YOU</b>			<b>***COPY***</b>
<b>COMPANY NAME / AUTHORITY</b>		OFFSHORE OIL N.L.			
<b>SECURITY DESCRIPTION</b>		FULLY PAID ORDINARY 10¢			
<b>C/N No.</b>	<b>DATE</b>	<b>ACCOUNT</b>	<b>TOTAL UNITS</b>	<b>TOTAL CONSIDERATION</b>	
118	5.8.83	8412900	4,050,000	607,500.00	
<b>UNITS AT PRICE</b>		<b>UNITS AT PRICE</b>		<b>NET PROCEEDS</b>	
4,050,000 0.15					
<b>BROKERAGE</b>	<b>STAMP DUTY</b>	<b>DIVIDEND DEDUCTION</b>	<b>APPLICATION MONEY</b>		
1,893.75	1,822.50			603,783.75	

NATIONWIDE RESOURCES PTY. LIMITED,  
 Suite 504, Edgecliff Centre,  
 203 New South Head Road,  
 EDGECLIFF. N.S.W. 2027

First Tear Here

Issued subject to the Articles, Regulations, By-Laws, Rules, customs and usages of The Sydney Stock Exchange Limited and the correction of errors or omissions.

Issued subject to the Articles, Regulations, By-Laws, Rules, customs and usages of The Sydney Stock Exchange Limited and the correction of errors or omissions.



**N O R T H S**  
**ESTABLISHED 1867**  
 Member firm of The Sydney Stock Exchange Limited  
 51 PITT STREET SYDNEY 2000  
 349 COLLINS ST. 21 BOLTON ST.  
 MELBOURNE 3000 NEWCASTLE 2300

Telephone  
 27-8851  
 Telegrams  
 VISION SYDNEY  
 Telex  
 AA20362  
 Postal Address  
 PO BOX 2257  
 ROYAL EXCH 2000

Contract Note — Please retain this portion.

<b>THIS DAY WE</b>		<b>SOLD THE FOLLOWING SECURITIES FOR YOU</b>			<b>***COPY***</b>
<b>COMPANY NAME / AUTHORITY</b>		OFFSHORE OIL N.L.			
<b>SECURITY DESCRIPTION</b>		FULLY PAID ORDINARY 10¢			
<b>C/N No.</b>	<b>DATE</b>	<b>ACCOUNT</b>	<b>TOTAL UNITS</b>	<b>TOTAL CONSIDERATION</b>	
136	04.08.83	8412900	1,500,000	\$ 225,000.00	
<b>UNITS AT PRICE</b>		<b>UNITS AT PRICE</b>		<b>NET PROCEEDS</b>	
1,500,000 0.15					
<b>BROKERAGE</b>	<b>STAMP DUTY</b>	<b>DIVIDEND DEDUCTION</b>	<b>APPLICATION MONEY</b>		
1,305.00	675.00			223,020.00	

NATIONWIDE RESOURCES PTY. LIMITED,  
 Suite 504 Edgecliff Centre,  
 203 New South Head Road,  
 EDGECLIFF. N.S.W. 2027

First Tear Here

In the Full Court  
No. 192 Exhibit "PS 7"  
Stock Exchange Report  
dated 9th August 1983

```
1 *****
2 *****
3
4 ***** * * * *
5 * * * * *
6 ***** * * * * *
7 * * * * *
8 * * * * *
9 * * * * *
10
11 *****
12 *****
```

This is the exhibit marked "PS7"  
and is exhibited to me at the time  
of swearing my Affidavit dated  
29th September, 1983.

*Phillip John James*

-- 3 0 --      DATE 08-07-83      TIME 13.603      PR 0 24      JEC SYD

FASTFORMS

THE SYDNEY STOCK EXCHANGE LIMITED      STOCKWATCH ENQUIRY REPORT      DATE OF REPCRT- 09-08-83      PAGE - 1

ENQUIRY STOCK = OFFSHORE F10      DATE FROM 830601 - TO 830608      BUY BROKER      SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	01-06-83	3271	2022	10,000	.120	01-06-83				1034	789510	CFF
		01-06-83	2001	2009	10,000	.120	01-06-83				1038	302638	
		01-06-83	3271	2012	10,000	.120	01-06-83				1038	073164	
		01-06-83	2022	2009	6,000	.120	01-06-83				1051	302689	
		01-06-83	2023	2009	10,000	.120	01-06-83				1055	302670	
		01-06-83	2090	2064	500	.110	01-06-83				1055	788849	
		01-06-83	3274	2009	10,000	.120	01-06-83				1058	302735	
		01-06-83	2013	2009	50,000	.120	01-06-83				1106	302743	
		01-06-83	2037	2009	50,000	.120	01-06-83				1109	302581	
		01-06-83	2013	2022	20,000	.120	01-06-83				1120	789545	
		01-06-83	2070	2009	2,000	.120	01-06-83				1121	302778	
		01-06-83	2023	2009	10,000	.120	01-06-83				1125	302786	
		01-06-83	3271	2022	4,000	.120	01-06-83				1140	766049	
		01-06-83	2022	2009	4,000	.120	01-06-83				1142	302832	
		01-06-83	2070	2009	10,000	.120	01-06-83				1142	302840	
		01-06-83	20MM	2022	16,000	.120	01-06-83				1144	766081	
		01-06-83	3271	2009	4,000	.120	01-06-83				1159	302824	
		01-06-83	2012	2009	2,000	.120	01-06-83				1402	302891	
		01-06-83	2012	2015	2,000	.120	01-06-83				1407	194213	
		01-06-83	2009	3271	4,000	.120	01-06-83				1438	938451	
		02-06-83	2012	3279	14,000	.120	02-06-83				1053	334474	
		02-06-83	2009	3279	14,000	.120	02-06-83				1057	334482	
		02-06-83	2023	3279	50,000	.120	02-06-83				1101	334490	
		02-06-83	2090	2007	375	.090	02-06-83				1129	426755	
		02-06-83	2009	2090	2,000	.110	02-06-83				1511	339452	
		02-06-83	2009	2070	44,000	.110	02-06-83				1512	405204	
		02-06-83	2090	2070	1,000	.100	02-06-83				1512	405212	
		02-06-83	2009	2041	4,000	.110	02-06-83				1513	000730	
		02-06-83	2090	2041	500	.100	02-06-83				1523	000757	
		03-06-83	2033	3279	4,000	.120	03-06-83				1018	334571	
		03-06-83	2034	3279	10,000	.120	03-06-83				1018	334601	
		03-06-83	2090	2051	250	.100	03-06-83				1032	614235	
		03-06-83	2003	2051	2,000	.120	03-06-83				1037	614227	
		03-06-83	2057	2004	4,000	.120	03-06-83				1133	884809	
		03-06-83	2003	2004	26,000	.120	03-06-83				1133	884817	
		03-06-83	20MM	2037	2,000	.130	03-06-83				1135	232797	
		03-06-83	3271	2009	2,000	.120	03-06-83				1157	303391	
		03-06-83	2090	2022	1,000	.100	03-06-83				1207	716653	
		03-06-83	2003	2009	76,000	.120	03-06-83				1216	303383	
		03-06-83	2003	3279	36,000	.120	03-06-83				1217	334598	
		03-06-83	3271	2009	8,000	.120	03-06-83				1512	303510	
		03-06-83	2003	2009	182,000	.120	03-06-83				1523	303553	
		06-06-83	2003	2009	100,000	.120	03-06-83	+			1013	303596	

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830308

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	06-06-83	2007	2044	1,000	.120	06-06-83				1053	372035	OFF
		06-06-83	2007	2069	8,000	.120	06-06-83				1059	222207	
		06-06-83	2003	2069	2,000	.120	06-06-83				1104	222193	
		06-06-83	2007	2070	2,000	.120	06-06-83				1104	444080	
		06-06-83	2007	2070	1,000	.120	06-06-83				1104	444099	
		06-06-83	2013	2069	24,000	.120	06-06-83				1106	222177	
		06-06-83	3271	2034	4,000	.120	06-06-83				1130	599231	
		06-06-83	2003	2090	2,000	.120	06-06-83				1215	513339	
		06-06-83	2003	2090	2,000	.120	06-06-83				1215	513347	
		06-06-83	2041	2057	1,000	.130	06-06-83				1219	113505	
		07-06-83	2004	2002	4,000	.120	07-06-83				1037	776731	
		07-06-83	2007	2004	6,000	.120	07-06-83				1042	885546	
		07-06-83	20MM	2004	1,000	.120	07-06-83				1042	885554	
		07-06-83	2090	2044	1,500	.110	07-06-83				1211	362080	
		07-06-83	2022	2060	6,000	.120	07-06-83				1415	464089	
		07-06-83	2022	2003	4,000	.120	07-06-83				1416	557200	
		07-06-83	20MM	2022	2,000	.120	07-06-83				1416	735607	
		07-06-83	20MM	2022	2,000	.120	07-06-83				1419	735615	
		07-06-83	2048	2012	32,000	.120	07-06-83				1423	037575	
		07-06-83	2022	2012	36,000	.120	07-06-83				1428	037532	
		07-06-83	2037	2012	20,000	.120	07-06-83				1430	037559	
		07-06-83	2007	2012	3,000	.120	07-06-83				1430	037567	
		07-06-83	3271	2012	4,000	.120	07-06-83				1432	037540	
		07-06-83	2048	2047	6,000	.120	07-06-83				1455	284188	
		07-06-83	2020	2047	4,000	.120	07-06-83				1514	284161	
		08-06-83	2007	2024	10,000	.120	07-06-83	+			1227	079103	
		08-06-83	2090	2004	500	.090	03-06-83				1222	726375	
		08-06-83	2020	2022	2,000	.120	03-06-83				1412	738886	
		08-06-83	2052	2022	1,000	.110	03-06-83				1526	739114	
		08-06-83	20MM	2052	3,000	.110	03-06-83				1527	609111	
		09-06-83	3271	2060	6,000	.110	09-06-83				1121	464895	
		09-06-83	2001	2034	2,000	.120	09-06-83				1410	681043	
		09-06-83	3271	2064	4,000	.120	09-06-83				1443	793087	
		09-06-83	3271	2052	4,000	.120	09-06-83				1455	609480	
		09-06-83	2033	2090	2,000	.120	09-06-83				1511	507177	
		09-06-83	2033	2090	2,000	.120	09-06-83				1512	507169	
		10-06-83	20MM	2009	50,000	.110	10-06-83	5			1014	377549	
		10-06-83	2023	2024	2,000	.120	10-06-83				1214	060380	
		10-06-83	3271	2034	10,000	.120	10-06-83				1426	681485	

In the Full Court  
 No. 192  
 Exhibit "PS 7"  
 Stock Exchange  
 Report dated  
 9th August  
 1983

(continued)

THE SYDNEY STOCK EXCHANGE LIMITED STOCKWATCH ENQUIRY REPORT DATE OF REPORT- C9-C8-83 PAGE - 3

ENQUIRY STOCK = OFFSHORE F10 DATE FROM 830501 - TO 830308 BUY BROKER SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	10-06-83	3271	2020	6,000	.120	10-06-83				1427	897030	OFF
		10-06-83	2015	2022	6,000	.110	10-06-83				1510	744150	
		10-06-83	2011	2057	2,000	.120	10-06-83				1510	131414	
		10-06-83	2020	2022	24,000	.110	10-06-83				1514	744207	
		10-06-83	2030	2022	10,000	.110	10-06-83				1514	744223	
		10-06-83	2090	2034	500	.100	10-06-83				1517	625232	
		10-06-83	2060	2022	4,000	.110	10-06-83				1523	744096	
		10-06-83	2060	2022	1,000	.110	10-06-83				1525	744134	
		10-06-83	2024	2022	6,000	.110	10-06-83				1527	744118	
		10-06-83	3271	2022	14,000	.110	10-06-83				1527	744126	
		10-06-83	2023	2022	20,000	.110	10-06-83				1528	744088	
		14-06-83	20MM	2001	12,000	.110	14-06-83				1113	191608	
		14-06-83	2034	2020	12,000	.110	14-06-83				1129	897537	
		14-06-83	2090	2001	500	.100	14-06-83				1207	184156	
		15-06-83	20MM	2022	50,000	.125	15-06-83	5			1000	744916	
		15-06-83	2007	2064	10,000	.120	15-06-83				1019	789144	
		15-06-83	2022	2024	30,000	.120	15-06-83				1020	061123	
		15-06-83	2022	2023	20,000	.120	15-06-83				1021	569085	
		15-06-83	2013	2057	56,000	.120	15-06-83				1032	106169	
		15-06-83	2004	2064	6,000	.120	15-06-83				1050	789160	
		15-06-83	2022	2012	10,000	.120	15-06-83				1457	026034	
		15-06-83	2022	2057	12,000	.120	15-06-83				1457	106363	
		15-06-83	2022	2034	3,000	.120	15-06-83				1459	650849	
		15-06-83	2022	2001	3,000	.120	15-06-83				1500	185160	
		15-06-83	2022	2064	10,000	.120	15-06-83				1503	789349	
		15-06-83	2022	3271	2,000	.120	15-06-83				1506	811362	
		15-06-83	2057	2012	2,000	.120	15-06-83				1511	026158	
		15-06-83	2057	2034	12,000	.120	15-06-83				1511	650962	
		15-06-83	2001	2012	8,000	.120	15-06-83				1512	026042	
		16-06-83	2057	2022	20,000	.120	16-06-83				1036	672826	
		16-06-83	2009	2037	10,000	.120	16-06-83				1050	194852	
		16-06-83	2009	2022	30,000	.120	16-06-83				1145	745637	
		16-06-83	2057	2060	6,000	.120	16-06-83				1214	462833	
		16-06-83	2048	2047	2,000	.120	16-06-83				1445	300647	
		16-06-83	2034	2003	10,000	.120	16-06-83				1457	509451	
		16-06-83	2034	2047	2,000	.120	16-06-83				1458	300655	
		16-06-83	2011	2024	4,000	.120	16-06-83				1512	052167	
		16-06-83	2034	2024	8,000	.120	16-06-83				1512	052175	
		16-06-83	2057	2024	10,000	.120	16-06-83				1512	052183	
		17-06-83	20MM	2024	10,000	.120	17-06-83				1050	052302	



ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830501 - TO 830308

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	17-06-83	2013	2022	4,000	.120	17-06-83				1055	764526	OFF
		17-06-83	2020	3271	10,000	.120	17-06-83				1110	794417	
		17-06-83	2020	2024	10,000	.120	17-06-83				1124	052329	
		17-06-83	20MM	2022	2,000	.120	17-06-83				1406	764747	
		17-06-83	2090	2037	250	.090	17-06-83				1429	195123	
		17-06-83	2090	2037	1,000	.100	17-06-83				1429	195115	
		17-06-83	3271	2022	2,000	.120	17-06-83				1433	764909	
		17-06-83	2024	2022	13,000	.120	17-06-83				1504	765034	
		17-06-83	2024	2001	2,000	.120	17-06-83				1523	216449	
		20-06-83	20MM	2022	25,000	.125	20-06-83	5			0953	672893	
		20-06-83	2018	3273	4,000	.110	20-06-83				1522	505005	
		20-06-83	2090	3273	500	.100	20-06-83				1530	505021	
		20-06-83	2041	2032	2,000	.110	20-06-83				1538	191294	
		20-06-83	2023	3273	4,000	.110	20-06-83				1540	505013	
		21-06-83	20MM	2022	51,000	.120	21-06-83	5			1004	765433	
		21-06-83	20MM	2022	14,000	.122	21-06-83	5			1009	678816	
		21-06-83	20MM	2022	14,000	.123	21-06-83	5			1009	678824	
		21-06-83	2052	2034	10,000	.120	21-06-83				1055	690727	
		21-06-83	2022	2034	20,000	.120	21-06-83				1055	690735	
		21-06-83	3271	2034	4,000	.120	21-06-83				1213	690832	
		21-06-83	2013	2022	2,000	.120	21-06-83				1410	878149	
		21-06-83	2013	2034	12,000	.120	21-06-83				1427	690905	
		21-06-83	2023	2034	15,000	.120	21-06-83				1519	691030	
		21-06-83	2022	2034	6,000	.120	21-06-83				1519	691049	
		22-06-83	2023	2022	500	.110	22-06-83				1408	878718	
		22-06-83	20MM	2022	2,000	.120	22-06-83				1420	878742	
		22-06-83	2033	2009	10,000	.120	22-06-83				1421	531580	
		22-06-83	20MM	2022	1,000	.120	22-06-83				1422	878750	
		22-06-83	20MM	2007	10,000	.120	22-06-83				1431	554990	
		22-06-83	2037	2009	6,000	.120	22-06-83				1515	278958	
		22-06-83	2037	2022	2,000	.120	22-06-83				1516	878866	
		23-06-83	2020	2022	2,000	.120	23-06-83				1033	878939	
		23-06-83	3271	2060	2,000	.120	23-06-83				1145	450800	
		24-06-83	20MM	2022	25,000	.125	24-06-83	5			1002	879234	
		24-06-83	20MM	2022	25,000	.125	24-06-83	5			1002	879242	
		24-06-83	20MM	2022	100,000	.115	24-06-83	5			1002	879250	
		24-06-83	20MM	2060	6,000	.120	24-06-83				1432	451424	

In the Full Court  
 No. 192  
 Exhibit "PS 7"  
 Stock Exchange Report dated  
 9th August 1983

(continued)

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKMATCH ENQUIRY REPORT

DATE OF REPORT - 09-08-83

PAGE - 5

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830501 - TO 330303

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	24-06-83	2090	2012	500	.090	24-06-83				1508	167584	OFF
		24-06-83	32MM	3271	10,000	.120	24-06-83				1514	827013	
		24-06-83	2018	2057	15,000	.110	24-06-83				1518	139350	
		24-06-83	2018	2070	1,000	.110	24-06-83				1520	445478	
		24-06-83	20MM	2012	4,000	.110	24-06-83				1521	167576	
		27-06-83	2090	2009	3,000	.120	27-06-83				1145	468811	
		27-06-83	2022	2008	7,000	.110	27-06-83				1209	228663	
		27-06-83	2090	2008	500	.100	27-06-83				1210	228671	
		27-06-83	32MM	3271	10,000	.120	27-06-83				1212	827269	
		27-06-83	3271	2032	2,000	.120	27-06-83				1420	174888	
		27-06-83	2044	2001	4,000	.120	27-06-83				1431	195328	
		27-06-83	2044	2024	6,000	.120	27-06-83				1433	186589	
		27-06-83	2044	3271	4,000	.120	27-06-83				1434	827420	
		27-06-83	3276	2060	12,000	.120	27-06-83				1451	452188	
		27-06-83	3276	2068	52,000	.120	27-06-83				1452	199449	
		27-06-83	3276	2023	4,000	.120	27-06-83				1507	228474	
		27-06-83	3276	2068	66,000	.120	27-06-83				1507	199503	
		27-06-83	2022	2068	10,000	.120	27-06-83				1509	199481	
		27-06-83	3276	3271	2,000	.130	27-06-83				1510	827595	
		27-06-83	3276	2004	10,000	.130	27-06-83				1511	840909	
		27-06-83	3276	3271	2,000	.120	27-06-83				1515	827560	
		27-06-83	3276	2022	38,000	.130	27-06-83				1517	864369	
		27-06-83	3276	3271	6,000	.120	27-06-83				1517	827528	
		27-06-83	3276	2022	38,000	.120	27-06-83				1518	864261	
		27-06-83	32MM	3271	4,000	.120	27-06-83				1518	827536	
		27-06-83	3276	3272	20,000	.120	27-06-83				1518	130415	
		27-06-83	2009	2068	8,000	.120	27-06-83				1521	199457	
		27-06-83	20MM	2022	40,000	.120	27-06-83				1522	864288	
		28-06-83	20MM	2007	3,000	.130	28-06-83				1036	594550	
		28-06-83	2033	2037	4,000	.130	28-06-83				1036	270877	
		28-06-83	2018	2037	21,000	.130	28-06-83				1036	270885	
		28-06-83	20MM	2022	3,000	.130	28-06-83				1037	864520	
		28-06-83	20MM	2022	2,000	.130	28-06-83				1038	864512	
		28-06-83	20MM	2032	8,000	.130	28-06-83				1038	175272	
		28-06-83	2018	2052	4,000	.120	28-06-83				1041	719413	
		28-06-83	20MM	2032	4,000	.130	28-06-83				1054	175280	
		28-06-83	2032	2008	10,000	.120	28-06-83				1055	228752	
		28-06-83	2013	2030	10,000	.130	28-06-83				1107	638852	
		28-06-83	2013	2037	52,000	.130	28-06-83				1125	270923	
		28-06-83	2032	2037	10,000	.130	28-06-83				1126	270907	
		28-06-83	2007	2037	2,000	.130	28-06-83				1127	270915	
		28-06-83	2013	2023	20,000	.130	28-06-83				1130	228768	
		28-06-83	2007	3271	2,000	.130	28-06-83				1134	900039	

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830630

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	28-06-83	2048	2024	2,000	.130	28-06-83				1137	186767	CFE
		28-06-83	2013	2024	18,000	.130	29-06-83				1138	186783	
		28-06-83	2033	3271	10,000	.130	28-06-83				1140	900063	
		28-06-83	2033	2048	2,000	.130	28-06-83				1142	216240	
		28-06-83	2032	2023	10,000	.130	28-06-83				1152	228717	
		28-06-83	2090	2052	500	.110	29-06-83				1209	652041	
		28-06-83	2019	2034	10,000	.130	23-06-83				1210	762485	
		28-06-83	2004	3272	16,000	.120	28-06-83				1212	130636	
		28-06-83	2018	2004	10,000	.130	28-06-83				1403	841271	
		28-06-83	2044	2004	2,000	.130	29-06-83				1433	841328	
		28-06-83	2004	2022	6,000	.130	28-06-83				1513	864814	
		28-06-83	2004	2057	4,000	.130	28-06-83				1514	116210	
		28-06-83	2018	2013	8,000	.130	28-06-83				1516	291599	
		28-06-83	2004	2037	6,000	.130	23-06-83				1516	271113	
		28-06-83	2018	2004	4,000	.130	28-06-83				1517	841417	
		28-06-83	2004	2018	4,000	.130	28-06-83				1517	343562	
		28-06-83	2018	2057	2,000	.130	23-06-83				1522	116253	
		29-06-83	2044	2009	8,000	.120	27-06-83	+	4		CC00	468811	
		29-06-83	2090	2060	450	.100	29-06-83				1050	452781	
		29-06-83	2004	2030	8,000	.120	29-06-83				1059	639107	
		29-06-83	2012	2037	10,000	.130	29-06-83				1136	271229	
		29-06-83	2061	2024	4,000	.130	29-06-83				1137	187291	
		29-06-83	2044	2037	8,000	.130	29-06-83				1418	271245	
		29-06-83	2052	2003	2,000	.120	29-06-83				1439	476057	
		29-06-83	2022	2032	1,000	.130	29-06-83				1445	198418	
		29-06-83	2022	2008	3,000	.120	29-06-83				1446	229007	
		29-06-83	2052	2022	4,000	.130	29-06-83				1507	865349	
		30-06-83	2015	2022	3,000	.120	30-06-83				1140	882030	
		30-06-83	20MM	2022	6,000	.120	30-06-83				1141	882049	
		30-06-83	20MM	2033	10,000	.120	30-06-83				1444	631077	
		30-06-83	2012	2048	2,000	.120	30-06-83				1457	212520	
		30-06-83	2009	2057	2,000	.130	30-06-83				1503	117128	
		30-06-83	2090	2020	1,000	.110	30-06-83				1515	925328	
		30-06-83	2032	2004	4,000	.130	30-06-83				1521	900146	
		30-06-83	2004	2051	4,000	.130	30-06-83				1521	598647	
		30-06-83	20MM	2004	6,000	.130	30-06-83				1522	900081	
		30-06-83	2022	2020	4,000	.120	30-06-83				1522	925263	
		30-06-83	3271	2020	6,000	.120	30-06-83				1522	925271	
		30-06-83	2012	2020	4,000	.120	30-06-83				1522	925298	
		30-06-83	2032	2022	4,000	.130	30-06-83				1523	882219	
		30-06-83	2004	2024	4,000	.130	30-06-83				1523	066206	
		30-06-83	2032	2024	6,000	.130	30-06-83				1523	066214	
		30-06-83	2004	2057	4,000	.130	30-06-83				1523	117063	

in the Full  
Court

No. 192  
Exhibit "PS 7"  
Stock Exchange  
Report dated  
14 August  
1983

(continued)

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKWATCH ENQUIRY REPORT

DATE OF REPORT - 09-08-83

PAGE - 7

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830808

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	30-06-83	2032	2057	4,000	.130	30-06-83				1524	117071	CFF
		30-06-83	2037	2090	2,000	.120	30-06-83				1524	382153	
		30-06-83	2015	2020	2,000	.120	30-06-83				1525	925220	
		30-06-83	2009	2020	2,000	.130	30-06-83				1525	925239	
		30-06-83	2037	2020	8,000	.120	30-06-83				1525	925247	
		30-06-83	2032	2051	4,000	.130	30-06-83				1525	598655	
		01-07-83	2003	2009	44,000	.130	01-07-83				1036	473130	
		01-07-83	2003	2037	23,000	.130	01-07-83				1042	280279	
		01-07-83	2003	2057	44,000	.130	01-07-83				1042	117187	
		01-07-83	2003	2004	12,000	.130	01-07-83				1048	900448	
		01-07-83	2003	2030	10,000	.130	01-07-83				1048	630436	
		01-07-83	2003	2024	32,000	.130	01-07-83				1119	066311	
		01-07-83	2003	2004	30,000	.130	01-07-83				1123	900359	
		01-07-83	32MM	3271	10,000	.130	01-07-83				1213	901485	
		01-07-83	20MM	2033	9,000	.130	01-07-83				1458	631441	
		01-07-83	2004	2001	2,000	.130	01-07-83				1518	156322	
		04-07-83	2007	2022	6,000	.130	04-07-83				1110	882901	
		04-07-83	2007	2048	4,000	.130	04-07-83				1110	213179	
		04-07-83	20MM	2004	1,000	.130	04-07-83				1114	900790	
		04-07-83	2008	2020	4,000	.130	04-07-83				1123	968116	
		04-07-83	2001	2037	2,000	.130	04-07-83				1206	280643	
		04-07-83	2001	2048	6,000	.130	04-07-83				1206	213217	
		04-07-83	2001	2090	2,000	.130	04-07-83				1206	382579	
		04-07-83	2001	2022	10,000	.130	04-07-83				1208	883118	
		04-07-83	3271	2037	2,000	.130	04-07-83				1416	280635	
		05-07-83	2003	3272	50,000	.130	05-07-83				1022	131594	
		05-07-83	2003	2004	68,000	.130	05-07-83				1026	901177	
		05-07-83	2003	2020	6,000	.130	05-07-83				1028	968302	
		05-07-83	2003	2013	12,000	.130	05-07-83				1030	287257	
		05-07-83	2003	3272	50,000	.130	05-07-83				1031	131616	
		05-07-83	2003	2048	10,000	.130	05-07-83				1037	213551	
		05-07-83	20MM	2003	23,000	.130	05-07-83				1040	477517	
		05-07-83	2003	2032	2,000	.130	05-07-83				1040	164033	
		05-07-83	2022	2048	20,000	.130	05-07-83				1054	162019	
		05-07-83	20MM	2022	40,000	.130	05-07-83				1101	883614	
		05-07-83	2003	2033	76,000	.130	05-07-83				1116	650217	
		05-07-83	2003	3272	50,000	.130	05-07-83				1148	312068	
		05-07-83	20MM	2022	1,000	.130	05-07-83				1156	834141	
		05-07-83	2003	2013	16,000	.130	05-07-83				1408	287427	
		05-07-83	2003	2013	10,000	.130	05-07-83				1419	287435	
		05-07-83	2004	2090	250	.150	05-07-83				1458	408527	

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830303

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	05-07-83	2003	2048	10,000	.130	05-07-83				1509	162337	OFF
		05-07-83	2003	2020	2,000	.130	05-07-83				1517	968647	
		05-07-83	2004	2022	500	.130	05-07-83				1518	834370	
		07-07-83	2022	2002	3,000	.130	07-07-83				1212	808358	
		07-07-83	20MM	2022	1,000	.130	07-07-83				1213	806148	
		07-07-83	2007	2012	2,000	.130	07-07-83				1442	909238	
		07-07-83	20MM	2007	4,000	.130	07-07-83				1518	567278	
		08-07-83	2032	2048	4,000	.130	03-07-83				1016	163228	
		08-07-83	2003	2048	6,000	.130	03-07-83				1016	163244	
		08-07-83	2003	2015	6,000	.130	03-07-83				1017	237559	
		08-07-83	2003	2036	50,000	.130	03-07-83				1021	898430	
		08-07-83	2070	2023	9,000	.130	03-07-83				1022	224126	
		08-07-83	2018	2070	1,000	.130	03-07-83				1023	178038	
		08-07-83	2003	2070	8,000	.130	03-07-83				1025	178046	
		08-07-83	2070	2057	20,000	.130	03-07-83				1026	096678	
		08-07-83	2015	2004	2,000	.130	03-07-83				1027	832973	
		08-07-83	20MM	2004	32,000	.130	03-07-83				1027	832981	
		08-07-83	2070	2033	30,000	.130	03-07-83				1028	650934	
		08-07-83	2003	2004	100,000	.130	03-07-83				1031	832965	
		08-07-83	2070	2004	150,000	.130	03-07-83				1032	832930	
		08-07-83	2003	2004	50,000	.130	03-07-83				1032	832949	
		08-07-83	2018	2004	4,000	.130	03-07-83				1033	832914	
		08-07-83	2003	2004	100,000	.130	03-07-83				1033	832922	
		08-07-83	2022	2004	2,000	.130	03-07-83				1038	833007	
		03-07-83	2003	2036	-50,000	.130	03-07-83				1055	898465	
		03-07-83	2003	2012	14,000	.130	03-07-83				1100	909572	
		08-07-83	2004	2012	4,000	.130	03-07-83				1103	909599	
		08-07-83	2090	3271	500	.110	03-07-83				1128	968067	
		08-07-83	2004	2090	500	.150	03-07-83				1137	409213	
		08-07-83	2022	3271	4,000	.130	03-07-83				1142	968059	
		08-07-83	2003	2004	50,000	.130	03-07-83				1145	833023	
		08-07-83	2034	2020	10,000	.130	03-07-83				1213	969465	
		08-07-83	2018	2004	50,000	.130	03-07-83				1415	833139	
		08-07-83	2003	2004	72,000	.130	03-07-83				1415	833147	
		08-07-83	2034	2004	14,000	.130	03-07-83				1416	833120	
		08-07-83	2090	2009	750	.110	03-07-83				1511	514414	
		08-07-83	2003	2004	200,000	.130	03-07-83				1515	833295	
		08-07-83	2024	2009	20,000	.130	03-07-83				1517	514406	
		08-07-83	2003	2036	100,000	.130	03-07-83				1524	898562	
		08-07-83	2024	2004	10,000	.130	03-07-83				1526	833287	
		11-07-83	20MM	2004	300,000	.130	11-07-83	5			1023	833511	

In the Full Court

No: 192  
Exhibit "PS 7"  
Stock Exchange  
Report dated  
9th August  
1983

(continued)

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKWATCH ENQUIRY REPORT

DATE OF REPORT - 09-08-83

PAGE - 9

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830501 - TO 330308

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CCDE	COR CCDE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	11-07-83	2012	2036	4,000	.130	11-07-83				1134	898651	OFF
		11-07-83	2013	2036	3,000	.130	11-07-83				1134	898732	
		11-07-83	2003	2036	83,000	.130	11-07-83				1134	898740	
		11-07-83	2020	2048	20,000	.130	11-07-83				1139	160407	
		11-07-83	2003	2047	2,000	.130	11-07-83				1401	220651	
		11-07-83	2003	2022	3,000	.130	11-07-83				1402	892427	
		11-07-83	2003	2032	4,000	.130	11-07-83				1403	212534	
		11-07-83	2012	2022	1,000	.130	11-07-83				1407	892435	
		11-07-83	2034	2022	1,000	.130	11-07-83				1410	892443	
		11-07-83	2003	3271	2,000	.130	11-07-83				1422	968571	
		11-07-83	20MM	2034	10,000	.140	11-07-83				1512	778608	
		11-07-83	2022	2020	6,000	.140	11-07-83				1514	978464	
		11-07-83	2022	2047	3,000	.140	11-07-83				1514	220953	
		11-07-83	2022	2037	6,000	.140	11-07-83				1518	281607	
		12-07-83	2009	2015	50,000	.140	12-07-83				1020	088391	
		12-07-83	2018	2064	20,000	.140	12-07-83				1028	840131	
		12-07-83	2009	2024	10,000	.150	12-07-83				1032	120405	
		12-07-83	2009	2037	14,000	.140	12-07-83				1033	284010	
		12-07-83	2009	2023	20,000	.150	12-07-83				1034	225173	
		12-07-83	2009	2070	8,000	.150	12-07-83				1035	178984	
		12-07-83	2009	2037	10,000	.150	12-07-83				1038	284045	
		12-07-83	2009	2033	30,000	.140	12-07-83				1039	682259	
		12-07-83	2018	2020	14,000	.140	12-07-83				1040	978499	
		12-07-83	2009	2047	32,000	.150	12-07-83				1043	221046	
		12-07-83	2009	2064	20,000	.150	12-07-83				1043	840158	
		12-07-83	3272	2070	1,000	.150	12-07-83				1046	179018	
		12-07-83	20MM	2009	20,000	.140	12-07-83	5			1047	504540	
		12-07-83	3272	2037	10,000	.160	12-07-83				1058	284126	
		12-07-83	2009	2018	50,000	.150	12-07-83				1059	442803	
		12-07-83	3279	2036	38,000	.150	12-07-83				1101	899135	
		12-07-83	3272	2036	5,000	.150	12-07-83				1102	899127	
		12-07-83	3272	2004	4,000	.160	12-07-83				1112	906357	
		12-07-83	2008	2024	4,000	.160	12-07-83				1114	120464	
		12-07-83	2051	2030	10,000	.160	12-07-83				1121	633621	
		12-07-83	3272	2003	16,000	.160	12-07-83				1138	486702	
		12-07-83	2090	2036	500	.140	12-07-83				1153	899143	
		12-07-83	2022	2023	8,000	.150	12-07-83				1412	225483	
		12-07-83	2022	2024	15,000	.150	12-07-83				1415	120588	
		12-07-83	2022	2070	9,000	.150	12-07-83				1415	179409	
		12-07-83	32MM	3271	4,000	.160	12-07-83				1443	969349	
		12-07-83	2022	2009	68,000	.150	12-07-83				1448	527028	
		12-07-83	3279	2009	12,000	.150	12-07-83				1448	527036	
		12-07-83	2022	2011	2,000	.150	12-07-83				1448	047178	
		12-07-83	20MM	2009	123,000	.150	12-07-83				1449	527044	
		12-07-83	2022	2002	48,000	.150	12-07-83				1451	807068	



ENQUIRY STOCK = OFFSHORE F10      DATE FROM 830601 - TO 830808      BUY BROKER      SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	12-07-83	2003	2022	50,000	.150	12-07-83				1453	893415	GFF
		12-07-83	2003	2002	2,000	.150	12-07-83				1454	807092	
		12-07-83	2003	2037	10,000	.150	12-07-83				1512	284266	
		12-07-83	20MM	2009	1,000	.150	12-07-83				1516	527095	
		13-07-83	2033	2009	100,000	.150	13-07-83				1033	374434	
		13-07-83	2022	2009	40,000	.150	13-07-83				1034	374442	
		13-07-83	20MM	2009	1,650,000	.150	13-07-83				1034	374450	
		13-07-83	2012	2003	2,000	.150	13-07-83				1043	487393	
		13-07-83	2003	2023	6,000	.150	13-07-83				1047	110198	
		13-07-83	20MM	2023	4,000	.150	13-07-83				1047	110201	
		13-07-83	2003	2009	66,000	.150	13-07-83				1048	374477	
		13-07-83	2003	2024	8,000	.150	13-07-83				1050	120944	
		13-07-83	2003	2024	10,000	.150	13-07-83				1050	120952	
		13-07-83	2003	2001	3,000	.150	13-07-83				1051	208586	
		13-07-83	20MM	2024	2,000	.150	13-07-83				1056	120936	
		13-07-83	2022	2007	4,000	.150	13-07-83				1134	526520	
		13-07-83	20MM	2009	2,000	.150	13-07-83				1140	374604	
		13-07-83	2003	2009	142,000	.150	13-07-83				1141	374639	
		13-07-83	2003	2009	52,000	.150	13-07-83				1146	374566	
		13-07-83	2022	2009	2,000	.150	13-07-83				1146	374574	
		13-07-83	2012	2009	8,000	.150	13-07-83				1146	374582	
		13-07-83	2069	2009	20,000	.150	13-07-83				1147	374558	
		13-07-83	20MM	2009	2,000	.150	13-07-83				1147	374590	
		13-07-83	2090	2009	1,750	.140	13-07-83				1155	374531	
		13-07-83	3271	2009	16,000	.150	13-07-83				1202	527354	
		13-07-83	3271	2033	4,000	.150	13-07-83				1210	683085	
		13-07-83	2032	2023	20,000	.150	13-07-83				1418	110627	
		13-07-83	2032	2048	40,000	.150	13-07-83				1421	226971	
		13-07-83	2070	2048	4,000	.150	13-07-83				1422	226998	
		13-07-83	2018	2023	26,000	.150	13-07-83				1425	110643	
		13-07-83	2061	2023	4,000	.150	13-07-83				1443	110694	
		13-07-83	2061	2009	70,000	.150	13-07-83				1448	527516	
		13-07-83	2048	2009	10,000	.150	13-07-83				1448	527524	
		13-07-83	20MM	2007	10,000	.150	13-07-83				1453	526601	
		13-07-83	2061	2015	100,000	.150	13-07-83				1516	042049	
		14-07-83	2022	2004	2,000	.130	08-07-83	+			1120	833074	
		14-07-83	2061	2009	506,000	.150	13-07-83	+			1010	527583	
		14-07-83	3272	2018	4,000	.150	14-07-83				1022	388108	
		14-07-83	2033	2048	1,000	.150	14-07-83				1029	227501	
		14-07-83	2033	2041	3,000	.150	14-07-83				1031	928067	
		14-07-83	2007	2041	2,000	.150	14-07-83				1036	928091	
		14-07-83	20MM	2007	2,000	.150	14-07-83				1037	526865	
		14-07-83	2022	2041	4,000	.150	14-07-83				1038	928083	

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKMATCH ENQUIRY REPORT

DATE OF REPCRT- 09-08-83

PAGE - 11

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830301 - TO 830303

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	14-07-83	2004	2015	1,000	.150	14-07-83				1102	042200	OFF
		14-07-83	2022	2015	3,000	.150	14-07-83				1103	042197	
		14-07-83	2034	2037	2,000	.150	14-07-83				1104	284800	
		14-07-83	2012	2033	6,000	.150	14-07-83				1119	683484	
		14-07-83	2034	2090	2,000	.150	14-07-83				1130	453131	
		14-07-83	20MM	2009	900,000	.150	14-07-83				1136	374809	
		14-07-83	2009	2015	2,000	.150	14-07-83				1137	042243	
		14-07-83	2022	2002	10,000	.150	14-07-83				1143	807602	
		14-07-83	2009	2023	6,000	.150	14-07-83				1150	111062	
		14-07-83	2060	2023	10,000	.150	14-07-83				1152	111054	
		14-07-83	2008	2023	4,000	.150	14-07-83				1155	111046	
		14-07-83	2022	2048	4,000	.150	14-07-83				1211	242136	
		14-07-83	20MM	2033	20,000	.150	14-07-83				1404	683638	
		14-07-83	2009	2042	15,000	.150	14-07-83				1418	367565	
		14-07-83	2009	2057	13,000	.150	14-07-83				1418	126631	
		14-07-83	20MM	2022	20,000	.150	14-07-83				1421	844163	
		14-07-83	2033	2009	130,000	.150	14-07-83				1456	513612	
		14-07-83	2020	2009	20,000	.150	14-07-83				1456	513620	
		14-07-83	2060	2009	10,000	.150	14-07-83				1456	513639	
		14-07-83	20MM	2009	422,000	.150	14-07-83				1514	406077	
		14-07-83	2012	2009	6,000	.150	14-07-83				1516	513604	
		14-07-83	2009	2015	42,000	.150	14-07-83				1518	042626	
		14-07-83	2061	2009	20,000	.150	14-07-83				1519	406050	
		14-07-83	2022	2015	68,000	.150	14-07-83				1521	042618	
		14-07-83	2009	2020	4,000	.160	14-07-83				1526	936346	
		14-07-83	2051	2009	6,000	.150	14-07-83				1527	406069	
		15-07-83	2047	2069	2,000	.160	15-07-83				1044	464405	
		15-07-83	2047	2037	4,000	.160	15-07-83				1052	284975	
		15-07-83	2047	2009	4,000	.160	15-07-83				1101	406301	
		15-07-83	2018	2009	200,000	.150	15-07-83				1142	406395	
		15-07-83	3272	2009	24,000	.150	15-07-83				1143	406409	
		15-07-83	2090	2057	750	.140	15-07-83				1148	126917	
		15-07-83	20MM	2023	4,000	.150	15-07-83				1150	050403	
		15-07-83	2009	2015	10,000	.150	15-07-83				1152	042979	
		15-07-83	3272	2009	4,000	.150	15-07-83				1153	406417	
		15-07-83	2060	2009	20,000	.150	15-07-83				1213	406530	
		15-07-83	20MM	2061	5,000	.150	15-07-83				1214	468746	
		15-07-83	3271	2009	100,000	.150	15-07-83				1216	406522	
		15-07-83	2030	2009	59,000	.150	15-07-83				1219	406549	
		15-07-83	3271	2009	92,000	.150	15-07-83				1219	406565	
		15-07-83	3271	2015	64,000	.150	15-07-83				1219	042987	
		15-07-83	2012	2009	10,000	.150	15-07-83				1225	406425	
		15-07-83	3271	2009	136,000	.150	15-07-83				1225	406484	
		15-07-83	2020	2015	1,000	.150	15-07-83				1414	043061	
		15-07-83	2052	2022	10,000	.150	15-07-83				1415	845232	



ENQUIRY STOCK = OFFSHORE F10

DATE FROM 832501 - TO 830303

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	15-07-83	2020	2022	4,000	.150	15-07-83				1415	845240	CFF
		15-07-83	2020	2004	1,000	.150	15-07-83				1437	902319	
		15-07-83	2090	2004	500	.130	15-07-83				1437	902327	
		15-07-83	2044	2022	4,000	.150	15-07-83				1439	845356	
		15-07-83	2030	2022	20,000	.150	15-07-83				1444	845399	
		15-07-83	3271	2009	43,000	.150	15-07-83				1508	406786	
		15-07-83	3271	2022	2,000	.150	15-07-83				1510	845526	
		15-07-83	2009	2013	2,000	.160	15-07-83				1520	260308	
		15-07-83	2009	3271	6,000	.150	15-07-83				1530	788522	
		15-07-83	2009	2037	2,000	.160	15-07-83				1531	285408	
		18-07-83	20MM	2009	200,000	.150	18-07-83	5			1028	487352	
		18-07-83	20MM	2009	300,000	.150	18-07-83	5			1031	487344	
		18-07-83	2047	2090	2,000	.150	18-07-83				1129	454642	
		18-07-83	3271	2009	102,000	.150	18-07-83				1130	406867	
		18-07-83	2004	2009	50,000	.150	18-07-83				1130	406913	
		18-07-83	2022	2009	50,000	.150	18-07-83				1130	406972	
		18-07-83	2041	2009	6,000	.150	18-07-83				1131	406964	
		18-07-83	2002	2009	10,000	.150	18-07-83				1131	406980	
		18-07-83	2023	2020	12,000	.150	18-07-83				1132	936974	
		18-07-83	2023	2048	3,000	.150	18-07-83				1133	230278	
		18-07-83	2030	2048	3,000	.150	18-07-83				1140	230286	
		18-07-83	2064	2048	6,000	.150	18-07-83				1148	230316	
		18-07-83	2042	2048	2,000	.150	18-07-83				1152	230413	
		18-07-83	2030	2020	6,000	.150	18-07-83				1153	936982	
		18-07-83	20MM	2007	4,000	.150	18-07-83				1209	527624	
		18-07-83	2090	2007	500	.140	18-07-83				1209	527632	
		18-07-83	2062	2009	6,000	.150	18-07-83				1210	406883	
		18-07-83	2060	2009	30,000	.150	18-07-83				1211	406891	
		18-07-83	2070	2009	4,000	.150	18-07-83				1212	407014	
		18-07-83	2070	2009	6,000	.150	18-07-83				1213	407006	
		18-07-83	2004	2009	30,000	.150	18-07-83				1213	407022	
		18-07-83	2004	2048	2,000	.150	18-07-83				1213	230456	
		18-07-83	2007	2051	4,000	.150	18-07-83				1213	612275	
		18-07-83	2007	2048	4,000	.150	18-07-83				1215	230332	
		18-07-83	3271	2009	6,000	.150	18-07-83				1216	407073	
		18-07-83	2020	2009	10,000	.150	18-07-83				1456	407170	
		18-07-83	2020	2009	28,000	.150	18-07-83				1457	407162	
		18-07-83	20MM	2061	20,000	.150	18-07-83				1518	494267	
		18-07-83	2009	2022	34,000	.150	18-07-83				1520	866167	
		18-07-83	2007	2022	16,000	.150	18-07-83				1521	866159	
		18-07-83	20MM	2009	6,000	.150	18-07-83				1523	407316	
		18-07-83	2044	2090	1,000	.170	18-07-83				1523	455185	
		18-07-83	2044	2022	2,000	.160	18-07-83				1532	866132	
		19-07-83	3271	2057	10,000	.150	19-07-83				1051	127492	

In the Full Court

No. 192  
Exhibit "PS 7"  
Stock Exchange  
Report dated  
9th August  
1983

(continued)

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKWATCH ENQUIRY REPORT

DATE OF REPORT- 09-08-83

PAGE - 13

ENQUIRY STOCK = OFFSHORE F10 DATE FROM 830601 - TO 830303 BUY BROKER SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND. CODE	COR. CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AAGE CODE
15	0022A	19-07-83	2034	2057	6,000	.150	19-07-83				1051	127506	CFF
		19-07-83	2009	2057	50,000	.150	19-07-83				1051	127514	
		19-07-83	2042	2057	10,000	.150	19-07-83				1101	127522	
		19-07-83	2047	2057	2,000	.150	19-07-83				1101	127530	
		19-07-83	2009	2057	20,000	.150	19-07-83				1106	127549	
		19-07-83	2015	2057	2,000	.150	19-07-83				1114	127484	
		19-07-83	3271	2070	1,000	.160	19-07-83				1129	177163	
		19-07-83	2018	2052	3,000	.150	19-07-83				1147	727351	
		19-07-83	2020	2022	2,000	.160	19-07-83				1211	867023	
		19-07-83	2020	2048	4,000	.160	19-07-83				1211	231436	
		19-07-83	2030	2008	4,000	.150	19-07-83				1213	235570	
		19-07-83	20MM	2034	10,000	.160	19-07-83				1408	726187	
		19-07-83	2001	3271	4,000	.160	19-07-83				1409	789251	
		19-07-83	2001	2022	6,000	.160	19-07-83				1411	867139	
		19-07-83	2009	2070	10,000	.160	19-07-83				1419	177392	
		19-07-83	2033	2015	4,000	.160	19-07-83				1420	092067	
		19-07-83	20MM	2024	10,000	.160	19-07-83				1420	075051	
		19-07-83	3271	2030	6,000	.160	19-07-83				1420	635047	
		19-07-83	3271	2004	26,000	.160	19-07-83				1421	870921	
		19-07-83	2002	2018	4,000	.160	19-07-83				1423	473296	
		19-07-83	2009	2023	20,000	.160	19-07-83				1425	051418	
		19-07-83	2033	2018	4,000	.160	19-07-83				1426	473342	
		19-07-83	2009	2018	50,000	.160	19-07-83				1427	473350	
		19-07-83	2009	2061	50,000	.160	19-07-83				1427	494593	
		19-07-83	2009	2034	10,000	.160	19-07-83				1430	726233	
		19-07-83	20MM	2034	10,000	.160	19-07-83				1430	726268	
		19-07-83	2033	2048	4,000	.160	19-07-83				1431	231614	
		19-07-83	2009	2022	26,000	.160	19-07-83				1437	867228	
		19-07-83	3271	2048	3,000	.160	19-07-83				1438	236039	
		19-07-83	2090	2037	250	.140	19-07-83				1509	278592	
		19-07-83	20MM	2022	40,000	.160	19-07-83				1510	867333	
		19-07-83	2022	2013	4,000	.160	19-07-83				1511	260901	
		19-07-83	2022	2061	10,000	.160	19-07-83				1512	494682	
		19-07-83	2022	2023	4,000	.160	19-07-83				1513	051442	
		19-07-83	2022	2023	4,000	.160	19-07-83				1514	051450	
		19-07-83	2022	2018	6,000	.160	19-07-83				1515	473490	
		19-07-83	2022	2037	6,000	.160	19-07-83				1517	278576	
		19-07-83	2090	2051	500	.140	19-07-83				1517	613077	
		19-07-83	2022	2037	2,000	.160	19-07-83				1518	278568	
		19-07-83	2090	2022	500	.140	19-07-83				1521	867562	
		19-07-83	2020	2037	4,000	.160	19-07-83				1522	278614	
		20-07-83	2032	2009	26,000	.160	20-07-83				1022	902430	
		20-07-83	20MM	2070	4,000	.160	20-07-83				1022	228019	
		20-07-83	2034	2004	30,000	.160	20-07-83				1024	903366	
		20-07-83	2033	2070	3,000	.160	20-07-83				1024	228035	

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830303

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CCDE	COR CCDE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	20-07-83	20MM	2051	2,000	.160	20-07-83				1026	613425	CFF
		20-07-83	2034	2002	50,000	.160	20-07-83				1027	392909	
		20-07-83	2034	2024	50,000	.160	20-07-83				1027	075345	
		20-07-83	20MM	2024	2,000	.160	20-07-83				1029	075310	
		20-07-83	2015	2051	4,000	.160	20-07-83				1032	613433	
		20-07-83	2034	2048	6,000	.160	20-07-83				1033	236330	
		20-07-83	2022	2037	12,000	.160	20-07-83				1034	278746	
		20-07-83	2033	2009	3,000	.160	20-07-83				1038	902449	
		20-07-83	2034	2061	30,000	.160	20-07-83				1038	494895	
		20-07-83	2018	2009	33,000	.160	20-07-83				1039	902503	
		20-07-83	2034	2022	100,000	.160	20-07-83				1040	928162	
		20-07-83	2070	2024	49,000	.160	20-07-83				1046	075442	
		20-07-83	2018	2048	14,000	.160	20-07-83				1047	236314	
		20-07-83	2032	2048	4,000	.160	20-07-83				1048	236322	
		20-07-83	2033	2002	9,000	.160	20-07-83				1054	392860	
		20-07-83	2070	2002	1,000	.160	20-07-83				1054	392879	
		20-07-83	2018	2037	12,000	.160	20-07-83				1057	278762	
		20-07-83	2009	2033	12,000	.160	20-07-83				1114	786461	
		20-07-83	20MM	2070	2,000	.160	20-07-83				1117	156026	
		20-07-83	2034	2002	190,000	.160	20-07-83				1120	392925	
		20-07-83	2018	2002	50,000	.160	20-07-83				1127	392917	
		20-07-83	2034	2033	10,000	.160	20-07-83				1137	786577	
		20-07-83	2032	2007	4,000	.160	20-07-83				1140	568576	
		20-07-83	2018	2033	10,000	.160	20-07-83				1144	786518	
		20-07-83	2049	2015	2,000	.160	20-07-83				1213	082393	
		20-07-83	2012	2024	18,000	.160	20-07-83				1216	075507	
		20-07-83	2034	2033	74,000	.160	20-07-83				1216	786402	
		20-07-83	2044	2037	1,000	.160	20-07-83				1217	278959	
		20-07-83	2034	2061	100,000	.160	20-07-83				1218	495123	
		20-07-83	2034	2033	50,000	.160	20-07-83				1219	786348	
		20-07-83	2090	2008	500	.140	20-07-83				1223	200491	
		20-07-83	2030	2033	30,000	.160	20-07-83				1223	786607	
		20-07-83	2018	2015	8,000	.160	20-07-83				1225	082415	
		20-07-83	2012	2015	20,000	.160	20-07-83				1226	082407	
		20-07-83	2018	2033	100,000	.160	20-07-83				1226	786593	
		20-07-83	2018	2024	42,000	.160	20-07-83				1228	075515	
		20-07-83	2041	2024	2,000	.160	20-07-83				1234	075531	
		20-07-83	2070	2033	10,000	.160	20-07-83				1418	786666	
		20-07-83	2036	2022	4,000	.160	20-07-83				1421	929029	
		20-07-83	2090	2004	500	.140	20-07-83				1423	903587	
		20-07-83	2034	2024	30,000	.160	20-07-83				1433	075612	
		20-07-83	2034	2022	20,000	.160	20-07-83				1435	929142	
		20-07-83	2018	3272	6,000	.160	20-07-83				1453	140461	
		20-07-83	2068	2037	41,000	.160	20-07-83				1520	279238	
		20-07-83	2034	2022	2,000	.160	20-07-83				1521	929215	
		20-07-83	2068	2022	40,000	.160	20-07-83				1526	929460	
		20-07-83	20MM	2037	6,000	.160	20-07-83				1526	279122	

In the Full Court

No. 182  
Exhibit "PS 7"  
Stock Exchange  
Report dated  
9th August

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKWATCH ENQUIRY REPORT

DATE OF REPORT - 09-08-83

PAGE - 15

ENQUIRY STOCK = OFFSHORE F10 DATE FROM 830501 - TO 830808 BUY BROKER SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	20-07-83	2068	3272	9,000	.160	20-07-83				1526	140496	CFF
		21-07-83	20MM	2034	6,000	.160	21-07-83				1035	727310	
		21-07-83	2036	2015	2,000	.160	21-07-83				1046	082725	
		21-07-83	2034	2022	24,000	.160	21-07-83				1054	922202	
		21-07-83	2034	2022	20,000	.160	21-07-83				1059	922210	
		21-07-83	2003	2061	102,000	.160	21-07-83				1101	495379	
		21-07-83	2090	2034	700	.140	21-07-83				1106	727574	
		21-07-83	2012	2047	4,000	.160	21-07-83				1108	255625	
		21-07-83	2034	2033	300,000	.160	21-07-83				1110	787050	
		21-07-83	2036	2037	4,000	.160	21-07-83				1111	279319	
		21-07-83	2034	2037	4,000	.160	21-07-83				1112	279327	
		21-07-83	2034	2033	153,000	.160	21-07-83				1113	787069	
		21-07-83	2034	2007	20,000	.160	21-07-83				1126	542259	
		21-07-83	2012	2007	6,000	.160	21-07-83				1153	542216	
		21-07-83	2018	2007	50,000	.160	21-07-83				1158	542224	
		21-07-83	2090	2034	50	.130	21-07-83				1216	727582	
		21-07-83	2004	2037	3,000	.160	21-07-83				1221	298046	
		21-07-83	2024	2041	4,000	.160	21-07-83				1221	930754	
		21-07-83	20MM	2007	6,000	.160	21-07-83				1229	542356	
		21-07-83	2090	2034	200	.140	21-07-83				1230	738177	
		21-07-83	2090	2034	200	.140	21-07-83				1231	738185	
		21-07-83	20MM	2051	2,000	.160	21-07-83				1232	668874	
		21-07-83	2024	2018	10,000	.160	21-07-83				1234	383432	
		21-07-83	2024	2004	6,000	.160	21-07-83				1235	868323	
		21-07-83	2090	2018	500	.130	21-07-83				1236	400043	
		21-07-83	2024	2007	10,000	.160	21-07-83				1239	542305	
		21-07-83	2001	2018	6,000	.160	21-07-83				1408	400221	
		21-07-83	2004	2061	6,000	.160	21-07-83				1415	495514	
		21-07-83	2004	2007	9,000	.150	21-07-83				1510	542410	
		21-07-83	2062	2007	4,000	.150	21-07-83				1521	542518	
		21-07-83	2047	2037	4,000	.160	21-07-83				1522	298348	
		21-07-83	2032	2007	4,000	.150	21-07-83				1523	583214	
		21-07-83	20MM	2022	4,000	.160	21-07-83				1523	923020	
		21-07-83	2024	2007	6,000	.150	21-07-83				1525	583206	
		21-07-83	2001	2007	2,000	.150	21-07-83				1525	583222	
		21-07-83	2070	2007	20,000	.150	21-07-83				1525	583230	
		21-07-83	2015	2007	8,000	.150	21-07-83				1526	583249	
		21-07-83	2033	2007	10,000	.150	21-07-83				1526	583257	
		21-07-83	2015	2032	12,800	.150	21-07-83				1527	216327	
		21-07-83	2009	2018	30,000	.150	21-07-83				1532	400450	
		21-07-83	2009	2007	13,000	.150	21-07-83				1536	542488	
		22-07-83	20MM	2070	1,000	.150	22-07-83				1029	144105	
		22-07-83	2004	2002	2,000	.150	22-07-83				1039	393611	

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 330501 - TO 330333

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOORS.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	22-07-83	2070	2020	2,000	.150	22-07-83				1039	954239	OFF
		22-07-83	2070	2051	2,000	.150	22-07-83				1040	650193	
		22-07-83	2034	2051	2,000	.150	22-07-83				1043	650320	
		22-07-83	2004	2007	20,000	.150	22-07-83				1056	542623	
		22-07-83	2062	2018	1,000	.150	22-07-83				1057	400663	
		22-07-83	2034	2090	2,000	.150	22-07-83				1058	414764	
		22-07-83	2034	2033	2,000	.150	22-07-83				1103	797565	
		22-07-83	2034	2009	13,000	.150	22-07-83				1108	722912	
		22-07-83	2046	2007	3,000	.150	22-07-83				1115	542747	
		22-07-83	2030	2007	23,000	.150	22-07-83				1117	542828	
		22-07-83	2034	2007	15,000	.150	22-07-83				1118	542720	
		22-07-83	2060	2007	2,000	.150	22-07-83				1124	583478	
		22-07-83	2034	2007	26,000	.150	22-07-83				1128	542834	
		22-07-83	2004	2023	5,000	.150	22-07-83				1138	125098	
		22-07-83	2022	2009	2,000	.150	22-07-83				1142	723013	
		22-07-83	2004	2023	5,000	.150	22-07-83				1142	125101	
		22-07-83	2013	2009	2,000	.150	22-07-83				1153	723099	
		22-07-83	2034	2022	4,000	.150	22-07-83				1217	964541	
		22-07-83	2013	2007	6,000	.150	22-07-83				1222	542976	
		22-07-83	2004	2007	10,000	.150	22-07-83				1223	542992	
		22-07-83	2020	2007	2,000	.150	22-07-83				1224	542984	
		22-07-83	3271	2007	2,000	.150	22-07-83				1224	543018	
		22-07-83	2090	2018	500	.140	22-07-83				1224	400841	
		22-07-83	2090	2070	500	.140	22-07-83				1225	144443	
		22-07-83	2090	2022	1,000	.140	22-07-83				1231	964924	
		22-07-83	2022	2007	30,000	.150	22-07-83				1440	543050	
		22-07-83	2004	2007	24,000	.150	22-07-83				1457	543115	
		22-07-83	20MM	2034	200	.150	22-07-83				1511	716106	
		22-07-83	2090	2034	50	.130	22-07-83				1512	716092	
		22-07-83	2004	2034	2,000	.150	22-07-83				1512	716114	
		22-07-83	2022	2023	3,000	.150	22-07-83				1516	125225	
		22-07-83	2070	2033	10,000	.150	22-07-83				1521	763607	
		22-07-83	2022	2007	12,000	.150	22-07-83				1525	543123	
		22-07-83	2004	2061	4,000	.160	22-07-83				1532	538558	
		25-07-83	3271	2034	10,000	.150	25-07-83				1048	716319	
		25-07-83	2033	2004	4,000	.150	25-07-83				1127	876393	
		25-07-83	2022	2004	30,000	.150	25-07-83				1127	876407	
		25-07-83	2070	2004	2,000	.150	25-07-83				1135	876342	
		25-07-83	2064	2004	24,000	.150	25-07-83				1135	876350	
		25-07-83	2034	2004	4,000	.150	25-07-83				1135	876369	
		25-07-83	2009	2004	25,000	.150	25-07-83				1135	876377	
		25-07-83	2052	2004	7,000	.150	25-07-83				1135	876385	
		25-07-83	2034	2090	2,000	.150	25-07-83				1149	394623	
		25-07-83	3271	2022	10,000	.150	25-07-83				1200	974334	
		25-07-83	20MM	2022	6,000	.150	25-07-83				1213	974547	

In the Full Court

No. 192  
Exhibit "PS 7"  
Stock Exchange  
Report dated  
9th August  
1983

(continued)

THE SYDNEY STOCK EXCHANGE LIMITED STOCKWATCH ENQUIRY REPORT DATE OF REPORT- 09-08-83 PAGE - 17

ENQUIRY STOCK = OFFSHORE F10 DATE FROM 832501 - TO 830308 BUY BROKER SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	25-07-83	2034	2022	4,000	.150	25-07-83				1214	974407	OFF
		25-07-83	2070	2022	3,000	.150	25-07-83				1214	974466	
		25-07-83	20MM	2022	4,000	.150	25-07-83				1216	974792	
		25-07-83	2057	2022	100,000	.150	25-07-83				1219	974598	
		25-07-83	20MM	2033	12,000	.150	25-07-83				1221	746591	
		25-07-83	2051	2022	4,000	.150	25-07-83				1223	974342	
		25-07-83	2047	2022	20,000	.150	25-07-83				1223	974350	
		25-07-83	2051	2022	14,000	.150	25-07-83				1224	974539	
		25-07-83	2042	2061	6,000	.150	25-07-83				1232	538868	
		25-07-83	2060	2013	2,000	.150	25-07-83				1417	278088	
		25-07-83	2004	2061	4,000	.150	25-07-83				1440	538914	
		25-07-83	2024	2033	6,000	.150	25-07-83				1450	746850	
		25-07-83	2051	2033	2,000	.150	25-07-83				1451	746761	
		25-07-83	20MM	2013	2,000	.150	25-07-83				1452	278193	
		25-07-83	20MM	2033	1,000	.150	25-07-83				1458	746869	
		25-07-83	2022	2061	6,000	.150	25-07-83				1459	538965	
		25-07-83	2024	2013	4,000	.150	25-07-83				1518	278258	
		25-07-83	20MM	2022	23,000	.150	25-07-83				1518	975276	
		25-07-83	2022	2033	16,000	.150	25-07-83				1518	746931	
		25-07-83	20MM	2022	50,000	.150	25-07-83				1523	575175	
		25-07-83	2090	2033	750	.130	25-07-83				1524	746737	
		25-07-83	3272	2022	16,000	.150	25-07-83				1525	975160	
		26-07-83	2002	2022	2,000	.150	26-07-83				1121	975497	
		26-07-83	2012	2022	6,000	.150	26-07-83				1156	028250	
		26-07-83	2012	2022	10,000	.150	26-07-83				1213	028218	
		26-07-83	2018	2022	10,000	.150	26-07-83				1217	028382	
		26-07-83	20MM	2070	500	.150	26-07-83				1222	140200	
		26-07-83	2036	2023	1,000	.150	26-07-83				1225	205164	
		26-07-83	2032	2022	3,000	.150	26-07-83				1425	028560	
		26-07-83	2025	2090	2,000	.150	26-07-83				1427	390369	
		26-07-83	2041	2070	1,000	.150	26-07-83				1442	140324	
		26-07-83	2032	2013	2,000	.150	26-07-83				1445	278541	
		27-07-83	2048	2009	33,000	.150	27-07-83				1022	325271	
		27-07-83	2048	2022	12,000	.150	27-07-83				1024	029052	
		27-07-83	2036	2013	4,000	.150	27-07-83				1059	278819	
		27-07-83	2036	2022	2,000	.150	27-07-83				1100	029109	
		27-07-83	2042	2022	6,000	.150	27-07-83				1101	029079	
		27-07-83	2036	2037	4,000	.150	27-07-83				1102	293036	
		27-07-83	2051	2022	4,000	.150	27-07-83				1112	029133	
		27-07-83	20MM	2022	14,000	.150	27-07-83				1119	029184	
		27-07-83	20MM	2022	100,000	.150	27-07-83				1130	029257	
		27-07-83	20MM	2022	1,000	.150	27-07-83				1213	029613	
		27-07-83	2009	2022	5,000	.150	27-07-83				1214	029605	

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830501 - TO 930308

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	27-07-83	20MM	2022	2,000	.150	27-07-83				1415	030115	CFE
		27-07-83	2004	3271	2,000	.150	27-07-83				1424	934812	
		27-07-83	2024	3271	4,000	.150	27-07-83				1445	934936	
		27-07-83	2018	3271	72,000	.150	27-07-83				1517	935061	
		27-07-83	2018	3271	1,000	.150	27-07-83				1518	935053	
		27-07-83	2070	2022	20,000	.150	27-07-83				1528	030425	
		27-07-83	2018	2020	7,000	.150	27-07-83				1530	976089	
		27-07-83	2018	2022	70,000	.150	27-07-83				1531	030433	
		28-07-83	20MM	2003	2,000,000	.160	28-07-83	5			1018	485625	
		28-07-83	2060	2004	50,000	.140	28-07-83				1034	846680	
		28-07-83	2001	2004	10,000	.140	23-07-83				1037	846699	
		28-07-83	2030	2004	10,000	.140	29-07-83				1039	846702	
		28-07-83	2044	2004	12,000	.140	28-07-83				1039	846710	
		28-07-83	2023	2004	14,000	.140	23-07-83				1040	846729	
		28-07-83	2057	2004	100,000	.140	28-07-83				1040	846737	
		28-07-83	2015	2004	2,000	.140	23-07-83				1040	846745	
		28-07-83	20MM	2004	5,574,000	.130	23-07-83				1102	846761	
		28-07-83	2013	2004	150,000	.130	23-07-83				1103	846753	
		28-07-83	2070	2090	250	.140	29-07-83				1111	398394	
		28-07-83	2007	2013	20,000	.150	28-07-83				1135	279637	
		28-07-83	2018	2061	16,000	.150	28-07-83				1144	218537	
		28-07-83	2007	2061	20,000	.150	29-07-83				1147	218529	
		28-07-83	2007	2015	20,000	.150	23-07-83				1159	040763	
		28-07-83	2022	2090	500	.160	28-07-83				1159	398491	
		28-07-83	2007	2048	20,000	.150	23-07-83				1218	240168	
		28-07-83	2007	2020	20,000	.150	28-07-83				1220	976623	
		28-07-83	2062	2037	1,000	.150	28-07-83				1418	304380	
		28-07-83	2022	2048	6,000	.150	29-07-83				1420	240400	
		28-07-83	2034	2061	20,000	.150	28-07-83				1446	218634	
		28-07-83	32MM	3271	8,000	.150	28-07-83				1451	026282	
		28-07-83	2062	2015	2,000	.150	28-07-83				1456	040941	
		28-07-83	2007	3271	2,000	.150	28-07-83				1524	026339	
		28-07-83	2023	2015	6,000	.140	28-07-83				1525	041107	
		29-07-83	2022	2009	1,000	.150	29-07-83				1106	460330	
		29-07-83	2022	2070	4,000	.150	29-07-83				1106	208646	
		29-07-83	20MM	2022	10,000	.150	29-07-83				1108	910336	
		29-07-83	2022	2037	3,000	.150	29-07-83				1114	304968	
		29-07-83	2090	2037	500	.120	29-07-83				1133	305115	
		29-07-83	2022	2048	2,000	.150	29-07-83				1146	241067	
		29-07-83	2034	2090	200	.160	29-07-83				1159	472659	
		29-07-83	2047	3271	4,000	.150	29-07-83				1215	026878	
		29-07-83	20MM	2022	12,000	.150	29-07-83				1423	910670	
		29-07-83	2038	2048	2,000	.150	29-07-83				1433	241342	

No. 192  
Exhibit "PS 7"  
Stock Exchange  
Report dated  
9th August  
1983

(continued)



THE SYDNEY STOCK EXCHANGE LIMITED

STOCKWATCH ENQUIRY REPORT

DATE OF REPORT - 09-08-83

PAGE - 12

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830303

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TYPE	SELL S/S	AASE CODE
15	0022A	29-07-83	20MM	2022	13,000	.140	29-07-83	2			1516	910891	OFF
		29-07-83	2033	3271	14,000	.150	29-07-83				1516	027181	
		29-07-83	2020	2015	20,000	.150	29-07-83				1521	041603	
		29-07-83	2070	3271	9,000	.150	29-07-83				1522	027173	
		29-07-83	32MM	3271	4,000	.150	29-07-83				1522	027211	
		02-08-83	2004	2070	3,000	.150	02-08-83				1137	210446	
		02-08-83	2057	2013	2,000	.150	02-08-83				1150	274651	
		02-08-83	2012	2048	2,000	.150	02-08-83				1151	894257	
		02-08-83	20MM	2070	10,000	.150	02-08-83				1221	210454	
		02-08-83	2012	2037	3,000	.150	02-08-83				1234	305514	
		03-08-83	2034	2012	1,000	.150	03-08-83				1415	786705	
		03-08-83	2030	2015	8,000	.150	03-08-83				1416	044734	
		03-08-83	2034	2070	9,000	.150	03-08-83				1416	188106	
		03-08-83	2090	2012	500	.130	03-08-83				1417	796713	
		03-08-83	2030	2015	10,000	.150	03-08-83				1417	044726	
		03-08-83	2030	2047	10,000	.150	03-08-83				1417	318872	
		03-08-83	2034	2013	12,000	.150	03-08-83				1423	275240	
		03-08-83	2030	2018	4,000	.150	03-08-83				1423	456812	
		03-08-83	2030	2018	2,000	.150	03-08-83				1423	456820	
		03-08-83	2034	3271	14,000	.150	03-08-83				1427	078681	
		03-08-83	20MM	2034	1,000	.150	03-08-83				1429	702954	
		03-08-83	2024	2022	2,000	.140	03-08-83				1437	000011	
		03-08-83	2033	2022	1,000	.140	03-08-83				1437	000038	
		03-08-83	20MM	2032	4,000	.140	03-08-83				1440	253494	
		03-08-83	2018	2022	2,000	.140	03-08-83				1455	003649	
		03-08-83	2032	2022	6,000	.140	03-08-83				1456	003630	
		03-08-83	2070	2061	4,000	.140	03-08-83				1459	545392	
		03-08-83	2033	2024	2,000	.150	03-08-83				1501	192872	
		03-08-83	2033	2018	8,000	.150	03-08-83				1508	456863	
		03-08-83	2034	2022	4,000	.150	03-08-83				1511	000259	
		03-08-83	2034	2009	6,000	.150	03-08-83				1512	461450	
		03-08-83	2090	2032	500	.130	03-08-83				1514	253575	
		03-08-83	2090	2022	250	.130	03-08-83				1515	000046	
		04-08-83	20MM	2004	1,500,000	.150	04-08-83	5			1009	872193	
		04-08-83	2044	2009	10,000	.150	04-08-83				1038	461523	
		04-08-83	2044	2013	10,000	.150	04-08-83				1038	275399	
		04-08-83	2044	2018	10,000	.150	04-08-83				1038	457207	
		04-08-83	2044	2022	6,000	.150	04-08-83				1038	000615	
		04-08-83	20MM	2032	40,000	.140	04-08-83				1038	224176	
		04-08-83	2023	3275	30,000	.140	04-08-83				1039	524538	
		04-08-83	2024	3275	50,000	.140	04-08-83				1040	524511	



THE SYDNEY STOCK EXCHANGE LIMITED STOCKWATCH ENQUIRY REPORT DATE OF REPORT - 09-08-83 PAGE - 20

ENQUIRY STOCK = OFFSHORE F10 DATE FROM 830601 - TO 830803 BUY BROKER SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
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15	0022A	04-08-83	2007	2034	6,000	.150	04-08-83				1041	703314	OFF
		04-08-83	2044	2015	10,000	.150	04-08-83				1043	044998	
		04-08-83	2032	3275	50,000	.140	04-08-83				1044	524503	
		04-08-83	2009	3275	500,000	.140	04-08-83				1046	524481	
		04-08-83	2034	3275	100,000	.140	04-08-83				1047	524422	
		04-08-83	2009	3275	100,000	.140	04-08-83				1047	524430	
		04-08-83	2007	3275	20,000	.140	04-08-83				1047	524457	
		04-08-83	2051	3275	20,000	.140	04-08-83				1047	524465	
		04-08-83	2024	3275	50,000	.140	04-08-83				1047	524473	
		04-08-83	2044	2001	4,000	.150	04-08-83				1049	224891	
		04-08-83	2034	3275	170,000	.140	04-08-83				1050	524546	
		04-08-83	2070	3275	6,000	.140	04-08-83				1059	524449	
		04-08-83	2018	2034	4,000	.140	04-08-83				1103	703411	
		04-08-83	2034	3275	84,000	.140	04-08-83				1117	524570	
		04-08-83	2033	3275	10,000	.140	04-08-83				1117	524589	
		04-08-83	2062	3275	6,000	.140	04-08-83				1118	524597	
		04-08-83	20MM	2044	1,000	.150	04-08-83				1147	426577	
		04-08-83	2044	2090	500	.160	04-08-83				1155	458451	
		04-08-83	2034	3275	6,000	.140	04-08-83				1207	524686	
		04-08-83	2068	3275	10,000	.140	04-08-83				1209	524635	
		04-08-83	2004	3275	10,000	.140	04-08-83				1212	524732	
		04-08-83	20MM	2034	16,000	.140	04-08-83				1213	703454	
		04-08-83	2020	2009	28,000	.140	04-08-83				1215	462082	
		04-08-83	2004	2003	98,000	.140	04-08-83				1409	494519	
		04-08-83	2060	2003	10,000	.140	04-08-83				1410	494527	
		04-08-83	2004	2022	2,000	.140	04-08-83				1410	008276	
		04-08-83	2004	3275	100,000	.140	04-08-83				1416	524740	
		04-08-83	2004	2009	10,000	.140	04-08-83				1433	462120	
		04-08-83	2012	3275	10,000	.140	04-08-83				1502	524813	
		04-08-83	2004	2003	100,000	.140	04-08-83				1524	494659	
		04-08-83	2004	2003	100,000	.140	04-08-83				1524	494667	
		04-08-83	2004	2061	59,000	.140	04-08-83				1524	545562	
		04-08-83	2004	3275	20,000	.140	04-08-83				1530	524821	

		05-08-83	2008	2003	500,000	.140	04-08-83	+			1011	494772	
		05-08-83	2008	2003	500,000	.140	04-08-83	+			1011	494780	
		05-08-83	20MM	2004	250,000	.142	05-08-83	5			1006	872673	
		05-08-83	20MM	2008	150,000	.139	05-08-83	5			1007	211361	
		05-08-83	2008	2003	799,000	.140	05-08-83	5			1011	494795	
		05-08-83	2012	2049	2,000	.140	05-08-83				1028	592009	
		05-08-83	2090	2049	250	.120	05-08-83				1040	592017	
		05-08-83	2008	2070	1,000	.140	05-08-83				1113	188890	
		05-08-83	2070	2018	2,000	.140	05-08-83				1119	312349	
		05-08-83	2008	2018	24,000	.140	05-08-83				1119	312357	
		05-08-83	20MM	2034	50,000	.140	05-08-83				1127	746889	
		05-08-83	2024	2022	1,000	.140	05-08-83				1209	008837	

THE SYDNEY STOCK EXCHANGE LIMITED

STOCKWATCH ENQUIRY REPORT

DATE OF REPORT - 09-08-83

PAGE - 21

ENQUIRY STOCK = OFFSHORE F10

DATE FROM 830601 - TO 830308

BUY BROKER

SELL BROKER

TRADES MADE ON THE SYDNEY STOCK EXCHANGE LTD. TRADING FLOOR.

POST CODE	SECURITY CODE	TRANSACTION DATE	BUY BROKER	SELL BROKER	TRADE UNITS	TRADE PRICE	SALE DATE	COND CODE	COR CODE	SECURITY DESCRIPTION	TRADE TIME	SELL S/S	AASE CODE
15	0022A	05-08-83	2090	2022	500	.130	05-08-83				1210	C08845	GFF
		05-08-83	2034	2004	24,000	.140	05-08-83				1215	872894	
		05-08-83	2033	2004	26,000	.140	05-08-83				1215	872916	
		05-08-83	2013	2004	4,000	.140	05-08-83				1216	872886	
		05-08-83	2012	2004	12,000	.140	05-08-83				1216	872908	
		05-08-83	2008	2004	26,000	.140	05-08-83				1216	872924	
		05-08-83	2018	2004	1,000	.140	05-08-83				1220	872878	
		05-08-83	3274	2004	16,000	.140	05-08-83				1220	872940	
		05-08-83	2012	2022	6,000	.140	05-08-83				1223	008640	
		05-08-83	2008	2024	2,000	.140	05-08-83				1223	208132	
		05-08-83	3274	2004	20,000	.140	05-08-83				1225	872932	
		05-08-83	2033	2041	7,000	.140	05-08-83				1423	049519	
		05-08-83	2047	2015	4,000	.150	05-08-83				1512	936414	
		05-08-83	2004	2009	2,000	.150	05-08-83				1515	462570	
		05-08-83	2047	2004	2,000	.150	05-08-83				1521	873173	
		05-08-83	2008	2061	114,000	.140	05-08-83				1523	612308	
		05-08-83	2033	2061	23,000	.140	05-08-83				1526	612278	
		05-08-83	2001	2061	3,000	.140	05-08-83				1527	612286	
		05-08-83	2047	2061	4,000	.150	05-08-83				1527	612294	
		05-08-83	20MM	2034	4,000	.140	05-08-83				1532	747524	
		08-08-83	2008	2013	56,000	.150	05-08-83	+			0939	272845	
		08-08-83	20MM	2004	1,000,000	.150	05-08-83	+			0940	817443	
		08-08-83	2008	2004	2,960,000	.150	05-08-83	+			0940	873335	
		08-08-83	2008	2051	12,000	.150	05-08-83	+			0952	721023	
		08-08-83	2008	2009	50,000	.150	05-08-83	+			1025	462597	
		08-08-83	2008	2022	2,000	.150	05-08-83	+			1118	001263	
		08-08-83	2060	2015	30,000	.150	08-08-83				1019	936546	
		08-08-83	2001	2015	10,000	.150	08-08-83				1019	936554	
		08-08-83	2060	2047	6,000	.150	08-08-83				1020	316438	
		08-08-83	2060	2061	4,000	.150	08-08-83				1020	612421	
		08-08-83	2060	2064	9,000	.150	08-08-83				1020	859134	
		08-08-83	2060	2015	6,000	.150	08-08-83				1025	936619	
		08-08-83	2009	2022	1,000	.140	08-08-83				1040	001476	
		08-08-83	2060	3271	2,000	.150	08-08-83				1043	022961	
		08-08-83	2009	2012	50,000	.150	08-08-83				1138	362506	
		08-08-83	2012	2015	4,000	.150	08-08-83				1418	936902	
		08-08-83	2022	2003	6,000	.150	08-08-83				1427	495612	
		08-08-83	2022	2015	4,000	.150	08-08-83				1429	936937	
		08-08-83	2022	2003	6,000	.150	08-08-83				1450	495639	
		08-08-83	2009	2015	4,000	.150	08-08-83				1513	937135	
		08-08-83	2090	2064	1,000	.130	08-08-83				1522	859487	

TOTAL NUMBER OF TRADES - 897

MEMO TO: PAUL GOW  
COPY TO WWM

2nd August, 1983

FROM: DAVID LANCE

10 As you know Nationwide has acquired a holding of about 5.6 million Offshore Oil which I would like to sell out over the next few weeks. Industry talk has it that WA 64P may shortly be farmed-out. If this is so then it will be the last step in the re-organisation of Offshore Oil whose share price I believe will move towards 20c over coming weeks. I would now like to sell for Nationwide 2-3 million shares at no less than 15c. May I suggest we try them first with Brian Clearey, a dealer at Wales Management and you might mention to him the rumour on 64P.

We are continuing this morning to buy Mercantile Mutual, and Dominion, for FAI.

We will have about 50,000 FAI which I would like to try and do in Australia as principals at \$30 million market, if not please offer them to London at 309. I will speak to Peter Jones tonight.

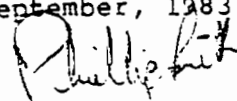
20 If we sell any Offshore Oil to a client please ensure a principal note is issued and advise the client that I am a director and shareholder in the company selling the stock. I do not believe this is required under the Rules but suggest it is good practice and a worthwhile precaution.

30 Spoke to Michael Silver at length over the weekend. He has arranged to purchase two million Southern Gold at .25c. I told him the price seemed high in view of recent price levels and the fall in gold on Friday, as a result he said he would wait a day or two before proceeding with the transaction and will try to get the shares at 2 or 3c lower. I confirmed in principle that I could arrange the finance for him and he agreed that if we wished to take some shares for ourselves or clients he would like us to do so out of his parcel. I have given him my phone number at Port Douglas but suggest you ring him and give him Southern Goldfield market during mid morning.

Mr. Adler has been a buyer of Orlit and Edward Lumley and you might ask him if he wishes to maintain those orders.

DAVID LANCE

This is the exhibit marked "PS8"  
and is exhibited to me at the time  
of swearing my Affidavit dated  
29th September, 1983.





OFFSHORE OIL

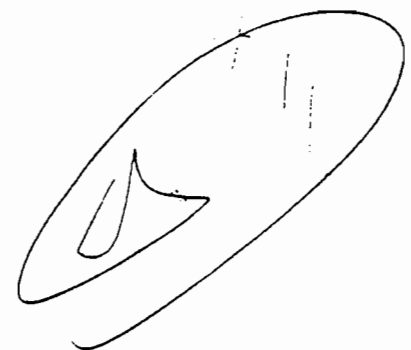
OFFSHORE OIL  
INCORPORATED IN AUSTRALIA  
100 BOND STREET  
SYDNEY 2000  
TELEPHONE (02) 351 1111  
TELEFAX (02) 351 1111

*PS 9*  
*Offshore Oil*

LJA/lmw

10 August 1983

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



Dear Sir

NEW RIGHTS ISSUE

Offshore Oil PLC is making a one-for-two renounceable rights issue to raise \$15,928,125. The issue will be underwritten by Messrs Jackson, Graham, Brown & Partners, members of the Sydney Stock Exchange Limited.

10

The exploration activities of Offshore are progressing satisfactorily, in particular in Western Australia where the Permit WA1491 (South Pepper, North Herald and Shervil No 1) is producing results expected to lead to it becoming a commercial field. Offshore's interest is 20 per cent.

A further development in Offshore's agreement to participate in the construction of a liquid petroleum gas extraction and fractionation plant which will be constructed in the Silver Springs/Boxleigh gas fields in the Surat Basin. In this project Offshore has a 47.74 per cent interest. Offshore's share of the gross revenue in the financial year ended amounted to \$6.147 million, with Offshore's share of production for the past year amounting to 1,303 million cubic feet of gas and 59,766 barrels of condensate.

20

In another major development, negotiations are progressing satisfactorily to arrange a firm-out of part of Offshore's interest in Permit WA64P. The well previously drilled indicated that this area is highly prospective and justifies substantial further development.

Offshore holds many other prospective areas where exploration is both current and planned.

The drillship "Energy Searcher", which has been leased by Social Chartering Pty Limited (a subsidiary of Offshore) to Woodside Offshore Petroleum Pty Ltd, is performing in a very satisfactory manner drilling Caswell No 2 400 kilometres off Broome, Western Australia.

30

This is the exhibit marked "PS9" and is exhibited to me at the time of swearing my Affidavit dated 29th September, 1983.

*Phillip [Signature]*

In the Full Court  
No. 194 Exhibit "PS 9"  
Copy of letter from Lawrence  
J. Adler to Sydney Stock  
Exchange dated 10th  
August 1983 (cont'd)

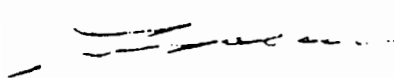
The Manager - Companies

10 August 1983

Since the FAI Insurance Group became a major shareholder on 1 July 1982, it has increased its shareholding and now controls 30 per cent of Offshore's issued capital and, additionally, advanced \$14.5 million to enable Offshore to fund its commitments. FAI has informed Offshore that it will again take up its full entitlement.

Relevant dates of the issue will be lodged before 3.00 pm today.

Yours faithfully

  
LAWRENCE J ADLER  
Chairman

# BHP to farm into Barrow exploration

Financial  
Review  
21/9/83

By BARRY FitzGERALD

THE Broken Hill Proprietary Co Ltd yesterday confirmed industry speculation that it was farming into exploration permit WA — 64 — P in the Barrow sub-basin, offshore West Australia.



ployment in Hong Kong, the last few days has seen a run on the currency and a collapse in the stockmarket.

The reason, obviously, is uncertainty over the future of the British colony because the lease from China runs out in 1997 and China says it wants it back.

The HK dollar hit an all time low of SHK8.40 to \$US 1 this week before rallying yesterday to SHK8.15.

The government said last week a "fair" value for the currency would be SHK6.50, but it is quite powerless to do anything about it. Not only is the political situation out of the government's hands, it has absolutely no mechanisms for intervention in the foreign exchange markets to stabilise the value of the currency.

The point is, if after last March it needed reinforcing, that international capital flows are as much influenced by political uncertainty as economic reality these days.

There's no guarantee that 1997 will see a change to life as it is known now in Hong Kong, but on fundamentals the currency and the stockmarket are the cheapest in the world.

Meanwhile one possibility is for the HK dollar to gradually disappear, and be replaced by the US dollar. Already the US dollar is widely used in Hong Kong but most people still get paid in HK dollars, which means that the recent decline in the currency substantially raises the cost of living because most goods, especially food, are imported.

— Alan Kohler

The permit is largely adjacent to the South Pepper, North Herald and Chervil oil discoveries in permit WA-149-P and contains the ill-fated West Barrow No 1 prospect.

Under the terms of the agreement with Offshore Oil NL as operator for the present permit holders, BHP's oil and gas subsidiary Hematite Petroleum Pty Ltd is to earn a 50 per cent interest in the permit and take over as operator.

The West Barrow prospect was drilled by the Offshore Oil-led group early in 1982. The first well, West Barrow No 1, was spudded in during February but four days later was abandoned because of technical problems.

A second well, West Barrow No 1A, was spudded in 38m from the first well but was later suspended at a depth of 3,520m at a cost of more than \$20 million as a result of the drilling difficulties caused by lost circulation and high pressure in the Barrow group sands.

A number of wireline logs were run in the well but the partners were unable to run drill stem tests.

The logs indicated hydrocarbons in the Mardie Greensand and the upper Barrow group as well as a net 110m pay zone in the lower Barrow group within the interval 3,576m to 3,520m.

The huge cost of the well and its impact on the permit holders, mainly small-sized exploration groups, forced the decision to seek a major partner to farm into the permit to fund the additional well required to test those zones of interest uncovered in the West Barrow No 1A well.

BHP's 50 per cent interest will be made up by it taking part of all of the partner's interest in the permit with the exception of Diamond Shamrock, which holds a 13.5 per cent interest.

The group will also acquire the interests of Sovereign Oil Australia Ltd and the Magnet group of companies under the terms of a separate agreement.

The separate agreement all

The separate agreement allows BHP to acquire the remaining working interests of the two groups in consideration for a gross overriding royalty and reimbursement of a "substantial portion of past costs."

The reimbursement of past costs will be subject to BHP proceedings through the second, third, fourth and fifth years of the permit.

The earning requirement for the 50 per cent interest is the paying by BHP for "part of one well" on the West Barrow structure.

The latest farm-in by BHP follows its well-timed farm into the permit containing the Jabiru No. 1A oil discovery in the Timor Sea.

BHP funded that well at its sole risk for a 50 per cent interest in the permit.

In the Eromanga Basin of Queensland, Offshore Oil, as operator for partners in ATP 275P, has also announced a farm-out of a 40 per cent interest to Agip Australia Pty Ltd.

Agip will earn the 40 per cent interest by carrying out seismic and drilling one well.

The farm-in marks the entrance into Australian oil and gas exploration for Agip Australia, which is part of the ENI group of Italy.

## Company news

Diversified cleaning and plastics group Spotless Ltd has changed its corporate name to Spotless Group Ltd.

Directors said the new name was more appropriate to the group's expansion into other areas and lessened the identification with the dry cleaning operations of Spotless.

Industrial Equity Ltd, through its subsidiaries, has bought a further 15,600 shares in Brisbane retailer Barry and Roberts Ltd to boost its relevant interest from 39.52 to 40.45 per cent.

This is the exhibit marked "PS10" and is exhibited to me at the time of swearing my Affidavit dated 29th September, 1983.

Phillip Kirk

No. 196 Exhibit "PS 11"  
COPY OF REPORT ON OFFSHORE OIL N.L.  
PREPARED BY JACKSON, GRAHAM, MOORE  
AND PARTNERS

(Et - never taken  
Jacksons)

K. JACKSON	
22 SEP 1983	
In the Full Court	
PS	
	No. 196
	Exhibit
	"PS 11"
	Copy of
	Report on
	Offshore Oil
	N.L.
FILE	prepared
DESTROY	by Jackson,
	Graham,
	Moore and
	Partners

# OFFSHORE OIL N.L.

## "PS11" INTRODUCTION

10 The discovery of and resultant cash flow from Boxleigh/Silver Springs made Offshore one of the most respected junior gas/oil explorers/producers in Australia in the late 1970's and early 1980's. The company used their small but steadily growing cash flow to expand their exploration interests to include some of the most prospective acreage in Australia plus moderate exposure in Indonesia and USA. Unfortunately in the euphoria of the world oil crisis Offshore over extended itself by deciding to buy a drillship and having too large an equity in a number of expensive offshore exploration wells (Petrel # 3 and West Barrow # 1/1A). Thus 12 months ago Offshore was in severe financial difficulties and there was considerable doubt about the company's future.

20 However a change in control has seen the company revert to the basic strategy of limiting exploration expenditure to cash flow. In the past 12 months this has been combined with 4 oil discoveries and a sale and lease-back deal involving the drillship which have helped Offshore to recover some of its former status. We believe that as a result of the oil discoveries in WA-149-P and ATP 267P, Offshore now has an opportunity to become one of Australia's major oil producers in the next few years. This should see the company's current capitalisation of about \$85M come more into line with companies such as Bridge (\$400M) or Crusader (\$270M), both of which were of a similar size to Offshore only a matter of a few years ago.

30 In this review we have detailed the current operations of Offshore which we believe will provide the backbone for the company's future growth.

Tony Mackay  
Sydney

20th September 1983

In the Full  
Court

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No. 196  
Exhibit  
"PS 11"  
Copy of  
Report  
on Offshore  
Oil N.L.  
prepared  
by Jackson,  
Graham,  
Moore and  
Partners

(continued)

## INDEX

CONCLUSIONS AND RECOMMENDATION	3
SUMMARY	4
COMPANY DESCRIPTION	10
FINANCIAL ANALYSIS	14
SURAT BASIN PRODUCTION	18
THE DRILLSHIP	25
WA-149-P, SOUTH PEPPER, ETC.	29
EXPLORATION	36
OTHER INTERESTS	44
APPENDICES	45

The partners and associates of Jackson, Graham, Moore & Partners state that within the terms of Section 65, Securities Industry (N.S.W.) Code (1980), they are the owners of 2,002,775 shares in Offshore Oil NL. The partnership is the underwriter of a current issue in the Company and will earn commission from the underwriting.



# OFFSHORE OIL N.L.

Share Price	:	15¢
12 month range	:	7¢ - 17¢
Issued Capital		
Current	:	379,770,424 10¢ F.P. shares
1:2 issue at 10¢	:	189,885,212
		<u>569,655,636</u> 10¢ F.P. shares
Options	:	2,820,000 staff options exercisable at various prices between 1983-1987 plus 600,000 ex at 12¢ by 31.12.85
Market Capitalisation	:	\$85.45M
Year Ends	:	30th June
Marketability	:	Very Good
Ownership	:	FAI Insurance Group 30.06%

N.B. - All figures in the review relate to the post issue capital structure.

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RECOMMENDATION: BUY

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## CONCLUSIONS

Offshore Oil has now re-established itself as a stable middle sized gas and associated liquids producer which, with further drilling success in WA-149-P and/or WA-64-P, ATP 267P or the Surat Basin, could become a substantial oil producer by 1985. Corporate liquidity has improved dramatically over the last 12 months and the factors that were previously considered to be detrimental to the future growth of the company, (delays in the Surat Basin liquids project, WA-64-P - West Barrow # 1A, the drillship charter and a 20% interest in WA-149-P) now provide the backbone for the future growth of the company. We believe that 1983/84 will be another year of consolidation with a major boost to earnings coming in 1985 as the Surat Basin liquids project and South Pepper/North Herald come on stream. By 1986 it is expected that Base Case earnings will have Offshore selling on a PE of about 5. There is considerable potential for this to be improved if our "most likely case" predictions prove to be correct.

Based on the parameters contained in the body of the report, the following range of values was found for Offshore Oil NL.

	Base Case		Most Likely		Pessimistic	
	\$M	cps	\$M	cps	\$M	cps
Net Cash - Post Issue	7.6	1.3	7.6	1.3	7.6	1.3
Drillship	18.1	3.2	25.0	4.4	12.7	2.2
WA-64-P	5.0	2.9	25.0	4.4	2.5	0.4
Surat Basin Production	45.0	7.9	55.0	9.7	39.5	7.0
WA-149-P Production	40.5	7.1	60.0	10.5	30.0	5.3
Other acreage	25.0	4.4	35.0	6.1	10.0	1.8
	<u>141.2</u>	<u>24.8</u>	<u>207.6</u>	<u>36.4</u>	<u>102.4</u>	<u>18.0</u>

We have used a range of valuations for Offshore as the two Barrow Basin permits (WA-64-P and WA-149-P), where Offshore has substantial interests, could prove up combined reserves in excess of 100 MMbbls recoverable in the next 6 months. The success of this drilling will be an important factor in the future growth of Offshore.

# SUMMARY

## Financial

The current 1:2 issue at 10¢ will raise a net \$18.6M for Offshore.

Ex Rights : 24th August 1983  
Books Close : 31st August 1983  
Closing Date : 7th October 1983

The fully underwritten issue is renounceable and the major shareholder, FAI Insurance Group (30.06%), will take up its full entitlement.

The purpose of the issue is to provide additional working capital for continued exploration and development of the Company's oil and gas interests. 10

Offshore's financial position has improved considerably since June 30th 1982, due to proceeds from the sale of the drillship 'Energy Searcher', a share issue in September 1982 which raised a net \$12M, the injection of \$14.5M by FAI and a decline in exploration expenditures this year to \$10.6M.

As at June 30th 1983, Offshore will show a working capital surplus of \$8.5M as compared to a \$24.7M deficit as at June 30th, 1982. The \$14.5M injection by FAI is shown as a long term liability and there are current assets totalling about \$30M which are directly related to subsidiary companies associated with the Drillship charter. The Company's cash position will be further improved by a loan facility of \$A20M which is being negotiated with the Royal Bank of Canada and several local Banks. An additional loan of up to \$A10M is being negotiated to cover Offshore's share of the Surat Basin Liquids Project. Offshore's share of the Surat Basin gas/liquids reserves is being used as collateral for the loans. 20

After the share issue, but before any borrowings for the Surat Basin (Royal Bank of Canada loan) and WA-149-P development projects, we would estimate that Offshore has an actual working capital of around \$7.6M or 1.3 cps.

## Drillship

Offshore, through a wholly owned subsidiary, Socal Chartering Pty Ltd, currently has a time charter by demise for five years over the drillship Energy Searcher which another 95% owned subsidiary, Pacific Supplier Inc (PSI), built in 1982 for \$A100M. PSI sold the Energy Searcher to Socal in October 1982 who then sold it in April 1983 to Leveraged Leasing Packaging (LLP - comprising the ANZ, Commonwealth and Euro-Pacific Banks plus Trans City Holdings). This has resulted in a return of about \$14M to Offshore who now lease the drillship from LLP, through Socal. In April 1988 Offshore (Socal) has the option to lease the rig for another 10 years. If they do not take up the 10 year lease, LLP would probably sell the drillship which would have a residual value of about \$A19M. Offshore could be a possible buyer at this stage. 30 40

At present the drillship has a 3 year drilling contract with Woodside, through the rig manager Atwood Oceanics, at rates well in excess of current market rate. One year of the initial 3 year contract is in dispute and this could see Offshore receiving a lower day rate during the third year. The contract began in October 1982 and the rig is currently drilling Caswell # 2 in the Browse Basin. To date the rig has performed excellently with only minimal down time. The reliability of the drillship will be an important factor in the negotiation of future drilling contract rates.

10 The rates that Offshore receive for the drillship post the Woodside contract are critical to any valuation of Offshore. Although we believe that there will be some pick up in the demand for offshore drilling rigs over the coming 2 years as the number of drillships in Australia is reduced, we have assumed that the current rate of about \$90,000/day will drop to \$68,000/day from October 1984. This compares with the recently re-negotiated day rates for the drillship Nymphaea which are believed to be in the \$US60,000 - \$US70,000/day range. From 1985 onwards costs are assumed to rise at 10% p.a. and the drilling rates at 8% p.a. We estimate that the drillship charter has a NPV of \$18.1M based on a 20% discount rate. At a 15% discount rate the value rises to \$27.8M. We have assumed higher interest rates than those currently prevailing in this evaluation (14% vs 12%) as there are still many uncertainties about future drilling rates etc which, on balance, go a long way towards cancelling out this anomaly. Undoubtedly with lower interest rates, the value of the Drillship to Offshore would increase, assuming the other assumptions are proved correct.

20 The soft drilling rates worldwide have been exacerbated in Australia by a number of companies such as Aquitaine, Wapet and Mesa contracting rigs in excess of their current needs. This has led to some quite competitive rig rates being available. However, a discovery such as Jabiru # 1A could have a marked effect on offshore oil exploration which would quickly be translated into increased demand for drillships such as the Energy Searcher. Apart from the Jabiru effect, we believe that the rig oversupply position should improve as the foreign vessels leave Australian waters, thereby giving the Energy Searcher, which is the most modern drillship in Australia and an Australian flagship, a much better chance of obtaining additional work at profitable rates. Over the last month both Shell and Wapet have released drillships from drilling contracts. If the rigs leave Australian waters, it is unlikely that they will return unless the drilling rates rise substantially from current levels. We see this as being positive for the Energy Searcher.

30 WA-64-P (West Barrow)

40 The West Barrow # 1/1A well almost brought about the financial ruin of Offshore when costs sky-rocketed to about \$28.9M as compared to the original budget of \$13.3M for two wells. Consequently some of the partners defaulted on their well commitments which were assumed by the remainder of the Joint Venturers. The well had to be temporarily abandoned before testing a 104m interval below 3,376m where logs indicated the presence of "moveable liquid hydrocarbons". This raised many questions which can not be answered without the drilling of another well which was in turn delayed by disputes as to the ownership of the permit.

50 Unless Southern Cross, who were defaulted from the permit for failure to pay all their liabilities arising from West Barrow # 1A, successfully appeal to the High Court, the ownership problem has now been resolved with the Offshore Group having a 51.8% interest in the permit after the defaulting interests were distributed pro-rata amongst all the Joint Venturers. Negotiations regarding a possible farmin are now at an advanced stage with a number of major oil companies, including BHP. The farminee will earn an approximate 50% interest in the permit from the Australian partners by paying all their costs for a second well on the West Barrow structure. This farmin is likely to be finalised shortly.

It is difficult to assess the value of WA-64-P as West Barrow # 1A left so many questions unanswered, some of which were perceived to be potential time bombs involving further expenditure by the Joint Venturers. We believe that the two major problem areas have now been adequately dealt with and there is little likelihood that any further costs will be incurred as a result of West Barrow # 1A.

The first of these problems arose from mechanical difficulties which prevented the proper abandonment of West Barrow # 1A. As a result, the Mines Department will require the original permittees to remedy the situation by either redrilling or re-entering West Barrow # 1A, if it is shown that hydrocarbons have leaked into higher zones. An expenditure of about \$10M would then be necessary. However, the Joint Venturers have been insured against any above or below sea blowout and are therefore unlikely to be liable for further expenses.

The second problem area is the claim for about \$6M by Global Marine for costs due from the drilling of West Barrow # 1A. Offshore et al have a counter claim for a much higher amount against Global alleging negligence and breach of contract. (It is claimed that Global are responsible for the mechanical difficulties which caused the massive cost over-runs). Offshore are confident that an agreement satisfactory to the Joint Venturers will be reached.

The main unknown that still remains is whether the 104m of "moveable liquid hydrocarbons" in a sand in the Barrow formation is actually an oil or a gas condensate discovery. There has been much debate amongst the Joint Venturers and within the industry about the merits and demerits of West Barrow # 1A. Those that believe it was an oil discovery are hopeful of recoverable reserves in excess of 100MMbbls and perhaps even up to 500MMbbls. If West Barrow is proven to be an oil field, Offshore's interest in the permit would be worth many millions of dollars. On the other hand there are numerous "experts" who are adamant that the hydrocarbons are only gas condensates. Given the difficulties with developing deepwater gas projects in Western Australia, the value of such a discovery would not be realised for many years. In addition there are many who believe that the stratigraphic nature of the discovery will limit lateral extensions of the sands and therefore limit the level of reserves. One thing is certain though, the results from West Barrow # 1A were encouraging enough for a number of major oil companies to want to farm into the permit to drill a second well on the West Barrow structure. Not until this well is drilled, and probably another after that, will a clear indication of the value of WA-64-P be gained.

Based on the work commitments expected to be completed by the permit farminee, we believe that it is reasonable to value the permit at \$20M. As the permit is adjacent to WA-149-P, the success there has further upgraded the prospects for the permit. Thus, in the base case, we would assume a value of \$5M (1cps) to Offshore who will have an approximate 25% interest in the permit after the farmout. The most likely case assumes West Barrow # 1A to be a small oil discovery which we have valued at \$100M. Offshore will have an approximate 25% interest in the permit after the second well. Hence their interest would be \$25M or 4.4 cps. If reserves in excess of 100MMbbls are proven to be recoverable from west Barrow, Offshore would become one of the 50 largest companies in Australia, based on market capitalisation.

### Surat Basin Revenues

The Boxleigh and Silver Springs gas/condensate discoveries have provided Offshore with an increasing cash flow since 1978. This cash flow will be further increased late next year when the long awaited liquids recovery plant is expected to be commissioned.

The plant, which is now to be built at ML1A, near Wullumbilla, will process up to 20 MMcfd of gas from Boxleigh/Silver Springs and possibly additional gas from other producers bringing total capacity to 30 MMcfd.

The capital expenditure required for the plant is estimated at \$14m of which Offshore's contribution (47.74%) would be about \$7M.

In the body of the report various valuations of Offshore's Surat Basin revenue, based on different discount rates and parameters, have been calculated.

As Offshore now has about \$20M in prior tax losses, and will have further write offs for the liquids project, Boxleigh/Silver Springs could be valued on a before tax basis. At a 15% discount rate in the base case the pre-tax worth to Offshore was estimated at \$51.3M or 9.0 cps. However, to give a realistic base case valuation we have assumed previous tax losses are used to defer income tax until 1988/89 after which a 46% rate applies. This gives a value of \$45M or 7.9 cps to Offshore.

#### WA-149-P

WA-149-P is situated immediately to the north, west and south of Barrow Island. To date the consortium, with Mesa as operator, has drilled 3 wells, resulting in 3 oil discoveries. Although it is too early to classify the 3 discoveries as commercial, the shallow water depths and close proximity of the discoveries to Barrow Island make reserves of about 8-10 MMBbls commercial.

Offshore's 20% interest in this permit could prove to be their most valuable asset. If South Pepper # 2, which is due to be drilled early October this year, is successful then Mesa expect that reserves in excess of 35MMbbls would be possible for the South Pepper/North Herald structures and production could commence in early 1985. We feel that there are a number of risks associated with South Pepper # 2 which could make the Mesa estimates prove to be optimistic. However, we feel confident that any shortfall in reserves from South Pepper will be more than offset by increases to reserves from Chervil and future discoveries. In the body of the report we have detailed the initial development plans from Mesa and compared them with our assumptions. The bottom line is that there are already sufficient reserves in the permit to justify commercial development and the final worth of the permit will be dependant on the ultimate level of reserves discovered.

At this stage, with only one well on each structure and the difficulties involved in interpreting the seismic, any reserves estimates are very subjective and major variations are likely with further drilling.

A range of the initial estimates of possible recoverable reserves are:-

South Pepper	16 to 40
North Herald	4 to 10
Chervil	<u>6 to 50</u>
	<u>26 to 100 million barrels</u>

#### Discoveries to Date

A summary of the discoveries is shown below:-

##### South Pepper # 1

- The upper Barrow flowed 45° API oil at 1,515 BPD plus gas at 1.03 MMcf/d on a 1/2" choke.
- The lower Barrow flowed 37° API oil at 520 BPD.

In the Full  
Court

North Herald # 1 - 6km south of South Pepper # 1  
- The Upper Barrow flowed 45° API oil at 1,833 BPD on a ½" choke.

No. 196

Exhibit Chervil # 1 - 21km south south west of South Pepper # 1  
"PS 11" - The upper Barrow flowed 43° API oil at 1,461 BPD on a ½" choke and  
Copy of 2,053 BPD on a 3/4" choke.

Report on A three well appraisal/exploration programme is planned to commence in  
Offshore October 1983. It is hoped that the results from the drilling will allow  
Oil N.L. production to commence from South Pepper at the earliest possible date,  
prepared probably late 1984/early 1985. The broad plans as detailed by Mesa in  
by Jackson, August are detailed below.

Graham, The first well in the programme will be South Pepper # 2, located about 2km  
Moore and south of # 1. The operator plans to cement a 4 ft. steel caisson into the  
Partners seabed and complete the well from above the high/storm water level. If the  
(continued) well is successful then a tripod platform will be used to drill 8 or 9  
development wells to drain the southern part of the field. Total cost of 2  
appraisal wells on South Pepper/North Herald and one well at Chervil (south)  
plus a tripod production platform and a pipeline to Barrow Island is estimated  
by Mesa to be \$100M.

Production would commence at about 10,000 BOPD by the end of 1984. A  
second and third platform on South Pepper would increase production to  
20,000 BOPD by early 1987. By this time over \$200m would have been spent  
in development costs and both the North Herald and South Pepper fields  
would be tapped.

In the original Mesa development plans no production was assumed from  
Chervil which was still drilling, and further drilling and seismic will be  
needed to determine its size. As it is highly likely that Chervil will eventually  
be commercial, we have assumed production from Chervil in our base case and  
lowered the reserves estimates at South Pepper.

As can be seen from the leads and prospects map later in the review, there  
are a number of large structures still to be drilled in the permit. With 3  
discoveries from 3 wildcats, there is considerable optimism for further  
discoveries to be made in the permit.

#### WA-149-P Evaluation

In our Base Case (which is different from the original Mesa plans) we have  
calculated a value of \$40.5M (7.1 cps) for Offshore's interest in the  
development of 30 MMbbis from South Pepper/North Herald and Chervil over  
a 17 year period commencing 1985. The valuation is based on DCF at 20% and  
capital costs of \$160M in inflated (12%) dollars.

The pessimistic valuation is \$30M (5.3 cps) and is based on only 22.3 MMbbis  
being recoverable at South Pepper/North Herald with no production at  
Chervil.

In the most likely case, production of 22 MMbbis at Chervil is assumed as  
compared to only 8 MMbbis in the base case. At 20% this values Offshore  
Oil's interest at \$60.0M or 10.5cps.

Further details are available in the body of the report and on request.

Other Acreage

Offshore has reduced its exploration exposure in most of its high risk permits. Actual exploration expenditure in 1982/83 was \$10.6M and, apart from WA-149-P, 1983/84 exploration expenditure is likely to be contained to about \$4M of which \$3M will be on appraisal/exploration drilling in the Surat Basin.

10

Offshore interests cover a net 6.86M acres covering the Arafura, Barrow, Bonaparte, Bowen, Canning, Eromanga and Surat Basins. We have conservatively valued these permits on the likely free carried interests to be gained from farmouts at \$25M or 4.4 cps in the base case. As interest in oil exploration is now starting to pick up again, it is quite likely that Offshore, if it wanted to, could farm out some of its prime acreage at very high values.

Earnings Projections

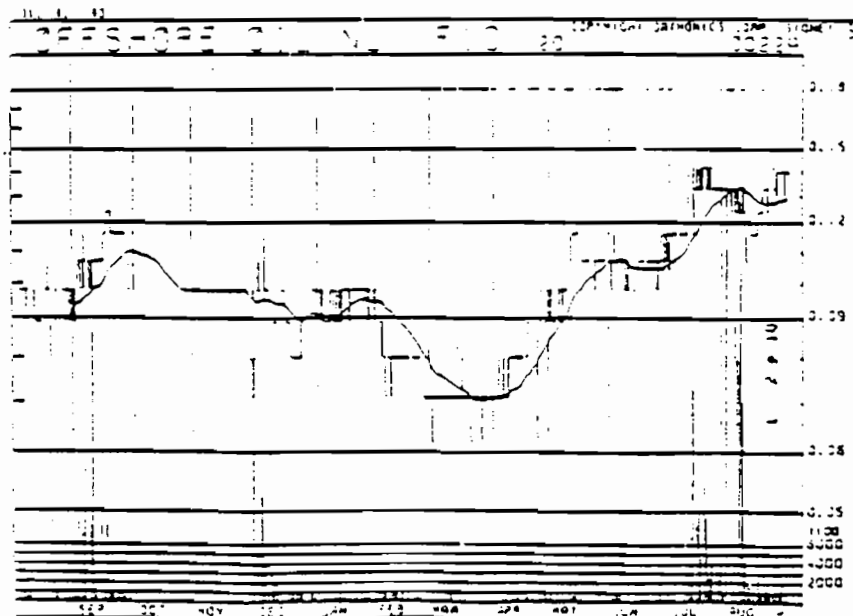
We expect Offshore to break even in the 1983/84 financial year, with a strong boost to earnings coming in 1984/85 as both the Surat Basin Liquids project and WA-149-P come on stream. Our earnings projections for Offshore are derived from the various base case valuations detailed in the report.

The table below shows the estimated earnings for Offshore through to 1989. A breakdown of the earnings is shown on page 17.

20

<u>Year Ending June</u>		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Pre Tax Earnings	\$M	0.2	9.9	21.9	26.9	28.1	33.8
	cps	-	1.7	3.8	4.7	4.9	5.9
Tax Rate	%	-	-	2.5	3.5	4.6	4.6
	\$M	-	-	5.5	9.4	12.9	15.6
After Tax Earnings	\$M	0.2	9.9	16.4	17.5	15.2	18.3
	cps	-	1.7	2.9	3.1	2.7	3.2
PE Ratio Offshore	10¢	-	5.8	3.4	3.3	3.7	3.1
	15¢	-	8.7	5.2	4.9	5.6	4.7
	20¢	-	11.6	6.9	6.5	7.5	6.2

Chart



# COMPANY ANALYSIS

## Current Interests

Offshore's main assets include the chartering of a \$A100M drillship, an approximate 50% interest in a petroleum production project in the Surat Basin, a 20% interest in three oil discoveries adjacent to Barrow Island and various interests in a wide spread of Australian and overseas exploration acreage.

## History

(continued)

Offshore was incorporated in 1969 to explore for oil, primarily in offshore Queensland and in the Surat Basin. The Boxleigh and Silver Springs gas/condensate fields were discovered in the early 1970's and production began in 1978.

10

The resultant cash flow was used to expand the company's exploration interests not only in the Surat but in other key Australian basins and even in the US and Indonesia. However, in 1981/82 Offshore spent considerably more than its available funds, primarily on a disastrously expensive well named West Barrow #1/1A on the NW Shelf (\$9.7M) and an ill-planned move to purchase a drillship (A\$100M). The management at the time, controlled by Mr B. Ganke's Brinds Limited (Provisional Liquidator Appointed) with some 30% of the capital, had an issue to raise \$12.6M to save the company from severe financial problems. The Brinds Group could not take up its entitlement to the issue and the FAI Insurances Group, headed by Mr L. J. Adler, underwrote the issue as well as purchasing most of the Brinds Group shares. There was a bitter battle for control of the company in late 1982 which resulted in Mr B. Ganke leaving the board. As a consequence FAI Insurances now controls Offshore and over the last year has taken firm steps to rectify the company's problems.

20

Significant reductions in exploration commitments, a sale and leaseback deal involving the drillship (which results in a return of capital of about \$14M) and a soon to be finalised \$20M long term loan to bolster working capital have helped Offshore regain its direction.

30

The company's position has been further improved as a result of 3 oil discoveries in WA-149-P where it has a 20% interest. By the end of the year sufficient reserves should be proven for commercial production to commence in early 1985. The current issue will further strengthen Offshore's capital base to allow continued progress in its rebuilding programme.



A summary of past statistics pertaining to Offshore is given below.

Past Statistics

<u>Years to 30th June (\$'000)</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983E</u>
Cash from Operations	269	1,935	3,791	6,613	7,560	34,229
Cash from Shareholders	904	3,056	5,978	6,111	12,051	13,649
Long Term Loans	1,319	657	-	-	3,791	70,685
Capital Expenditure	1,520	818	175	235	370	92,258
Exploration	56	1,008	2,020	5,161	29,371	10,561
Investments, other assets	40	514	171	2,941	12,673	
10 Loan Repayments	-	-	229	436	397	701
Increase in Working Capital	710	2,329	6,023	1,873	(35,403)	33,199
Working Capital	442	2,771	8,794	10,672	(24,700)	8,499
Sales Revenue \$'000	-	1,073	2,870	4,700	5,568	34,299
Net Profit (loss) after extraordinaries \$'000	103	983	2,311	4,160	(20,460)	(6,377)
Gas Production BCF	-	0.67	1.36	1.64	1.66	1.69
Liquids Production 000 B	-	22.6	44.3	52.4	60.4	60.6
Gross Acreage 000 km <sup>2</sup>	22.5	60.8	131.9	215.6	205.4	162.5
Seismic Survey km	19	1,126	1,587	6,260	7,364	3,007
20 Wells Footage 000m	-	9.7	21.6	16.5	69.4	17.5
Wells Drilled	-	5	8	5	27	8
Wells Successful	-	3	3	2	6	4
Gas Reserves - BCF						
- Proven		10.5	16.1	18.1	23.4	20.0
- As above, plus probable		26.2	31.4	23.5	30.0	23.7
- As above, plus possible		26.2	31.4	38.9	43.3	N/A

N.B. - The 1983 figures include the consolidation of the drillship into the accounts.

Board

30 For many years the board consisted of Mr B. Canke and two other Brinds (Provisional Liquidator Appointed) Group directors, Mr H. Scott and Mr J. Kippist. All of the Brinds representatives retired from the board when FAI gained control in 1982.

The entry of FAI Insurances saw the addition to the board of Mr L. J. Adler (Chairman) plus 3 other FAI directors, Mr T.E. Atkinson, Mr J. Belfer and Professor J.R. Wilson. Mr G.C. Hill, joint Managing Director of Morgan Grenfell Australia joined the board in February, 1983.

Senior Staff

40 The senior management of Offshore Oil has been strengthened with the appointment of Mr Albert G. (Bert) Harris as Chief Executive from 19th September 1983. Mr Harris was previously General Manager and a Director of Bridge Oil. As Bridge are partners with Offshore in the Surat Basin, this move is seen as further evidence of the re-emergence of Offshore as a stable oil/gas producer. The appointment will help fill the gap that has been evident since the former General Manager, Mr Peter Jamieson, resigned early in 1982 due to increasing disagreement with the old Board over company policy. Some key exploration personnel and other staff followed him. Evidently there was considerable discontent with policies together with some misgivings over the company's financial position, prior to FAI's involvement.

In the Full Court

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Staff levels have been reduced to about 30 and rationalised during a period in which the new management implemented a number of measures designed to increase efficiency and lower costs.

The company has emerged from the period with a hard-core of dedicated professional staff with considerably higher morale than was the case previously.

Current Issue

A fully underwritten one for two renounceable rights issue to raise \$18,988,521 was announced on 10th August 1983. The new shares will be issued at 10¢ each and will result in the capital of the company increasing to 569,655,636 fully paid shares of 10¢ par. Also on issue are 2,820,000 staff options which are exercisable between 1983-1987 at various prices and 600,000 options exercisable by 31.12.85 at 12¢.

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(continued)

Previous Capital Raisings

At the end of 1969 Offshore had 78 million 10¢ shares paid to 4¢ on issue, together with an equal number of options exercisable at the paid up value. In 1977 a 1¢ call was made and also by the end of the year most of the options had been exercised, resulting in a capital of 148.3 million 10¢ shares paid to 5¢.

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Since then, the following monies have been raised:

		New Shares Issued '000	Capital Raised \$'000	Total Raised \$'000	Particulars
Bt forward		148,264			
1980		5,000	250	250	Placement of 5c ctg shares
		640	32	32	Options exercised
1980	July	77,961	4,512	7,630	1 for 2 at 14c or 9c*
		-	881	881	Conversion of ctgs to FP
1981	Sept	615	34	169	Options exercised at 15¢ to 35¢
		-	1,945	1,945	Conversion of ctgs to FP
1982	Feb	10,000	500	3,300	Placement of 5c ctg's at 33c
	Feb	500	25	37	Options exercised at 12.5¢
	Apr	-	8,669	8,669	Final call of 5¢ on ctgs.
	July	10,000	1,000	1,000	Placement to FAI at 10¢
1982	Sept	126,490	12,649	12,649	1 for 2 at 10¢
1983	Aug	300	30	37	Options exercised at 12.5¢
		<u>379,770</u>	<u>30,527</u>	<u>36,599</u>	

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\* Shareholders had the choice of paying 9¢ for contributing shares or 14¢ for FP shares. The result was 12.3M new FP shares and 65.7M new 5¢ contributing shares.

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Major Shareholders

As at August 31st 1981 the Brinds (Provisional Liquidator Appointed) Group (Mr B. Ganke) controlled just over 30% of the capital. Following the change in control to FAI, most of the Brinds Group holdings have been diluted by the 1982 issue or sold to cover debts. Currently Brinds is believed to have only a minor shareholding in the company.

As at August 4th 1983, the major shareholders were as follows;

	SHAREHOLDER	NO. OF SHARES 000's
10	Fire and All Risks Insurance Co. Ltd.	57,631
	Metropolitan Executors & Nominees Pty. Ltd.	45,228
	National Nominees Ltd.	24,084
	Bank of New South Wales Nominees Pty. Ltd	17,413
	FAI Insurance Ltd.	15,443
	ANZ Nominees Ltd	8,240
	Nationwide Resources Pty. Ltd.	5,574
	Street Nominees Pty. Ltd.	5,303
	Gulf Resources NL	4,041
20	The City Mutual Life Nominees	3,834
	Milton Corporation Ltd.	3,450
	Brinds Ltd (Provisional Liquidator Appointed),	2,970
	Southern Cross Exploration NL	2,533
	Perpetual Trustee Company Ltd.	1,947
	Bonds & Securities Trading Pty. Ltd.	1,719
	Wales Australian Resources Pty. Ltd.	1,564
	Co-operative Insurance Society Ltd.	1,500
	Legal and General	1,500
	Bonds & Securities Nominees Pty. Ltd.	1,381
	Longreach Oil Ltd.	1,329
		<hr style="border-top: 1px solid black;"/>
		206,684 <hr style="border-top: 1px solid black;"/>
30	Total Shareholders	24,234
	Top 20 hold	54.42% of the issued shares

On 1st July 1982, it was announced that FAI had acquired 25,604,000 Offshore shares from the Brinds (Provisional Liquidator Appointed) Group and had accepted a placement of 10 million shares as well, bringing FAI's total shareholding to 44.3 million shares or 17.5%. A 1:2 issue at 10¢ was also announced with FAI acting as underwriter, whereby they increased their shareholding to close to 30%. FAI now control about 30.06% of the company.

# FINANCIAL ANALYSIS

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## Financial Position

(continued)

As at June 30th 1983, Offshore had short term liabilities totalling some \$A34.4M of which \$16.625M was in the form of a bill of exchange from Westpac. This compares with short term liabilities of \$30.4M as at June 30th 1982. (note: the 1983 figures have consolidated the charter of the drillship into the accounts and the 1983 Annual Report will show relevant adjustments to the 1982 figures including the fact that as at June 30th 1982 the working capital deficit was \$59.2M when the drillship was included) The 1983 figures are helped by a \$14.5M loan from FAI being classed as a non-current liability. It is planned to retire some of these liabilities with a \$20M long term loan being arranged from the Royal Bank of Canada which will be finalised shortly. Now that Offshore has received payment from the drillship sale and will shortly secure the \$20M loan, it will have a moderate positive working capital. The company will continue its exploration by farming out part of its high risk commitments, and restricting any possible expenditure to within its cash flow limits.

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The major improvement in the Offshore accounts over the past 12 months has been the increase in current assets from \$5.96M as at June 1982 to \$42.9M in 1983. Much of this improvement relates to consolidating the drillship subsidiaries into the accounts. Part of the money shown as short term deposits is in fact revenue from the drillship to be used to finance the leasing commitment.

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The reason for Offshore's financial difficulties in 1982 was insufficient planning to fund massive cash outlays for the drillship and exploration particularly at West Barrow (due to huge cost over-runs) and in the USA. These problems were further compounded when \$8.974M in unsecured loans to the Brinds (Provisional Liquidators Appointed) Group could not be repaid on demand and had to be written off in the 1982 accounts. This amount was increased to \$9.3M in 1983. The difficulties occurred despite the receipt of \$12.0M from shareholders due to placements at considerable premiums and a final 5¢ call on contributing shares.

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As at 30th June, 1982, Offshore's balance sheet read as follows:

<u>Liabilities</u>	1981 <u>\$'000</u>	1982 <u>\$'000</u>	<u>Assets</u>	1981 <u>\$'000</u>	1982 <u>\$'000</u>
Issued Capital	15,065	24,298	Pipeline & plant	1,876	1,789
Reserves	54,193	36,550	Other Fixed Assets	365	525
Shareholders' Funds	<u>69,258</u>	<u>60,848</u>	Petroleum Interests	51,519	68,288
Term Loans & Deposits	1,311	2,261	Other Energy Interests	678	723
Current Liabilities	1,497	30,380	Current Assets	12,169	5,648
			Unsecured Loan to Energy Searcher	-	14,512
			Secured loans & Invts	5,459	1,963
	<u>72,066</u>	<u>93,489</u>		<u>72,066</u>	<u>93,489</u>

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## 1982 Notes

- Working Capital (\$24.7M)
- Petroleum Interests (and therefore Shareholders' Funds) included \$43M of Directors revaluations based on a NPV analysis of Boxieigh/Silver Springs. This evaluation will be revised to \$32M in the 1983 accounts. Other items under Petroleum Interests were the depreciated cost of development wells (\$1.2M) and exploration costs to date (\$24.1M).
- The 1982 accounts have been since adjusted for the consolidation of the drillship

As at June 30th 1983 Offshore's Balance Sheet is  
 considerable improvement as follows:-

<u>1983 Liabilities</u>	<u>\$'000</u>	<u>Assets</u>	<u>\$'000</u>
Issued Capital	37,947	Pipeline & Plant	1,524
Reserves	36,543	Other Fixed Assets	795
Shareholders Funds	<u>74,490</u>	Petroleum & Energy Interests	84,134
Term Loans & Deposits	76,257	Unsecured s/t Loan	10,783
Current Liabilities	34,358	Current Assets	32,074
Deferred Liabilities	5,492	Unsecured l/t loan	60,176
		Investments	<u>1,111</u>
	<u>190,597</u>		<u>190,597</u>

Net Cash Position After Issue

<u>Liabilities</u>	<u>\$M</u>	<u>Assets</u>	<u>\$M</u>
Long Term Loan	60.5	Unsecured Long Term Loan	60.2
Short Term Loan	10.8	Unsecured Short Term Loan	10.7
Creditors	4.8	Debtors	9.2
Social Payment	5.0	Short Term Deposits	19.5
Maintenance & Term Deps.	1.2	Cash, investments	2.3
Loan & Unearned income	1.3	Inventories	1.8
Bill Payable	16.6	Issue (net)	18.6
FAI Loan	14.5		
	<u>114.7</u>		<u>122.3</u>
		Net Cash	<u>7.6</u>

The figures show that after the Westpac Bill of Finance and the long term loan from FAI are retired, Offshore will have positive cash assets of about \$7.6M (1.3 cps). Their working capital position will be better than this as the FAI loan will not be retired immediately and Offshore has the provision to borrow \$20M for corporate needs from Royal Bank of Canada.

\$30M Long Term Loan Facility

Offshore currently has a proposal before it from the Royal Bank of Canada for a long term loan of \$30M, made up of two tranches. Recently a number of other banks have offered similar packages to Offshore and a slightly different arrangement to that detailed below may eventuate.

The \$20M 'A' tranche would be secured against the current gas contracts and is intended to retire most if not all of the current short term debt. The principal would be repayable in 30 equal quarterly amounts (i.e. \$2.67M p.a.) starting one quarter after drawing down.

The 'B' tranche of up to \$10M would be secured against the LPG and condensate reserves and plant, and is intended to finance expenditure (but not capitalised interest) required for the LPG plant and related items. It could be drawn down until the 31st December 1983 (this has been changed and will be finalised once Offshore's full commitment to the Surat Basin Liquids Project is known), and would be repayable in 20 equal quarterly amounts (i.e. \$2.0M p.a.) starting in March 1985.

The interest rate on both tranches would be set at a margin above the LIBOR rate. The loan should be finalised by early October from which date drawdowns can commence. In our analysis, we have included the 'A' tranche as a corporate cost and the 'B' tranche as a cost against the Boxleigh/Silver Springs project.

Profitability and Cash Flow

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In 1981/82 Offshore reported a loss of \$20.46M which compared with a \$4.16M profit in the previous year. In 1981/82 the profit pre abnormal items was \$2.18M compared with a \$4.16M profit in the previous year with an interest charge of \$2.27M being the major difference. The 1981/82 loss resulted from exploration writeoffs of some \$12.4M and provisions for losses to the Brinds (Provisional Liquidator Appointed) group of \$8.974M which was the total amount of outstanding unsecured loans to Offshore at that stage. In 1983 Offshore received revenue of \$6.2M (before pipeline tariffs and take or pay income) from their Surat Basin interests. An operating loss for the year of \$6.3M is expected. In addition an extraordinary loss of \$1.1M was recorded for further writedown of Brinds group assets.

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The results for the last three years are compared below.

(continued)

	1980/81 \$'000	1981/82 \$'000	1982/83E \$'000
Revenue - Gas	3,120	3,690	
- Condensate	1,580	1,878	7,617
- Drillship Charter	-	-	26,612
Other Revenue (mostly interest)	<u>1,912</u>	<u>1,422</u>	<u>4,540</u>
Total Revenue	6,612	6,990	38,769
Less: Operating Costs and o/heads	1,942	2,268	26,198
Interest	45	2,028	11,683
Depreciation	465	480	5,230
Income Tax	-	38	-
Profit Pre Abnormal Items	<u>4,160</u>	<u>2,176</u>	<u>(4,342)</u>
Less: Exploration W/o	-	12,377	1,689
Listed Investments W/D	-	1,344	-
Underwrit Comm w/o	-	-	659
Net Profit	<u>4,160</u>	<u>(11,469)</u>	<u>(6,690)</u>
Less: Provn for loss on loans to Brinds Group	-	8,991	2,450
Loss on contingencies	-	-	826
Loans written back	-	-	(1,905)
Unearned Income	-	-	(1,694)
Net Profit & Extraord Items	<u>4,160</u>	<u>(20,460)</u>	<u>(6,377)</u>

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Source & Appln of Funds (\$'000)

Source	1981	1982	Appin	1981	1982
Operating Profit			Exploration	<u>5,161</u>	<u>29,371</u>
pre abnormal items	4,160	2,176	Plant & Equipt	235	370
Add: Non cash items	380	569	Investments/Loans	2,941	23,008
Cash from Operations	<u>4,540</u>	<u>2,745</u>	Increase in Working		
Cash from Shareholders	6,111	12,051	Capital	1,378	-
Decrease in Working Cap	-	35,403	Reduction of L. T.		
Increase in LT Liabilities	-	950	Liabilities	436	-
Decrease in Non-Current Asset	-	1,600			
	<u>10,651</u>	<u>52,749</u>		<u>10,551</u>	<u>52,749</u>

NB Investments and loans made include \$15.036M for Energy Searcher and \$2.741M to Brinds (Provisional Liquidator Appointed) Group. The latter was added to earlier loans to the Brinds Group, bringing the total to \$10.574M. Of this, \$8.974M was unsecured and was written off, leaving \$1.6M of secured debt owing by the Brinds Group in the books.

### Earnings Projections

We expect Offshore to break even in the 1983/84 financial year, with a strong boost to earnings coming in 1984/85 as both the Surat Basin Liquids project and WA-149-P come on stream. Our earnings projections for Offshore are derived from the various base case valuations detailed in the report.

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<u>Year Ending June</u>		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Surat Basin	\$M	5.4	9.5	10.7	11.9	12.6	13.8
	cps	0.9	1.7	1.9	2.1	2.2	2.4
WA-149-P	\$M	-	10.4	26.2	30.8	26.7	23.5
	cps	-	1.8	4.6	5.4	4.7	4.1
Drillship	\$M	-	-	-	(3.8)	(1.2)	6.6
	cps	-	-	-	(0.7)	(0.2)	1.2
Less:							
Corporate Charges	\$M	5.2	10.0	15.0	12.0	10.0	10.0
Interest Expl etc.	cps	0.9	1.7	2.6	2.1	1.7	1.7
Pre Tax Earnings	\$M	0.2	9.9	21.9	26.9	28.1	33.8
	cps	-	1.7	3.8	4.7	4.9	5.9
Tax Rate	%	-	-	2.5	3.5	4.6	4.6
	\$M	-	-	5.5	9.4	12.9	15.6
After Tax Earnings	\$M	0.2	9.9	16.4	17.5	15.2	18.3
	cps	-	1.7	2.9	3.1	2.7	3.2
PE Ratio							
Offshore 10¢		-	5.8	3.4	3.3	3.7	3.1
15¢		-	8.7	5.2	4.9	5.6	4.7
20¢		-	11.6	6.9	6.5	7.5	6.2

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N.B. - Although the Drillship will be trading profitably before 1987, it has been assumed that the surplus cash flow is retained to help offset the deficits expected in 1987 and 1988.

# SURAT BASIN PRODUCTION

No. 196  
Exhibit  
"PS 11"

## Description

Offshore shares interests with Bridge Oil (operator) and Moonie Oil in gas/condensate production from the Surat Basin of which their main production is from the Boxleigh and Silver Springs fields. In 1982/83 these fields generated a revenue of \$6.2M for the company. New gas and oil discoveries (made as part of the ongoing exploration programme), and the construction of an LPG extraction plant will see Offshore's cash flow escalate over the next few years.

Details of the areas and permits are given in the section of this report dealing with exploration.

(continued)

## Reserves

Remaining Proven and Probable Reserves as at 30.6.83 are -

	Offshore Interest	Gas BCF			Liquids Mbbl		
		Prov.	Prob.	Total	Prov.	Prob.	Total
Silver Springs	50%	24.1	6.0	30.1	829	206	1,035
Renlim	50%	3.7	0.3	4.0	128	9	137
Sirrah *	50%	4.1	0.8	4.9	287	56	343
Boxleigh	33.3%	9.9	1.6	11.5	457	70	527
		<u>41.8</u>	<u>8.7</u>	<u>50.5</u>	<u>1,701</u>	<u>341</u>	<u>2,042</u>

\* There are substantial reserves (about 10 BCF gas and 1 MMBbls of condensate) classed as possible reserves at Sirrah. Further drilling may reclassify these as proven and probable reserves.

## Recent Discoveries

Further discoveries have been made over the past two years and although not enough work has been done to estimate reserves with a high degree of certainty it is clear that some could be commercial and could be brought into production through existing facilities at minimal cost. These comprise:

	Block within ATP 145P	When Discovered	Successful Wells	Reserves Potential Mbbls	Offshore Interest %
<u>Oil</u>					
Boggo Creek	PL16 sub-block	1978	1 out of 4	V. small	37.5
Thomby Creek	PL19 (Wunger)	1981	4 out of 6	-	33.3
Waggamba	Dalkeith	1982	1 out of 1	small	20.0
Noorindoo	Myall	1970	1 out of 3	0.2	15.0
<u>Gas</u>					
Noorindoo	Myall	1970	1 out of 3	4.5 BCF	15.0
Glen Fosslyn	PL16 sub-block	1980	1 out of 2	small	37.5

Boggo Creek has proved disappointing with 3 water-wells following the initial discovery and further exploration will take place in due course.

Only a small portion of the Thomby Creek field extends into Offshore's acreage. Most of it lies within the Rocky Creek farmout block held by Bridge, Crusader and Project and that consortium is developing the field for production. The Offshore area (Wunger) has only one well (#4) in the field and although that was successful it does not appear to have high production potential.



Waggamba was discovered in 1982. The well flowed gas at 5MMcfd with a heavy condensate ratio but has produced light oil in production testing. The partners are reviewing some longer term production tests on the field.

### The Liquids Project

10 As the Boxleigh/Silver Springs gas has a high liquids content, it was decided to build facilities to strip the liquids from the gas and market them separately. The original plans involved the building of a liquids extraction plant at Boxleigh/Silver Springs and sending the LPG through a 119km, 100mm diameter pipeline to Roma where the LPG would be split into propane and butane. The proposed cost was to be A\$26M and the plant would produce 8.16BCF of gas, 19,000 tonnes of propane and 16,000 tonnes of butane per annum, after recycling.

However, due to disappointing drilling results at Silver Springs, weaker world oil price expectations and the effects of the drought and recession which reduced the demand for gas in Queensland, it was decided to modify the plans for the liquids recovery plant. These plans have not been finalised yet although the partners have agreed in principle to the following changes.

20 The LPG extraction plant will now be located at the ML1A junction which is the point where the gas pipelines from Boxleigh/Silver Springs and Kincora join the Roma-Brisbane pipeline. In the original proposal the plant was to be located at Boxleigh/Silver Springs where both the condensate and the LPG would be removed from the gas. The condensate was to be trucked to the Maranoa refinery near Roma or to Brisbane. To enhance the liquids recovery and maintain reservoir pressure gas was to be reinjected into the fields. There are no plans for gas re-injection in the revised liquids project, although the condensate will still be removed at Boxleigh/Silver Springs and trucked to the Moonie Pipeline or the Maranoa Refinery.

30 The major difference between the original and revised production plans is the location of the LPG treatment plant. The new development plans are for the gas (minus the condensate) to be piped from Boxleigh/Silver Springs to the ML1A junction. A unit will be built at ML1A to strip the LPG from the gas. It is being designed to process between 20-30MMcfd of which about half will come from Boxleigh/Silver Springs area and half from other parties, possibly Kincora or increased production from Boxleigh/Silver Springs.

The plant at ML1A will split the LPG into propane and butane which will then be transported via dual pipelines to the CIC plant at Wallumbilla, 14km to the north.

40 The cost of the project has been reduced from \$A26M to A\$14M, primarily due to the fact that the 119km LPG pipeline will not now be built. In addition production from the new discoveries at Renlim and Sirran have been included in the assessment of the project.

Offshore's share of the project cost is estimated to be about \$7M covered by a proposed loan from the Royal Bank of Canada. The details of this loan are reviewed elsewhere in this report.

In the Full Court Gas Contracts and Production

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The gas is processed through a plant at the Silver Springs field and transported via a 162 km pipeline to the Roma-Brisbane gas pipeline. The plant and pipeline are owned 47.74% by Offshore, 47.74% by Bridge (the operator) and 4.54% by Moonie.

The Boxleigh/Silver Springs participants have contracts with the three major gas purchasers. During 1982/83 the actual deliveries were considerably lower than contract levels due to the effect of the drought. Take or pay clauses helped cushion the effect on revenue. It is expected that sales should reach 15 MMcfd during 1984/85 and remain steady through to 1989 after which it will begin to taper off, if further reserves are not found during the ongoing exploration programmes.

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(continued) The biggest consumer of Surat Basin gas is Austral Pacific which is a wholly owned subsidiary of Consolidated Fertilisers (CFL). CFL uses an average 32MMcfd of gas as feedstock for its nitrogenous fertiliser plant in Brisbane. Plans were made to double the plants capacity by 1986, but these have been shelved due to the recession, drought and pending the discovery of additional gas reserves (300 BCF) to justify the expansion.

Allgas Energy and Gas Corp. of Queensland (formerly Brisgas) are gas utilities supplying the Brisbane area. Allgas is listed but Gas Corp of Queensland (G.C.Q.) is a wholly owned subsidiary of Boral. At present Allgas is taking about 11 MMcfd (Bridge/Offshore/Moonie share 4.7 MMcfd on a take or pay basis) and this is its sole source of supply.

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The G.C.Q. contract is actually for 3 BCF to 30th June 1984 and was negotiated by Hartogen. Sixty percent of the amount will be supplied by Bridge et al. The contract has no take or pay clause and because the price is considerably higher than that for Allgas (and Austral Pacific). G.C.Q. began calling for deliveries this year. Prior to this, G.C.Q. supplied its customers solely with gas made from naphtha which it bought at a price below that of natural gas due to an 'old' contract and with gas supplied by AAR, again at an old 'pre OPEC' price. G.C.Q. markets some 10 MMcfd, a similar level to Allgas.

30

AAR's production from the old Roma fields of some 13 MMcfd is declining due to an increasing intake of water. In addition their sales contracts expire in June 1984. Bridge et al and Hartogen et al are filling the gap.

In the short term, the main constraint on deliveries will not be markets but the capacity of the Roma to Brisbane pipeline. At present this is 42 MMcfd with some compression but, fully compressed, the line would handle no more than 60 MMcfd. In the medium term, new discoveries by AAR and Oil Co. of Australia in the Denison Trough could give incentive to loop the existing line at strategic points or construct a new pipeline altogether, depending on demand.

40

The net effect of the above, together with the fact that Bridge, Offshore and Moonie have more than sufficient reserves and reserves potential, is that their deliveries could increase to the order of 20 MMcfd by the mid 1980's. Details of annual deliveries are given in our cash flow analysis.

In this study we have assumed static supply to 1990 before a natural decline in line field depletion. However, the combination of Brisgas starting to take natural gas and the dramatic decline in AAR's Roma production, could enable Bridge et al and Hartogen et al to increase deliveries to over 15 MMcfd during 1985/86. The Du Pont plans to establish an explosives factory in Brisbane have been shelved.

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By 1996 Bridge et al could have delivered an additional 70 BCF of gas, which approximates the level of current reserves and possible additions from discoveries made to date. We have not included, therefore, any further gas discoveries.

Offshore's share of the Bridge consortium's gas deliveries is assumed to be constant at 47.7% for the life of the project.

### Gas Prices

10 The gas is purchased ex plant at Roma. The transportation costs to Brisbane (perhaps 65¢ per Mcf) are a cost to the consumers and paid to AAR, the pipeline operator. The Consolidated Fertilisers contracts have an escalation clause based on four equally weighted indices.

1. Average weekly wage in Queensland
2. Wholesale price index of iron and steel in Brisbane
3. Consumer Price Index, Brisbane
4. Average Australian Refinery feedstock prices.

As can be seen, general inflation indices account for 75% of the escalation factor, and oil prices 25%. The price is revised from July 1st each year.

For the last three years the price has risen as follows:

	<u>Per Mcf</u>	<u>Per std Mcf*</u>
1978/79	\$1.21	1.15
1979/80	\$1.42	1.26
1980/81	\$1.90	1.80
1981/82	\$2.42	2.30
1982/83	\$2.60	2.45

\* at 1,000 btu per Mcf

20 The price in 1983/84 has been set at a level thought to be about 10% higher, at \$2.85 per Mcf, or \$2.70 per standard Mcf. (Note that the gas currently being sold has a heating content of 1150-1155 BTU per Mcf but this will be reduced to about 1050 BTU when the LPG plant is commissioned.) All figures in the cash flow analysis refer to standard Mcf; that is, gas containing 1,000

30 btu per Mcf. In our cash flow analysis we assume that gas prices rise 7.5% p.a. to 1986 then 8% p.a. thereafter with inflation averaging 7% p.a.

It is worth noting that the G.C.Q. contract is on different terms which are more favourable to the producers in times of rising oil prices. Only 2 indices are used - the Brisbane CPI and the average Australian Refinery feedstock price - and the price is revised every 6 months. More importantly, the base price is considerably higher at \$2.10 per standard Mcf as at July 1st, 1980. (On the same basis, the older contracts were about \$1.80).

### Liquids Production

40 Current liquids production comprises condensate derived from the Boxleigh/Silver Springs fields and is running at about 150,000 bbls p.a. of which Offshore's share is about 45% or 60,000 bbls. This represents a ratio of about 35,000 bbls per BCF.

When the LPG plant is commissioned, the condensate ratio will increase to about 37,000 bbls per BCF. Some 3,190 to 5,100 Tonnes of LPG per BCF will also be extracted although the actual rates will vary from field to field with the Sirrah field having the potential to be the most liquids rich of the new fields.

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The plant will have the capacity to treat 20 to 30 MMcfd of which approximately 15MMcfd will be from Boxleigh/Silver Springs. At the 15 MMcfd rate, some 24,000 Tonnes of LPG and 225,000 bbls of condensate would be produced annually.

Future oil production from that portion of Thomby Creek in the Wunger Block, from Boggo Creek and/or from Waggamba, is uncertain and is not included in the cash flow.

#### Liquids Prices

Under the Federal government's pricing regulations, the current price for new crude oil in the region is \$A38.58 per bbl. Under the new oil pricing policies in effect from July 1st 1983, no levy is payable on production below 300,000 bbls p.a. This oil price is based on the Saudi Arabian Light crude market price (currently US\$29 per bbl) adjusted for exchange rates and freight costs, and is revised every six months. We have assumed no oil price rise in 1983/84, 4% in 1984/85 and 7% p.a. afterwards. Condensate sales normally command a premium over crude prices. However, due to the present weak demand for light oils, we have not included any premium in our cash flows before 1990 when the premium is assumed to be \$2/bbl.

10

The LPG price is also set by the Federal government. On July 1st 1983 it was increased to \$304 per tonne and is likely to remain constant in the \$270-310 per tonne range until the end of 1984. We have assumed LPG prices stay steady at \$290 per tonne to 1987/88 and then rise at 2% pa to 1989/90 where they rise at the inflation rate (7%) for the remainder of the project.

20

#### Funding

Currently the project expenditure has been limited, but Offshore has arranged a facility of up to \$30M with the Royal Bank of Canada to fund the company's \$7M share of the LPG plant with the remainder to cover the working capital deficit arising from expenditure on West Barrow etc.

In our analysis, we have treated the \$20M component (to provide working capital) as a corporate cost and included only the \$7M component as part of the liquids scheme.

30

#### Costs

The main costs are wellhead royalties totalling 13.5% of which the Queensland State government receives 10% and Moonie and private interest 3.5%, (although the actual payments may be much less), plus a 10% Net Profit Interest held by AOC Corporation. Other costs are relatively minor and include maintenance of wells, pipelines and the separator plant. When the LPG plant is operational these could amount to \$1.0M p.a. in 1982 dollars. Capital costs, including drilling should total \$12.5M.

Projections of Profitability and Net Cash Flow

Our main case study is available on request. Assumptions are:

Cost inflation	+ 10% p.a. in 1983/84, dropping to 7% in 1985/86 and thereafter.
Gas Prices	an average increase of 8% p.a.
Oil & condensate Prices	No increase through 1984/85 + 7% p.a. thereafter.
LPG prices	No increase through 1987/88 + 2% p.a. to 1990 then rise with inflation.
Tax	46% company tax payable from 1988/89 in after tax cases. (for NPV calcs only)

Summary of Results

1) BASE CASE

Assumes gas sales stay constant at 15 MMcfd through to 1989 and then decline in line with reserves.

	<u>Before Tax</u>			<u>After Limited Tax</u>		
	<u>NPV</u>			<u>NPV</u>		
	15%	20%	25%	15%	20%	25%
\$M	51.3	42.9	36.4	45.0	34.2	25.0
cps	9.0	7.5	6.4	7.9	6.0	4.4

2) MOST LIKELY CASE

Assumes that new reserves are found to maintain production at 15 MMcfd for the life of the Project.

	<u>Before Tax</u>			<u>After Limited Tax</u>		
	<u>NPV</u>			<u>NPV</u>		
	15%	20%	25%	15%	20%	25%
\$M	68.5	55.0	45.0	55.0	46.0	36.2
cps	12.0	9.6	7.9	9.7	8.1	6.4

3) PESSIMISTIC CASE

Assumes LPG prices to be 80% of those in the base case.

	<u>Before Tax</u>			<u>After Limited Tax</u>		
	<u>NPV</u>			<u>NPV</u>		
	15%	20%	25%	15%	20%	25%
\$M	48.8	40.8	34.6	39.6	31.2	27.3
cps	8.6	7.2	6.1	7.0	5.5	4.8

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Offshore  
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In the base case the before tax net present value of the project discounted at 15% p.a. is estimated at \$51.3M, equivalent to 9.0¢ per share on the expanded capital. On an after tax basis the project is valued at \$30.0M or 5.3 cps. A more realistic valuation can be obtained if it is assumed that the previous tax losses of over \$20M are used to defer tax payments until 1988/89 which, at the 15% discount rate, values Offshore's share of the project at \$45.0M or 7.9cps.

This base case uses conservative pricing parameters and assumes that only the proven and probable reserves contained in the fields discovered to date will be produced. 10

Given the current rate of exploration success in Offshore's areas, the joint venturers are likely to be in a position to deliver gas for a considerably longer period, and/or to increase deliveries beyond 15 MMcfd, depending on markets.

Note that we assume the price paid by Brisgas will be the same as that paid by the other consumers even though its current contract is for a higher price.

The main variable in the analysis, apart from future oil prices, is the ability of Bridge et al to increase gas deliveries. This is dependent on the overall size of the market, the sales 'window' resulting from the decline of the Roma fields, and the cost of bringing into production the Denison Trough fields. On balance, we believe that our market scenario is realistic. 20

# THE DRILLSHIP

## Introduction

The 'Energy Searcher' is one of the world's largest and most modernly equipped drillships. In 1982, Hongkong United Dockyard converted it from the bulk carrier 'Svano' which was originally built in 1959. The conversion cost Offshore Oil US\$87M or just over \$A100M. The 24,000 Tonne Australian-registered vessel is capable of drilling in 460m of water to a hole depth of 7,600m and therefore is suitable for the majority of planned offshore wells in Australian waters.

10 Atwood Oceanics Inc. is manager under a service contract, a similar role to the one it has with the 'Regional Endeavour' owned 100% by Seltrust and currently drilling for BP on the NW Shelf. The 'Energy Searcher' is considered to be superior, being a larger and more powerful vessel and with a 'state-of-the-art' drilling layout compared with the considerably older 'Regional Endeavour'.

20 Originally Offshore had a 95% equity in the drillship via a holding company registered in Liberia, Pacific Supplier Inc. The other 5% is owned by Energy Drilling Inc. controlled by a Norwegian (Christian Kongsli) who was the original promoter of the project. Energy Drilling was free carried to completion except for nominal equity of US\$50 together with feasibility and option costs. Therefore Offshore was responsible for the entire cost of A\$100M. Pacific Supplier sold the drillship to an Offshore subsidiary, Socal, as at 1st October 1982 for \$100.5M. Socal then sold the drillship to Leveraged Leasing Packaging - LLP - (the ANZ, Commonwealth and Euro-Pacific Banks plus Trans city Holdings) in April 1983 for \$93.1M.

30 Currently Offshore (Socal) has a time charter by demise of the Energy Searcher from LLP for a period of 5 years with an option for a further 10 years. If after the first 5 year lease, Offshore decide not to re-lease the rig, LLP could sell it for the residual value still owing to Wardleys plus any market premium. Under the financing arrangements about \$19M would still be owed to Wardleys and could be repaid out of cash flows over the subsequent two years. In our cash flow models we have assumed that Offshore would buy the rig after year 5.

The drillship is at present employed by Woodside Offshore Petroleum Pty. Ltd pursuant to a three year drilling contract entered into with Atwood Oceanics Inc.

## Finance

An amount of about US\$63M is still outstanding under a borrowing from a Wardleys syndicate, as follows:

	Tranche A (Guarantee facility)	Tranche B	Tranche C
US \$ Amounts (\$M)	6.5	57.0	2.0
Currency of Loan	Yen/Kroner	US dollar	US dollar
Term	5 years	6½ years	2 years
Repayments Commenced	March, 1983	30.5.83	30.5.83
Repayable by	1.10.87	28.2.89	
Payment Amounts US\$'000	650	1,781 (2 yrs) 2,708 (2 yrs) 2,636 (2 yrs)	250
Frequency	semi annual	quarterly	As for B
Interest Rate		1.5% over LIBOR	
Guarantee Fee	1.625%		

These payments have been converted to A\$ and included in the cash flow analysis.

In the Full Court

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In addition Offshore subsidiaries owe Offshore about A\$29M in equity and subordinated loans used to finance the ship conversion, and initial working capital plus interest owed to it. This money will be repaid once the subsidiaries have generated sufficient cash flow and are included as non current assets in the balance sheet.

The leasing deal does not affect project economies, with the same cash surpluses (or deficits) still accruing to Offshore's account. There is some flexibility in the leasing payments hence it is quite likely that Offshore will not have to make any further cash injections. However, this would increase the price of the drillship at the end of year 5.

10

The Woodside Contract

The drillship has a 3 year drilling contract with Woodside Offshore Petroleum which commenced on 16th October 1982. The contract is renewable for a further 3 year term at one yearly options, at re-negotiable rates.

The contract is in Australian, not US dollars. Part of Offshore's problems with the drillship arose because they borrowed in \$US and had a drilling contract in \$A. Thus the currency movements were against them in both cases.

20

The starting daily rates were as follows:

	<u>Aust \$</u>
Operating	83,000
Standby	82,000
Repair	81,000
Force Majeure	71,000
Industrial Action	62,250

Escalation since then has increased the operating rate by 6.7% to A\$88,600. The escalation clauses allow for full recovery of labour cost rises as well as CPI rises, in respect of one fifth of the CPI (intended to increase operating margins slightly each year, in real terms).

30

The drilling contract also provides for Woodside to pay 6/5 of 1 day's operating rate each month, to approximate the expected cost for vessel drydocking as required to take place every 2 to 2½ years.

Within the initial 3 year period, Offshore may have to take the vessel on assignment from Woodside for up to one year. The terms of the obligation are not clear and there is some dispute as to whether Offshore will in fact be forced to take the drillship at all. At this stage Offshore would prefer to take the drillship in year 3, if necessary. Whether they use the rig themselves or renegotiate terms with Woodside, or other interested parties, has not been decided. As the rig is contracted to Woodside at rates well above the current market price, we have assumed the Woodside contract to only be effective for 2 years and have dropped the daily rate to \$A68,000 from the beginning of year 3. With the Jabiru oil discovery, offshore oil exploration should recover quicker than generally anticipated. This should increase the demand for drillships such as the Energy Searcher. Thus we believe that a drop to \$A68,000/day will prove to be conservative. In addition it is believed that the recently renegotiated day rates for the Nymphaea in Bass Strait were in the order of \$US60,000/day which lends further support to our analysis.

40



### Costs

An estimate of operating expenses by Atwood Oceanics at A\$31,000 per day was made prior to commencement of the contract.

Atwood also estimated for the purpose of carrying out a feasibility study that annual accumulated downtime of the vessel including an accrual for dry docking should be 26 days at zero income.

In addition Atwood are paid a management fee which approximates a 5% interest in profits. Thus in our cash flows we have only assumed a 90% interest in the profits from the Drillship for Offshore and a 100% interest in losses.

### Profitability to Date

For the first 6½ months operations, to 30th April, 1983 the operating surplus was \$11.7M which was above budget. For the next six months the surplus is budgeted at \$9.6M making the total over \$20.0M for the year. It is felt that this profitability will be maintained for the remaining period of the contract. Note that these figures do not include deduction of a provision for on going maintenance (see below) which creates a cash reserve of about \$2.1M p.a. (real terms).

### Cash Flow Analysis

We have incorporated the above points in the cash flow analysis appended, with the following additional assumptions.

1. The first 2 years are as per the Woodside contract. In year 3 which is the third year of the Woodside contract where Offshore have the liability of using the rig, rates drop by \$15,000 per day (to \$68,000) in current dollars. After year 3 drilling rates are inflated at 8% while costs are inflated at 10%. This conservative assumption indicates that there will be only a negligible upturn in the drilling market over the next few years.
2. All US dollar amounts (i.e. loan repayments and interest) are converted into Australian dollars at the rate 0.90 versus the current 0.87-0.88 and the expected 0.95 with time.
3. Interest rates are assumed to be constant at 14% for the life of the project as compared to the current rates of less than 12%.
4. CPI 10% p.a. (for the purposes of calculating real rate increases).
5. We have assumed that Offshore buys the rig in year 5, April 1988 (for the unpaid portion of the Wardleys loan [\$19M]) and pays this off from the next two years cash flow.

The main conclusions are as follows.

1. Discounting future cash flows, the drillship has a value to Offshore as follows:

Discount Rate	20%	15%
	\$M	\$M
Base case	18.1	27.8
Pessimistic	12.7	21.1
Most Likely	25.1	34.3

The pessimistic case differs from the Base case only in that 18% interest rates have been used for financing. The Most Likely case uses the same interest rates as the base case and assumes that drilling rates are reduced to \$A75,000/day rather than \$A68,000/day. Rates are escalated thereafter as per the base case.

2. Cash flow covers debt payments except in years 4,5 and 6 (as a result of assumed lower operating rates). The net effect is that Offshore must invest additional funds in years 5 and 6 (1987 & 1988), at \$3.8M and \$1.1M respectively, unless it can re-negotiate lease terms. 10
3. After year 5 Offshore has the option to either buy the drillship from LLP or to lease it for another 10 years. Assuming that Offshore does buy the Drillship for the residual amount of the Wardleys loan, they could then sell the drillship to a third party at any time. The amount received for the drillship would be dependant the world market at the time, but would be expected to be somewhere around \$50M
4. Alternatively, Offshore can go on to earn a handsome profit thereafter.

#### General Comments:

The cash flow analysis appended is just one scenario. In truth, the performance could vary substantially depending upon drilling rates, particularly when the initial 3 year contract period is over. In our analysis we allowed for a \$15,000/day decrease from the base rate. However, it could be considerably worse than this or even better than the current contract, depending on the state of the rig market at that time. 20

One thing is clear, however, the Woodside contract was struck relatively near to the top of the market at that time. If it were to be renegotiated today Offshore would have to accept a drop of around \$20,000 per day or \$6.5M annually.

However there are reasons for supposing the rig market could pick up from here and it could well be very strong in 1984/5. The main reason is the coming recovery in world economies led by the U.S., followed by optimism on oil prices and the effect of discoveries such as Jabiru # 1A which is likely to lead to an increase in offshore oil exploration. 30

Woodside has enough exploration work to justify a rig "of this type" for 4 years at present, and it would take one good oil discovery on the Shelf to completely transform the outlook. In addition, it is expected that the Australian drilling market should pick up next year as some of the rigs currently under contract are freed to return overseas. With the rekindling of interest in Bass Strait (Basker - The Energy Searcher could replace the Nymphaea for future drilling), the Timor Sea, (Appraisal drilling at Jabiru and exploration drilling in the Swan/Puffin area) and WA-64-P, we feel confident that the Energy Searcher should be able to maintain an operating margin at least sufficient to meet Offshore's lease payments. 40

The 'Energy Searcher' is one of two Australian registered drillships operating in Australia, the other being the 'Regional Endeavour'. Being Australian registered they are virtually guaranteed work assuming there is enough for two or more rigs. In addition the "Energy Searcher" is considered to be a superior ship to others operating in Australia and could therefore be expected to command a premium over other ships. 50

# WA-149-P: SOUTH PEPPER

In the Full  
Court

OFFSHORE - 20%, Western Mining (operator) 40%, Pancontinental Petroleum 10%, Weeks Australia 3.34%, Petro Energy 6.67%, Pan Pacific 6.67%, Command Petroleum 3.5%, Norther Michigan 3.33%.

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## Introduction

WA-149-P has an area of 4,950km<sup>2</sup> and straddles Barrow Island to the north, west and south. Three exploration wells have been drilled in the last 9 months, all of which have resulted in oil discoveries. They are in shallow water (less than 20m) and, if the upcoming appraisal programme is successful, production could commence by late 1984/early 1985.

(continued)

10 A summary of the discoveries to date is shown below:-

SOUTH PEPPER # 1 - spudded 1st November 1982

- \* DST # 7 (1,232-1,238m) in the upper Barrow flowed 45° API oil at 1,515 BPD plus gas at 1.03 MMcfd on a ½" choke
- \* DST # 4 (2,214-2,217m) in the lower Barrow flowed 37° API oil at 520 BPD.
- \* Estimated net oil pays are 9m (upper Barrow) and 3m (lower Barrow).

NORTH HERALD # 1 - spudded 31st May 1983

- 20
- \* 6km south of South Pepper # 1
  - \* DST # 2 (1,197-1,203.5m) in the Upper Barrow flowed 45° API oil at 1,833 BPD on a ½" choke.
  - \* Estimated net oil pay is 11m.

CHERVIL # 1 - spudded 30th June 1983

- \* 21km south south west of South Pepper
- \* DST # 2 (1,049-1,052.5m) in the upper Barrow flowed 43° API oil at 1,461 BPD on a ½" choke and 2,053 BPD on a ¾" choke.
- \* Estimated net oil pay is 7.5m.

## Preliminary Reserve Estimates

30 Reserve estimates vary amongst the partners and with only 1 well on each structure, any estimations are very subjective. Particularly as they have had numerous problems with the seismic velocities and converting time curves to depth due to the occurrences of carbonate reefs near surface. (Chervil # 1 came in over 100m high to prognosis which exemplifies the problems in velocity interpretation)

The latest reserve estimates are based on reinterpretation of seismic and making relevant velocity adjustments. However, it must be stressed that these estimates can only be classed as possible reserves and further drilling will be needed to firm them into proven and probable.

40

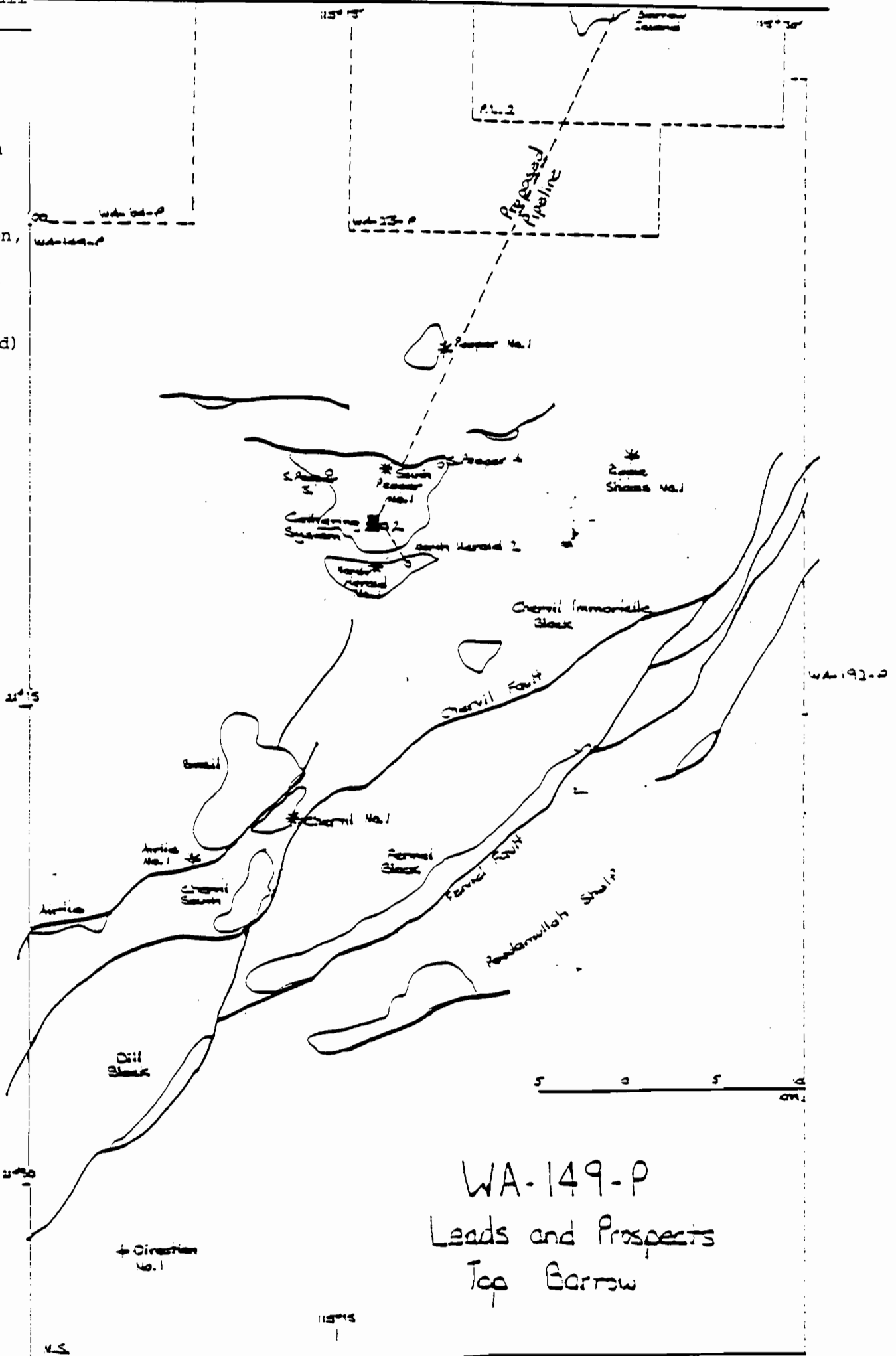
South Pepper	16 - 40 MMbbis
North Herald	4 - 10 MMbbis
Chervil	<u>4 - 50</u> MMbbis
Total Permit	24 - 100 MMbbis

## NOTE

- \* Much of the South Pepper variation is due to velocity interpretations.
- \* The generally expected figure for North Herald is 6 MMbbis.
- \* Chervil is going to take at least one well on the southern culmination before they have an accurate estimate of reserves. If it is proven to be 2 separate fields then the level of reserves is expected to be in the 20-30 MMbbl range. If Chervil and Chervil South are found to be the same structure, then reserves could be as high as 50 MMbbis.

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1983/84 Exploration Plans - WA-149-P

At this stage 3 wells are planned to be drilled back to back from beginning October this year (the rig will be returning from WA-117-P in the Canning where Home, Ocelot and Crusader will be drilling Pearl #1). The first well will be located at least 2km south of South Pepper # 1 and will test the southern portion of the South Pepper structure in both the upper and lower Barrow Group sands. The second well will be drilled at Chervil South and will determine if there is interconnection through to Chervil. The third well, South Pepper # 3, will be dependant on the results of the first two wells and a short seismic programme over South Pepper. At this stage it has not been decided whether it will be located to the east or west of South Pepper # 1.

It is planned to drill each of the 3 wells from the Glomar Main Pass 3 via 4ft diameter steel caissons which will be embedded some 30m into the seabed. The top of the caisson will be above the storm wave level (about 20m above water surface) and will include a christmas tree. This will enable the wells to be completed for production in a very short period of time.

Mesa Preliminary Development Plans

If South Pepper # 2 is successful then it is planned to develop the field in two phases. The first phase will bring the southern portion of the South Pepper field and North Herald on stream by 1985 at initial rates of 10,000 BOPD. The second phase will see another 2 platforms used to produce the remainder of the reserves at South Pepper. Phase 2 is due to be completed by 1987 and will see peak production at rates in excess of 20,000 BOPD. There are two satellite platforms planned at South Pepper and these will be located about 2km to the east and west of South Pepper # 1. Mesa has based these plans on the assumption of 37MMbbls being recoverable from South Pepper and North Herald. The initial plans are for the developing of South Pepper and North Herald in two phases as follows:-

Phase 1 - It is planned to build a platform adjacent to the caisson at South Pepper # 2. It is envisaged that the South Pepper # 2 platform will be the main or 'Mother' platform and smaller satellite tripod platforms will be used to deplete the remainder of the field. Up to 9 wells will be used to drain the southern portion of the structure. Between 2-4 wells will be drilled at North Herald and they will be connected via flow lines to South Pepper. A 12" pipeline is then likely to be build to the Barrow island facility, some 20km to the North at a cost of \$16½M which would bring the total cost for the first phase to \$100M. Production would commence early 1985 at 10,000 BOPD.

Phase 2 is dependent on South Pepper # 3 and # 4 being successful. In this case a satellite platform would be located at each location. Up to 8 wells would be drilled from each of these platforms, thus increasing total production to over 20,000 BOPD. It is planned to try and deplete the fields as fast as possible. Therefore, it is estimated that production would decline at 20% p.a. over 17 years. The total cost of Phase # 2 is estimated at \$115M bringing the total cost of the development of South Pepper and North Herald to over \$200M in constant dollars.

ASSUMPTIONS USED IN THE JACKSONS BASE CASE

Caissons

A 48" caisson is set to about 30m below the sea bed, rising to 35m above the water line, thus placing it above the high tide level. Although the seabed is very hard in this area, 32" casing has been set to depth of 30-60m without difficulty in prior wells and no problems or costly procedures are envisaged in securing a 48" caisson. The jackup rig would then drill the well and, if successful, the well would be ready to be brought on stream. The caisson provides 'dry' conditions for the assembly of wellhead equipment. Several of these exploration/appraisal wells using the caisson method would be drilled. These wells can be written off for tax purposes at a 100% rate.

Platforms

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A platform would be installed near the 'caisson' wells from which additional wells would be drilled. The main process equipment would be housed on the 'Mother' platform.

Consideration is being given to the purchase or leasing of a jackup rig to be installed as a platform which would accelerate development of the South Pepper field. The jackup rig market is currently very soft and a rig (stripped) could be leased for less than \$15,000 per day (tax deductible). A new jackup rig fully equipped with drilling and oil processing equipment could be purchased with delivery in 9 months for a cost of less than US\$21 million. In the Base Case, we have estimated that the cost of a jackup rig or drilling equipment with process units capable of handling 25,000 BOPD would be \$30M (1983's).

10

(continued) The cost of a four well tripod satellite platform has been estimated at \$4.8M which includes contingencies and escalation plus engineering installation and inspection and process equipment.

Pipelines

The seabed in the area is very flat and hard. We understand that preliminary studies have indicated that the pipe can be safely laid on the seabed without trenching and that government approval for this is likely.

20

The pipeline distances to the South Pepper platform location are shown below:-

South Pepper to Barrow Island	32 km
North Herald	3 km
Chervil	17 km

The cost of the main 12" pipeline to Barrow Island is estimated at \$17M. A pipeline to Barrow Island is likely to be laid via Pascoe Island to develop the small oil field discovered by Wapet many years ago.

Process Units

The crude oils at South Pepper et al are not of a complex or unusual nature and therefore do not require any special treatment before transportation. The associated gas at South Pepper would be used for plant fuel with the balance flared. Substantially lower quantities of gas are expected to be associated with the oil at Chervil and North Herald.

30

The main processing equipment at the South Pepper main platform is estimated to cost \$20 million. The process equipment on the satellite platforms should cost less than \$1M.

Well Costs

The initial appraisal wells using the caisson method are expected to cost between \$3-4M each. Vertical development wells should be significantly cheaper, say in the \$2-\$2.5M range whereas deviated wells should be drilled at \$2.5-\$3.0M. Once a template has been set on the seabed the jackup drilling rig can be 'skidded' from one well slot to the next.

40

### Operating Costs

In our evaluations below, we have assumed that administration costs will be \$1M per annum. Shipping costs from Barrow Island to the Kwinana refinery are currently 70¢ per barrel which is the amount assumed in all of the cases. However, the cost per barrel should be less with the higher throughputs for both Wapet and the WA-149 partners.

Over 1M barrels of oil storage capacity exists at Barrow Island along with loading facilities designed for much higher volumes than are currently being produced from the depleting Barrow Island oil field.

- 10 The cost of using the Barrow Island facilities has been estimated by some sources at 55-65¢ per barrel. We have used 70¢ per barrel in our case which reflects the uncertain nature of these costs. In the base case study this charge would average about \$4M per annum in the earlier years.

Lifting costs have been set at \$36,000 per annum per well over the project life.

### Royalties

12.5% of the wellhead value.

### Tax

46% of taxable income.

### 20 Inflation

All operating and capital costs have been escalated at 12% per annum. The existing import parity price at Barrow Island of \$37.50 per barrel has been held constant to 1984 and then escalated at 8% thereafter.

### Interest Rates

14% per annum.

### Debt Repayment

All available cash flow after repayment of interest charges and all costs including income tax has been assumed to be available for debt repayment.

### Interest Costs

- 30 Interest costs are charged against profit on the first five years in determining 'book account' profits.

### Depreciation

Depreciation is appointed on a unit of production basis. Most items are depreciable at 20% on a straight line basis for tax purposes.

### Wells Required

- 40 The Barrow Group sands are widespread throughout the Basin and are rated as an above average reservoir. The best reservoir to date was intersected at Chervil # 1. Good water drive is indicated by the reported flows and, in the case of South Pepper, a good gas drive is present which will aid recovery.

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(continued)

A 30% recovery rate has been assumed. We have assumed that each well will be capable of flowing on average 700 BOPD at the peak rate and a decline rate of 20% has been assumed. Production is assumed to terminate after 14 years.

Using the above assumptions, we have estimated that 18 wells will be required to extract the 30 MMbbls reserves assumed in the Base Case. It should be remembered that the three wells drilled to date have been terminated in a state which allows for subsea completions.

Well Costs

We have assumed that all wells will cost \$4M. Sixteen additional wells will be required costing \$64M. However if the costs are as low as \$3M, which some joint ventures regard as likely, then the total well costs would be only \$48M.

10

BASE CASE

Oil Reserves	:	South Pepper	16 MMbbls
	:	North Herald	6 MMbbls
	:	Chervil	8 MMbbls
Capital Items	:	A 'jackup' platform at South Pepper. One satellite platform at North Herald and Chervil.	
Capital Costs	:	\$158.9m (Escalated)	

20

In the Base Case, recoverable reserves (30 MMbbls) are set at levels which we regard as being low risk.

The value to Offshore on an after tax basis at various discount rates was:-

	14%	17%	20%
\$M	54.8	46.9	40.5
cps	9.6	8.2	7.1

MOST LIKELY CASE

Oil Reserves	:	South Pepper	16 MMbbls
	:	North Herald	6 MMbbls
	:	Chervil	22 MMbbls
Capital Items	:	A 'jackup' platform at South Pepper and at Chervil. A satellite platform at North Herald and two at Chervil.	
Capital Costs	:	\$221.6M (Escalated)	

30

This is the case which we believe reflects the most likely outcome. Total reserves of 46 MMbbls have been assumed. This level could be proven up in a number of ways. For example, reserves at North Herald which has the thickest oil pay of the three discoveries, could prove to be at the higher end of the estimates and Chervil south could contain equivalent reserves to Chervil north. These two outcomes could add 12 MMbbls to the base case level. The results of this case are summarised below:-

40

	14%	17%	20%
\$M	82.0	69.8	60.0
cps	14.4	12.3	10.5



PESSIMISTIC CASE

The pessimistic valuation is \$30M (5.3 cps) and is based on only 22.3 MMbbls being recoverable at South Pepper/North Herald with no production at Chervil.

The Potential for further discoveries

10 Given the 100% success ratio in recent drilling, the low drilling density and particularly, success at Chervil we believe more discoveries of the size found to date and many smaller, but still commercial, accumulations are likely to be discovered. The prospects of a much larger oil field being discovered in the Barrow Group reservoirs has been considerably improved by the Chervil discovery.

The trapping mechanism at South Pepper and North Herald is mainly drape closure. However, at Chervil, we understand that the bounding faults had to be an effective seal to the migration of oil otherwise no oil would have been found in the structure. Thus the discovery of oil at Chervil, significantly upgrades the large fault trap features at Fennel and Peedamullah (see map).

20 In addition to the Barrow Group plays there is potential in the permit for major oil accumulations in the lower Jurassic-Triassic. The Dingo Claystone which lies between the Dupuy Member and the deeper targets is a sedimentary layer of high pressure where innumerable problems have been encountered during drilling in many wells throughout the N.W. Shelf. However once the Dingo had been penetrated very thick and high quality reservoirs were encountered (Gorgon, North Rankin, etc.). These deeper horizons were not pursued at South Pepper # 1 and North Herald # 1. However at Chervil # 1 the thickness of the Dingo Claystone is relatively thin and the decision was made to drill below the Dingo to investigate the potential of the deeper horizons. We understand that the geological data obtained from the well has upgraded the petroleum potential of the lower Jurassic-Triassic in the permit.

30 Seismic at North Herald and South Pepper indicates that the closure extends and is operative at the deeper horizons as compared to the Barrow Group level.

# EXPLORATION

No. 196 Introduction

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Offshore  
Oil N.L.  
prepared  
by Jackson,  
Graham,  
Moore and  
Partners

A number of key exploration personnel left Offshore in 1982. In the interim, the exploration team was headed by Len Hall who has just retired after many years service to both Offshore and the oil industry. The appointment of Mr A. (Bert) Harris, formerly the General Manager and a Director of Bridge Oil, as Chief Executive of Offshore will provide the extra expertise at management level which Offshore has previously been criticised for lacking.

Some statistics relating to Offshore's prior exploration record are shown below.

Years to 30th June	1977	1978	1979	1980	1981	1982	1983E
Acreege '000 Km <sup>2</sup>	22.5	22.5	60.8	131.9	215.6	205.4	162.5
Seismic Shot - km	18	19	1,126	1,587	6,260	7,364	3,007
Wells Footage '000m	1.9	-	9.7	21.6	16.5	69.4	15.6
Wells Drilled	1	-	5	8	5	27	8
Wells Successful	1	-	3	3	2	6	4
Exploration Costs \$M	0.2	0.1	1.0	2.0	5.2	29.4	10.6

(continued)

As can be seen, there was a burst of activity in 1982 which ultimately put the company in severe financial problems.

The big expense items during 1981/82 were estimated approximately as follows:

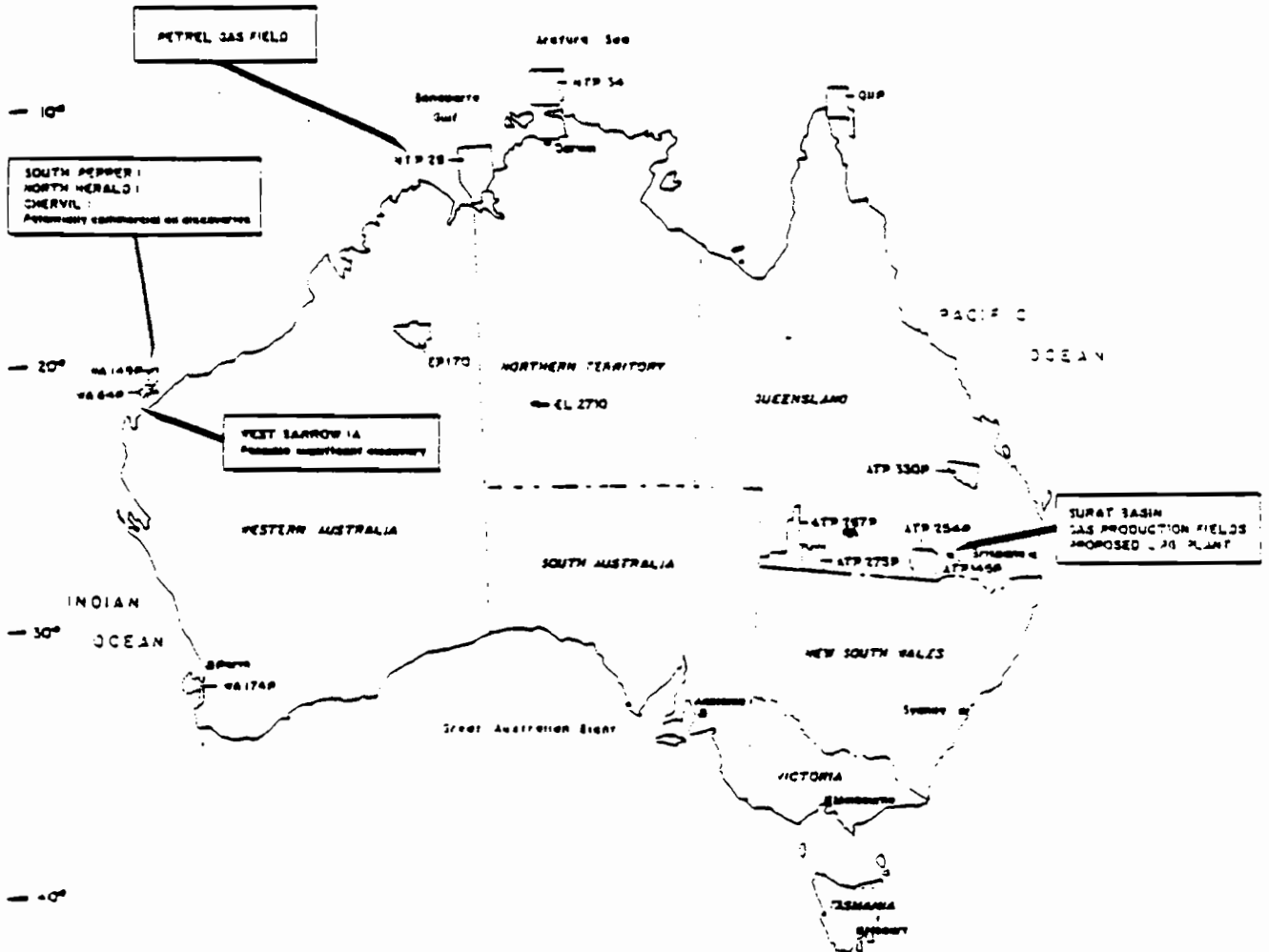
	\$M	
US drilling	6.7	- Terminated in 1982
Petrel # 3	5.3	- Only minor work this year
West Barrow # 1A	9.1	- Now close to farming out
Phoenix	0.9	- Now relinquished
Indonesia	4.0	- Looking for farminee
Surat	2.0	

Other expenses of \$1.4M brought the estimated total to \$29.4M

In 1982/83 exploration was cut back considerably, although it was still high at about \$10.6M. In 1983/84 exploration expenditure is expected to be about \$4M (including \$3M in the Surat) for all permits excluding WA-149-P where another \$4M has been budgeted for appraising the 3 oil discoveries.

Permit Summary

As can be seen from the map, Offshore has interests in a wide range of areas.



OFFSHORE OIL N.L.  
 Location of Petroleum Tenements

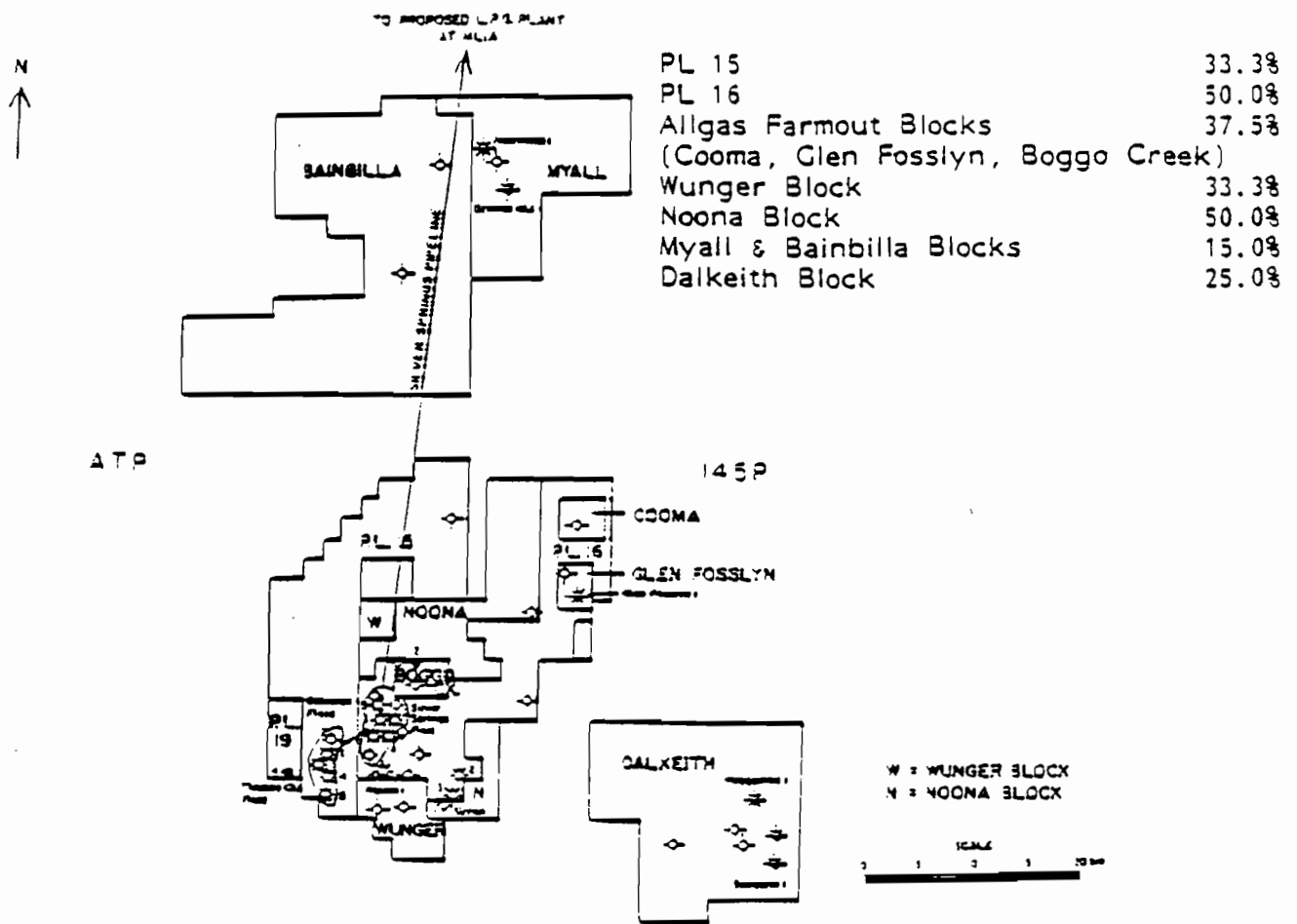
The Australian interests are detailed in a print out from our computer, shown in the appendix. In the base case we value these interests at \$25M or 4.4cps, based on conservative parameters. The good spread of interests that Offshore has, will ensure that the shares are likely to get some sort of rub off from discoveries in most areas in Australia.

A description of each permit area follows.

In the Full Court

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 Partners (cont'd)

Surat Basin, within ATP 145P



Bridge Oil is operator for all these areas. PL 15 (containing the Boxleigh field) and the Wunger Block are held one third each by Bridge, Offshore and Moonie, while PL 16 (containing Silver Springs and other recent discoveries) and the Noona Block are held equally between Bridge and Offshore. The three Allgas sub-blocks of PL 16 are held 25% by Allgas and 37.5% each by Bridge and Offshore.

To the North, the Bainbilla and Myall blocks are held 25% each by Bridge/Project, Moonie and Allgas, 15% by Offshore and 10% by Petroleum Securities who are still funding Offshore Oil's expenditure. To the east, the Dalkeith block is held equally by Bridge, Offshore, Crusader and Mesa.

These areas have considerable potential for further small discoveries of oil and gas in the Jurassic Evergreen and Precipice formations of the Surat Basin or in the Triassic Showgrounds sandstone in the underlying Bowen Basin. The targets are at present structural plays but the fluvial environment gives considerable scope for stratigraphic plays with highly variable reservoir conditions within the fields.

When the flood conditions improve there will be a rig working full time in the area and, allowing for a certain success rate some 12 wells could be expected per year at a cost of \$6.0M (\$0.5M each) if all dry, and \$8.4M (\$0.7M each) if all completed for production. Offshore's share of these costs could be expected at around 40% or between \$2.4M and \$3.4M annually.

The Boxleigh and Silver Springs gas condensate fields currently produce about 10 MMcf/d for the Brisbane market (see gas production section). There are 9 wells on the Silver Springs field (although only 6 are in production) and no further wells are planned. At Boxleigh, 5 wells have been drilled and one further well is possible.

(continued)

Two other promising gas discoveries are located in PL 16, Sirrah and Renlim. Both of these fields will be developed as part of the revised liquids project. Sirrah #2 and #3 produced excellent gas flows with a high condensate ratio and further holes are certainly warranted. At least one is planned for this year and will be drilled after more seismic is run. At present Renlim is a one hole field and, on pressure data, there seems to be some connection between it and Silver Springs. A number of other structures exist in the area and this 12 months is likely to see at least one well drilled in the block.

10 One well is planned for the Wunger block after a 50km seismic programme has been run. The Wunger block contains Thomby Creek # 4. However, production is likely to be minimal from this well as it is already producing water.

Boggo Creek remains an enigma. After flowing oil at up to 1,000 BPD Boggo Creek #2 quickly turned to water. The following 2 wells, #3 and #4 were apparently drilled down dip and straight into water. No action is planned for this year.

20 One well is planned to appraise the Glen Fosslyn # 1 gas discovery. Glen Fosslyn #2 was water wet but was quite a large stepout to the north west and the next well location will be closer to the successful #1.

No activity is planned for the Cooma sub-block in the immediate future.

In the Noona block, Roswyn #1 should be drilled to the north of Beechwood #1 within the next year but the exact location still has to be decided.

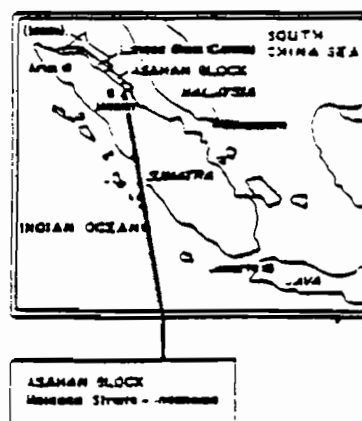
The Dalkeith block contains the Waggamba oil/condensate/gas discovery which is currently shut-in after producing some 10-30 BPD of light oil or condensate in a production test. It is a small tight formation which may be fracture stimulated. This year one well may be drilled in the block after a short seismic programme.

30 The Myall block contains the Noorindoo gas field which was discovered in 1970. This was re-entered earlier this year for production testing and for 3 months during 1982 it was running at the feeble rate of 30 bbis per day and 0.3 MMcfd. The field size is unknown and but is thought to be relatively large. However, the reservoir is very tight. 120km seismic is planned for later this year followed by two wells in the Bainbilla block. The partners are negotiating a 10% farm out of the Myall block.

Indonesia

Asahan Block 80%

40 In August, 1981 Offshore 80% and Ococo 20% entered into a Production Sharing Contract with Indonesia's Pertamina over this 7,445km<sup>2</sup> area in the Malacca Strait, North Sumatra, by paying a \$4.5M signature bonus for old seismic (1,000km) and drilling logs.



The area is highly regarded by the oil industry, being a genuine oil play in Miocene carbonate reefs which elsewhere in the Basin have tested 4,000 - 6,000 bpd. The water depth is shallow and a typical jack-up well would cost \$4.5M dry.

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A major exploration programme costing US\$56M and comprising some 1,500km of seismic and 8 wells is to be carried out over the 6 year term of the initial phase. Upon a commercial discovery Pertamina (Indonesian Government) will take 50% of production.

Some 1,100km of seismic were shot and processed during 1982/3 at a cost of \$1.1M. This has shown a number of possible targets.

Although this is prime acreage Offshore has conceded that its exposure is too high and is negotiating to reduce its interest down to 10 - 20%. At present Offshore have had no success in reducing their interest and no further work will be carried out in the permit until they negotiate a suitable farmout.

#### The Barrow Sub-basin

WA 64P	51.79%	Operator: Offshore
WA 149P	20%	Operator: Mesa

WA 64P is the permit on which the very expensive West Barrow # 1A well was drilled. Ownership of the permit has been in dispute following the failure of some parties to meet all the costs of West Barrow # 1A. The permit has just been renewed by the West Australian Government and the Offshore group will now have a 51.81% interest. Other participants are Diamond Shamrock 16.27%, Charterhall Australia 7.83%, Reading and Bates 6.02%, Sovereign Oil 6.03%, and the Magnet Group 12.05%. (BHP 50% FI pending)

Originally the group also included Southern Cross 12% and Southern Energy 5%, with Offshore holding a 34% interest only. However, because of these companies' inability to pay they were defaulted from the permit and Offshore now has a 51.81% interest as a result of a pro rata redistribution. Southern Cross may challenge this decision in the High Court.

The Sub-basin contains a thick sequence of Mesozoic and Tertiary sediments prospective for hydrocarbon reservoirs. In WA-64-P seismic by the permit holders indicated 2 main areas of closure and West Barrow # 1 was drilled on the main structure.

West Barrow # 1A failed to reach its proposed depth. The well had to be suspended at 3,520m when a tool fell down the hole which led to the drill pipe jamming in an overstressed sequence and, despite all efforts, could not be freed. Although plugged, there is some danger of hydrocarbons, if present, leaking into the upper strata which could result in widespread contamination and a possible blowout. For this reason, the State Government originally required the Joint Venture to evaluate the safety of the well within the next 6 months by drilling a second well on the structure. As the Joint Venturers have taken out an insurance cover against this possibility and the fact that there has been no surface indications of trouble, the Government has relaxed their demands. The permit expired in February 1983 and the consortium were offered a renewal of the permit in early July which will require the drilling of one well in each of the first two years.

It is intended that ongoing work will be financed by a farm-in partner and Offshore and its consultants have prepared a farm-out package on behalf of the Joint Venturers. The proposal is that the incoming party (probably BHP) finance a second well on the West Barrow structure. Diamond Shamrock (16.27%) does not intend farming out. Hence BHP will earn about a 50% interest by paying approximately 84% of the cost of the next well. A dry



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hole would cost some \$10-12M with testing of the hydrocarbon bearing zones an additional \$5M. If, and only if, substantial hydrocarbons were present and leakage was occurring, then the West Barrow # 1A well would have to be re-entered or a relief well drilled adjacent to # 1A and cement injected. The farmin partners will be indemnified against any costs resultant from West Barrow # 1A. These costs have, in turn, been insured against by a subsea blowout insurance policy.

10 In our opinion Offshore has an excellent chance of bringing in a new partner on favourable terms. In fact farmin negotiations are now at an advanced stage with a number of major oil companies, including BHP, and an agreement is expected to be announced shortly.

West Barrow # 1A had a number of encouraging hydrocarbon shows and log analysis indicates a thin zone of moveable liquid hydrocarbons within the Mardie Greensand at 2,511-2,513m but R.F.T. sampling was unsuccessful due to seal failure.

20 More importantly, the Barrow Group interval 3,376-3,520m (TD) was culminated by sandstones which gave high gas readings up to C5. The sandstone between 3,376-3,480m (104m) appears to contain high gravity API liquid hydrocarbons with porosities averaging 10% and water saturation about 40%. The lowest sand, in the interval 3,490 - 3,506m (16m), shows better porosity (13%) and lower water saturation (30%) but appears to contain a lighter hydrocarbon fraction.

30 By comparing these results with the sequence in Spar # 1 to the north, it seems likely that further sands occur in the Barrow Group below the depth reached in West Barrow # 1A. The identification of liquid hydrocarbons is based on log interpretation only but is consistent with the presence of gas up to C5 within and above the interval. The interval is thick, consistent in lithology and is well sealed by overlying claystones and may constitute the thickest hydrocarbon column yet discovered in the Barrow Group. There is a high degree of stratigraphic trapping involved as the 104m hydrocarbon column in the Barrow Group is thicker than expected from the indicated closure of the structure. This may limit the lateral extent of the hydrocarbons.

WA 149P is adjacent to WA 64P. Offshore holds a 20% interest, Western Mining (operator) holds 40%, Pan Con Petroleum 10% and six other companies share the remaining 30%.

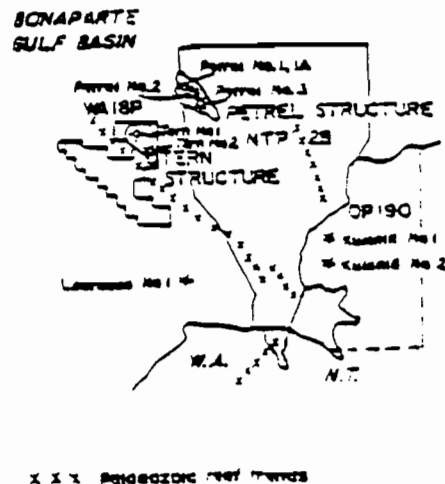
Details of the exploration plans for this permit are covered earlier in the review.

The Bonaparte Basin

40

NT/P28	25%
OP 190	34%

Aquitaine is operator for NT/P28 which contains the Permian Petrel gas field. The first well drilled for some years, Petrel #3 was completed in February 1982 after flowing gas and condensate in 3 tests over separate horizons at the respective daily rates of 22 MMcfd, 7.3 MMcfd and 10.7 MMcfd, over a gross interval of 184m. Further appraisal drilling will be necessary to determine reserves but a potential in excess of 4.5 TCF is estimated.



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As Petrel # 3 cost some \$20M (Offshore share \$5.0M) and given the fact that the gas is unlikely to be contracted prior to the late 1990's Offshore and many of the other partners, are concerned as to the necessity for rapid exploration at this stage. 180km of seismic costing \$0.25M (Offshore \$0.06M) is proposed for the next 12 months. A \$30M well is also planned for this year, probably at Petrel, although they may drill a Devonian target in the south of the Permit. The operating committee have requested the operator, Aquitaine, to have the drilling commitment put back a year.

Given that Aquitaine has just valued the Tern gas field at a relatively high price due to its 'swap' deal with Oil Investments it is possible that the former could purchase a further part of Petrel for cash at some future date.

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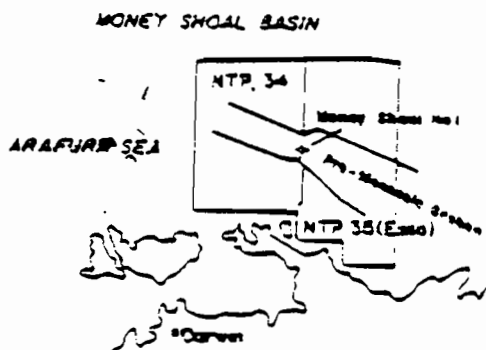
If Aquitaine does offer to increase its interest in the permit, Offshore would not reduce their interest, at this stage anyway, at less than favourable rates.

OP 190 has the potential to contain oil in Palaeozoic reefal trends postulated as present in the area but no work can be carried out until the question of Aboriginal claims is settled.

The Arafura Sea

NT/P34 12.5%

Diamond Shamrock (operator) and Northern Michigan each have a 25% interest in this permit. The Australian contingent comprises Offshore, Petro Energy, Sydney Oil and Strata Oil each with a 12.5% interest.



20

Seismic is now completed and a well is scheduled at some point during the year commencing March 1983, at an expected cost of about \$7M (Offshore \$0.88M). The well will test a postulated pre-Mesozoic Graben. Note that although the permit is undrilled, some indication of the potential of the region has been gained from prior drilling in the basin, as Esso and Petrofina have drilled two and one wells respectively in adjacent permits. The Petrofina well reported some encouraging oil shows, though no test results were given. The operators are attempting to farmout the commitment for all partners prior to any drilling.

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Perth Basin

WA 174P 15.0%

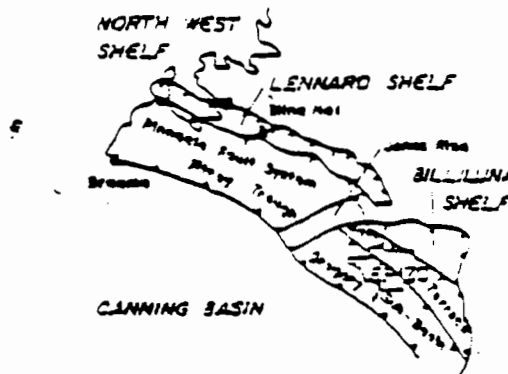
BP is operator in WA 174P where the main targets are the Upper Permian Coal Measures. Some 1,500km of seismic costing \$1.05M (Offshore \$0.16M) has just been completed and during the current year a further 550km of seismic costing \$350,000 will be shot in the northern part of the permit to firm up a location for a well scheduled in the following year. Offshore is likely to drop this permit unless a suitable target for drilling can be located.

40

Canning Basin

EP 170 15%

OCA, Offshore, Pan Pacific, Sydney Oil and Strata each have a 15% interest in this permit after Santos farmed into the permit and took over the operatorship.



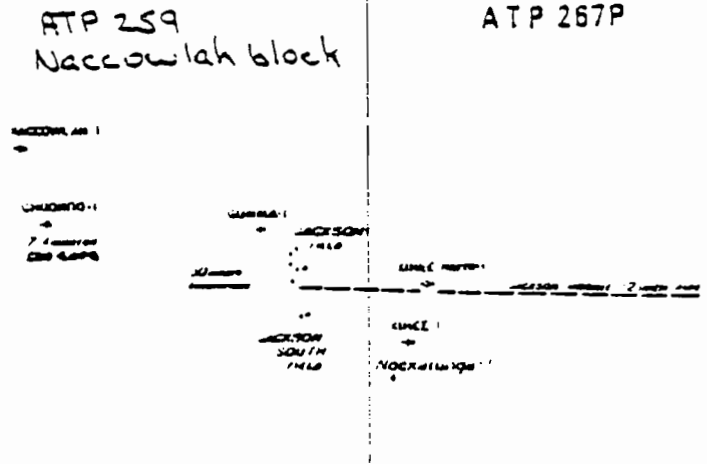


The 1982 seismic programme has revealed 2 closed Permian structures and 1 possible Devonian play. Now that Santos have farmed into the permit, a well is planned for late 1983/ early 1984. Further seismic is also planned. The permit is regarded as a both a sandstone and carbonate play in Permian, Carboniferous, Devonian and Ordovician sediments.

Eromanga Basin

ATP 267P	12.5%
ATP 275P	12.5% after farmout
PEL 211	Withdrawn

10 This group of permits is located on the south eastern edge of the Eromanga Basin, with ATP 267P the most prospective because of the greater depth of burial and thickness of the basin, and because of its proximity to the Jackson oil discovery in the adjacent permit. Many relatively large undrilled structures exist in the permit.



20 Offshore farmed in to ATP 267P in 1981 and was originally entitled to earn 17.5% but, prior to the Jackson discovery, sold a 5% interest to Petroleum Securities. Other participants now comprise Bagner (operator), Bligh, Northern Michigan, Pancontinental Petroleum, Petroleum Securities, Sydney Oil, Greenbushes, Highwood and Mohawk. Santos are negotiating a possible farmin after the next well.

30 The participants drilled three dry holes (although Kihee # 1 recovered limited quantities of oil from a DST in the Murta) in ATP 267P during 1981/82 (including two on the Kihee structure) on limited seismic. The fourth well in ATP 267P, Pigeon Lake # 1, was drilled last month in the south western part of the permit and was abandoned after failing to encounter hydrocarbons. The rig has now moved to the Nockatunga # 1 location which is 7km south of Kihee and 16km south south east of Jackson. High hopes were held for this well after a DST in the Murta recovered oil at an estimated rate of 245 BOPD. Testing in the Westbourne showed that the section was oil saturated, but unfortunately it was tight. There are still some thin sands in the Westbourne which show better reservoir development and these are likely to be tested after logs are run. The primary objective of the Hutton sandstone has not been fully drilled, but preliminary results are not encouraging. The well is still drilling and analysis of the commercial significance of the discovery will not be possible until at least one more well is drilled on the Nockatunga structure. Nockatunga # 2 is planned to be drilled following completion of Nockatunga # 1. One further well is also possible. Given the close proximity to the Jackson to Brisbane pipeline, relatively small discoveries can be easily developed. While the results from the Hutton at Nockatunga have been disappointing, it is clear that oil has been generated in the area and further small oil discoveries in the region are likely. A 20MMbbls discovery valued at \$8/bbl would be worth 8 cps to Offshore.

40 Offshore has recently negotiated a farmout in ATP 275P with an Italian company, Agip Ltd, where a \$1.12M work programme will earn Agip a 40% interest. This work commitment will include the drilling of one well and 300km of seismic.

50 In PEL 211 all the partners, except Sydney Oil, have decided to withdraw from the permit.

Great Barrier Reef

Q 11P	100%
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This permit has been held by Offshore for many years but a moratorium is held on further work due to an environmentalist lobby.

In the Full Court

Bowen Basin

ATP 330 P 30.0%

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Offshore is operator for this relatively unexplored permit. Other participants are AOD 25%, Oil Investments 20%, Southern Cross 15%, Longreach 10%.

The main target is a Permian play that needs further seismic definition. Over \$1M was spent on seismic in the superceded ATP 284P. The permit was renewed over a enlarged area in January 1983 and \$0.5M will be spent on seismic this year. One well is planned for next year and it is hoped to attract a farminee to help drill the well.

(continued)

Surat Basin Excluding ATP 145P.

ATP 254P 12%

This permit for which Sydney Oil is operator expired in August 1982 and the participants have applied for a renewal with a 25% reduction in acreage with the following work commitment.

- 1st year - \$100,000 seismic
- 2nd year - \$150,000 seismic
- 3rd year - one well.

As at July 1983 the first years' commitment had been completed.

Bogong #1, a stratigraphic test well, was drilled in 1981 to test an inferred graben. Offshore may ultimately farm out its interest but at this stage intends to participate in the seismic programme proposed for the next two years.

OTHER INTERESTS

Offshore has a minor interest in uranium exploration.

In 1980/81 Offshore acquired a 7.49% interest from the AAEC in the Bigryli uranium prospect (EL 2710) in the Ngalia Basin. Previous exploration has delineated reserves as follows:

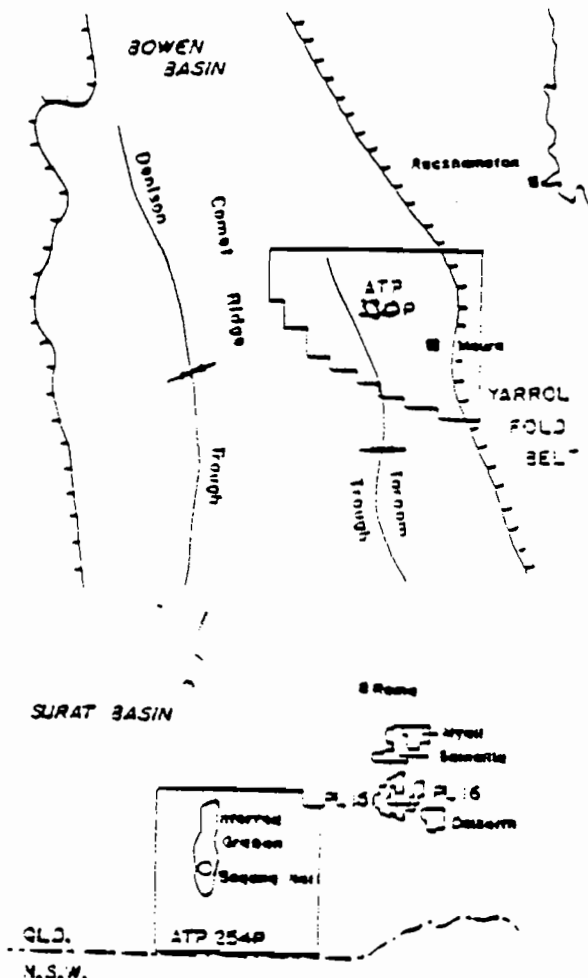
Proven	0.5MT grading 7.0 lbs PT (1,720T U <sub>308</sub> )
Proven and possible	2.0MT grading 6.6 lbs PT (6,000T U <sub>308</sub> )

No further work is planned until the uranium market recovers.

Again, these uranium reserves are possibly too small scale to be of much commercial interest.

DECLARATION

The partners and associates of Jackson, Graham, Moore & Partners state that within the terms of Section 65, Securities Industry (N.S.W.) Code (1980), they are the owners of 2,002,775 shares in Offshore Oil NL. The partnership is the underwriter of a current issue in the Company and will earn commission from the underwriting.



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DRILLSHIP ECONOMICS - Base Case

Drill Rates + 0% )  
Costs + 10% )  
Interest Rates 14%

from year 3 base \$60,000/day

Y/E September	1 1983	2 1984	3 1985	4 1986	5 1987	6 1988	7 1989	8 1990	9 1991	10 1992	11 1993	12 1994	13 1995	14 1996	15 1997
Daily Rate \$A	83,000	96,000	68,000	73,440	79,315	85,660	92,513	99,914	107,907	116,540	125,863	135,932	146,807	158,551	171,235
Daily Operating Costs	31,000	34,100	37,510	41,261	45,387	49,925	54,918	60,410	66,451	73,096	80,406	88,446	97,291	107,020	117,772
Aust \$'000															
Gross Revenue @ 339 days	28,137	32,544	23,052	24,896	26,900	29,050	31,360	33,870	36,600	39,500	42,700	46,080	49,800	53,800	58,050
Plus: Dry Docking charges	1,195	1,385	980	1,060	1,140	1,235	1,335	1,440	1,555	1,680	1,820	1,960	2,115	2,285	2,470
Less: Operation Costs @ 365 days	11,332	12,446	13,690	15,060	16,566	18,220	20,045	22,050	24,255	26,680	29,350	32,280	35,510	39,060	42,970
OPERATING MARGIN	18,000	21,500	10,400	10,900	11,500	12,100	12,700	13,300	13,900	14,500	15,200	15,800	16,400	17,000	17,600
Less: Interest Payments	7,200	5,000	4,200	3,150	2,075	1,075	180								
Principal Repayments	5,900	10,360	11,920	13,470	13,320	11,720	5,810								
Guarantee Fee	90	70	50	20	-	-	-								
TOTAL DEBT COST	13,290	15,430	16,170	16,640	15,395	12,795	5,990								
SURPLUS	4,710	6,070	(5,770)	(5,740)	(3,895)	(695)	6,710	13,300	13,900	14,500	15,200	15,800	16,400	17,000	17,600
Interest on Surplus	250	750	450	(200)	(500)	(450)	275								
Total Surplus	4,960	6,820	(5,320)	(5,940)	(4,395)	(1,145)	6,985	13,300	13,900	14,500	15,200	15,800	16,400	17,000	17,600
Cumulative Total Surplus	4,960	11,780	6,460	520	(3,875)	(5,020)	1,965	15,265	29,165	43,665	58,865	74,665	91,065	108,065	125,065
Cash Received by Offshore NPV at 20% p.a. \$10.1M NPV at 15% p.a. \$27.0M	-	-	-	-	(3,875)	(1,145)	6,635	12,635	13,205	13,775	14,440	15,010	15,580	16,150	16,720

In the Full  
Court  
No. 196  
Exhibit  
"PS II"  
Copy of  
Report on  
Offshore  
Oil N.L.  
prepared  
by Jackson,  
Graham,  
Moore and  
Partners  
(continued)



"PS 12"

Copy of Extract from "Sydney Morning Herald" dated 29th September 1983

MINING & OIL SHARE LISTS

† Last sale price except where last buyer quote higher or seller quote lower in which case last applicable quote is used.

Up to close of business, Wednesday, September 28, 1983 (Previous trading day in brackets)

Mining Oil RISES 20 (60) 14 (31) FALLS 85 (53) 38 (22) STEADY 91 (88) 44 (48) TRADED 1,044,522 (13) 5,188,327 (17)

Main table containing share lists for LEADING MINERS and OTHERS, including columns for Company, Price, No. sold, Day's range, Closing quotes, and Year's range.

This is the exhibit marked "PS12" and is exhibited to me at the time of swearing my Affidavit dated 29th September, 1983.

Handwritten signature of Phillip Smith

227

No. 198

SUPPLEMENTARY AFFIDAVIT OF  
PHILIP KEVIN SMITH  
dated 30th September 1983

IN THE SUPREME COURT OF VICTORIA

IN THE FULL COURT

1983 No. Co. 13105

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  
and NORTHERN STAR INVESTMENTS PTY LTD  
HALLMARK MINERALS N.L. and L.S.D.  
HOLDINGS LIMITED

Appellants

-and-

OFFSHORE OIL N.L., MARTIN CORPORATION  
LIMITED, MERCANTILE MUTUAL LIFE INSURANCE  
COMPANY LIMITED and JACKSON GRAHAM MOORE  
AND PARTNERS (a firm)

Respondents

SUPPLEMENTARY  
A F F I D A V I T

I, PHILLIP KEVIN SMITH of 130 Phillip Street, Sydney in the State of New South Wales make oath and say as follows:

1. This Affidavit is supplementary to the Affidavit sworn by me yesterday in these proceedings. I crave leave to refer to the aforesaid Affidavit and in particular to paragraph 12 thereof.
2. Exhibited to me at the time of swearing this my Affidavit and marked with the letter "P" is an extract from today's Sydney Morning Herald, Business Section, and in particular, the Section relating to shares traded in Mining and Oil Companies including Offshore Oil N.L. on Thursday 29th September, 1983 on the Sydney Stock Exchange.
3. In view of the one-for-two rights issue announced in the exhibit marked "PS9" in my Affidavit sworn yesterday, each share in Offshore Oil N.L. held prior to the rights issue, is presently saleable for 22 cents on the basis of the yesterday's closing prices of shares at 18 cents and rights at 8 cents.

SWORN at Sydney on )  
30th September, 1983 )  
Before me: )



---

A Solicitor for the Supreme  
Court of New South Wales

In the Full  
Court

No. 198  
Supplementary  
Affidavit of  
Philip Kevin  
Smith dated  
30th September  
1983

(continued)

IN THE SUPREME COURT  
OF VICTORIA  
FULL COURT  
1983 No. Co. 13015

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. LTD.  
HALLMARK MINERALS N.L. and L.S.D.  
HOLDINGS LIMITED

Appellants

and

OFFSHORE OIL N.L., MARTIN  
CORPORATION LIMITED, MERCANTILE  
MUTUAL LIFE INSURANCE COMPANY  
LIMITED and JACKSON GRAHAM MOORE  
AND PARTNERS (a firm)

Respondents

---

SUPPLEMENTARY AFFIDAVIT

---

Deponent: Phillip Kevin Smith

Sworn: 30th September, 1983

GODFREY & GODFREY,  
Solicitors,  
358 Lonsdale Street,  
MELBOURNE, VIC. 3000

Tel: 67 5694  
Ref: G63/83 WRH:AM



**MINING & OIL SHARE LISTS**

LEADING MINERS										OTHERS									
Company	Price	%	No. sold	Days range	Company	Price	%	No. sold	Days range	Company	Price	%	No. sold	Days range	Company	Price	%	No. sold	Days range
Amstar	1.85	+10	107	182	1.85	1.85	1.85	107	182	Amstar	1.85	1.85	107	182	Amstar	1.85	1.85	107	182

Up to close of business, Thursday, September 28, 1983  
(Previous trading day in brackets)

1 Last sale price except where last buyer quote higher or seller quote lower in which case last applicable quote is used.

Copy of extract from "Sydney Morning Herald" dated 30th September 1983

This is the exhibit marked "P" and is exhibited to me at the time of swearing my Affidavit dated 30th September 1983

AFFIDAVIT OF PHILLIP KEVIN  
SMITH dated 10th  
October 1983

IN THE SUPREME COURT )  
OF VICTORIA )  
IN THE FULL COURT )

1983 No. Co. 13015

IN THE MATTER of the Companies  
(Victoria) Code

and

IN THE MATTER of Brinds Limited

BETWEEN :

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

Appellants

and

OFFSHORE OIL N.L., MARTIN CORPORATION  
LIMITED, MERCANTILE MUTUAL LIFE INSURANCE  
COMPANY LIMITED and JACKSON GRAHAM MOORE  
AND PARTNERS (a firm)

Respondents

FURTHER AFFIDAVIT OF PHILLIP KEVIN SMITH

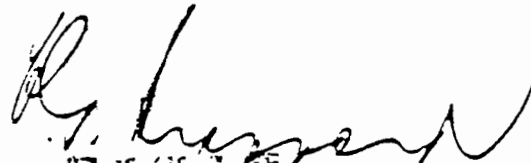
(continued)

I, PHILLIP KEVIN SMITH of 130 Phillip Street, Sydney, make oath  
and say as follows:

1. I crave leave to refer to my ~~three~~ earlier Affidavits filed in these proceedings.
2. Exhibited to me at the time of swearing this Affidavit and marked "KGW" is a copy of the Transcript of Evidence of Mr K G Wilshire given in proceedings No. S3803 of 1982, arising from an Affidavit sworn by him, referred to in paragraph 3(h) of my Affidavit sworn on 23rd September, 1983.
3. Exhibited to me at the time of swearing this Affidavit and marked "M" is a copy of a letter dated 5th October, 1983, received by my firm namely, Messrs Abadee Dresdner & Freeman, from Mr A E M Geddes, Managing Director of Mercantile Mutual Holdings Limited. Also exhibited to me but marked "AAH" is a copy of the letter dated 16th September, 1983, referred to in Exhibit "M" hereto.
4. Exhibited to me at the time of swearing this Affidavit and marked "FR 1" and "FR 2" respectively are copies of articles which appeared in the Australian Financial Review on 18th May, 1983 at page 33 and 24th May, 1983 at page 13.
5. I am informed by Mr Boris Ganke and verily believe that Mr L J Adler was aware, at the time he caused the statement to be published in Exhibit "FR 1" of the following:
  - (a) In the books of Chapmans Limited, the properties referred to by Mr Adler were valued at \$4 million;
  - (b) That Messrs Raine & Horne, Real Estate Agents and Valuers, under instructions from Chapmans Limited, had prepared a Valuation of the said properties, "on behalf of an intending mortgagee", and therein valued the properties at \$3,700,000.

6. I am also informed and verily believe that the publication of the abovementioned article "FR 1" and the statement therein made by Mr Adler had the effect of depressing the ultimate price obtained at auction, so that the anticipated \$3.7 million was not realised and instead, the properties were sold for \$2.3 million. I am also informed that the statement made by Mr Adler militated against the prospect of re-financing the said properties which had almost been finalised prior to the publication of "FR 1".

SWORN at Melbourne on )  
10th October, 1983, )  
before me: )



MEMBER OF THE JUDICIAL  
OFFICE OF THE STATE OF VICTORIA  
1032 123456789

IN THE SUPREME COURT

OF VICTORIA

FULL COURT

1983 No. Co. 13015

In the Full  
Court

No.200  
Affidavit  
of Phillip  
Kevin Smith  
dated 10th  
October  
1983

IN THE MATTER of the Companies  
(Victoria) Code

(continued)

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. LTD.,  
HALLMARK MINERALS N.L. and L.S.D.  
HOLDINGS LIMITED Appellants

and

OFFSHORE OIL N.L. MARTIN CORPORATION  
LIMITED, MERCANTILE MUTUAL LIFE  
INSURANCE COMPANY LIMITED and  
JACKSON GRAHAM MOORE AND PARTNERS  
(a firm) Respondents

---

FURTHER AFFIDAVIT OF PHILLIP KEVIN  
SMITH

---

Sworn : 10th October, 1983.

GODFREY & GODFREY,  
Solicitors,  
358 Lonsdale Street,  
MELBOURNE. VIC. 3000

Tel: 67 2547  
Ref: 663/83 WPH

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REP: PG: 6

In the Full Court

IN THE SUPREME COURT )  
OF NEW SOUTH WALES ) No. 3803 of 1982  
EQUITY DIVISION )

"KGW"

No. 201  
Exhibit "KGW"  
Copy of  
Transcript  
of Evidence  
of Kenneth  
George  
Wilshire in  
N.S.W.  
Proceedings  
No. 3803 of  
1982

CORAM: McLELLAND, J.

FRIDAY, 29TH JULY, 1983.

FIRE AND ALL RISKS INSURANCE CO. LIMITED v. SOUTHERN CROSS  
EXPLORATION N.L.

(PART HEARD)

MR. GLEESON: This matter was adjourned to today for a couple of reasons. Your Honour said this morning the plaintiff should make an election whether it is to proceed; It elects not to. As foreshadowed, an application is made by Offshore Oil N.L. to be substituted as plaintiff.

HIS HONOUR: By consent I grant leave to Offshore Oil N.L. to file in Court Notice of Motion in the form handed up returnable instant.

(Affidavit of Kenneth George Wilshire sworn 28th July 1983 filed in Court and read. First two sentences of par.2 objected to.)

HIS HONOUR: I reject the first two sentences of par.2 on the ground that they are not admissible to prove the existence of the debt. The material which Mr. Gleeson relies on to support the admissibility, itself, of course, is in evidence and its effect may be relied on by the present applicant, but it seems to me that the existence of other evidence to support the existence of a debt does not render the evidence in this particular form admissible. I reject the first two sentences of par.2 but I will note, Mr. Gleeson, that Offshore Oil N.L. claims that the defendant is indebted to it, as asserted in those sentences.

(First sentence of par.5 objected to.)

HIS HONOUR: I note it is agreed that the sum of \$330,000, referred to in annexure A, is part of the sum of \$608,044 referred to in Ex.F. On that basis the first sentence of par.5 is rejected.

(The last five words of par.7 objected to and not pressed. The last 13 words of the second last sentence of par.8 objected to and not pressed.)

*Phillip Kaye Smith*  
*83*  
*V.G. Stafford*

(Copy deed dated 4th June 1982 between Offshore Oil  
N.L. and the defendant, being a deed referred to  
in par. 8 of the affidavit, tendered and marked Ex.C.)

(Annexure J to the above affidavit tendered, objected  
to and not pressed.)

(Annexures A and B to Mr. Tosi's affidavit tendered;  
objected to and not pressed.)

10 MR. GRUZMAN: I foreshadow I will submit the application is not  
bona fide. It is directed by Mr. Adler (as the previous applica-  
tion was) and that those matters which go to the bona fide of  
the previous application are relevant to this application, and  
that includes the conduct of F.A.I., under Mr. Adler's direction,  
yesterday and dispensing of the shares at an under value and of  
the announcement in the morning's newspaper to prejudice the  
company by telling the press that he had held the shares in  
default of payment and other matters, so that we will be adducing  
in answer to this application some oral evidence and also some  
of the evidence in the previous proceedings.

KENNETH GEORGE WILSHIRE  
Sworn and examined:

20 MR. GLEESON: Q. Is your full name Kenneth George Wilshire?  
A. Yes, it is.

Q. Do you live at 3 Moratai Crescent, Castlecrag? A. Yes.

Q. You have sworn an affidavit in these proceedings? A. Yes.

#### CROSS-EXAMINATION

MR. GRUZMAN: Q. You have been the secretary of Offshore Oil  
since 1976? A. Correct.

Q. You recall making a demand in a letter of 27th August for the  
sum of \$600,000 on Southern Cross? A. Yes, I do.

30 Q. On whose instructions was that done? A. The Board of Offshore.

Q. Who was the chairman of the board at the time? A. Mr. Adler.

Q. That is, Mr. Adler, who is present in the back of the Court now?  
A. Yes.

Q. Previously Mr. Ganke had been the chairman of Offshore? A. That  
is so.

40 Q. You received a letter back from Mr. Ganke dated four days later  
stating: "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  
NTB28, or raising funds from its shareholders, any amount out-  
standing to your company would be repaid. Your co-operation would  
be appreciated." Do you remember receiving that letter? A. I do.

K.G. Wilshire x. x.

In the Full  
Court

No. 201  
Exhibit "XGW"  
Copy of  
Transcript  
of Evidence  
of Kenneth  
George  
Wilshire in  
N.S.W.  
Proceedings  
No.3803 of  
1982

(continued)

Q. Mr. Ganke at that time had no access to the records of Offshore, did he? A. Not at that time, no.

Q. But you did? A. Yes.

Q. Formerly you would have regarded yourself as working for Offshore under the chairmanship of Mr. Ganke? A. Correct.

Q. Do you think it would have been a fair approach on your part to have carefully searched the records of the company to see if there was documentary evidence to support what Mr. Ganke was saying? A. I had access to the records of the company, I was not aware of any documentary evidence to that effect.

Q. Would you kindly answer the question itself: Did you think it would have been fair on your part to Mr. Ganke to have carefully searched the records of the company to see if there was documentary evidence to support what he was saying? A. Yes, it would have been fair.

Q. Did you do it? A. I made enquiries about these amounts of the accounting department and of my own knowledge I knew there was no evidence that these moneys were not due and payable.

\* Q. I ask you once more: Did you carefully search the records of the company to ascertain whether or not there was any documentary evidence to support what Mr. Ganke was saying - yes or no?  
(Objected to)

HIS HONOUR: The witness is not bound to answer "Yes" or "No".

MR. GRUZMAN: Q. Would you like the question read back? A: Yes.

(Question marked \* read by Court Reporter.)

WITNESS: I would not have searched all the records of the company, I made enquiries of various officers of the company, namely the legal officers and the accounting department.

MR. GRUZMAN: Q. Would it be correct to say that in your mind you had made all such proper enquiries as would have revealed the existence of documentation in the records of Offshore if it existed? A. I made as many enquiries as I deemed necessary to establish that fact.

Q. Is there a filing system relating to money market transaction between Offshore and other companies? A. Yes, there are records.

Q. What form do they take, on computer or file? A. No, they are handwritten records.

Q. Would there have been a file relating to advances made by Offshore Oil to, say, Southern Cross? A. There would be accounting records of those advances, there would be cheque vouchers, accounting records, ledgers accounts, there would be a file of any correspondence relating to those advances. 40

K.G. Wilshire xx.



Q. So there was in existence a file and that would have contained any correspondence, receipts or agreements I suppose relating to an advance, is that right? A. A file or a number of files, there may have been a number of files.

Q. Did you consult the files? A. I can't recall examining all the files, I certainly made enquiries of the accounts department and other officers of the company.

Q. You were aware at that time that Mr. Adler wanted to embarrass Mr. Ganke if he could, weren't you? (Objected to and rejected.)

10 Q. On 31st August, that is when Mr. Ganke wrote to you, how much time did you spend searching for the records to support or reject what Mr. Ganke was saying - would you mind leaving the documents alone please? A. Probably an hour or two.

Q. And in your view that would have produced whatever records were there? A. As secretary of the company I saw, I would say, nearly all mail in and out of the company. I would be aware of the records, I would be aware of most things that were happening in the company, and I considered that that was sufficient to establish the facts.

20 Q. And it was upon that basis that you wrote a letter on the same day I suppose that you received Mr. Ganke's letter, Ex.JC, your letter of 31st August? A. Yes.

Q. Did you speak to Mr. Adler about the question whether there was any documentation? A. I can't recall speaking to Mr. Adler personally.

Q. When you say "We have found no documentary evidence" this is after an hour or so search? A. Yes, and from my own knowledge.

30 Q. Was it your idea to say that "Any failure" - as you did in the letter of 31st August, that "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"? A. No, I believe that would have been suggested by one of our lawyers.

Q. An in-house lawyer of Offshore, or who? A. No.

Q. A firm of solicitors? A. A firm of solicitors.

Q. Dawson Waldron? A. I believe it was Dawson Waldron.

Q. Who act for F.A.I./Mr. Adler generally? A. And they act for Offshore Oil on certain matters, and they have for many years.

40 Q. You realised, of course, it was a fairly serious matter to be calling up a loan when the one party said there was documentation which should be in your possession, if you had simply not found it it would be a serious matter in your mind? A. All of these loans and this one in particular I regarded as very serious matters.

In the Full Court

No. 201  
Exhibit "KGW"  
Copy of  
Transcript  
of Evidence  
of Kenneth  
George  
Wilshire in  
N.S.W.  
Proceedings  
No. 3803 of  
1982

(continued)

Q. Is it right on 31st August you wrote the same letter to ten different companies with which Mr. Ganke was associated? A. I don't recall. I believe there were a number of letters written about that time.

Q. And Mr. Ganke again replied three days later, on 3rd September: "The amount is not at call as it was agreed between the parties the advance would be of a longer term nature sufficient to effect either a farm-out or another form of re-financing. A document was prepared and executed by both parties which would indicate that the giving of security at some future time was contemplated and therefore this amount would not be at call". Do you remember receiving that letter? A. I do.

Q. Did that recall to your mind that a document had been executed? A. It did.

Q. Did you get the document? A. I was aware of the document.

\* Q. Did you then obtain that document from the files? A. I can't recall whether I actually obtained the document.

\*\* Q. Did you think it appropriate to send Mr. Ganke or his company a copy of the document which you had found? A. No, I didn't think it appropriate, I would have assumed he would have a copy.

Q. Why would you assume that when he has said here - (Mr. Gleeson objected to the words "which you had found" in the previous question. Question marked \*\* read by Court Reporter. Question withdrawn. Question marked \* read by Court Reporter.)

Q. Having received Mr. Ganke's letter asserting the existence of the document you then recollected that the document in fact did exist? A. Yes.

Q. And that you could obtain it if you wanted to? A. Yes.

Q. You previously had written and said no documentation had been found, hadn't you? (Objected to; question withdrawn.)

Q. When you wrote to Mr. Ganke on 31st August and said "we have found no documentary evidence to support the assertion made in your third paragraph", did you have in mind the agreement? A. I didn't at that time.

Q. You didn't? A. No.

Q. So what you were saying was there were no documents existing to your knowledge relating to this matter at 31st August? (Objected to and rejected.)

Q. When you wrote that letter you had no knowledge of any documentation of any kind apart from accounts relating to that alleged loan? A. I say that in the letter but in fact I signed the document in question.

K.G. Wilshire xx.

Q. "In fact" what? A. I signed the document in question you are referring to, I witnessed the document.

10 Q. I am asking you whether in your letter of 31st August you were asserting that you had found no evidence, no documentary evidence, or whether you were putting as your belief that the agreement did not provide evidence of the kind asserted by Mr. Ganke? A. We were demanding a loan of \$608,000, the document in question refers to only part of that loan and was only an agreement that they would arrange a charge over this particular permit in which they had an interest.

Q. At the time you wrote the letter of 31st August do I take it you were well aware of the agreement to which you have referred now? A. I had knowledge of it, yes.

Q. Didn't you think it fair, for Mr. Ganke, to send him a copy of it? A. I didn't believe it was necessary.

Q. By the way, you have never, ever sent to Mr. Ganke a copy of that agreement, have you? A. I haven't, personally, no.

20 Q. As secretary of the company you have told us you signed this document Ex.C, indeed you signed it on behalf of both parties? A. That is correct.

Q. In your capacity as secretary of each of the two companies? A. Yes.

Q. And this document was contained in a file, was it? A. Yes.

Q. And in that letter were there records, written records, apart from accounting records relating to this loan? A. Not in the same file.

30 Q. Was there another file of written records relating to this loan? A. Yes, there would have been a file of any correspondence relating to the loan and this particular deed was kept amongst the legal documents of the company in a separate place.

Q. I would now like to take you to another document, Ex.A to your affidavit. Do you have your affidavit there? A. Yes.

Q. Look at annexure A. That is annexure A to your affidavit. Would you tell his Honour where you obtained that document from? A. Amongst the accounting records of the company of Offshore Oil.

Q. When did you find the document? A. I can't recall when I found the document or when I saw the document.

Q. What is the date of the document? A. The document is not dated.

Q. Do you know when it came into existence? A. No, I am not aware of that, there is a date of receipt shown on it.

40 Q. "3rd June 1982"? A. Yes.

Q. Does that infer to you that the document was prepared on or about 3rd June 1982? A. Yes, it does.

K.G. Wilshire xx.

In the Full  
Court

No. 201  
Exhibit "KGW"  
Copy of  
Transcript  
of Evidence  
of Kenneth  
George  
Wilshire in  
N.S.W.  
Proceedings  
No. 3803 of  
1982

(continued)

Q. Did you find the document? A. I don't remember personally finding the document, I know it was amongst the accounting records of the company, that is where it was located.

Q. It was located by someone amongst the records of Offshore Oil?  
A. Yes.

Q. When did the existence of that document first come to your notice? A. I don't remember.

Q. Can we take you back to the correspondence with Mr. Ganke, when Mr. Ganke was saying the money is not payable at call, did the existence of this document come to your mind at that time?  
A. I can't remember that, at the time, I can't remember.

Q. YOU have told his Honour most of the affairs and correspondence of the company came to your attention? A. Yes.

Q. Did this document come to your attention on or about 3rd June 1982? A. I am sorry, I don't remember.

Q. What about when you signed the document of 4th June 1982, didn't the existence of the document of 3rd June 1982 come to your mind?  
A. It may have, I don't remember.

Q. This document states that the money was at 90 days call, doesn't it? A. Yes, it does.

Q. And the document of 4th June was obviously a document prepared in support of that document, wasn't it? (Objected to; question withdrawn.)

Q. The agreement that you signed, Ex.C, on 4th June refers to an advance but does not refer to a date of repayment, does it? A. No.

Q. The question I am asking you is whether, in your mind anyway, when you executed the agreement of 4th June it was upon the basis of the existence of the document which is annexure A to your affidavit? (Objected to; allowed.) A. No, I don't believe it was on the basis of that document at all. It was a separate document altogether. This Ex.A, or annexure A, says "90 days call" and this deed of 4th June gives other terms.

Q. Did you have the document Ex.A with you at the time that you were asked to execute the deed of 4th June? A. I don't remember.

Q. You don't remember? A. No.

Q. WHO instructed you to execute the deed of 4th June? A. Mr. Ganke.

Q. On behalf of both companies? A. Yes.

HIS HONOUR: Q. When was it that Mr. Ganke ceased to be chairman of directors of Offshore Oil and Mr. Adler became chairman?  
A. About 1st July 1982.

K.G. Wilshire xx.

MR. GRUZMAN: Q. At the time of the correspondence in August, when Mr. Ganke was asserting the moneys were not payable at all, did the existence of the document which is annexure A to your affidavit come to your mind? A. It may have, I don't specifically remember.

Q. Did you refer it to the solicitors? A. I don't remember.

Q. Did you look for it? A. Sorry, I can't recall that either.

Q. You agree in your own mind it would be an important document?  
A. Yes.

10 Q. And it would then have been reposing in one of the files of Offshore Oil relating to this loan? A. Yes.

Q. BUT you didn't find it, that you remember? A. Correct.

Q. COuld I ask you whether when Mr. Ganke was asserting that the money was not payable at call that there came to your mind that somewhere something had been said about 90 days call? A. No, I don't think that came to my mind at the time.

Q. YOU totally forgot it, if you knew? A. I may have.

20 Q. I take it if you had been aware of the existence of the document you would not have been party to the sending of a letter which stated that "No documentary evidence supporting Mr. Ganke's assertion that the moneys were not payable at all was available"?  
A. Any evidence there was only related to part of these moneys in any case.

Q. I don't want to put words in your mouth: Are you suggesting that if you had been aware that \$330,000 was at 90 days call you nevertheless would have been party to sending a letter saying that there was no evidence other than that the money was payable at call? A. I had no evidence that Offshore Oil in fact accepted the statement or the statement that it was at 90 days call.

30 Q. Again, I don't wish to put words in your mouth but -? A. THAT was a statement by Southern Cross but I had no evidence it was accepted by Offshore Oil.

Q. Are you now saying that you were in fact aware of the document, annexure A, at the time you wrote your letter but you regarded it as, shall we say, not relevant? A. No, I am not saying that.

Q. Are you now asserting that in your own mind it is not a relevant document? (Objected to: disallowed.)

40 Q. Your business ethics would be such that if you had been aware of the fact that money was at 90 days call you would not have been party to issuing a notice under s.364 of the Companies Act threatening the winding-up of the company unless the moneys were repaid within 21 days, would you? (Objected to: allowed.)

Q. WOULD you like it read again? A. Yes.

K.G. Wilshire xx.

No. 201  
Exhibit "KGW"  
Copy of  
Transcript  
of Evidence  
of Kenneth  
George  
Wilshire in  
N.S.W.  
Proceedings  
No.3803 of  
1982

WITNESS: No, I would not but I was not at that time aware that the company had accepted that the money was at 90 days call. That was a statement by the borrower.

MR. GRUZMAN: Q. And received apparently at the very time by the lender? A. Yes.

Q. And to the best of your knowledge not disputed by the lender? A. TO the best of my knowledge, no.

Q. And the following day you signed a statement on behalf of the borrower and the lender? A. Correct.

(continued)

Q. If it came to your notice subsequently that a demand had been made that moneys be paid within 21 days in default a public company would be wound up, it subsequently came to your notice that the moneys were in fact not payable except upon 90 days notice, would you withdraw the notice under s.364? (Objected to and rejected.)

HIS HONOUR: Q. As at 3rd June 1982 who were the directors of Offshore Oil? A. Mr. Ganke, Mr. Kippist, Mr. H.G. Scott.

Q. I think you told me there was a change about 1st July 1982 when Mr. Adler replaced Mr. Ganke as chairman of directors? A. Yes.

Q. Does that indicate that Mr. Ganke ceased to be a director? A. No, he remained a director.

Q. After that change occurred who were the directors of Offshore Oil? A. Well, the three former directors remained and Mr. Adler became chairman, together with Mr. Wilson, Mr. Salfour and Mr. Atkinson.

(Short adjournment)

UPON RESUMPTION:

MR. GRUZMAN: Q. The amount that is said to be claimed here is something over \$600,000 and we have had some discussion this morning about \$330,000. I would like to invite your attention to the difference between \$330,000 and \$608,000 - \$278,000, something of that order? A. Yes.

Q. How do you say that comes about, that claim? A. These amounts are recorded in the books of Offshore Oil being advances made by Offshore Oil on behalf of Southern Cross mainly in respect of various exploration permits or moneys due in respect of various exploration permits. There were some amounts due in respect of secretarial charges and a number of office expenses due by Southern Cross and charged in the books of Offshore Oil. This is over a period from about 1976 to 1982, various amounts.

Q. As between the two companies there was a procedure, was there not, whereby from time to time the accountants of respective companies got together and agreed on the amount outstanding? A. Yes, usually.

R.G. Wilshire xx.

Q. And that took place usually at the end of a year, the end of a financial year? A. Yes, usually.

Q. And it didn't take place the year ended 30th June 1982, did it?  
A. No, I believe it didn't.

Q. You, of course, were well aware that these proceedings between Fire and All Risks and Southern Cross were pending? A. I had heard of the proceedings, yes.

10 Q. Between the time of the commencement of the F.A.I. proceedings and today certain transactions have taken place between Offshore Oil and Southern Cross, have they not? A. Yes.

Q. (Shown document) Is this a deed dated 25th November 1982 executed by, amongst other people, you, as secretary of Offshore Oil? A. Yes.

(Copy deed dated 25th November 1982 between the defendant and Offshore Oil N.L. and various other parties admitted subject to relevance as Ex.5.)

20 Q. In respect of that deed and the existence of it and the things done under it there has been certain litigation in the Supreme Court, the Court of Appeal and currently in the High Court (sic)? A. Could I refresh my memory on the deed please?

Q. Sorry - the Supreme Court and the Court of Appeal - ? A. Can I have a look at the document? (Shown Ex.5) Yes, I have had another look at the document, thank you.

Q. So it now comes to your mind I suppose that as at 25th November Offshore Oil were demanding, amongst other things, that Southern Cross, the defendant here, pay them \$300,000 and various other amounts? A. Yes.

30 Q. And then there ensued litigation before a judge of the Supreme Court, from which an appeal is about to be heard on 8th/9th August, I think, in relation to matters concerned in that deed?  
A. I am not fully aware of all the litigation that is in process.

Q. You are aware litigation has occurred in respect of that deed?  
A. Yes, I am.

Q. And is still current? A. I believe so.

Q. I think you know Mr. David Lance? A. I do.

Q. He is sitting in Court at the moment near Mr. Adler? A. Yes.

Q. He is a stockbroker with Norths? A. Yes.

Q. And was also appointed by Mr. Adler to supervise the affairs of Offshore Oil? A. Yes.

40 Q. And was for some months daily in the office of Offshore Oil?  
A. Yes.

(Witness retired)

K.G. Wilshire ret.

In the Full  
Court

# Mercantile Mutual Holdings Limited

INCORPORATED IN NEW SOUTH WALES

No.202  
Exhibit "M"  
Copy of  
letter from  
Mercantile  
Mutual  
Holdings Ltd.  
to Messrs.  
Abadee  
Dresdner &  
Freeman  
dated 5th  
October 1983

5 October, 1983

Messrs. Abadee, Dresdner &  
Freeman,  
Solicitors,  
8th Floor,  
130 Phillip Street,  
SYDNEY. 2000.

Attention: Mr. D. Freeman

"M"

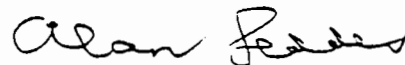
Dear Sirs,

Re: Brinds Limited

As you know, we were recently supporting a petition for the appointment of a liquidator to the above company. On 16 September 1983 we advised our solicitors, Messrs. Allen, Allen & Hemsley, that we wished to withdraw from the petition.

The reason for this was that the rise in the price of Offshore Oil shares suggested that we would have adequate security for the repayment of our loan to Brinds Limited.

Yours faithfully,



A.E.M. GEDDES  
Managing Director

*Handwritten notes:*  
4  
Phillip; Kevin Smith  
83  
V.G. Stafford  
October



No. 203 EXHIBIT "AAH"  
 COPY OF LETTER FROM MERCANTILE MUTUAL HOLDINGS LIMITED TO  
 ALLEN, ALLEN & HEMSLEY dated 16th September 1983

# Mercantile Mutual Holdings Limited

INCORPORATED IN NEW SOUTH WALES

In the Full Court

No.203  
 Exhibit  
 "AAH"  
 Copy of  
 letter from  
 Mercantile  
 Mutual  
 Holdings  
 Ltd. to  
 Allen, Allen  
 & Hemsley  
 dated 16th  
 September  
 1983

# "AAH"

16 September 1983

Messrs. Allen, Allen &  
 Hemsley,  
 Solicitors, 58th Level,  
 M.L.C. Centre,  
 Martin Place,  
 SYDNEY. N.S.W.  
Attention: Mr. P. Parsons

*collected  
 4.45pm*

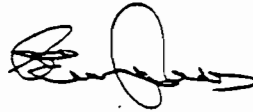
26 SEP 1983	
RG.	<input checked="" type="checkbox"/>
FILE	
DESTROY	

Dear Sirs,

I write to confirm our telephone conversation to the effect that we now wish to withdraw from the case involving Brinds Limited.

Thank you for your services in this matter.

Yours faithfully,



A.E.M. Geddes  
 Joint Managing Director

*AAH  
 Phillip Kevin Smith  
 hrs  
 10/9  
 83  
 Outside  
 V.G. Stafford*

F.R. - WED 18/5/83 (Pg 32)

In the Full Court

No. 204  
Exhibit "FR 1"  
Copy of  
Article from  
"Australian  
Financial  
Review" dated  
18th May  
1983

# Property

Edited by Robyn Goodfellow

## Sales

# FAI forces disposal of Sydney CBD site

By ROBYN GOODFELLOW

YET another real estate group has bitten the dust with the mortgagee in possession, FAI Insurance, forcing the sale of Chapmans Ltd's Kent and Sussex St, Sydney, properties.

FAI has placed all but one building in the massive holding in the hands of receiver Mr Warren Pantzer who has appointed Hardie and Gorman to auction the property on June 15.

FAI is also seeking to have a liquidator appointed to the company itself.

The properties are shown in the Chapmans' books at \$4 million, and a year ago directors claimed that an independent valuation had given them a value of \$5 million.

Directors at the time said they preferred to err in favour of conservatism and keep it at the \$4 million value.

However according to FAI's chief executive, Mr Larry Adler, a realistic value today would be around \$2.25 million.

Such an amount would only barely cover the properties' major creditors.

FAI is owed \$1.65 million and the AMP around \$300,000.

In addition FAI is owed a

further \$320,000 representing a mortgage secured by share scrip.

Such a price would, however, represent a profit over the site's original purchase price, around \$1.5 million but that is excluding holding charges.

The properties were acquired in the late seventies.

The company was originally involved in the manufacture of bedding and canvas goods, but was the subject of a rash of takeovers in the late sixties, eventually being acquired by Alexanders Ltd and later becoming a fully-fledged member of Mr Boris Ganke's corporate stable.

At that time the activities of the company turned to real estate.

The only asset of the group, apart from some share investments, is the Kent and Sussex St properties, and it has been this investment which has caused the company's financial difficulties.

Mortgaged to the hilt, the properties have not yielded a return large enough to be profitable after interest charges.

And without compensating returns elsewhere in the company's business, the group over the past two years has been trading in the red.

The properties, which cover seven buildings in the

western precinct of Sydney's central business district, would have greatest appeal to a developer.

Ten years ago the area was an unacceptable business location, but it has now become highly popular with tens of millions of dollars being spent on new commercial development and refurbishment.

Big names are moving into the area. One, Citicorp, will make the NSW State Superannuation Board's new development its Sydney headquarters.

However, being offered as a mortgagee in possession property, the site will obviously not command its true worth.

In view of the massive holding charges property investments have been burdened with in recent times, it is surprising that there have not been more casualties in the present economic recession which in terms of business activity is far more severe than that of the early seventies which bought the real estate market to its knees.

A major reason has been diversification, with most real estate companies after the mid-seventies crash making deliberate attempts to balance investment against trading properties.

The investment properties provided the cash flow which allowed companies to wade through the tough times.

This has worked for most, but some are now feeling the pinch, as the difficulty of offloading trading stock has left some companies with more stock than is financially comfortable.

This happened to The Trustees Executors Agency Co which ran into problems lending long and borrowing short.

As well it was unable to pre-sell units in the Sydney residential development known as The Quay, and strata floors in the Sydney refurbishment known as Scottish House.

Allen Holdings (Australia) Ltd ran into similar difficulties when the market collapsed before it could complete its projects.

It, however, has survived but only after having to severely discount its stock.

*FAI Phillip Kevin Smith  
M.S.  
10/12/83  
V.G. Stafford*

**For Sale**

**DULWICH HILL** CIRCA 1880

61 THE BOULEVARDE  
INSPECT SAT., 2-3 P.M.



Victorian mansion. All marble fireplaces, light windows, ornate ceilings. Restored strictly to original style. Features 3 b.r., formal dining on to L-shaped veranda. Class and style in original Australiana. Auction June 21, 1983, 7th Flr., Aust. Sq.

Laing & Simmons, Marrickville.  
275 Marrickville Rd. 560 6066.

**Laing & Simmons**  
AUCTIONEERS

"FR

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**"FR 2"**  
In the Full Court

# Case for IAC aid defended by BHP

10

which you will have to pay tax. Surely this is not justice, and basically just not fair. To charge 20 per cent not deductible on one hand and pay you 13 per cent taxable, is the most outrageous rip off ever. The system must be changed for at present there is no incentive to employ people. Why should anyone take all the risks associated with business and end up having to give an inefficient government over 60 per cent of profits to squander as they see fit. We need a system of low income tax and higher indirect taxes. Taxes that do not need an army of accountants to complete the forms required by government. There is far too much energy being wasted in this wonderful country of ours in arguing with the Taxation Department. Energy that would

**For res**

No. 205  
Exhibit "FR 2"  
Copy of Article from "Australian Financial Review" dated 24th May 1983

20

SIR. The letter from Julian Thornton attacking BHP's approach for government assistance says BHP misleads the public.

Mr Thornton cites reports which attribute statements to BHP people and he is therefore in danger of forming an oblique view of the comments in context.

30

A reading of the IAC transcripts will clearly show the approved inconsistencies have been fully examined in public hearings, are more intaginary than real, and were resolved, we believe, to any fair-minded observer.

One example: There is no doubt about the seriousness of the cyclical nature of the industry which has indeed been responsible for the big drop in steel consumption and products. But the fact that our results have been so poor must suggest that there is more than a cyclical factor at work — that is structural adjustments must be made.

40

Mr Thornton is welcome to raise his concerns directly with BHP at any time. I am sure we can demonstrate that what he sees as inconsistencies are statements selected out of context.

50

**DAVID RICE,**  
Executive General Manager,  
Steel Division,  
BHP Co Ltd.



be far better utilised in creating jobs and opportunities. Many, many business people will just give up and go out of business unless something is done, and done quickly. Some ideas are:

1. A taxation amnesty for tax avoiders of say 12 months with the rate of tax charged being 40c in the dollar with no penalties (creating a prompt cash flow for government).

2. A flat rate of tax on income over \$5,000 of 20 per cent, with 20 per cent tax on all realised capital gains. Increase sales tax on cigarettes, alcohol and cosmetics and other sales taxes to be increased to cover shortfall. All profits repatriated from Australia

SIR. I Bob Lennence former ICI in

In the Labor prov: Health reser profes NSW profes NSW, Prof continu and who two by MacL

If is to high will the funds ing it given innov who fortu able ing vial the Lenn

# FAI seeks a fair price

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SIR, I refer to the article by Robyn Goodfellow (AFR, May 18) entitled "FAI forces disposal of Sydney CBD site."

Miss Goodfellow stated in the article that "being offered as a mortgages in possession property, the site will obviously not command its true worth."

I must refute this rather sweeping statement, not only on behalf of FAI, but also on behalf of all other mortgagees in similar situations.

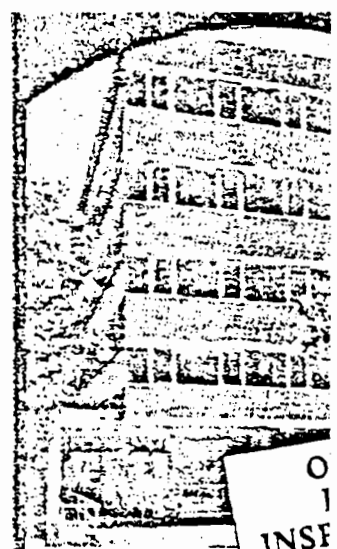
The fact that a mortgagee is selling a property may attract parties hoping for bargain prices, but it does not mean that they will get bargain prices.

Any mortgagee acting properly and in good faith endeavours to obtain the best possible price for any property sold pursuant to a power of sale. With proper advertising and the advice and guidance of leading real estate agents, there is absolutely no reason why any forced sale of property should not achieve a price which reflects proper market value.

In the present case, our receiver and the leading agents who have been appointed to conduct the sale have every intention of obtaining the true market value of the property.

**A. G. E. MACIVER,**  
Commercial Loans Manager.

*FR2 Phillip Kevin Smith  
W.S.  
10/4/83  
V.G. Stafford*



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**Neridal**  
**Chatsw**  
A Modern office

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O N A P P E A L

FROM THE FULL COURT OF THE SUPREME COURT  
OF VICTORIA

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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

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RECORD OF PROCEEDINGS  
ADDITIONAL EVIDENCE AND AFFIDAVITS  
VOLUME FIVE

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

Solicitors for the  
Appellants

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

Solicitors for the  
Respondents