In the Court of Session

In the matter of the Insolvency Act 1986

and in the matter of Iona Energy Company (UK) Limited (in Administration) (formerly Iona Energy Company (UK) Plc (in Administration)) (company number SC335305) (the Company)

Court reference: P10/16

CHAIRMAN'S REPORT

This Chairman's Report is made by Chad Griffin, a licensed insolvency practitioner of FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD (the **Chairman**) pursuant to Section 4(6) of the Insolvency Act 1986 (the **Act**) and Rule 1.17 of the Insolvency (Scotland) Rules 1986 (the **Rules**). This report notes the results of the Company creditors' meeting and Company member's meeting.

Company Creditors' Meeting

1. A meeting of the Company's creditors was duly convened pursuant to section 3 of the Act and held at 11am on Friday 17 June 2016 at Palm Court Hotel, 81 Seafield Road, Aberdeen, AB15 7YX.

2. A full list of creditors attending or represented at the meeting is listed at Appendix 1, along with the amount claimed by each creditor and the amount of each creditor's claim admitted by the Chairman for voting purposes at the creditors' meeting.

3. The Chairman noted that Lisa Jane Rickelton and Chad Griffin, both licenced insolvency practitioners of FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD were appointed administrators of the Company on 6 January 2016. The primary objective of the administration was to rescue the Company as a going concern, by way of a sale of the Company's shares, facilitated by a Company Voluntary Arrangement (the **CVA**).

4. The Chairman noted that no prospective purchaser was willing to buy the shares of the Company without first implementing a CVA of the Company because of the Company's outstanding debts and the fact that the Company is in administration. Given the lack of returns for unsecured creditors of the Company by any other means, the CVA represented the best option for the Company's unsecured creditors.

5. The Chairman noted that Lisa Jane Rickelton and Chad Griffin (the **Nominees**) proposed a CVA for the Company dated 1 June 2016 under Part 1 of the Act. A copy of the CVA proposal was made available to all known creditors of the Company before the meeting.

6. The EC Regulation on Insolvency Proceedings will apply to the CVA. The CVA will be main proceedings as defined in Article 3 of the EC Regulation as the Company has its registered office in Scotland and the Company's centre of main interests is Scotland in the United Kingdom.

7. The Chairman asked the meeting if there were any questions. A number of questions were asked by creditors and were answered by the Chairman.

8. The CVA proposal was approved with no modifications, with 100% of the votes cast in favour of the CVA.

9. The following resolutions were voted on at the creditors' meeting:

(a) That the CVA proposal be agreed and approved.

(i) The resolution was approved and a list of the creditors (with their respective values) who were present or represented at the meeting and how they voted on the resolution is attached at Appendix 2.

(b) That the Nominees be appointed Supervisors of the CVA.

(i) The resolution was approved and a list of the creditors (with their respective values) who were present or represented at the meeting and how they voted on the resolution is attached at Appendix 3.

(c) That if the CVA is approved and Chad Griffin and Lisa Jane Rickelton are appointed to act as Supervisors of the CVA, that any of the functions, powers and duties of a Supervisor of the CVA can be exercised by the Supervisors individually or by the two of them acting jointly.

(i) The resolution was approved and a list of the creditors (with their respective values) who were present or represented at the meeting and how they voted on the resolution is attached at Appendix 4.

10. A Creditors' Committee was not formed.

Company Member's Meeting

11. A meeting of the Company's member was duly convened pursuant to section 3 of the Insolvency Act 1986 and held at 12pm on Friday 17 June 2016 at Palm Court Hotel, 81 Seafield Road, Aberdeen, AB15 7YX

12. The Company's sole shareholder is Nordic Trustee ASA (formerly known as Norsk Tillitsmann ASA), a limited company existing under the laws of Norway and having its registered office at Haakon VII gate 1, N-0161, Oslo, Norway with registration number 963 342 624 (the **Member**). The Member appointed the Chairman of the meeting, Chad Griffin, as proxy.

13. The Chairman noted that Lisa Jane Rickelton and Chad Griffin, both licenced insolvency practitioners of FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD were appointed administrators of the Company on 6 January 2016. The primary objective of the administration was to rescue the Company as a going concern, by way of a sale of the Company's shares, facilitated by a CVA.

14. The Chairman noted that no prospective purchaser was willing to buy the shares of the Company without first implementing a CVA of the Company because of the Company's outstanding debts and the fact that the Company is in administration. Given the lack of returns for unsecured creditors of the Company by any other means, the CVA represented the best option for the Company's unsecured creditors.

15. The Nominees proposed a CVA for the Company dated 1 June 2016 under Part 1 of the Act. A copy of the CVA was made available to the Member before the meeting.

16. The Chairman asked the meeting if there were any questions. There were no questions.

17. The CVA proposal was approved by the Member with no modifications.

18. The following resolutions were voted on at the Member's meeting:

(a) That the CVA proposal be agreed and approved.

(i) The resolution was approved by the Member.

(b) That the Nominees be appointed Supervisors of the CVA

(i) This resolution was approved by the Member.

Signed ______________________________ Dated 20 June 2016
Chad Griffin
Chairman of the Company Creditors' Meeting and the Company Member's Meeting of Iona Energy Company (UK) Limited (in Administration)

Appendices to Report on Iona Energy Company (UK) Limited (in Administration) Creditors' Meeting and Member's Meeting held on 17 June 2016.

Unless the context otherwise requires, the terms in these appendices shall have the meanings given to them in the Chairman's Report of the Company creditors' meeting and the Company member's meeting.

APPENDIX 1

The below is a list of the Company's creditors present or represented at the creditors' meeting, along with the amount claimed by each creditor in their Notice of Claim (enclosed in the CVA) and the amount of each creditor's claim admitted by the Chairman for voting purposes at the creditors' meeting.

Creditor Name	Balance per claim form (GBP £)	Amount of claim admitted by the Chairman for voting purposes (£)
AGR TRACS International Limited	26,084.70	26,084.70
AGR Well Management Limited	483,073.20	483,073.20
Asset Development & Improvement Ltd*	28,339.20	28,339.20
Bel Valves Limited*	590,680.50	590,680.50
Bredero Shaw, a division of ShawCor UK Limited*	25,315.04	25,315.04
Brittanic Trading Limited*	4,125,896.93	4,125,896.93
Burness Paull*	120,444.00	120,254.00
Clanwright Limited*	540.00	540.00
Costain Upstream Ltd*	49,244.16	49,244.16
Engineering Materials Solutions Ltd*	3,588.00	3,588.00
GE Oil and Gas UK Limited*	2,293,952.87	2,293,952.87
INGEN Ideas Ltd*	77,088.00	77,088.00
Intertek*	1,584.00	1,584.00
Investec Asset Finance PLC*	7,703.30	7,703.30
Iona UK Huntington Limited*	31,358,446.45	31,358,446.45
Nordic Trustee ASA*	187,751,069.02	187,751,069.02
OC Consulting Limited	14,452.80	14,452.80
Oceaneering Ltd*	6,545,063.00	6,545,063.00
Petrex Developments*	4,901.27	4,901.27
Proserv Ltd*	994,197.32	994,197.32
Score Subsea and Wellhead Limited*	270.00	270.00
Siemens PLC*	58,672.40	58,672.40
Specialist Umbilical Services Limited*	8,479.80	8,479.80
Stewart Travel Management*	4,850.07	4,850.07
Strategic Resources*	8,908.42	8,908.42
Subsea 7*	3,850,630.00	3,850,630.00
Technip*	2,563,753.00	2,563,753.00
The Parkmead Group Plc*	31,299.00	31,299.00
Total	**241,028,526.45**	**241,028,336.45**

Creditors who were not present in person but who were represented at the creditors' meeting by proxy are marked with an asterisk.

APPENDIX 2

Voting results for the vote taken at the Company's creditors' meeting on the resolution contained in clause 9(a) of the Chairman's Report – "That the CVA proposal be agreed and approved".

For the resolution

Creditor Name	Amount of claim admitted by the Chairman for voting purposes (£)
AGR TRACS International Limited	26,084.70
AGR Well Management Limited	483,073.20
Asset Development & Improvement Ltd*	28,339.20
Bel Valves Limited*	590,680.50
Bredero Shaw, a division of ShawCor UK Limited*	25,315.04
Brittanic Trading Limited*	4,125,896.93
Burness Paull*	120,254.00
Clanwright Limited*	540.00
Costain Upstream Ltd*	49,244.16
Engineering Materials Solutions Ltd*	3,588.00
GE Oil and Gas UK Limited*	2,293,952.87
INGEN Ideas Ltd*	77,088.00
Intertek*	1,584.00
Investec Asset Finance PLC*	7,703.30
Iona UK Huntington Limited*	31,358,446.45
Nordic Trustee ASA*	187,751,069.02
OC Consulting Limited	14,452.80
Oceaneering Ltd*	6,545,063.00
Petrex Developments*	4,901.27
Proserv Ltd*	994,197.32
Score Subsea and Wellhead Limited*	270.00
Siemens PLC*	58,672.40
Specialist Umbilical Services Limited*	8,479.80
Stewart Travel Management*	4,850.07
Strategic Resources*	8,908.42
Subsea 7*	3,850,630.00
Technip*	2,563,753.00
The Parkmead Group Plc*	31,299.00
Total	**241,028,336.45**

Against the resolution

No creditors voted against the resolution.

Abstained from voting on resolution

No creditors abstained from voting on the resolution.

APPENDIX 3

Voting results for the vote taken at the Company's creditors' meeting on the resolution contained in clause 9(b) of the Chairman's Report – "That the Nominees be appointed Supervisors of the CVA".

For the resolution

Creditor Name	Amount of claim admitted by the Chairman for voting purposes (£)
AGR TRACS International Limited	26,084.70
AGR Well Management Limited	483,073.20
Asset Development & Improvement Ltd*	28,339.20
Bel Valves Limited*	590,680.50
Bredero Shaw, a division of ShawCor UK Limited*	25,315.04
Brittanic Trading Limited*	4,125,896.93
Burness Paull*	120,254.00
Clanwright Limited*	540.00
Costain Upstream Ltd*	49,244.16
Engineering Materials Solutions Ltd*	3,588.00
GE Oil and Gas UK Limited*	2,293,952.87
INGEN Ideas Ltd*	77,088.00
Intertek*	1,584.00
Investec Asset Finance PLC*	7,703.30
Iona UK Huntington Limited*	31,358,446.45
Nordic Trustee ASA*	187,751,069.02
OC Consulting Limited	14,452.80
Oceaneering Ltd*	6,545,063.00
Petrex Developments*	4,901.27
Proserv Ltd*	994,197.32
Score Subsea and Wellhead Limited*	270.00
Siemens PLC*	58,672.40
Specialist Umbilical Services Limited*	8,479.80
Stewart Travel Management*	4,850.07
Strategic Resources*	8,908.42
Subsea 7*	3,850,630.00
Technip*	2,563,753.00
The Parkmead Group Plc*	31,299.00
Total	**241,028,336.45**

Against the resolution

No creditors voted against the resolution.

Abstained from voting on resolution

No creditors abstained from voting on the resolution.

APPENDIX 4

Voting results for the vote taken at the Company's creditors' meeting on the resolution contained in clause 9(c) of the Chairman's Report – "That if the CVA is approved and Chad Griffin and Lisa Jane Rickelton are appointed to act as Supervisors of the CVA, that any of the functions, powers and duties of a Supervisor of the CVA can be exercised by the Supervisors individually or by the two of them acting jointly".

For the resolution

Creditor Name	Amount of claim admitted by the Chairman for voting purposes (£)
AGR TRACS International Limited	26,084.70
AGR Well Management Limited	483,073.20
Asset Development & Improvement Ltd*	28,339.20
Bel Valves Limited*	590,680.50
Bredero Shaw, a division of ShawCor UK Limited*	25,315.04
Brittanic Trading Limited*	4,125,896.93
Burness Paull*	120,254.00
Clanwright Limited*	540.00
Costain Upstream Ltd*	49,244.16
Engineering Materials Solutions Ltd*	3,588.00
GE Oil and Gas UK Limited*	2,293,952.87
INGEN Ideas Ltd*	77,088.00
Intertek*	1,584.00
Investec Asset Finance PLC*	7,703.30
Iona UK Huntington Limited*	31,358,446.45
Nordic Trustee ASA*	187,751,069.02
OC Consulting Limited	14,452.80
Oceaneering Ltd*	6,545,063.00
Petrex Developments*	4,901.27
Proserv Ltd*	994,197.32
Score Subsea and Wellhead Limited*	270.00
Siemens PLC*	58,672.40
Specialist Umbilical Services Limited*	8,479.80
Stewart Travel Management*	4,850.07
Strategic Resources*	8,908.42
Subsea 7*	3,850,630.00
Technip*	2,563,753.00
The Parkmead Group Plc*	31,299.00
Total	**241,028,336.45**

Against the resolution

No creditors voted against the resolution.

Abstained from voting on resolution

No creditors abstained from voting on the resolution.