

TO ALL KNOWN CREDITORS AND MEMBERS

21 April 2017

Ref: CG/LR/WM

When telephoning please ask for William Marsden
Direct Line: 020 3727 1342
Email: william.marsden@fticonsulting.com

Dear Sirs,

Iona Energy Company (UK) Limited – Subject to a Company Voluntary Arrangement (“the Company”)**Final report to creditors**

I refer to the appointment of Chad Griffin and I as Joint Supervisors' of the above Company Voluntary Arrangement (“CVA”) on 17 June 2016 and write to you with our final report in this matter. In accordance with Rule 1.23 of the Insolvency (Scotland) Rules 1986, I also enclose a summary of my final receipts and payments account, listed below.

I am writing to advise you of the successful completion of the voluntary arrangement following the sale of the shares of the Company on 13 April 2017.

Unless otherwise stated, capitalised terms shall have the meaning given to them in the CVA Proposal dated 1 June 2016 (restated as at 21 February 2017 in accordance with clause 29.1).

Restatement of CVA

Per our letter dated 22 February 2017, the CVA required amendment. The original proposed purchaser of the Company's shares was unable to complete the share sale and a new Purchaser was found. Furthermore certain completion mechanics forming part of the share sale differed from the original CVA proposal.

Given the Fund and other key terms of the CVA were unchanged and there was no change to the position of unsecured creditors, no material amendment to the CVA were required. We therefore used our discretion under clause 29.1 of the CVA to modify the CVA. A copy of the revised CVA proposal is available at the following website: <http://fticonsulting-emea.com/cip/iona-energy>.

Receipts and payments

A summary of the Joint Supervisors' receipts and payments for the duration of the CVA from 17 June 2016 to 21 April 2017 is detailed below. I advise that the only transactions are the receipt of the £1,553,230 CVA fund and the subsequent payment of the fund to CVA creditors.

**Receipts and Payments Account
for the period 17 June 2016 to 21 April 2017**

£'000

Receipts

Third Party Contributions	1,553
Total Receipts	1,553

Payments

Dividends to Unsecured Creditors	1,553
Bank Charges	0.1
Total Payments	1,553

Cash in hand	-
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Joint Supervisors' remuneration

The Joint Supervisors' have not drawn any fees or expenses from the CVA estate. Supervisors' fees and expenses were drawn from the Iona UK Huntington Limited (in administration) estate as set out in the CVA proposal.

Final distributions

A full and final distribution of £1,553,230 was made to all agreed creditors on 20 April 2017. Agreed creditor claims totalled £39,834,026 and therefore the distribution represented a dividend rate of 3.9p in the £.

Conclusion

As all funds in the CVA have been distributed in accordance with the terms and conditions of the arrangement I am therefore bringing the arrangement to a successful conclusion as it has been fully implemented.

I would like to take this opportunity to thank all creditors for their support during the period of the arrangement and their participation in the CVA.

If you have any queries in relation to the contents of this letter please do not hesitate to contact William Marsden on the above number.

Yours faithfully

For and on behalf of the Company and without personal liability



Lisa Rickelton
Joint Supervisor

Enc Form 1.4 (Scot), Notice of completion of voluntary arrangement

Chad Griffin and Lisa Rickelton are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390(2)(a) of the Insolvency Act 1986.

Appendix 1 – List of approved CVA creditors

Supplier name	Dividend Amount
ABG Sundal Collier	12,471.92
AGR Well Management Limited	18,836.26
AGR TRACS International Limited	1,017.11
Asset Development & Improvement Ltd	1,105.02
Baker Hughes Limited	140,825.79
Bel Valves Limited	23,032.14
Bredero Shaw, a division of ShawCor UK Limited	987.10
Burness Paull	4,689.01
Carlton Rock	73,589.84
Clanwright Limited	21.06
Costain Upstream Ltd	1,920.16
Deloitte LLP	2,266.25
Engineering Materials Solutions Ltd	139.91
Evoke IT Limited	42.11
Fairfield Energy Limited	183,098.35
GE Oil and Gas UK Limited	89,447.08
Hartley Anderson Limited	1,234.50
INGEN Ideas Ltd	3,005.86
Intertek	61.76
Investec Asset Finance PLC	313.26
Neill Carson	26,334.41
OC Consulting Limited	563.55
Oceaneering Ltd	255,208.72
Oil & Gas Consultancy Service Ltd	898.39
Optimus (Aberdeen) Ltd	2,850.14
Proserv Ltd	38,766.29
Rainbow City Taxis	2.38
Score Subsea and Wellhead Limited	10.53
Siemens PLC	2,287.79
Sorgenia E&P (UK) Limited	414,359.53
Specialist Umbilical Services Limited	330.65
Stewart Travel Management	189.12
Strategic Resources	347.36
Strategic Safety Consultants	1,043.99
Subsea 7	150,145.89
Technip	99,967.27
The Energy Contract Company Ltd	568.39
The Parkmead Group Plc	1,220.43
The UK Corporate Portal	31.08
Total	1,553,230.40