

PRIVATE AND CONFIDENTIAL

**Sargon Capital Pty Limited (Receivers and Managers Appointed) (In Liquidation)
ACN 624 073 196 (“the Company”)**

Creditor Update

11 June 2020

Further to our report to creditors on 22 May 2020, we provide the following update for creditors.

1. Litigation claims

Further to the update on the Barnes Claim and the Complectus Claim in our report, we have not received any further update from the Company’s secured creditor, Taiping Trustees Limited (“Taiping”), or the Receivers and Managers.

As outlined in our report, should the liquidators be part of these proceedings, in the interest of the administration estate, and the Company’s unsecured creditors, we sought an indemnity from Taiping for any adverse costs’ orders on these proceedings. No indemnity has been provided.

While we have not yet consented to these proceedings, the Receivers and Managers may form a view that they do not require our consent to undertake these proceedings.

2. Books and records

Our report outlined that we were pursuing the Company directors, officeholders and other parties for Company books and records.

Since our report, further books and records have been received from Mr Kingston and Mrs Borrelli. We are reviewing this information and the impact this may have on any potential claims in the administration and whether public examinations are required.

3. Public examinations / sale of litigation claims

As discussed at the Second Meeting and detailed in our report, we sought creditor funding for the public examination of the Company’s Officers, or any specific investigations into transactions or claims by 5 June 2020. At the date of this update, no creditor has expressed any interest in funding any further investigations in the administration.

On 9 June 2020, we held a meeting with a litigation funder to consider:

- Funding investigations and potentially a public examination of the officers; and / or
- Acquiring certain claims in the administration that are unavailable to the secured creditor.

To date, we have not entered into any funding agreement with any litigation funders, and at this stage our discussions are ongoing.

Taiping, their legal advisers and the Receivers and Managers are also considering undertaking public examinations of certain directors. We do not know the scope of the examinations or the identity of proposed examinees, and whether this includes all the directors of the Company. Equally we do not know whether Taiping intends to utilise a liquidator to assist with this process, and if so, whether they wish to engage an alternate liquidator for this process.



4. Next steps

We have now completed our statutory obligations as liquidators. We continue to liaise with the litigation funder to explore potential recoveries for the Company's creditors.

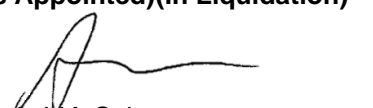
While a Committee of Inspection was not formed in this administration, we may seek the views of certain unsecured creditors should we receive any offers to acquire the potential claims in the administration, or in the absence of creditor funding provide consideration to any proposed funding arrangements from a litigation funder.

Should you require any further information or wish to discuss this matter please contact Patrick Skippen on (02) 9210 1700 or at pskippen@wexted.com or myself on (02) 9210 1707 or at amccabe@wexted.com.

Yours faithfully

Sargon Capital Pty Limited (Receivers and Managers Appointed)(In Liquidation)


J D Hayes
Joint and Several Liquidator


A J McCabe
Joint and Several Liquidator