

## AFFIDAVIT

No. VID of 2016

Federal Court of Australia  
District Registry: Victoria  
Division: Corporations List

**IN THE MATTER OF ARRIUM LIMITED (ADMINISTRATORS APPOINTED) ACN 004 410 833 (AND EACH OF THE COMPANIES LISTED IN SCHEDULE ONE)**

**MARK FRANCIS XAVIER MENTHA, CASSANDRA ELYSIUM MATHEWS, MARTIN MADDEN AND BRYAN WEBSTER IN THEIR CAPACITIES AS JOINT AND SEVERAL ADMINISTRATORS OF ARRIUM LIMITED (ADMINISTRATORS APPOINTED) ACN 004 410 833 (AND EACH OF THE COMPANIES LISTED IN SCHEDULE ONE)**

First Plaintiffs

**ARRIUM LIMITED (ADMINISTRATORS APPOINTED) ACN 004 410 833 (AND EACH OF THE COMPANIES LISTED IN SCHEDULE ONE)**

Second Plaintiffs

Affidavit of: **BRYAN WEBSTER**  
Address: Level 24, 333 Collins Street, Melbourne, Victoria  
Occupation: Certified Practising Accountant  
Date: 2 May 2016

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Tab	Description
Tab 1	ASX announcement dated 7 April 2016
Tab 2	Orders of the Honourable Justice Davies made on 12 April 2016 in respect of the Appointment Application
Tab 3	Notice of Resignation dated 12 April 2016

Filed on behalf of: the Plaintiffs

Prepared by: Leon Zwier

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Tab 4	Transition Agreement dated 12 April 2016
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Tab 40	Responses from Committee of Creditors

I, **BRYAN WEBSTER** of level 24, 333 Collins Street, Melbourne, in the state of Victoria, Certified Practising Accountant, **AFFIRM** that:

- 1 I am, together with Mark Mentha, Cassandra Mathews and Martin Madden, the joint and several voluntary administrator of the Second Plaintiffs, being Arrium Limited (administrators appointed) (**Arrium Ltd**) and the 93 other companies listed in Schedule One to this affidavit (together with Arrium Ltd, the **Arrium Administration Group**).





- 2 I make this affidavit on behalf of myself, Mr Mentha, Ms Mathews and Mr Madden. References in this affidavit to “we”, “us”, “our” or “ourselves” are references to me, Mr Mentha, Ms Mathews and Messrs Madden. In this affidavit, I refer to me, Mr Mentha, Ms Mathews and Mr Madden together as the **Administrators**.
- 3 Except where I otherwise indicate, I make this affidavit from my own knowledge. Where I depose to matters from information and belief, I believe those matters to be true.
- 4 Now produced and shown to me marked “**BW-1**” is a folder of the documents to which I refer in this affidavit. Each document is separated by a numbered tab. References in this affidavit to a numbered tab in square brackets are references to the relevant tab in the folder marked “BW-1”.

#### A. Introduction

- 5 I am a Registered Liquidator, Certified Practising Accountant and a Partner of KordaMentha, an advisory and investment firm that provides restructuring and turnaround advice and services. I have been practising in the area of corporate insolvency and financial reconstructions for approximately 20 years.
- 6 I make this affidavit in support of the orders sought by the Administrators in the Originating Process. I briefly summarise below the key issues raised by this application. Later in my affidavit, I refer to those matters in more detail.
- 7 The Arrium Administration Group forms part of a large and complex group of companies that are direct or indirect subsidiaries of Arrium Limited (the **Arrium Group**). The Arrium Group also includes a number of subsidiary entities (the **Moly-Cop Entities**) that are not subject to insolvency proceedings, most of which are domiciled in foreign jurisdictions and are trading profitably.
- 8 The Arrium Group carries on a very large and complex business under three major divisions, being:
- (a) mining and integrated steel manufacturing at Whyalla South Australia (**OneWhyalla**);

- (b) recycling, steel manufacturing, rod and bar mills (Laverton Victoria, Newcastle NSW and Rooty Hill NSW), steel wire mills, reinforcing and metals product distribution throughout Australia; (**OneSteel**); and
  - (c) mining consumables (Moly-Cop Entities).
- 9 The Arrium Administration Group has over 6,000 employees in Australia and operates its businesses across all States and Territories in Australia and the Moly-Cop Entities operates its businesses in Australia and in about 12 locations across the world. The Arrium Administration Group has complex intercompany financing arrangements including under Deeds of Cross Guarantee. In the financial year ending 30 June 2015, the Arrium Administration Group generated revenues in excess of AU \$6.1 billion and is estimated to owe actual and contingent creditors in excess of AU \$3.8 billion.
  - 10 On 7 April 2016, Paul Billingham, Said Jahani, Michael McCann and Matthew Byrnes of the accounting firm Grant Thornton (**First Administrators**) were appointed voluntary administrators to the Arrium Administration Group by the resolutions of the directors of those companies.
  - 11 On 12 April 2016, Justice Davies of the Federal Court of Australia made orders that we be appointed as Administrators of the Arrium Administration Group with effect as and from the date and time that the First Administrators gave notice in writing of their resignations as administrators. Later on 12 April 2016, the First Administrators gave notice of their resignations and we were appointed as joint and several administrators of each of the Arrium Administration Group.
  - 12 We are managing the business, property and affairs of the Arrium Administration Group. We are continuing to trade the businesses and stabilise the Arrium Administration Group's operations whilst also considering all available options to restructure or recapitalise or sell the Arrium Administration Group's businesses or assets so as to maximise the prospects of those businesses continuing in existence or, if that is not possible, maximising the returns to all creditors and shareholders.
  - 13 Pursuant to section 439A of the *Corporations Act 2001* (Cth) (the **Act**), we are required to convene the second meetings of creditors of the Arrium Administration Group by 6 May 2016 and to hold the meetings within five business days of that date.
  - 14 By this proceeding, the Administrators seek, in summary, the following orders.





- (a) First, in accordance with the terms of an agreement between the First Administrators and us, we seek an order under section 447A of the Act that the debts and liabilities and remuneration in respect of which we have contractually indemnified the First Administrators be treated as if they were debts incurred by us in accordance with section 443A of the Act;
- (b) Second, in view of the size and complexity of the administrations of the Arrium Administration Group, we seek a 12 month extension of the time by which we are required to convene the second meetings of creditors under section 439A(6) of the Act;
- (c) Third, we seek orders under section 447A of the Act modifying the manner by which we would otherwise be required to give notice of the second meetings to creditors of the Arrium Administration Group under section 439A of the Act. The relief sought is designed to enable us to give notice of the second meetings to as many creditors of the Arrium Administration Group as reasonably practicable in a cost effective way by utilising electronic means of communication;
- (d) Fourth, we seek orders under section 447A of the Act, to insert an additional means by which the Administrators' remuneration may be approved by agreement with the Arrium Committee of Creditors; and
- (e) Fifth, we seek to be relieved from complying with the provisions of rule 1.34 of the *Federal Court Rules 2011 (Commonwealth)* (**Rules**) and rule 1.3 of the *Federal Court (Corporations) Rules 2000 (Commonwealth)* (**Corporations Rules**) which would otherwise require us to file ASIC searches of each Arrium Administration Group company each time we make applications to this Court in relation to them.

## **B. Appointment and Replacement of Administrators**

### ***Appointment of First Administrators***

- 15 On 7 April 2016, the First Administrators were appointed as administrators of the Arrium Administration Group by resolutions passed by the directors of those companies. A copy of the ASX announcement published on 7 April 2016 in relation to the appointment of the First Administrators is at [Tab 1].

### ***Replacement of First Administrators***

- 16 On 12 April 2016, the Australian Workers' Union (**AWU**) and the unsecured lenders to the Arrium Group (banks and US private placement noteholders) (the **Arrium Lenders**), with the exception of Morgan Stanley NA (**Morgan Stanley**), applied to the Federal Court seeking orders that, upon the First Administrators giving notice in writing of their resignation as administrators of the Arrium Administration Group, we be appointed jointly and severally as administrators of each of the Arrium Administration Group companies (the **Appointment Application**).
- 17 On 12 April 2016, Justice Davies made orders in the Appointment Application [**Tab 2**], including that we be appointed jointly and severally as administrators of each of the Arrium Administration Group companies with effect as and from the date and time that the First Administrators gave notice in writing of their resignation as administrators of the Arrium Administration Group.
- 18 Subsequently on 12 April 2016, the First Administrators gave written notice of their resignation as administrators of the Arrium Administration Group and, by operation of the orders made by Justice Davies, we were appointed as joint and several administrators of each of the Arrium Administration Group companies with immediate effect. A copy of the First Administrators' notice of resignation is at [**Tab 3**].

### ***Transition Agreement***

- 19 In order to facilitate the orderly and efficient transition of the voluntary administrations of the Arrium Administration Group from the First Administrators to us, we entered into an agreement with the First Administrators dated 12 April 2016 (**Transition Agreement**) which took effect immediately after our appointment. A copy of the Transition Agreement is at [**Tab 4**].
- 20 Under the Transition Agreement as the newly appointed Administrators of the Arrium Administration Group we agreed to, among other things, indemnify the First Administrators in respect of the obligations they had incurred and their fees to which they were entitled under the statutory lien, namely:
- (a) debts for which the First Administrators are liable under the Subdivision A of Division 9 of the Act or a remittance provision as defined by section 443BA(2) of the Act;





- (b) any other debts or liabilities incurred, or damages or losses sustained, in good faith and without negligence, by the First Administrators in the performance or exercise, or purported performance or exercise, of any of their functions or powers;
  - (c) the First Administrators' remuneration that is fixed in accordance with section 449E of the Act.
- 21 The Transition Agreement also provides in clauses 4(a), 5(a) and 5(d) that the indemnities given by us to the First Administrators will be treated as an expense in the voluntary administrations of the Arrium Administration Group and a personal liability of the Administrators in accordance with section 443A of the Act.
- 22 Under clause 8 of the Transition Agreement we also agreed to seek orders of the Court to give effect to the arrangements set out in the Transition Agreement in Schedule 1 of the Transition Agreement. By this proceeding we now seek that order in paragraph 1 of the Originating Process. We will serve a copy of the Originating Motion and this affidavit to Ashurst the lawyers for the First Administrators.
- 23 The effect of the order sought in paragraph 1 of the Originating Process is to treat the indemnities given by us as the new Administrators to the First Administrators under the Transition Agreement as if they were obligations incurred by us as the Administrators within the meaning of section 443A of the Act. If this Court grants the relief, the indemnified liabilities under the Transition Agreement will be afforded the same indemnity, priority and lien against the property of the Arrium Administration Group pursuant to sections 443D, 443E and 443F of the Act as if the First Administrators had remained in office.

**C. ASIC records in respect of the Arrium Administration Group**

- 24 I have been informed by our solicitor, Leon Zwier of Arnold Bloch Leibler (ABL), that we are required to file a copy of the company searches in relation to each of the Arrium Administration Companies the subject of a Federal Court application pursuant to rule 2.4(2) of the Corporations Rules.
- 25 The company searches in respect of each of the 94 Arrium Administration Group companies comprise some 1,215 pages. In this complex administration we expect to make numerous applications to the Court. We are also often required to serve a number of parties with the affidavits in support and exhibits and it is a costly exercise






to continually exhibit these ASIC searches to the affidavits and then copy them and serve them. We seek in this application and future applications to be relieved of the requirement to file company searches for each Arrium Administration Group company so as to save time and costs of continually filing the same voluminous material in circumstances where we have made it publicly available.

- 26 A full set of the company searches in respect of each of the 94 Arrium Administration Group has been uploaded to a dedicated page on the ABL website in respect of the administration of the Arrium Administration Group, accessible via the following link: <http://www.abl.com.au/Arrium/Company-Information/ASIC-Searches>
- 27 In an affidavit sworn by Mark Mentha, on 17 April 2016 in Federal Court Proceeding No. VID 317 of 2016 (**the Morgan Stanley Proceeding**), Mark Mentha deposed at paragraph [31] that a full set of company searches was uploaded to dedicated pages on the Korda Mentha and the ABL websites. I wish to clarify that the company searches in respect of the Arrium Administration Group have only been uploaded to the ABL website at this time.

**D. First Creditors' Meetings and appointment of the Arrium Committee of Creditors**

- 28 On 7 April 2016, the First Administrators sent a circular to about 22,500 creditors of the Arrium Administration Group giving notice of the first meetings of creditors to be held on 19 April 2016 (**First Creditors' Meetings**). A copy of the circular to creditors in relation to the First Creditors' Meetings is at **[Tab 5]**. The Australia Post record of posting over 22,500 letters is at **[Tab 6]**.
- 29 On 14 April 2016, Leon Zwier of ABL sent an email to Wendy Ha of ASIC (copied to Adrian Saggars and Carl Sibilia of ASIC) **[Tab 7]** in relation to the manner in which we intended to conduct the First Creditors' Meetings.
- 30 On 15 April 2016, Leon Zwier sent a further email to Adrian Saggars of ASIC (copied to Wendy Ha and Carl Sibilia of ASIC), attaching a letter from ABL to ASIC **[Tab 8]**. ABL's letter to ASIC set out the practical difficulties involved with conducting the First Creditors' Meetings in respect of such a large corporate group and the approach we intended to conduct the First Creditors' Meetings.
- 31 On 15 April 2016, Adrian Saggars of ASIC sent an email to Leon Zwier **[Tab 9]**, in which he stated, "*I acknowledge receipt of your letter. Should there be any issues, we*

*will revert to you before the 1<sup>st</sup> meeting of creditors."* I am informed by Leon Zwier and believe that ASIC did not raise any further issues with the approach we intended to adopt in conducting the First Creditors' Meeting.

32 On 19 April 2016, the First Creditors' Meetings pursuant to section 436E of the Act were held concurrently at the Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales. A copy of the slide pack material presented by the Administrators at the First Creditors' Meetings is at [Tab 10] and is also available for download via the Korda Mentha website. A copy of the ABL and ASIC communications were also tabled at the First Creditors' Meeting.

33 A live audio webcast of the First Creditors' Meetings was streamed to creditors who were registered, and therefore able to vote and ask questions, from the Westland Hotel, 110 McDouall Stuart Avenue, Whyalla, South Australia. The audio webcast facility was made available to other creditors who pre-registered for the service, however, those creditors were not registered and were therefore not able to vote or otherwise participate in the meetings.

34 At the First Creditors' Meetings, Cassandra Mathews, one of the other Administrators, made the following statement:

*"After today the next step in the administration process is for the administrators to issue a report to creditors on their findings from their investigations and a recommendation for the companies. Following the issue of this report to the creditors, a second meeting of creditors is generally held about a month after the first meeting. However this timeline is often extended for large and complex administrations, to provide more time to assemble a full picture and identify priorities for a restructure. We will advise on the timing of the second meetings as soon as they are scheduled."*

No person present at the First Creditors' Meetings made any comments in response to Ms Mathews' statement.

35 On 19 April 2016, at the First Creditors' Meetings, the creditors of the Arrium Administration Group voted in favour of a resolution establishing a composite Committee of Creditors in respect of Arrium Limited (**Arrium Committee of Creditors**) made up of creditors from any company in the Arrium Administration Group as ABL had foreshadowed we would do in ABL's communications with ASIC of 15 April 2016.



36 Following a vote on a show of hands at the First Creditors' Meetings, the following persons were appointed as members of the Arrium Committee of Creditors:

- (a) Steve Cook (representing non-union employees);
- (b) the AWU;
- (c) the ACTU;
- (d) BIS Industries;
- (e) Lucas Total Contract Solutions;
- (f) K&S Corporation Limited;
- (g) Morgan Lewis as agent for the US Noteholders;
- (h) Banco Bilbao Vizcaya Argentaria, S.A.;
- (i) Westpac;
- (j) NAB;
- (k) CBA;
- (l) ANZ;
- (m) State Government of South Australia;
- (n) the Commonwealth of Australia; and
- (o) Morgan Stanley Bank NA ( **Morgan Stanley** ).

37 Morgan Stanley has subsequently resigned from the Arrium Committee of Creditors.

38 The Arrium Committee of Creditors is appointed to Arrium Ltd only. However, the Arrium Committee of Creditors is composite in the sense that it is made up of members that include creditors with claims against one or more other Arrium Administration Group companies and not just creditors of Arrium Ltd.

39 Leanne Chesser of KordaMentha has prepared a spreadsheet [Tab 11] listing the members of the Arrium Committee of Creditors which shows the relevant Arrium Administration Group companies against which the members of the Arrium

Committee of Creditors have claims, whether directly or by way of guarantees, including under the Deeds of Cross Guarantee (which I discuss further below).

- 40 On 19 April 2016, the Administrators published a media release in relation to the appointment of the Arrium Committee of Creditors, a copy of which is at **[Tab 12]**. As set out in the media release, the Administrators informed creditors at the First Creditors' Meetings that we would likely seek an extension of the time to hold the second meetings of creditors of the Arrium Administration Group.
- 41 The Administrators intend to consult with and give reports to the Arrium Committee of Creditors in relation to all Arrium Administration Group matters.
- 42 We also intend to report to the Arrium Committee of Creditors for the purposes of having our remuneration agreed to and allocated between the Arrium Administration Group companies by the Arrium Committee of Creditors pursuant to sections 449E(1)(a) and 449E(1)(5) of the Act. By this proceeding we seek an order in paragraph 8 of the Originating Process to this effect.
- 43 The Arrium Administration Group consists of 94 separate entities, approximately 50 companies of which may be dormant. We are still investigating which entities may be dormant and have only immaterial assets or no assets or insignificant or no liabilities and no operating activities. We currently intend to have the expenses of these minor Arrium Administration Group companies paid by Arrium Ltd as the ultimate parent of the Arrium Administration Group and then allocated as a business expense of the head office on an entity by entity basis.
- 44 As I explain further below, the affairs of the Arrium Administration Group (but not the Moly-Cop Entities) are also financially and operationally intermingled by reason of intercompany transactions and a centralised treasury function. For example, the Arrium Administration Group companies that carry on the OneWhyalla mining business provide steel billets to the Arrium Administration Group companies that operate OneSteel. (See page 27 of the Annual Report of Arrium Ltd for the 2015 financial year at **[Tab 13]**). Further, there are a pool of seven Arrium Administration Group entities that are party to a Deed of Cross-Guarantee entered into in 1999 and a further 26 Arrium Administration Group entities that are party to a Deed of Cross-Guarantee entered into in 2008.





45 Having regard to the complexity of the Arrium Administration Group, it will be an extremely complicated, time-consuming and costly exercise for the Administrators to precisely allocate the time we and our staff spend in relation to each particular Arrium Administration Group entity. Accordingly, we propose to consult with and seek the agreement of the Arrium Committee of Creditors in respect of:

- (a) the allocation of our remuneration across the different companies comprising the Arrium Administration Group; and
- (b) the determination of our remuneration in respect of not only Arrium Ltd but all of the Arrium Administration Group companies.

#### **E. Size and complexity of the Arrium Group**

##### ***The Arrium Group businesses***

46 Arrium Ltd is an international diversified mining and materials company. It is the ultimate holding company of the Arrium Group.

47 A corporate structure chart of the Arrium Group is at **[Tab 14] (Structure Chart)**. The Annual Report of Arrium Ltd for the 2015 financial year is referred to above at **[Tab 13]**.

48 The Arrium Group operates in three key business segments in Australia, Asia and the Americas, as follows:

- (a) **OneWhyalla.** This business unit includes Arrium's export iron ore business, which exports over 10Mtpa of hematite iron ore. Arrium Mining has operations in the Middleback Ranges, as well as a wholly-owned port at Whyalla, South Australia. It is the leading iron ore producer in the State of South Australia. In addition to the export iron ore business, OneWhyalla also supplies iron ore to Arrium's integrated steelworks at Whyalla. The Whyalla Steelworks include a blast furnace and steel rolling mills. These steelworks produce steel billets which are sold to OneSteel, long products (structural steel) and rail products.
- (b) **OneSteel.** This business unit includes recycling, steel manufacturing, rod and bar mills (Laverton Victoria, Newcastle NSW and Rooty Hill NSW), steel wire mills, reinforcing and metals product distribution. Along with the Whyalla Steelworks, these OneSteel steelworks are the only current Australian

manufacturer of steel long products (such as structural steel). The OneSteel business operates in all States and Territories in Australia. The OneSteel business has two electric arc furnaces in New South Wales and Victoria. The OneSteel business also has a national distribution network for its steel products. The OneSteel business directly or indirectly supplies approximately 70% of the steel reinforcing bar and mesh used by the Australian building and construction industry, making that industry highly dependent on the OneSteel business. [Tab 15] is a chart demonstrating the OneSteel value chain.

- (c) **Moly-Cop Entities**, which supply resource companies with a range of key mining consumables. The Moly-Cop Entities carry on a mining consumable business that is the largest supplier of grinding media in the world with leading market positions in North America, South America and Australasia. The Moly-Cop Entities include Arrium Group entities located in Australia, Canada, the United States, Mexico, Peru, Chile and Indonesia (the **Moly-Cop Business**).

Various Arrium Administration Group companies are involved in each of the three key business segments. Some of the Arrium Administration Group companies are active in more than one of the three sub-units.

- 49 The Arrium Group employs approximately 8,662 people. Approximately 6,000 employees (and an additional 3,000 contractors) are based in Australia and are employed by the Arrium Administration Group. Approximately 1,100 employees are located in the Moly-Cop Entities across North and South America and 250 employees located in Asia with the remaining employees in Europe and Africa.
- 50 About 3,500 of the Arrium Administration Group Australian employees are not affiliated with the unions. About 2,500 of the Arrium Administration Group employees are members of unions, including the AWU, CFMEU, AMWU, CEPU/ETU and NUW.
- 51 The Arrium Administration Group employees and contractors based in Australia are located in the following areas:
- (a) the Whyalla region of South Australia - approximately 1,500 employees and a further 1,600 contractors;
  - (b) New South Wales - approximately 3,000 employees and hundreds of contractors;



(c) Victoria - approximately 1,000 employees and hundreds of contractors; and

(d) Queensland - approximately 1,000 employees and hundreds of contractors.

52 The employees are each employed by one of nine of the Arrium Administration Group companies. A number of employees appear to work across multiple business sub-units.

53 The head office of the Arrium Group is located at St Leonard's in New South Wales. The treasury and administration of the Arrium Group was centralised to the head Office.

54 The Arrium Group carries on its businesses from approximately 160 sites in Australia and overseas, comprising iron ore mine sites, ports, large steel production facilities, metal distribution sites and recycling sites. There is at least one Arrium site in every State and Territory of Australia.

55 The Arrium Administration Group has approximately 30,000 customers and 10,000 suppliers.

### **Moly-Cop**

56 The Moly-Cop Business is carried on by the 16 Moly-Cop Entities which are incorporated in jurisdictions outside Australia, with the exception of Commonwealth Steel Company Pty Limited (**CommSteel**). A list of the Moly-Cop Entities and their place of domicile is set out below:

<b>Moly-Cop Entity</b>	<b>Place of incorporation or registration</b>
Altasteel Limited	Alberta, Canada
Arrium Mining Services Asia Limited	Hong Kong
Litesteel Technologies America, LLC	United States
Commonwealth Steel Company Pty Limited (ACN 000 007 698)	New South Wales
Maple Leaf Metals	A partnership registered in Alberta Canada

Moly-Cop Adesur S.A.	Peru
Moly-Cop Canada	Alberta, Canada
Moly-Cop Chile S.A.	Chile
Moly-Cop Mexico S.A. DE C.V.	Mexico
Molycop Steel Inc	Canada
Moly-Cop USA LLC	United States
Onesteel Group (US Holdings) Inc	United States
Onesteel Recycling Hong Kong Limited	Hong Kong
Onesteel Recycling Inc.	United States
Onesteel US Investments	United States
PT Commonwealth Steel Indonesia	Indonesia

- 57 At the time of making this affidavit, none of the operating Moly-Cop Entities are in voluntary administration or subject to any other insolvency or external administration proceedings in the jurisdictions in which they are domiciled. Each of the operating Moly-Cop Entities is currently trading on a business as usual basis.
- 58 The Moly-Cop Business is considered to be the "jewel in the crown" of the Arrium Group assets and businesses. I have been informed by management of the Arrium Group entities I have read documents which confirm that the Moly-Cop Business:
- (a) is a strongly performing business, with stable margins and a sustainable competitive advantage;
  - (b) comprises the Moly-Cop International grinding media business, AltaSteel Steel Mill and the Waratah Steel Mill, with businesses located in Canada, the USA, Mexico, Peru, Chile, Indonesia and Australia;
  - (c) delivers reliable high quality mining consumable products to the mining industry from its 10 manufacturing facilities and 18 sales offices;





- (d) produces grinding media, grinding rods, railway wheels and axles, bar stock, rebar and chemicals and employs around 1,800 people globally; and
- (e) is the largest supplier of grinding media in the world, selling approximately 1 million tonnes of grinding media per year.

59 The Moly-Cop Business contributed over 50% of all EBITDA of the Arrium Group in FY2015 (A\$211 million of A\$371 million).

#### **F. Capital structure and Creditors**

60 Arrium Ltd is admitted to the official list of the ASX and its securities are quoted for trading on the stock market conducted by ASX.

61 Leanne Chesser of KordaMentha has provided to me a chart listing the Arrium Administration Group companies and the debt facilities and cross-guarantees to which they are parties, a copy of which is at [Tab 16] (Obligor and Debtor Listing).

#### ***Arrium Group Creditors***

62 The total amount of outstanding unsecured debt owed by Arrium Group entities to the Arrium Lenders is approximately AU \$2.8 billion. The unsecured finance debt is comprised of approximately the following amounts:

- (a) AU \$2.189 billion under Syndicated Facility Agreements;
- (b) AU \$309 million under Bilateral Facility Agreements; and
- (c) AU \$333.4 million under US private placement notes.

63 The Arrium Administration Group contingently owes employee entitlements of approximately AU \$620 million. But this amount will not crystallise unless all the employees employment is terminated.

64 The other creditors of the Arrium Group comprise:

- (a) general creditors with claims, estimated to be in excess of AU \$500 million;
- (b) contingent creditors with claims that may be brought against the Arrium Group, which may range anywhere between approximately AU \$650 million and AU \$1,200 million.

- 65 We need to conduct further investigations to better and more fully understand the precise size and quantum of all the creditors' claims. This task will take months to complete.
- 66 Based upon an initial creditor listing provided to us by the First Administrators there are 16,494 unsecured creditors of the Arrium Administration Group. In addition there are approximately 6,008 employee creditors of the Arrium Administration Group.
- 67 Accordingly, there are approximately 22,500 identified creditors of the Arrium Administration Group but there may be far more.
- 68 We have also received communications from shareholders of Arrium Ltd claiming to be subordinated creditors within the meaning of section 563A of the Act. We have not investigated into how many other shareholders may have like subordinated claims to those who have given notice to us.

#### ***Secured finance debt***

- 69 Arrium Ltd and certain of its subsidiaries have approximately US\$100 million secured finance debt borrowed by four Arrium Administration companies from ANZ, Westpac, NAB and CBA (**the Australian Banks**) and secured by the Moly-Cop Entities under a new facility entered into by those Arrium Administration companies and used to discharge a pre-appointment secured Arrium Group borrowing from GSO Capital Partners, LP (**GSO**) (**Interim Facility**). If we had not been able to refinance the GSO Facility, GSO threatened to enforce its rights against some of the currently solvent Moly-Cop Entities which may have led to their financial collapse. There are ongoing disputes with GSO in relation to the Interim Facility.

#### ***Unsecured finance debt***

- 70 The unsecured finance debt referred to in paragraph 62 above is owed to Arrium Lenders pursuant to the following agreements:
- (a) three separate syndicated facility agreements entered into in 2013, 2014 and 2015 (together, the **Syndicated Facilities**), being:
    - (i) a Syndicated Facility Agreement dated 31 May 2013 between, among others, Arrium Finance and Arrium Iron Ore as borrowers, Arrium Ltd as parent and National Australia Bank Limited (**NAB**) as agent, as



amended (**2013 SFA**) (copies of the agreement and amendment dated 10 March 2015 are at **[Tab 17]**);

- (ii) a Syndicated Facility Agreement dated 16 June 2014 (**2014 SFA**) between, among others, Arrium Finance, Arrium Iron Ore and AltaSteel Ltd (**AltaSteel**) as borrowers, Arrium Ltd as parent and NAB as agent, as amended (**2014 SFA**) (copies of the agreement as amended and restated on 5 November 2014 and two subsequent amendments dated 10 March 2015 and 26 November 2015 are at **[Tab 18]**); and
- (iii) a Syndicated Facility Agreement dated 21 May 2015 between, among others, Arrium Finance, Arrium Iron Ore and Alta Steel as borrowers, Arrium Ltd as parent and NAB as agent, as amended (**2015 SFA**) (copies of the agreement and amendment dated 26 November 2015 are at **[Tab 19]**);

(b) six bilateral facility agreements (together, the **Bilateral Facilities**), being:

- (i) an AU\$150 million Multi-Option, Multi-Currency and Multi-Jurisdictional Revolving Loan Facility dated 18 June 2014 between Arrium Finance and certain other subsidiaries of Arrium as borrowers, Arrium Ltd as parent and the Commonwealth Bank of Australia as lender, as amended (**CBA Bilateral Facility**) (copies of the agreement and amendments dated 16 March 2015 and 1 December 2015 are at **[Tab 20]**);
- (ii) an AU\$50 million Multi-Currency Revolving Loan Facility Agreement dated 20 November 2014 between Arrium Finance and certain other subsidiaries of Arrium Ltd as borrowers, Arrium Ltd as parent and Westpac Banking Corporation as lender, as amended (**Westpac Bilateral Facility**) (copies of the agreement and amendments dated 13 March 2015 and 26 November 2015 are at **[Tab 21]**);
- (iii) a US\$50 million Multi-Currency Revolving Loan Facility dated 13 June 2014 between Arrium Finance and certain other subsidiaries of Arrium Ltd as borrowers, Arrium Ltd as parent and NAB as lender, as amended (**NAB Bilateral Facility**) (copies of the agreement and

amendments dated 12 March 2015 and 30 November 2015 are at [Tab 22]);

- (iv) a US\$75 million Revolving Loan Facility dated 13 June 2014 between Arrium Finance and Arrium Iron Ore as borrowers, Arrium Ltd as parent and Morgan Stanley Bank, N.A. as lender, as supplemented by a side letter dated 13 June 2014 (**Morgan Stanley Bilateral Facility**) (copies of the facility agreement and side letter are at [Tab 23]);
  - (v) a US\$25 million Multi-Currency Revolving Loan Facility dated 10 December 2014 between OneSteel Recycling Hong Kong Limited as borrower, Arrium Ltd as parent and The Hongkong and Shanghai Banking Corporation Limited as lender, as amended (**HSBC Bilateral Facility**) (copies of the agreement and amendment dated 23 March 2015 are at [Tab 24]); and
  - (vi) a US\$20 million Revolving Loan Facility dated 30 June 2015 between Arrium Finance as borrower, Arrium Ltd as parent and Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch as lender (**BBVA Bilateral Facility**) (a copy of which facility is at [Tab 25]);
- (c) two note agreements in respect of US private placement notes issued in 2008 and 2011 (together, the **US Noteholders**), being:
- (i) a Note and Guarantee Agreement dated 9 July 2008 between, among others, OneSteel US Investments as issuer, Arrium Ltd as guarantor and the noteholders named therein (as amended, **2008 USPP Note Agreement**) (copies of the agreement and amendment dated 20 July 2015 are at [Tab 26]); and
  - (ii) a Note and Guarantee Agreement dated 28 June 2011 between, among others, Arrium Finance as issuer, Arrium Ltd as guarantor and the noteholders named therein (as amended, **2011 USPP Note Agreement**) (copies of the agreement and amendment dated 20 July 2015 are at [Tab 27])





### ***The Guarantees of finance debt***

- 71 The obligations of the borrowers and issuers in respect of the Syndicated Facilities, the Bilateral Facilities and the US Noteholders are guaranteed by certain subsidiaries of Arrium Ltd under two "group guarantees" (together, the **Group Guarantees**) as follows:
- (a) A Deed Poll dated 28 March 2011 executed by Arrium Ltd and certain of its subsidiaries in favour of the "Beneficiaries" (**2011 Group Guarantee**), pursuant to which the relevant guarantors guarantee the obligations of the "primary debtors" under documents that are nominated by Arrium Ltd as "Guaranteed Documents" for the purposes of the 2011 Group Guarantee. The "Guaranteed Documents" include the Syndicated Facilities, the Bilateral Facilities, the 2011 Noteholders and the Interim Facility. A copy of the 2011 Group Guarantee including guarantor accessions executed after 28 March 2011 is behind **[Tab 28]**.
  - (b) A Deed of Guarantee dated 9 July 2008 (**2008 Group Guarantee**), pursuant to which the relevant guarantors guarantee the obligations of the issuers of the 2008 USPP Notes. A copy of the 2008 Group Guarantee including guarantor accessions executed after 9 July 2008 is at **[Tab 29]**.
- 72 By reason of the two Group Guarantees, each Arrium Lender under each of the Interim Facility, Syndicated Facilities, Bilateral Facilities and the US Noteholders has the ability to enforce those agreements (either under the primary debt documents or under the Group Guarantees) against the same group of Arrium Group entities.
- 73 The Moly-Cop Entities are also guarantors under each of the Group Guarantees against whom the Arrium Lenders may enforce their rights under the Syndicated Facilities, Bilateral Facilities and USPP Notes.
- 74 In addition to the Group Guarantees, a number of other Australian Arrium Group entities are party to deeds of cross guarantee executed for the purpose of obtaining relief from reporting requirements under ASIC class order 98/1418, namely:
- (a) a deed of cross guarantee for Arrium Ltd dated 10 June 2008 (**2008 DOCG**) (a copy of which deed is at **[Tab 30]**); and



- (b) a deed of cross guarantee for SSX Holdings dated 25 June 1999 (**1999 DOCG**) (a copy of which deed is at **[Tab 31]**).

75 Relevantly:

- (a) under the 2008 DOCG and the 1999 DOCG (together, the **DOCGs**), all parties guarantee the obligations to creditors of the other parties to the relevant DOCG;
- (b) the DOCGs are only enforceable if the relevant debtor is in liquidation;
- (c) the DOCGs create two separate cross-guarantor groups within the Arrium Group (as demonstrated in the Obligor and Debtor Listing);
- (d) Arrium Administration Group entities that are party to the 2008 DOCG are shaded in purple in the column titled '10-Jun-08: ASIC Cross Guarantee' of the Obligor and Debtor Listing; and
- (e) Arrium Administration Group entities who are party to the 1999 DOCG are shaded in purple in the column titled '24-Jun-99: ASIC Cross Guarantee' of the Obligor and Debtor Listing.

#### G. Conduct of the administrations

76 Since taking control of the Arrium Administration Group, the Administrators have continued to manage and are investigating the business, property and affairs of the Arrium Administration Group and supervise the operations of the Moly-Cop Entities as the ultimate owner of them. We seek to preserve the current status quo in order to consider all options to maximise the prospects of the Arrium Group's businesses continuing in existence or, if that is not possible, to maximise the returns to all creditors and shareholders.

77 To that end, the Administrators have devised a three point plan:

- (a) first, conduct business as usual by continuing to trade and stabilising operations;
- (b) second, commence to develop a considered strategy for the Arrium Administration Group in light of the administration; and



(c) thirdly, attend to statutory reporting and investigations.

78 In continuing to operate the Arrium Administration Group business divisions on a "business as usual" basis, we have:

- (a) conducted a top-down reconstruction of the Arrium Group cash-flow involving:
  - (i) utilising forecasts using the Arrium Group's usual 8 week cash flow forecasting process;
  - (ii) consolidating forecast outputs and overlaying with estimated contingencies;
  - (iii) obtaining management input on the accuracy of the forecasts and key assumptions;
- (b) liaised with media;
- (c) established regular lines of communication with employees and met regularly with National and State secretaries of each of the unions involved in the Arrium Administration Group;
- (d) investigated and stabilised mining and steel operations at Whyalla;
- (e) held regular discussions with the directors of the Moly-Cop Entities and their advisors;
- (f) conducted daily calls with the Arrium Group management in relation to operational issues including supplier issues, dealing with 'ransom' creditors and negotiating ongoing supply arrangements with customers
- (g) provided a written update to all creditors;
- (h) provided reports to the Arrium Committee of creditors;
- (i) negotiated a general Lender forbearance and standstill in relation to the Moly-Cop Entities;
- (j) refinanced the GSO Interim Facility;
- (k) conferred with the State Government of South Australia Task force in relation to Whyalla;

- (l) liaised with the Arrium Lenders ;
- (m) negotiated with Morgan Stanley in relation to its USD\$ \$75 million facility;
- (n) dealt with numerous creditor inquiries in general and PPSR inquiries in particular;
- (o) prepared applications to the Court to protect the operating Moly-Cop Entities from premature failure;
- (p) liaised with the lawyers appointed to advise the Australian Moly-Cop Entities boards;
- (q) commenced consideration of a strategy to restructure, recapitalise or sell the Arrium Administration Group businesses or some of them (but this process itself will likely take a few months to complete).

79 We are dealing with a large number of complex commercial issues in order of the most important to the lesser important.

***Sale / restructure options***

80 While some businesses within the Arrium Group are profitable and stable like the Moly-Cop business, the OneWhyalla business appears to face financial, operational and strategic challenges. OneWhyalla will need to be restructured to facilitate a sale or recapitalisation that results in an appropriate recovery for creditors as well as job security for employees. We have estimated that a period of four to six months is required to effect a restructuring of OneWhyalla. We will need to do so with the participation of both the Commonwealth and State Government of South Australia that has already established a task force for this purpose. This process will take months to complete.

81 The Administrators are also actively considering whether to seek to restructure, recapitalise or sell the Arrium Group as a whole or whether to effect a number of sales of the businesses within the Arrium Group, with the aim of maximising the chances of the Arrium Administration Group companies and their businesses remaining in existence or, if that is not possible, maximising recovery for creditors and job security for employees.



- 82 If we resolve to sell or realise the shares in the Moly-Cop Entities that process alone will likely take up to 12 months to complete, particularly if we allow for the Christmas and New Year holiday vacation period into the schedule. A number of significant global parties have already expressed interest to us in acquiring it. We would consult with the Moly-Cop stakeholders and likely appoint an international Investment Banker (IB) to advise on the proposed transaction. We expect that it would take a number of weeks to appoint an IB. We would expect that the IB would send out a global "teaser" to attract interest. This teaser may also take some time to prepare. We would then need to establish an updated data room to enable interested parties to conduct initial limited due diligence. The prospective purchasers would then be required to execute strict confidentiality agreements before being given access to the data room. Prospective purchasers would also be given a window of time to submit indicative non-binding bids. Thereafter we would expect a short list of prospective purchasers would be agreed and further detailed due diligence would be undertaken as well as numerous management meetings before the shortlisted parties submit their final offers. Thereafter, we would expect that there would be long negotiations in relation to the terms of the share sale agreement. And because the Moly-Cop Entities operate in so many off-shore locations, lawyers from each jurisdiction will need to be appointed on all sides. If a sale transaction is undertaken we will also need to consult with the Lenders in relation to their rights under the Group Guarantees given by the Moly-Cop Entities.
- 83 Having regard to the level of intra-group operational and financial integration within the Arrium Group and the Arrium Administration Group's dealings with the Moly-Cop Entities, we consider that an informed decision on the structure of a future restructure or recapitalisation or sales process is expected to take a few months. Accordingly, the Administrators anticipate they will be in a position to initiate a sale or recapitalisation process(es) in approximately three to four months.
- 84 The Arrium Group as a whole has revenues of several billion dollars and each of the Arrium Group business divisions, and many component businesses within them, have turnovers of several hundred million dollars per annum each. The businesses are likely to attract interest from global as well as local parties.

### ***Standstill Arrangements with Arrium Lenders***

- 85 Our appointment as Administrators of the Arrium Administration Group has triggered defaults under the facilities with the Arrium Lenders and under the GSO Interim Facility. We are currently negotiating various standstill and forbearance arrangements with the Arrium Lenders in order to preserve the current status quo, in relation to the Moly-Cop Entities. As set out earlier we also refinanced the GSO Interim Facility.
- 86 These are complex multi-party and multi-jurisdictional negotiations involving billions of dollars of unsecured debt of the Arrium Group. These negotiations also involve updating and informing the boards of the various Moly-Cop Entities and their advisors located in foreign jurisdictions as to the status and progress of the standstill negotiations.

### ***Communications with stakeholders***

- 87 Since our appointment as joint and several Administrators, we have caused to be published to the website maintained by KordaMentha the following documents for the information of debtors, creditors and shareholders:
- (a) Circular to Creditors and Suppliers dated 13 April 2016 **[Tab 32]**;
  - (b) Circular to Employees dated 13 April 2016 **[Tab 33]**;
  - (c) Circular to Debtors dated 14 April 2016 **[Tab 34]**;
  - (d) Shareholder update dated 19 April 2016 **[Tab 35]**;
  - (e) Information for shareholders dated 22 April 2016 **[Tab 36]**;
  - (f) Presentation from the First Meeting of Creditors dated 19 April 2016 **[Tab 10]**.



## H. Second Meetings of Creditors

### *Need for extension of convening period*

- 88 Pursuant to section 439A of the Act, we are required to convene and hold the second meetings of the creditors of the Arrium Administration Group (**Second Meetings**) within 20 business days after the voluntary administration commenced, namely by about 6 May 2016.
- 89 The administrations of the Arrium Administration Group companies are exceptionally large and complex for all the reasons set out in this affidavit. In summary:
- (a) there are 94 companies comprising the Arrium Administration Group;
  - (b) Arrium Ltd is the ultimate holding company of the Arrium Group, which includes the additional trading Moly-Cop Entities that are not subject to insolvency procedures, and those companies are trading profitably and are domiciled in jurisdictions in North America, South America and Asia as well as Australia;
  - (c) there are approximately 30,000 customers and 10,000 suppliers of the Arrium Administration Group;
  - (d) there are over 22,500 known creditors of the Arrium Administration Group;
  - (e) the affairs of the Arrium Administration Group and the Arrium Group companies are financially and operationally intermingled by reason of the Group Guarantees, the DOCGs and, among other things, the inter-company trading between the Arrium Administration Group companies amongst themselves and with the Moly-Cop Entities;
  - (f) the treasury function of the Arrium Group was centralised and we have not been able to establish whether all inter Arrium Administration Group transactions have been fully recorded;
  - (g) the Arrium Group businesses involve significant overseas counterparties and operations, including the Moly-Cop Entities, thereby necessitating the Administrators to engage foreign lawyers and deal with complex cross-border issues;



- (h) we have estimated that it is likely to take up to 12 months to execute an orderly restructure or recapitalisation or sales process;
- (i) the Arrium Administration Group has 30,000 customers and if we are to preserve the businesses we need to engage with them in the processes moving forward;
- (j) the creditors and stakeholders of the Arrium Administration Group include:
  - (i) approximately 6,000 Australian employees and 3,000 Australian contractors;
  - (ii) the township of Whyalla in South Australia which depends upon approximately 30% of its employment from a continuation of the Arrium Group's operations in Whyalla;
  - (iii) the State Government of South Australia insofar as it may suffer reduced returns and the township of Whyalla is threatened in addition to reclamation claims;
  - (iv) Arrium Lenders who are owed AU \$2.8 billion (by the Arrium Group); and
  - (v) numerous trade creditors of the Arrium Administration Group.

90 There are also a number of other formal and non-business matters that we need to further investigate and consider before we can properly report to creditors under section 439A(4)(a) (**439A Reports**), and before creditors can make an informed choice in relation to the future of the Arrium Administration Group, including:

- (a) assessing the basis on which the directors resolved that certain of the Arrium Administration Group companies were insolvent and therefore appointed administrators on 7 April 2016;
- (b) as required by Regulation 5.3A.02 of the *Corporations Regulations 2001* (Cth) (the **Regulations**), investigating whether there are any transactions in respect of any of the Arrium Administration Group companies that appear to us to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator of any of the Arrium Administration Group companies under Part 5.7B of the Act;

- (c) consideration of whether a Deed of Company Arrangement or Deeds of Company Arrangement or a Scheme of Arrangement might be propounded as part of any restructure, recapitalisation or sale;
  - (d) forming our opinion in respect of each of the Arrium Administration Group companies as required by section 439A(4)(b) of the Act as to:
    - (i) whether it would be in the creditors' interests for any of the Arrium Administration Group companies to execute a deed of company arrangement;
    - (ii) whether it would be in the creditors' interests for the administrations in respect of any of the Arrium Administration Group companies to end; or
    - (iii) whether it would be in the creditors' interests for any of the Arrium Administration Group companies to be wound up.
- 91 Given the size and complexity of the Arrium Group and its businesses, it will take significant time to compile and analyse the results of our investigations for the purposes of our 439A Reports. We estimate that we will need a further 12 months to complete our investigations and analysis in order to prepare our 439A Reports to creditors. But if we are in a position to convene the meetings sooner we will do so.
- 92 In the circumstances of the Arrium Administration Group, it is simply impossible to complete our investigations and properly consider and address the above matters and prepare the 439A Reports within the relatively short timeframe of 20 business days provided for in section 439A(5) of the Act.

### ***Notifications to Creditors***

- 93 Section 439A(3)(a) of the Act further requires, amongst other things, that we provide written notice (**Notice**) of the Second Meetings to as many of the creditors as reasonably practicable at least five business days before the Second Meetings. The Notice is to be accompanied by the 439A Reports.
- 94 We estimate that our 439A Reports in respect of the Arrium Administration Group is likely to be at least 250 pages in length.





- 95 I am informed by Leanne Chesser of KordaMentha that, on the basis of 439A Reports totalling 250 pages in length, printed double-sided, in black and white, it will likely cost approximately \$500,000 (excluding GST) to print and post the 439A Reports to each of the 22,500 creditors recorded in the books and records of the Arrium Administration Group.
- 96 In these circumstances, we propose to notify the creditors of the Arrium Administration Group by the following means:
- (a) sending the Notice by email (**Email**) to the email address of each creditor at such email address as is recorded in the books and records of the Arrium Administration Group companies;
  - (b) where an email address is not recorded in the books and records of the Arrium Administration Group companies, sending by post the Notice (**Letter**) to the postal address of each creditor at such postal address as is recorded in the books and records of Arrium Administration Group companies;
  - (c) causing the Notice to be published in The Australian newspaper at least five days before the date of the Second Meetings;
  - (d) publishing the Notice of Meetings on the websites maintained by:
    - (i) the Administrators at [www.kordamentha.com](http://www.kordamentha.com); and
    - (ii) the Administrators' lawyers at [www.abl.com.au](http://www.abl.com.au);
 (collectively, the **Websites**), at least five business days before the Second Meeting;
  - (e) providing in the Email, Letter and the notices to be published in The Australian newspaper and on the Websites:
    - (i) notice of the date, time and location of the Second Meetings;
    - (ii) notice that the 439A Reports required to be given to creditors of the Arrium Administration Group companies pursuant to section 439A(4) of the Act are available for download on the Websites; and

- (iii) details of a telephone hotline number by which any creditor may contact the Administrators to request a paper or electronic copy of the 439A Reports.

97 I am told by Leanne Chesser of KordaMentha that based upon our current investigations, we estimate that we have email addresses in respect of approximately 5000 creditors which represents approximately 30% of creditors. We estimate that we have email addresses in respect of 4,334 employees which represents over 70% of employees within the Arrium Administration Group.

98 We further estimate that the costs of notifying creditors of the meetings of creditors in the manner proposed in paragraph 93 above will be expensive .

99 The Administrators have uploaded to the Korda Mentha website an election form for creditors to receive notices and documents electronically, a copy of which is **[Tab 37]**.

#### **I. Notification of this Application to stakeholders and ASIC**

100 On Friday 29 April 2016 a copy of the draft Originating Process was provided by ABL to ASIC **[Tab 38]**. At the time of affirming my affidavit, no response has been received from ASIC. If I receive a written responses from ASIC I will seek to file a further affidavit exhibiting it.

101 On Friday 29 April 2016 we provided our second report to the Arrium Committee of Creditors and also informally advised them that we intended to apply to extend the convening period.

102 On Saturday 30 April 2016 I emailed the Committee of Creditors giving each of them formal notice of this application to extend the convening period **[Tab 39]**.. At **[Tab 40]**, I also attach creditors' responses to the informal and formal notice given to them. If I receive further written responses from members of the Committee of Creditors I will seek to file a further affidavit exhibiting them.

#### **Service**

103 I have instructed my solicitors, Arnold Bloch Leibler, to serve the Originating Process and this affidavit on:

- (a) the First Administrators, c/- Mr Joseph Scarcella of Ashurst, Level 11, 5 Martin Place, Sydney NSW 2000; and
- (b) the Australian Securities and Investments Commission.

AFFIRMED by **BRYAN WEBSTER** at  
Melbourne in the State of Victoria on 2 May  
2016

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)  
)



Before me:



Print name: Sophie Elizabeth Kearney

**SOPHIE ELIZABETH KEARNEY**  
Arnold ~~Bloch Leibler~~  
Level 21, 333 Collins Street, Melbourne 3000  
An Australian Legal Practitioner  
within the meaning of the  
Legal Profession Uniform Law (Victoria)



**SCHEDULE 1**

- 1 A.C.N. 006 769 035 Pty Limited (ACN 006 769 035)
- 2 Akkord Pty Limited (ACN 060 486 991)
- 3 ANI Construction (W.A.) Pty. Limited (ACN 008 670 871)
- 4 Arrium Finance Pty Limited (ACN 093 954 940)
- 5 Arrium Iron Ore Holdings Pty Limited (ACN 152 752 844)
- 6 Arrium Limited (ACN 004 410 833)
- 7 Atlas Group Employees Superannuation Fund Pty. Limited. (ACN 060 568 998)
- 8 Atlas Group Staff Superannuation Fund Pty. Limited. (ACN 059 654 241)
- 9 Atlas Group Superannuation Plan Pty Limited (ACN 065 649 050)
- 10 Australian National Industries Pty Limited (ACN 000 066 071)
- 11 Australian Wire Industries Pty Limited (ACN 064 267 456)
- 12 Austube Mills Holdings Pty Limited (ACN 123 160 172)
- 13 Austube Mills Pty Limited (ACN 123 666 679)
- 14 AWI Holdings Pty Limited (ACN 004 157 475)
- 15 B.G.J. Holdings Proprietary Limited (ACN 004 859 536)
- 16 Bradken Consolidated Pty Limited (ACN 000 011 932)
- 17 Central Iron Pty Limited (ACN 143 503 397)
- 18 Cockatoo Dockyard Pty Limited (ACN 000 025 918)
- 19 Comsteel Pty. Limited (ACN 006 218 524)
- 20 Coober Pedy Resources Pty Limited (ACN 151 599 905)



- 21 Eagle & Globe Pty Limited (ACN 000 122 305)
- 22 Email Accumulation Superannuation Pty Limited (ACN 065 263 658)
- 23 Email Executive Superannuation Pty Limited (ACN 065 263 818)
- 24 Email Holdings Pty Limited (ACN 092 348 555)
- 25 Email Management Superannuation Pty Limited (ACN 065 263 710)
- 26 Email Metals Pty. Limited. (ACN 004 574 681)
- 27 Email Pty Limited (ACN 000 029 407)
- 28 Email Superannuation Pty Limited (ACN 065 263 603)
- 29 Emwest Holdings Pty. Limited. (ACN 001 992 123)
- 30 Emwest Properties Pty Limited (ACN 003 146 334)
- 31 GSF Management Pty Limited (ACN 064 116 874)
- 32 J. Murray-More (Holdings) Pty Limited (ACN 000 158 412)
- 33 John McGrath Pty Limited (ACN 000 004 937)
- 34 Kelvinator Australia Pty Limited (ACN 007 873 734)
- 35 Litesteel Products Pty Limited (ACN 109 854 677)
- 36 Litesteel Technologies Pty Limited (ACN 113 101 054)
- 37 Metals Properties Pty. Limited. (ACN 000 040 040)
- 38 Metalstores Pty Limited (ACN 000 267 112)
- 39 Metpol Pty Limited (ACN 000 927 373)
- 40 N.K.S. (Holdings) Proprietary Limited (ACN 004 321 313)
- 41 O Dee Gee Co. Pty. Limited. (ACN 004 208 191)
- 42 Onesteel Americas Holdings Pty Limited (ACN 147 067 016)



- 43 Onesteel Building Supplies Pty Limited (ACN 000 045 349)
- 44 Onesteel Coil Coaters Pty Limited (ACN 123 138 732)
- 45 OneSteel Manufacturing Pty Limited (ACN 004 651 325)
- 46 Onesteel MBS Pty Limited (ACN 096 273 979)
- 47 Onesteel Nsw Pty Limited (ACN 003 312 892)
- 48 Onesteel Queensland Pty Limited (ACN 010 558 871)
- 49 Onesteel Recycling Holdings Pty Limited (ACN 059 240 952)
- 50 Onesteel Recycling Overseas Pty Limited (ACN 105 479 356)
- 51 Onesteel Recycling Pty Limited (ACN 002 707 262)
- 52 Onesteel Reinforcing Pty Limited (ACN 004 148 289)
- 53 Onesteel Stainless Australia Pty Limited (ACN 004 610 851)
- 54 Onesteel Stainless Pty Limited (ACN 006 362 652)
- 55 Onesteel Technologies Pty Limited (ACN 096 380 219)
- 56 Onesteel Trading Pty Limited (ACN 007 519 646)
- 57 Onesteel US Investments 1 Pty Limited (ACN 131 211 606)
- 58 Onesteel US Investments 2 Pty Limited (ACN 131 211 571)
- 59 Onesteel Wire Pty Limited (ACN 000 010 873)
- 60 Overseas Corporation (Australia) Pty Limited (ACN 004 242 086)
- 61 P & T Tube Mills Pty Limited (ACN 010 469 977)
- 62 Palmer Tube Mills Pty Limited (ACN 010 469 879)
- 63 Pipeline Supplies of Australia Pty Limited (ACN 008 573 475)
- 64 Reosteel Pty Limited (ACN 000 142 094)

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- 65 Roentgen Ray Pty Limited (ACN 000 028 106)
- 66 Southern Iron Pty Limited (ACN 119 611 068)
- 67 SSG Investments Pty Limited (ACN 085 490 526)
- 68 SSG No.2 Pty Limited (ACN 087 840 720)
- 69 SSG No.3 Pty Limited (ACN 087 840 515)
- 70 SSGL Share Plan Nominees Pty Limited (ACN 085 943 540)
- 71 SSX Acquisitions Pty Limited (ACN 090 574 520)
- 72 SSX Employees Superannuation Fund Pty Limited (ACN 064 431 116)
- 73 SSX Holdings Pty Limited (ACN 087 813 116)
- 74 SSX International Pty Limited (ACN 084 990 947)
- 75 SSX Pty Limited (ACN 082 181 726)
- 76 SSX Retirement Fund Pty Limited (ACN 064 431 303)
- 77 SSX Services Pty Limited (ACN 083 090 831)
- 78 SSX Staff Superannuation Fund Pty Limited (ACN 064 431 072)
- 79 Tasco Superannuation Management Pty Limited (ACN 071 901 712)
- 80 The ANI Corporation Pty Limited (ACN 000 421 358)
- 81 The Australian Steel Company (Operations) Pty Limited (ACN 069 426 955)
- 82 Tube Estates Pty. Limited. (ACN 010 449 939)
- 83 Tube Street Pty Limited (ACN 004 785 157)
- 84 Tube Technology Pty. Limited. (ACN 010 469 986)
- 85 Tubemakers of Australia Pty Limited (ACN 000 005 498)
- 86 Tubemakers Somerton Pty Limited (ACN 004 595 546)



- 87 Western Consolidated Industries Pty Limited (ACN 001 185 913)
- 88 Whyalla Ports Pty Limited (ACN 153 225 364)
- 89 X.C.E. Pty Limited (ACN 004 081 903)
- 90 XEM (Aust) Pty Limited (ACN 004 158 025)
- 91 XLA Pty Limited (ACN 004 239 392)
- 92 XLL Pty Limited (ACN 006 301 266)
- 93 XMS Holdings Pty Limited (ACN 008 742 014)
- 94 Zinctek Pty limited (ACN 010 474 790)

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