

The Proposals

Dated 28 September 2023

THE HIGH COURT

2023 No. 139 COS

IN THE MATTER OF

BARRYROE OFFSHORE ENERGY PUBLIC LIMITED COMPANY

AND IN THE MATTER OF

PART 10 OF THE COMPANIES ACT 2014

PROPOSALS FOR A SCHEME OF ARRANGEMENT

BETWEEN

BARRYROE OFFSHORE ENERGY PLC (IN EXAMINATION UNDER

PART 10 OF THE COMPANIES ACT 2014)

AND

ITS RESPECTIVE MEMBERS AND CREDITORS

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PRELIMINARY

1 DEFINITIONS

In these Proposals, unless inconsistent with the subject or context, the following expressions bear the following meanings:

€ means Euro.

Act means the Companies Act 2014.

Appendices means the appendices to these Proposals and each an Appendix.

Cancellation means the cancellation of all of the issued, and/or allotted and to be issued share capital of the Company in existence as at the Effective Date by order of the Court pursuant to section 541 and / or section 542 of the Act to be made on or around the Effective Date, as provided for in clause 5 of the Proposals.

Company means Barryroe Offshore Energy Public Limited Company (in Examination under Part 10 of the Act).

Company Secretary means the secretary of the Company from time to time.

Confirmation Hearing means the Court hearing pursuant to Section 541 of the Companies Act.

Confirmation Order means the order of the High Court confirming the Proposals pursuant to section 541 of the Act; and

Contingent Decommissioning Creditor means the decommissioning creditor of the Company as set out at Appendix 6.

Court means the High Court of Ireland.

Creditors means all creditors of the Company, known or unknown, whether or not the liabilities have been acknowledged or recognised, qualified or unqualified, actual or contingent.

Deferred Loan Monies has the meaning ascribed to it in clause 4.11.

Determination Date means the date of final agreement, settlement, crystallisation and / or determination of a claim.

Directors mean the directors of the Company from time to time.

Dispute Notice has the meaning ascribed to it in clause 6.5.

Effective Date means the date on which the Scheme becomes binding on the Creditors and Members in accordance with the provisions of the Act, being the date fixed by the Court in accordance with Section 542(3) of the Act.

Examiner means Kieran Wallace of Interpath Advisory, 6 Fitzwilliam Square E, Dublin 2, D02 Y447.

Expert means the expert nominated by the Examiner (or if the Examiner has been discharged, the person who was Examiner), subject to the approval of these Proposals by the Court, to act as an expert in respect of any dispute between the Company and an Unagreed Creditor.

Explanatory Memorandum means the explanatory statement dated 28 September 2023 explaining the effect of these Proposals, as required by Section 540 (11) of the Act.

Initial Funding means the sum of €800,000, to be lodged by the Investor in an escrow account (as provided for in the Investment Agreement) on or prior to the date of signature of the Investment Agreement;

Investment means the Initial Funding and the Investor Subscription Monies.

Investment Agreement means the investment agreement dated on or about 28 September 2023 between the Investor, the Examiner, the Company and Mason Hayes & Curran LLP (as escrow agent);

Investor means Lorsden (Jersey) Limited which, pursuant and subject to the terms of the Investment Agreement, has agreed to invest in the Company.

Investor Shares means 100 new ordinary shares of €1 each in the capital of the Company;

Investor Subscription Monies means the total sum of €1,050,000 (comprised of the Initial Funding together with an additional sum of €250,000) to be subscribed by the Investor for the Investor Shares.

Members mean the shareholders of the Company as set out in Appendix 2.

Minister means the Minister for Environment, Climate and Communications.

Other Shareholders means the shareholders as appearing on the register of members of the Company as at the Petition Date, save for Vevan Unlimited Company.

Preferential Creditors means those creditors of the Company ranking as preferential or super-preferential as at the Petition Date as set out at Appendix 6 whose claims would have ranked as preferential or super-preferential in a winding-up and each a **Preferential Creditor**.

Proposals means these proposals and any modifications in respect of these proposals made pursuant to the Act.

Protection Period means the period during which the Company is under the protection of the Court in accordance with the Act.

Petition Date means the date of the presentation of the petition, being 21 July 2023.

Scheme means the Proposals as approved by the Court with or subject to any modification, addition or condition approved or imposed by the Court.

Share Capital means all of the issued, allotted and to be issued share capital of the Company in existence as at the Effective Date, together with all rights, claims and entitlements to be awarded, issued or allotted shares in the Company.

Share Certificates means the certificates issued by the Company in relation to the Shares and each a **Share Certificate**.

Shares means with respect to the Company, the issued share capital of the Company as set out in **Appendix 2**.

“Subscription Monies” means the Investor Subscription Monies together with the Deferred Loan Monies;

Unagreed Creditors has the meaning ascribed to them in clause 6.1 hereof and each an **Unagreed Creditor**; and.

Unsecured Creditors means the unsecured creditors of the Company as set out at **Appendix 6**.

2 INTERPRETATION

In these Proposals, unless the context otherwise requires or the Proposals expressly provides otherwise:

- (A) references to parts, clauses, sub-clauses and Appendices are references to the parts, clauses, sub-clauses and Appendices respectively of these Proposals;
- (B) references to a "person" include an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- (C) references to a statute or a statutory provision or to a statutory instrument or provision of a statutory instrument include the same as subsequently modified, amended or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made hereunder or deriving validity there from;
- (D) the singular includes the plural and vice versa and words importing one gender shall include all genders;
- (E) headings to parts, clauses, sub-clauses and Appendices are for ease of reference only and shall not affect the interpretation of these Proposals;
- (F) words such as hereunder, hereto, hereof and herein and other words commencing with "here" shall, unless the context clearly indicates to the contrary, refer to the whole of these Proposals and not to any particular paragraph hereof;
- (G) in construing these Proposals, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things, and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words, and any references to the word "include" or "including" is to be construed without limitation;
- (H) any reference to "these Proposals" or any other document, or to any specified provision of these Proposals or any other document, is to these Proposals, that document or that provision as in force for the time being and as amended from time to time in accordance with the terms of these Proposals or that document; and
- (I) any reference to a person includes his successors, personal representatives and permitted assigns.

3 BACKGROUND

Presentation of Petition

- 3.1 The Company is a publicly listed company which specialises in oil and gas exploration. The operations of the Company were expanded across Ireland, the UK, Africa and the United States during the 2000s. Following successful drilling of a significant discovery well in the Barryroe Field in 2012 (which is located in 100 metres of water approximately 50km off the Cork coast, close to the Kinsale gas fields), the Company focused on the south coast of Ireland and disposed of its international oil and gas interests.
- 3.2 The licences in respect of the Barryroe field were assigned, with the consent of the Minister to Exola DAC ("Exola") a 100% subsidiary of the Company.
- 3.3 Following refusal of the Minister in May 2023 to extend a lease undertaking allowing Exola to continue work on its oil and gas appraisal project off the Cork coast, the Company was forced to suspend plans to raise €20 million in working capital from shareholders. The refusal of the

Minister to approve the lease undertaking and the inability of the Company to raise working capital created going concern issues for the Company.

- 3.4 The Company's largest shareholder, Vevan Unlimited Company, presented a petition for Court protection and the appointment of an Examiner on 21 July 2023. By order of the Court made on 31 July 2023, my appointment as Examiner of the Company was confirmed.

Independent Expert's Report and Formulation of Proposals

- 3.5 The Independent Expert's report dated 21 July 2023 (the **Report**) prepared by Damien Murran, a Chartered Certified Accountant of Teneo (the **Independent Expert**), expressed the opinion that the Company had a reasonable prospect of survival as a going concern, provided certain conditions, as outlined in the Report, are satisfied, including:
- 3.5.1 The Company being granted the protection of the High Court;
 - 3.5.2 Commitment of funding by the Investor to fund the cash flow needs of the Company throughout the period of protection of up to 100 days;
 - 3.5.3 The Investor successfully engaging with the Company and its management to develop a detailed business plan for the Company into the future, including a plan to realign business operations on a sustainable footing; and
 - 3.5.4 Commitment by the Investor to immediately engage with the Examiner to formulate an offer of investment in the Company, subject to an appropriate scheme of arrangement being prepared by the Examiner and approved by Creditors and the Court.
- 3.6 In the Report, the Independent Expert also expressed the view that an attempt to continue the whole or any part of the undertaking of the Company would be likely to be more advantageous to the Members and Creditors as a whole than a winding-up of the Company.
- 3.7 I have formulated these Proposals in accordance with Section 539 of the Act and nothing has arisen since my appointment to cause me to disagree with the opinion of the Independent Expert set out above.
- 3.8 As set out herein, an agreement has been reached with the Investor to make the Investment in the Company, with this Investment being subject only to confirmation by the Court of these Proposals.

Particulars of the Company

- 3.9 I set out below at **Appendix 1** a summary of the particulars of the Company.

4 THE PROPOSALS AND INVESTMENT

Scheme Summary

- 4.1 The classes of Members of the Company are specified at **Appendix 2** below and the classes of Creditors of the Company as at the date of the Petition are specified at **Appendix 6** below.
- 4.2 For the purpose of these Proposals, the interest of a Member of the Company is impaired if:

- 4.2.1 the nominal value of its shareholding in the Company is reduced;
- 4.2.2 it is entitled to a fixed dividend in respect of his shareholding in the Company, and the amount of that dividend is reduced;
- 4.2.3 it is deprived of all or any part of the rights accruing to it by virtue of its shareholding in the Company;
- 4.2.4 its percentage interest in the total issued share capital of the Company is reduced;
or
- 4.2.5 it is deprived of its shareholding in the Company.
- 4.3 For the purpose of these Proposals, a Creditor's claim against the Company is impaired if it receives less in payment of its claim than the full amount due in respect of its claim at the Petition Date.
- 4.4 The interests of all Members of the Company, with the exception of the Investor, are being impaired pursuant to the terms of the Proposals in circumstances where their percentage interest in the total issued share capital of the Company will be fully reduced.
- 4.5 The interests or claims of certain classes of Creditors are also being impaired pursuant to the terms of the Proposals, as explained in detail at clause 5.
- 4.6 The Proposals provide in clause 8 for implementation.
- 4.7 A statement of assets and liabilities (including contingent and prospective liabilities) of the Company as at the date of these proposals is attached at **Appendix 3**.
- 4.8 The estimated financial outcome of a winding-up of the Company for the Members and the classes of Creditors as at the date of these proposals is attached at **Appendix 4**.
- 4.9 The Court has not directed that any specific provisions be included in the Proposals.
- 4.10 I have included in these Proposals all such other matters as I deem appropriate.

The Deferred Loan

- 4.11 There has been a change to the Creditors of the Company since the date of the Petition. Specifically, on 26 September 2023 the Investor advanced a loan (the **"Deferred Loan"**) of €300,000 (the **"Deferred Loan Monies"**) to the Company to enable the Company to fully explore the restructuring options available to it. The Deferred Loan is advanced on the following conditions:
 - the Investor accepted that when the Deferred Loan was advanced, the Company was insolvent;
 - in the event that the High Court approves the Scheme, the Deferred Loan Monies shall be capitalised by way of applying them to the subscription for Investor Shares at par. Such Investor Shares shall be allotted to the Investor at the Effective Date. In the event that the Scheme is approved and the Deferred Loan is converted into Investor Shares, the Investor shall have no further recourse or right of recovery against the Company in respect of the Deferred Loan. In the event that High Court does not approve the Scheme on or before 6.00pm on the day on which the period of protection under Section 520 of the Act ceases to apply to the Company or 31 October 2023 or such future date as may be agreed between the Investor and the Examiner, whichever is earlier the Investment Agreement is terminated. In the event of such termination:

- No interest is payable on the Deferred Loan for 12 months following the date on which it was drawn down and simple interest shall be payable at a rate of 12 per cent per year, thereafter; and
- If the Investment Agreement is terminated before the Deferred Loan is converted into shares and in the event that the Company is wound up, the repayment of any part of the Deferred Loan shall be deferred so that no part of it shall be repaid unless the Unsecured Creditors and the Contingent Decommissioning Creditor receive a dividend of 100 per cent on the debt due to them.

4.12 As noted above, the Deferred Loan was advanced after the date of the presentation of the Petition. It is therefore not a debt which is impaired by, or forms part of, the Scheme. The Investor has no voting rights in respect of the Deferred Loan and is not treated as a class or a member of any class of Creditors for the purpose of these proposals. The creditors of the Company are not prejudiced by the fact that the Deferred Loan is not impaired by the Scheme because either (a) the Deferred Loan will be fully converted to shares in the event that the Scheme is approved or (b) if the Scheme is not approved and the Company enters liquidation, the Deferred Loan is fully subordinated to the claims of the Unsecured Creditors and the Contingent Decommissioning Creditor.

The Investment

4.13 The Company and the Investor, whose details are set out in **Appendix 5**, have agreed, subject to confirmation by the Court of these Proposals, and simultaneously with the cancellation of the Share Capital pursuant to the order of the Court pursuant to section 541 and / or section 542, that the Investor shall make the Investment in the Company pursuant to the terms of the Investment Agreement. The Investor is the parent company of Vevan Unlimited Company.

4.14 Pursuant to the terms of the Investment Agreement, it is agreed that:

- (a) on or prior to the date of the Investment Agreement, the Initial Funding shall be deposited by the Investor in an escrow account (which shall be operated by Mason Hayes and Curran LLP as escrow agent in accordance with clause 4 and Schedule 3 of the Investment Agreement);
- (b) By 4.00 pm on the day before the Confirmation Hearing, the balance of the Investor Subscription Monies shall be deposited by the Investor in an escrow account (which shall be operated by Mason Hayes and Curran LLP as escrow agent in accordance with clause 4 and Schedule 3 of the Investment Agreement and
- (c) on the Effective Date, the Investor shall make the Investor Subscription Monies, less the Examiners remuneration, costs and expenses (including legal costs) as set out in clause 4.18.1 below available to the Company for subscription for the Investor Shares at par.

4.15 On the Effective Date, the Escrow Agent shall pay the Investor Subscription Monies less the Examiners remuneration, costs and expenses (including legal costs) as set out in clause 4.18.1 below to the Company and the Company shall issue to the Investor the Investor Shares subscribed for using the Subscription Monies pursuant to the Investment Agreement and register the Investor as the holder of such Investor Shares in its register of members and deliver to the Investor a duly executed certificate in respect of such Investor Shares.

4.16 The Investor will allocate to the Other Shareholders 5% of any net after-tax profits realised by the Company from the Barryroe field either through its sale or operation at any time in the 10 year period after the Effective Date ("**the Proposal**").

- 4.17 For the avoidance of doubt, the Other Shareholders shall not be required to commit additional funds to participate in the Proposal. The documentation giving effect the Proposal will be prepared and distributed to Other Shareholders within 30 working days of the Effective Date.
- 4.18 On the Effective Date, the Company shall apply the Initial Funding in the following manner and order:
- 4.18.1 in payment of the Examiner's remuneration, costs and expenses (including legal costs) associated with the Examinership (amounting in total to €467,400); and
 - 4.18.2 in funding the Scheme of Arrangement as set out in the Proposals.
- 4.19 The sum of €250,000 of the Subscription Monies shall be used to fund the working capital requirements of the Company to enable it to continue as a going concern as and from the Effective Date
- 4.20 The Investor will provide funding in the amount of €5,000,000 on a future date after the Effective Date on agreement and approval of an appropriate business plan. This will be supplemented by substantial additional funds as required to invest in future approved business plan prospects.
- 4.21 As outlined above, the Investment is conditional upon the approval by the Court of the Proposals. It is anticipated that any pre-conditions provided for in the Investment Agreement, with the exception of the approval by the Court of the Proposals, will be satisfied in advance of the meetings of the Creditors and Members taking place, and in any event, before the Court considers the Proposals pursuant to Section 541 of the Act.
- 4.22 The current directors will be replaced on the board by new directors shortly after the Effective Date on a date to be agreed between the current directors and the Investor.
- 4.23 The Examiner is satisfied that the Investor Subscription Monies, to which the Investor has committed, together with the other financial commitments made by the Investor will afford the Company and part of its undertaking a reasonable prospect of survival with a view to enabling the Company to trade profitably into the future. The Company's lack of such funding was one of the reasons identified in the petition on foot of which the Examiner was appointed which necessitated the appointment of the Examiner. The Proposals are conditional only upon their implementation.
- 4.24 At the date of the Petition the Company had two employees. One of these employees, Mr Colin Christie has resigned as Chief Financial Officer of the Company as at 22 September 2023. The Company's remaining employee will be informed of and consulted with in relation to these Proposals if and when they are confirmed by the Court. There will be no immediate change to employment as a result of the Proposals. The current directors will be replaced on the board by new directors shortly after the Effective Date on a date to be agreed between the current directors and the Investor.

5 TREATMENT OF CLASSES OF MEMBERS AND CREDITORS

Treatment of Members

- 5.1 When the Court confirms the Proposals (with or without modification), the Scheme shall be binding on the Members and on the Company.
- 5.2 Where the Court confirms the Proposals, the interest of the Members in the total issued share capital of the Company will be eliminated. Accordingly, the Members, are impaired by these Proposals.
- 5.3 The Cancellation is a condition of the Investment.

- 5.4 The Members shall receive no distribution on account of their Shares under the Scheme or under these Proposals. On the Effective Date, the Shares and all and any rights attaching or relating thereto will be cancelled.
- 5.5 Any rights and / or entitlements of the Members as members of the Company pursuant to the articles of association of the Company or any other document, or otherwise, shall cease as of the Effective Date.
- 5.6 As provided in clause 4.15 on the Effective Date (and following the Cancellation), the Company shall issue to the Investor the Investor Shares subscribed for using both the Investor Subscription Monies and the Deferred Loan Monies pursuant to the Investment Agreement and register the Investor as the holder of such Investor Shares in its register of members and deliver to the Investor a duly executed certificate in respect of such Investor Shares.
- 5.7 The Investor is hereby authorised as and from the Effective Date, to execute the necessary documentation and to take such other steps as are necessary to effect the allotment and issuance to the Investor of the Investor Shares and to enable the Investor to become the registered owner of the issued Investor Shares.
- 5.8 With effect from the Effective Date, the Company shall adopt a new memorandum and articles of association in place of its existing memorandum and articles of association in order to provide, amongst other things, for authorised share capital in the amount of €1,000,000 (one million), such amendment to take effect simultaneously with the Cancellation, such new memorandum and articles of association to be in the form set out per copy which will be made available on the website (www.barryroeoffshoreenergy.com) on issue of the Proposals.

Creditors

- 5.9 The date by reference to which payments to Creditors shall commence under these Proposals shall be either:
 - 5.9.1 in respect of the Creditors listed in Appendix 6 with respect to the amounts set out as due to those Creditors, the Effective Date as set by the Court; or
 - 5.9.2 in respect of those Creditors whose claims fall to be determined in accordance with clause 6 of the Scheme, the Determination Date.
- 5.10 Appendix 6 contains listings, provided by the Company to the Examiner, of the names of Creditors of the Company as at the Petition Date compiled from the books and records of the Company and the amount of each such individual Creditor's debt as set out in the Company's books and records as at the Petition Date.

Treatment of creditors

- 5.11 The following classes of Creditors are listed at **Appendix 6**:
 - 5.8.1 Preferential Creditor;
 - 5.8.2 Unsecured Creditors; and
 - 5.8.4 Contingent Decommissioning Creditor.

Preferential Creditor

- 5.12 The Preferential Creditor shall receive **100%** of its pre-petition debts, as set out in respect of the Preferential Creditor as set out in **Appendix 6**, within 30 days after the Effective Date. Accordingly, the Preferential Creditor is not impaired by these Proposals. The reason for not impairing the Preferential Creditor is that it would be paid in full in a liquidation.

Unsecured Creditors

- 5.13 The Unsecured Creditors shall receive **70%** of their pre-petition debts, as set out in respect of the Unsecured Creditors in **Appendix 6**, within 30 days after the Effective Date. Accordingly, the Unsecured Creditors are impaired by these Proposals.

Contingent Decommissioning Creditor

- 5.14 The Company and Exola between them hold, or held, licences in respect of 6 exploration wells pursuant to the *Licensing Terms for Offshore Oil and Gas Exploration, Development and Production 2007* or the previous version of same. Those terms impose certain obligations on the holders of licences in relation to the abandonment of wells. The Company has included a provision for such costs in its accounts, including costs in respect of the licence held by Exola.
- 5.15 Since his appointment, the Examiner has sought to investigate the nature and extent of the Company's liability arising under these licences. There are significant deficiencies in the records held by the Company in relation to this issue.
- 5.16 Where the holder of a licence does not carry out works that it is required to carry out, in certain circumstances, the Minister may be entitled to carry out the works and to recover the costs thereof from the relevant licensee.
- 5.17 As the licence in respect of the Barryroe field is held by Exola, no provision (other than in the group consolidated accounts) is made in respect of that.
- 5.18 The Company has no interest in continuing any exploration pursuant to the licences directly held by it.
- 5.19 The Minister is recognised as the Contingent Decommissioning Creditor in respect of the provision made in the Company's accounts, net of the proportion thereof that relates to the licence held by Exola. This recognition is without admission that the Minister is entitled to claim the amount provided, or any amount.
- 5.20 As at the date of these Proposals the liability, if any, of the Company to the Contingent Decommissioning Creditor and the quantum, if any, due to the Contingent Decommissioning Creditor and has not been determined, agreed and/or crystallised. Unless agreed and crystallised prior to the Effective Date, any claim of the Contingent Decommissioning Creditor shall, unless otherwise agreed by the Contingent Decommissioning Creditor and the Company, be determined by the expert determination process set out in Clause 6 of these Proposals (the "**Expert Determination Process**").
- 5.21 Any Contingent Decommissioning Creditor's claim (whether quantified by agreement or upon the determination under the Expert Determination Process) shall be paid in the amount of 1% of the amount so agreed or determined. Consequently, the Contingent Decommissioning Creditor is impaired by these Proposals. The Company shall, for the avoidance of doubt, have no liability or obligation to the Contingent Decommissioning Creditor save as provided in these Proposals.

6 DETERMINATION OF CLAIMS

Determining the Claims of Unagreed Creditors

- 6.1 In order to implement the Proposals and in the interests of the Company and the Creditors, taken as a whole, it is proposed to resolve the claims of Creditors whose claims are either not admitted either with regard to liability or quantum or both as set out in this section a Creditor which is: (i) not listed in Appendix 6; or (ii) where listed in Appendix 6, disputes the amount of its claim as set out in Appendix 6, or (iii) is the Contingent Decommissioning Creditor shall for the purpose of the Proposals be deemed to be an Unagreed Creditor (an **Unagreed Creditor**).

- 6.2 An Unagreed Creditor may forward by email to the Company, marked for the attention of Alan Curran at finance@barryroeffshoreenergy.com within 8 weeks after the Effective Date a proof of claim setting forth the amount which it believes should be included as its claim for the purposes of the Proposals and the basis for the claim, including supporting documents as applicable.
- 6.3 In the event that an Unagreed Creditor is listed in **Appendix 6**, but does not notify the Company of its claim in accordance with the provisions as set out above, that Unagreed Creditor shall be deemed to have submitted a claim for the amount included in the Company records and set out in Appendix 6, if anything, and the Effective Date shall be deemed to be the Determination Date for such claim.
- 6.4 In the event that an Unagreed Creditor is not listed in **Appendix 6** and that Unagreed Creditor does not notify the Company in writing of its claim, in accordance with the provisions set out above, such Unagreed Creditor's claim or debt shall cease to exist and shall therefore be unenforceable.
- 6.5 The Company shall notify each Unagreed Creditor, by registered post or email, within 7 days after receipt of its claim in accordance with clause 6.2 whether the Company accepts the claim or not. In the event that the Company disputes the claim, the Company notice shall be deemed to be a dispute notice (the **Dispute Notice**) and it shall specify the quantum, if any, that the Company, acting in good faith, considers should be admitted.
- 6.6 An Unagreed Creditor may, within 14 days of the issue of a Dispute Notice, submit its claim to the Expert for determination.
- 6.7 In the event that the claim of an Unagreed Creditor is contingent in nature and the event upon which it is contingent has not arisen at the time the said Unagreed Creditor's claim comes before the Expert for determination, the Expert, in such circumstances, shall be precluded from considering the Unagreed Creditor's claim and instead the said Unagreed Creditor's claim or debt shall cease to exist and, therefore, no claim by that Unagreed Creditor shall be enforceable.
- 6.8 In the event that an Unagreed Creditor does not submit its claim to the Expert within 14 days after the issue of the Dispute Notice, that Unagreed Creditor shall be deemed to have submitted a claim for the amount included in the Dispute Notice (if any) and will be admitted as a Creditor in that amount (if any) and the Determination Date shall be the 14th day after the issue of the Dispute Notice. In the event that the Dispute Notice does not include any amount, the Unagreed Creditor's claim or debt shall cease to exist and the Unagreed Creditor shall have no claim against or debt due by the Company.
- 6.9 The Company and each Unagreed Creditor may negotiate a settlement of the Unagreed Creditor's claim at any time prior to the decision by the Expert. In such case, the date of settlement shall be the Determination Date.
- 6.10 The Expert shall, upon receipt of any Unagreed Creditor's claim furnish the Company with a copy of the claim. The Company may submit a response to the Expert within 14 days after receipt of such copy claim. The Expert shall not deliver his determination before the expiry of that period of 14 days.
- 6.11 The Expert shall be entitled, but shall not be obliged, to seek further information as he, in his sole discretion, deems necessary, prior to making his determination, and the Expert shall be entitled to stipulate the necessary time deadlines for the provision of such information.
- 6.12 The Expert shall, not later than 100 days after the Effective Date, notify both the Unagreed Creditor and the Company of his determination of the amount, if any, for which the Unagreed Creditor's claim shall be admitted. The date of the Expert's determination shall be deemed to be the Determination Date.
- 6.13 Upon determination by the Expert in respect of the quantum of a liability, payment in respect of the liability will be made in accordance with the provisions contained herein for payment to the

class of Creditor to which the said Unagreed Creditor belonged, save that the words "Effective Date" shall be replaced with "Determination Date" for the purposes of clause 5.6 hereof.

- 6.14 The Company and the Unagreed Creditor shall each be liable for 50% of the costs and expenses of the Expert in connection with his determination.
- 6.15 The Expert shall act as an expert and not as an arbitrator and his determination shall be final, binding and conclusive in all respects on both parties and no dispute in relation to the rights of claims of Creditors submitted for decision to the Expert shall be litigated or arbitrated, nor shall the provisions of the Arbitration Act 2010 be applicable.

Waiving of Creditor Rights

- 6.16 With effect from the Effective Date with respect to the Company, no Creditor or any other party shall have any debt, right or claim of any description whatsoever (including, but not limited to, contingent or prospective claims arising out of any guarantee or indemnity granted in respect of any liability of the Company and claims of which the Company and / or the Examiner are unaware), against the Company arising out of or connected with any contract, engagement, circumstance, event, act or omission of the Company prior to the Petition Date, save as provided in these Proposals.
- 6.17 Without prejudice to the generality of Clause 6.16, no Creditor shall be permitted to set off a debt which it owes to the Company (where such debt has been incurred during the Protection Period) against a debt which was owing to it by the Company on or before the Petition Date.

For the avoidance of doubt:

- (J) Subject to the provisions of the Act (as amended), failure through inadvertence on the part of the Examiner or the Company to notify any Creditor of the class meeting of creditors to which the Creditor should have received notice will not prevent that Creditor from being bound by these Proposals, if and when the Proposals are confirmed by the Court.
- (K) Nothing in these Proposals shall prejudice or affect the rights of the Company to seek full payment or contribution from any person or to pursue or enforce any claim or liability of any person or to seek performance of its contractual rights and entitlements existing at the Petition Date.
- (L) With respect to the Company, no interest, penalties or costs (over and above the sum specified in Appendix 6 relating to that creditor, or the sum determined in accordance with these Proposals) shall be payable by that Company to any Creditor.
- (M) With respect to the Company, the payments provided for in these Proposals shall be in full and final settlement of all claims and entitlements of each Creditor to which a payment is made.
- (N) To the extent that the claim of any Creditor (including without limitation the claim of any Unagreed Claimant) is covered by insurance, the insured element of such claim shall not be affected by these Proposals.

7 RETENTION OF TITLE

- 7.1 Whilst the Proposals deal with the claims of all Creditors, certain Creditors may have retention of title rights with respect to goods supplied. The Proposals are without prejudice to these rights, which will be dealt with as set out hereunder.
- 7.2 Any Creditor or other party (hereinafter collectively referred to as **Claimants** and each a **Claimant**) which claims that it has validly retained title to goods in the possession of the Company at the date of the hearing, pursuant to Section 541 of the Act with respect to these

Proposals, which it claims it is entitled to exercise with regard to a debt incurred to the Company prior to the Petition Date, shall notify the Company of such claim by post, addressed to the Company Secretary, within 7 days after the Effective Date, regardless of whether a claim has previously been made. Failure to notify such claim within that time shall result in the Claimant (to the extent that its claim is admitted pursuant to these Proposals) being treated as an Unsecured Creditor and surrendering its claim to retention of title.

- 7.3 Where a Claimant submits such retention of title claim, that claim shall be determined to the extent applicable as closely as possible to the manner set out in clause 6 above. If, under that procedure, the Company agrees, or the Expert determines that the Claimant had retained title to the goods supplied, provided the Claimant's monetary claim is admitted pursuant to these Proposals, that Claimant may elect to exercise its rights pursuant to its retention of title clause. Where a party is both an Unagreed Creditor wishing to be admitted in respect of a monetary sum and is seeking to make a retention of title claim, both adjudication processes (under clause 6) shall take place simultaneously.
- 7.4 On notification that a Claimant elects to exercise its retention of title rights, it shall be at the discretion of the Company as to whether the Claimant receives an amount equal to the value of those goods, which the Company holds subject to the retention of title clause, or the return of its goods. Such payment shall be made or, if applicable, the goods may be returned within 30 days after agreement or determination by the Expert.
- 7.5 Where goods are returned, the Claimant shall issue a credit note, dated as of the Petition Date, for the full value of the goods returned. In the event that an agreement is not reached between the Company and the Claimant as to the value of the goods returned, the Expert shall determine such value.
- 7.6 Any Claimant who recovers goods pursuant to this clause 12 shall on the due date for payment pursuant to the Proposals receive a dividend as an Unsecured Creditor with respect to the balance of its Agreed Debt after deduction of the value of the goods returned.
- 7.7 The date of agreement or determination by the Expert shall be deemed to be the Determination Date.

8 IMPLEMENTING THE SCHEME

Implementation of the Proposals

- 8.1 In formulating the Proposals, the Examiner has treated each separate class of Creditors on a fair and equitable basis having regard to the current trading position of the Company and the amounts which those Creditors might receive on a winding up. The Examiner is satisfied that the acceptance and implementation of the Proposals is in the best interests of the Creditors of the Company.
- 8.2 At the confirmation hearing in respect of the Company under Section 541 of the Act, the Examiner proposes to seek orders approving the Proposals in respect of the Company, upon the making of which, the Proposals will become effective and binding on the Members, the Creditors and on the Company and the protection of the Court will cease.

9 THIRD PARTY GUARANTEED CREDITORS

Application

- 9.1 This section shall apply in respect of a liability:
- (A) of any person (the **Guarantor**) whether under a guarantee or otherwise;
 - (B) in respect of a debt of the Company;

(C) that remains owing to any person.

- 9.2 If a guaranteed creditor wishes to enforce, by legal proceedings or otherwise, that guarantee, the guaranteed creditor must, within 48 hours of receipt of the notice of a meeting to consider these Proposals, serve a notice on the Guarantor containing an offer in the terms set out below.

Offer

- 9.3 Where a guaranteed creditor proposes to enforce a guarantee, any rights the guaranteed creditor has to vote on these Proposals under section 540 of the Act associated with the particular debt must first be offered in writing to the Guarantor (the **Offer**).
- 9.4 If the Offer is accepted by the Guarantor, the offer to transfer the vote can be accepted by the Guarantor and can operate without the necessity for any assignment or the execution of any other instrument if the Examiner is informed of the acceptance by being furnished with a copy of the Offer at the relevant meeting of Creditors.
- 9.5 If the Offer is not accepted by the Guarantor, or if the Guarantor fails or refuses to vote at the relevant meeting of Creditors, provided the Offer has been served within the prescribed time period, the guaranteed creditor will be deemed to have preserved its rights and entitlements under the guarantee.
- 9.6 For the avoidance of any doubt, neither the transfer nor any vote cast by the Guarantor on foot of the transfer shall operate to prejudice the right of the guaranteed creditor to object to the proposals at the hearing for the confirmation of the Proposals by the Court under section 543 of the Act.
- 9.7 If a guaranteed creditor fails to make the Offer within the prescribed time period (or at all), the guaranteed creditor may not enforce, by legal proceedings or otherwise, the obligation of the Guarantor in respect of the liability.
- 9.8 Paragraph 9.7 shall not apply if –
- 9.8.1 a compromise or scheme of arrangement in relation to the Company is not entered into or does not take effect under section 542(3) of the Act; **and**
- 9.8.2 in either of those cases, the guaranteed creditor has obtained the leave of the Court under section 549 of the Act to enforce the obligation of the Guarantor in respect of the liability.

10 MISCELLANEOUS

Priorities

- 10.1 The remuneration costs and expenses of the Examiner shall be accorded the priority afforded to them in Section 554 of the Act and shall be paid on the Effective Date.
- 10.2 All amounts due to Creditors by the Company in respect of goods or services during the Protection Period shall be paid by the Company in full in the normal course of business.
- 10.3 No certificates pursuant to Section 529 of the Act have been issued by the Examiner at the date of these Proposals.

Foreign Currency Conversion

- 10.4 Creditors' claims denominated in currency other than euro amounts will be converted at the European Foreign Exchange Reference Rates as at the Petition Date.

Non Admission of Claims

- 10.5 Nothing contained in these Proposals shall constitute an admission or acknowledgement of liability in respect of any claim, which has not otherwise been admitted by the Company.

Interests of Directors and Connected Companies

- 10.6 To the extent that certain of the Directors or companies connected to the Directors are creditors of the Company, in accordance with Section 540 (11) of the Act, the effect of these Proposals on the interests of the Directors, whether as directors, members or creditors of the Company, or otherwise, is no different to the effect on the like interest of other persons.

Governing Law and Jurisdiction

- 10.7 These Proposals shall be governed by and construed in accordance with the laws of Ireland. The courts of Ireland shall have exclusive jurisdiction to hear and determine any suit, action or proceeding or to settle any dispute which may arise in relation to these Proposals.

Explanatory Memorandum

- 10.8 Accompanying these Proposals is an Explanatory Memorandum, which provides a summary of these Proposals and their effect. It should be read in conjunction with the Proposals.
- 10.9 Terms defined in the Proposals in respect of the Company shall have the same meaning in the Explanatory Memorandum of the Company. In the event of any ambiguity or difference between the terms of the Explanatory Memorandum and the Proposals, the terms of the Proposals shall apply.

Kieran Wallace
Examiner

Interpath Advisory
6 Fitzwilliam Square E
Dublin 2
D02 Y447

28 September 2023

APPENDIX 1

PARTICULARS OF THE COMPANY

| | | |
|----|--|---|
| | Barryroe Offshore Energy Public Limited Company | |
| 1. | Registered Number: | 268662 |
| 2. | Date of Incorporation: | 5 July 1997 |
| 3. | Place of Incorporation: | Ireland |
| 4. | Registered Office: | Paramount Court, Corrig Road, Sandyford Business Park, Dublin 18 |
| 5. | Authorised Share Capital: | €111,184,722.15 divided into 1,800,000,000 ordinary shares of €0.001 each and 9,944,065,650 deferred shares of €0.011 each. |
| 6. | Issued Share Capital: | 1,146,096,598 ordinary shares of €0.001 each and 6,441,372,785 deferred shares of €0.011 each in the capital of the Company |
| 7. | Directors: | Andrew MacKay Ann-Marie O'Sullivan Peter John Newman |
| 8 | Secretary: | Peter John Newman |

APPENDIX 2

CLASS OF MEMBERS

| Various |
|--|
| <ul style="list-style-type: none">• Authorised Share Capital: €111,184,722.15 divided into 1,800,000,000 ordinary shares of €0.001 each and 9,944,065,650 deferred shares of €0.011 each. |
| <ul style="list-style-type: none">• Issued Share Capital:<ul style="list-style-type: none">– 1,146,096,598 ordinary shares of €0.001 each; and– 6,441,372,785 deferred shares of €0.011 each. |

APPENDIX 3

STATEMENT OF ASSETS AND LIABILITIES ON A GOING CONCERN BASIS AS AT 28 SEPTEMBER 2023 [1]

| | € | € |
|--|-------------|--------------------|
| Current Assets | | |
| Trade and Other Receivables | 25,000 | |
| Loans to Subsidiaries | 20,000 | |
| Cash at Bank | 414,871 | |
| VAT Refund | 90,000 | |
| Other assets | 1,000 | 550,871 |
| | | |
| Total Assets | | 550,871 |
| | | |
| Examinership costs [2] | 467,400 | 467,400 |
| | | |
| Funds available for Creditors | | 83,471 |
| | | |
| Preferential Creditors | (31,482) | (31,482) |
| | | |
| Funds available for Unsecured Creditors | | 51,989 |
| Unsecured Creditors | (466,345) | |
| Contingent Decommissioning Creditor [3] | (4,633,184) | |
| Deferred Creditor | (300,000) | (5,399,529) |
| Estimated Total Deficiency | | (5,347,540) |

Notes:

1. The Statement of Assets and Liabilities has been prepared from the latest information made available to the Examiner.
2. Examinership costs include Examiner's professional fees and outlay, legal fees and outlay, counsel fees and VAT.
3. The Contingent Decommissioning Creditor's claim is not admitted and subject to Expert adjudication under the Scheme. The amount listed is included as a matter of prudence, without any admission of liability on the part of the Company.

APPENDIX 4

ESTIMATED FINANCIAL OUTCOME ON A WINDING UP AS AT 28 SEPTEMBER 2023

| | € | € |
|--|-------------|--------------------|
| Current Assets | | |
| Trade and Other Receivables | 25,000 | |
| Loans to Subsidiaries | 20,000 | |
| Cash at Bank | 414,871 | |
| VAT Refund | 90,000 | |
| Other assets | 1,000 | 550,871 |
| | | |
| Total Assets | | 550,871 |
| | | |
| Examinership costs[1] | (467,400) | |
| Estimated costs of Liquidation | (49,200) | (516,600) |
| | | |
| Funds available for Creditors | | 34,271 |
| | | |
| Preferential Creditors | (31,482) | (31,482) |
| | | |
| Funds available for Unsecured Creditors | | 2,789 |
| Unsecured Creditors | (466,345) | |
| Contingent Decommissioning Creditor[2] | (4,633,184) | |
| Deferred Creditor | (300,000) | (5,399,529) |
| Estimated Total Deficiency | | (5,396,740) |

Estimated dividend available to unsecured creditors in a winding up: 0.052%

Notes:

1. Examinership costs include Examiner's professional fees and outlay, legal fees and outlay, counsel fees and VAT.
2. The Contingent Decommissioning Creditor's claim is not admitted and subject to Expert adjudication under the Scheme. The amount listed is included as a matter of prudence, without any admission of liability on the part of the Company.

APPENDIX 5
THE INVESTOR

| | | |
|----|----------------------------------|--|
| 1. | Name: | Lorsden (Jersey) Limited |
| 2. | Registered Number: | 101680 |
| 3. | Date of Incorporation: | 2 September 2008 |
| 4. | Place of Incorporation: | Jersey |
| 5. | Registered Office: | 2nd Floor The Le Gallais Building 54 Bath Street St Helier Jersey , JE1 1FW |
| 6. | Authorised Share Capital: | 1,000,000 Ordinary Shares of €1 each |
| 7. | Issued Share Capital: | 3 Ordinary Shares of €1 each |
| 8. | Directors: | Declan Sheeran Larry Corrigan |
| 9. | Secretary: | Declan Sheeran |

APPENDIX 6

CREDITORS

AS AT THE DATE OF THE PETITION

*United Kingdom Creditors have been included using the exchange rate set by the Central Bank of Ireland at 21 July 2023 where €1 equals £0.86706.

1. PREFERENTIAL CREDITOR

| Creditor | Amount (€) |
|-----------------------|------------|
| Revenue Commissioners | 10,543.21 |

2. UNSECURED CREDITORS

| Creditors | | Amount (€) |
|----------------------------|---|------------|
| Republic of Ireland | | |
| 1. | A&L Goodbody LLP | 128,183.22 |
| 2. | Computershare Investor Services (Ireland) Limited | 24,278.45 |
| 3. | Davy Corporate Finance | 134,145.00 |
| 4. | Iron Mountain Ireland Limited | 647.00 |
| 5. | KPMG | 47,970.00 |
| 6. | Magnet Networks | 689.00 |
| 7. | Minutebuyer | 400.00 |
| 8. | NRG Well Management International Ltd | 13,315.00 |
| 9. | Vodafone Ireland Ltd | 40.00 |
| United Kingdom* | | |
| 10. | ALS Petrophysics Ltd | 1,012.00 |
| 11. | Argus Vickers | 902.00 |
| 12. | Euroclear UK & International Limited | 582.00 |
| 13. | Flowcomms Limited | 2,021.00 |
| 14. | HMRC | 22,538.00 |
| 15. | Interica Ltd | 1,265.96 |
| 16. | London Stock Exchange Plc | 1,746.00 |

3. CONTINGENT DECOMMISSIONING CREDITOR

| Creditor | Amount (€) |
|--|------------------|
| The Minister for the Environment, Climate and Communications | To be determined |

Dated 28 September 2023

THE HIGH COURT

2023 No. 139 COS

**IN THE MATTER OF
BARRYROE OFFSHORE ENERGY
PUBLIC LIMITED COMPANY
AND IN THE MATTER OF
PART 10 OF THE COMPANIES ACT
2014**

**PROPOSALS FOR A SCHEME OF
ARRANGEMENT**

BETWEEN

**BARRYROE OFFSHORE ENERGY
PUBLIC LIMITED COMPANY
(IN EXAMINATION
UNDER PART 10 OF THE
COMPANIES ACT 2014)**

AND

**ITS RESPECTIVE MEMBERS AND
CREDITORS**

**KIERAN WALLACE
Examiner
Interpath Advisory
6 Fitzwilliam Square E
Dublin 2
D02 Y447**