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Administrators' Report
17 February 2026

Tahmoor Coal Pty Ltd (Administrators Appointed)
ACN 076 663 968 ("the Company")
Trading as: 'Tahmoor Colliery'



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Glossary

Term	Definition
\$	Australian Dollar
Act	Corporations Act 2001 (Cth)
Administrators	Christopher Johnson and Joseph Hayes of Wexted Advisors
AEDT	Australia Eastern Daylight-Saving Time
AEST	Australian Eastern Standard Time
ALLPAAP	All present and after-acquired property, a term associated with security interests under the PPSA
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
AUD	Australian Dollar
CMI	Coal Mines Insurance Pty Ltd
Company / Tahmoor Coal / Tahmoor	Tahmoor Coal Pty Ltd (Administrators Appointed) ACN 076 663 968
D&O Policy	Directors and Officers Insurance Policy
Directors	Sanjeev Gupta, Iain Hunter and Theunis Victor
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code dated 12 February 2026
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee, a scheme administered by the Commonwealth Government to aid employees owed outstanding employee entitlements following the insolvency of an employer
First Meeting	The first meeting of creditors of the Company to be held on 19 February 2026 pursuant to section 436E of the Act
FYXX	Financial year ending 30 June 20XX
K	Thousand
LPMA	Liberty Primary Metals Australia Pty Ltd (Subject to Deed of Company Arrangement)
Luminith	Luminith Investments Pte. Ltd (Oaktree managed special-purpose vehicle)
M	Million
Management	Peter Vale, Peter Mott, John Olayta, Billy Zhou, Clint Mason
NBIO	Non-binding indicative offer



Term	Definition
NDA	Non-disclosure agreement
NSW	New South Wales
Oaktree Capital	Oaktree Capital Management
OSR	Office of State Revenue
pa	Per annum
POD	Proof of Debt Form
PPSA	Personal Property Security Act 2009 (Cth)
PPSR	Personal Property Security register – a register set up under the PPSA for the registration of security interests
Administrators Report or Report	This report, prepared about the business, property, affairs and financial circumstances of the Company
Relation-back period	Six-months prior to the date of our appointment, being 9 August 2025 to 9 February 2026
ROCAP	Report on Company Activities and Property
ROM	Run of Mine
Rstar Mining	Rstar Mining Pty Ltd
Section or “s”	Section of the Act, or Section of the Report
Second Meeting	Meeting held pursuant to Section 439A of the Act where creditors determine the future of the Company
Secured Creditors	Global Loan Agency Services Australia Nominees Pty Ltd, hold two ALLPAAP registrations dated 7 October 2025, on behalf of Oaktree Capital.
Tahmoor Colliery / the Mine	Tahmoor Colliery located in Bargo, New South Wales
TBC	To be confirmed
The Period	1 February 2025 to 9 February 2026
USD	United States Dollar
Wexted Advisors or WXA	Wexted Pty Ltd atf Wexted Unit Trust t/as Wexted Advisors, Level 17, 68 Pitt Street, Sydney NSW 2000
YTD	Year to date, a period starting from the beginning of the current financial year and continuing up to a defined date



1. Executive Summary

This report provides an overview of the financial and operational position of Tahmoor Coal Pty Ltd (Administrators Appointed) (**the Company**), with a focus on the following:

- Funding arrangements with the Company;
- The market-testing / sale process currently being undertaken by the deed administrators of Liberty Primary Metals Australia Pty Ltd (Subject to Deed of Company Arrangement) ACN 631 112 573 (**LPMA**); and
- Preliminary investigations into potential recoveries should a liquidator be appointed; and
- Some general comments and conclusions.

1.1 Funding

To date, Tahmoor Coal has relied on a combination of internal funding and external payments to meet its trading obligations. Details of these funding arrangements, including amounts received and disbursed, are set out in the Affidavit dated 13 February 2026. These demonstrate the Company's dependence on continued financial support to sustain operations during the period leading up to administration.

The Administrators were able to agree a Funding Deed with a related party to the Company, Clydesdale Engineering Limited. The details of that arrangement are set out in our 10 February 2026, 13 February 2026 and 16 February 2026 Affidavits.

While those arrangements are with a related party, and the financial position of that entity is not known with certainty, we have made significant drawdowns under the Facility. We have also made amendments to it, to reduce the prospect of its early termination. In the context of a Voluntary Administration appointment, we consider it an appropriate facility to allow us to meet the initial Administration objectives while we seek further and other funding, if that is necessary.

1.2 Sale Process

We have obtained information from William Buck in relation to the process that has been commenced by them. We note there has been a 'market testing process' run, in December 2025 and January 2026, for the sale of the Tahmoor shares owned by LPMA. That is seemingly consistent with the objectives of the DOCA.

We consider the existing process requires some refinement in order to (a) address obligations as Administrators of Tahmoor (should we remain in that role) and (b) ensure the process has a high degree of market confidence for potential buyers. That will include:

- The involvement of an Investment Bank to lead the process for the Vendor;
- The Tahmoor Administrators would be clear that the market testing process is in fact an orderly sale process, i.e. a clear and unambiguous decision to commit to a full sale process;
- To afford prospective bidders flexibility and maximise engagement, the campaign should be expressed as a both sale of shares, or of assets;
- The sale campaign should be clearly under the control of the Tahmoor Administrators (should our role continue) at the exclusion of any other party.

In my opinion, an effective external sale process including these elements could be run in a period of eight (8) to ten (10) weeks, on the basis we had funded buyers, with strong asset and sector familiarity, who were acceptable to the key stakeholders (such as Government).

1.3 Impact of Liquidation

We have considered the impact of the appointment of a liquidator, if that were to occur as an outcome of this proceeding (that is that the appointment was not a consequence of a stable voluntary administration, but was immediate):

- A Liquidator Appointed, on an unprepared and unstructured basis, without appropriate funding, could encounter significant disruption in operations;



- Employee and contractual uncertainty would likely result in significant resource loss, contractual defaults, re-possession, disruption to the care and maintenance program, and the emergence of damages and related claims;
- Tahmoor Coal management (Executive General Manager and others) has advised that the redundancy of staff and workers would result in an extended period to re-employ sufficient employees, extending the time to restart mining and materially impacting value;
- Tahmoor Coal management (Executive General Manager and others) have advised that with the passage of time, the work, time, and cost to achieve a restart will continue to expand. Management has periodically prepared detailed restart plans which initially (in February 2025) forecast a 2-week restart period and now forecast an 8-10 week restart period;
- The Company is subject to a number of requirements under mining leases and has a number of environmental obligations, including to respond to an extant order issued by the Environmental Protection Agency. Cessation of operations or operation of the waste water treatment plant would result in material risk of non-compliance or environmental harm;
- Although there are many scenarios, in the scenarios we have modelled, we have assumed significant disruption that discourages buyers from engaging in a sale, resulting in forced asset sale scenarios;
- The resultant impact in **Section 6** of this report, is potential returns in the range of 0 to 8 cents in the dollar to unsecured creditors (before including amounts that might be payable to contingent creditors) and 4 cents in the dollar to unsecured creditors in the event that those contingent claims are included in full;
- Our preliminary investigations have identified several categories of potential recoveries that may be available to a liquidator. These include, but are not limited to, potential claims relating to antecedent transactions, insolvent trading, and other statutory or common-law causes of action. All of these would require funding to pursue, are not straightforward, and counterparties may have defences available to them.

1.4 Stable Administration

We have also undertaken some modelling to consider the impact of a stable Administration process. We note:

- A sale as a going concern, would be expected to deliver a materially better return to creditors than a forced liquidation scenario. A going-concern outcome is likely to preserve operational value, maintain key contracts and workforce continuity, and avoid the significant value erosion typically associated with a rapid shutdown and asset break-up;
- This is predicated upon the stable and orderly sale of the shares or assets of the Company in an orderly campaign as described above;
- Subject to the sale price of major assets (which we have not disclosed as that could affect campaign credibility), we expect returns to be 85 cents in the dollar to unsecured creditors (before including amounts that might be payable to contingent creditors) and 38.5 cents in the dollar to unsecured creditors in the event that those contingent claims are included in full on the basis that the sale price for the assets of the Company is as we report in **Section 6**;
- In the event the sale price exceeds the estimates in **Section 6** by a factor of more than around 10%, unsecured creditors should get a return of 100 cents in the dollar (before contingent claims); and
- That process could be undertaken by an Administrator on an asset sale basis, with that process followed by Liquidation (if those recoveries were considered valuable) or a DOCA (if that was a better outcome than liquidation).

1.5 Conclusion

We consider that the continuity of the Voluntary Administration is in the interests of creditors.

The appointment of a Liquidator, on an unprepared and unstructured basis, without appropriate funding, could encounter significant disruption in operations and would quite likely generate considerably inferior returns to creditors as well as impact long term employment prospects for a large number of staff.



2. Background

2.1 General observations

The Company was registered on 4 December 1996, and the registered business name of the Company is Tahmoor Colliery. The Company presently employs c.328 staff at its registered address of 2975 Remembrance Driveway, Bargo NSW 2574. The underground mine produces predominantly hard coking coal for steelmaking, with a smaller output of thermal blend coal for power generation.

In around February 2025 the operation was placed into informal care and maintenance (with staff retained). Our preliminary investigations indicate the Company was experiencing financial strain from at least that date or before. Workers, as well as a contracting workforce (**Rstar Mining**) were stood down with pay around that date. In around September 2025 (or before), the Company ceased making payments to Rstar Mining. Rstar Mining confirmed to its relevant contracting staff in around October 2025 that they would no longer be paid.

As outlined in our 12 February 2026 Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**), discussions were held and correspondence was subsequently provided by Management to us, to prepare for the voluntary administration appointment. On 9 February 2026, Christopher Johnson and Joseph Hayes of Wexted Advisors were appointed Voluntary Administrators pursuant to section 436A of the Act.

2.2 Funding of the Administration

On 10 February 2026, the Company and the Administrators entered into Funding Agreement with a limit of \$40M with Clydesdale Engineering Limited (**Clydesdale**). The Funding Agreement allows the Company to obtain loans from Clydesdale which may be used to fund the administration, preserve the status of the Company to maximise a going concern sale and returns to creditors. Clydesdale shares a common director, Mr Sanjeev Gupta, with the Company and we are advised (subject to verification) is a significant creditor of the Company for up to \$202M, comprising a material secured claim and a smaller unsecured claim. We have not yet received a formal proof of debt from Clydesdale, which will be subject to review once received.

We have received a total of \$1.688M in funding for the operations of the Company up to the date of this Report. A further tranche of \$1.4M has been requested and is expected to be received on 17 February 2026 and a further tranche of \$1.5M has been requested and is expected to be received on 18 February 2026. The funding advanced to date is being used to pay all employees' wages, on-costs and other mine operating costs.

2.3 Actions to date

Since our appointment, we have:

- taking control of the Company's assets;
- prepared a circular to employees concerning our appointment;
- issued internal communications to staff;
- attended the Tahmoor Colliery and have spoken to staff concerning key operational issues and matters surrounding systems, treasury and creditor liaison and management;
- issued initial correspondence to the Company's suppliers regarding the supply of services;
- paid employee salaries and wages in the amount of ~\$1.4M and have made arrangements to request further funding;
- attended to statutory notifications;
- worked with Management and requested employee information;
- notified the employees of the Administrators' appointment and FEG scheme, in the event of insufficient circulating asset recoveries in a liquidation scenario;
- liaised with employee union representatives (Mining and Energy Union, Construction, Forestry and Maritime Employees Union and Professionals Australia);
- attended to payment of employee wages and on-costs;



- convened the first meeting of creditors for Thursday, 19 February 2026, to ensure that the administration proceeds expeditiously in the event that Administrators seek and the Court is disposed to grant a further adjournment of the Winding Up Application (defined below);
- preparing a media release concerning the appointment and engaged with various media outlets regarding the Administrators' appointment;
- commenced arrangements for interim insurance cover and insurance coverage which will be required if the administration continues;
- conducted meetings with stakeholders such as union representatives, the New South Wales government, one of its creditors, Coal Mines Insurance Pty Ltd (**CMI**) which commenced the Winding Up Application, trade creditors, and lessors;
- submitted information requests to Company management concerning the Company's capital structure, key contracts, assets and financial position and commenced our review and analysis of that information, which commenced on the morning of 12 February 2026 following receipt of an initial tranche of the information requested;
- conferred with the Deed Administrators of LPMA concerning a marketing process they have been conducting for the sale of shares in the Company and conducted a preliminary review of materials provided by them, including information uploaded to a data room for review by prospective bidders, certain expressions of interest, marketing materials and related correspondence;
- corresponded with the Environmental Protection Agency concerning certain requirements to ensure environmentally safe operating conditions are in place at the Tahmoor Colliery and to respond to concerns in relation to the continued operations of the reverse osmosis waste water treatment plant;
- considered options in relation to an appropriate investment banker to assist with the sale of the Company or its assets, should that become necessary and appropriate;
- conferred with asset valuers to seek valuation of the Company's assets, including its mining leases and associated infrastructure;
- issued requests to the directors of the Company for statements of affairs (which have not been received at the date of this report);
- issued requests to various parties for records and information;
- commenced review of records and information received including financial accounts, bank statements and other documents; and
- on 11 February 2026, we wrote to the Directors of the Company to request the Company's books and records, the completion of the Director ROCAP by 16 February 2026, and provision of background information relating to the Company, including reasons for the financial difficulties. We have also requested a current personal asset position, a copy of the current Directors and Officers (**D&O**) insurance policy, including all schedules and endorsements and copies of all Deeds of Access and Indemnity held by the Company.

2.4 ROCAP and causes of failure

We have not received a completed ROCAP from the Directors or the additional requested information as at the date of this Report, noting that the Directors have five business days to complete the ROCAP (i.e. 16 February 2026). No request for extension has been made by the Directors to date.

Based on our preliminary investigations in the first week of the Administration, our review of the books and records and discussions with various stakeholders of the Company, it appears the causes of failure may include distribution of historic profits and coal price pressures (in periods). This led to undercapitalisation and the care and maintenance implementation in February 2025. The financial distress and appointment of voluntary administrators to OneSteel Manufacturing Pty Ltd in February 2025 appears also to have impacted group financing arrangements.

The Company's financial state led to additional debt being incurred (in the form of unpaid trade creditors, secured and unsecured intercompany loans and secured indebtedness with Oaktree) to fund losses.



2.5 Statutory information

An ASIC search reveals the following details on the Company, its Directors and share capital:

Legal Name	Tahmoor Coal Pty Ltd (Administrators Appointed)
ACN	076 663 968
ABN	97 076 663 968
Incorporation Date	4 December 1996
Current Directors	Sanjeev Gupta (30 November 2018 to date) Iain Mark Hunter (22 June 2021 to date) Theunis Jacobus Victor (7 September 2023 to date)
Share Capital	Ordinary Shares - \$125,000,002
Shareholders	Liberty Primary Metals Australia Pty Ltd (Subject to Deed of Company Arrangement) (100%)

Source: ASIC Company Search on 10 February 2026, Company records and Administrators' summary of shareholder capital table.

We are not aware of any inaccuracy in the ASIC records.

2.6 PPSR security interests

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must generally be registered on the PPSR or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- Circulating assets (formerly known as 'floating' assets) e.g. debtors, stock and cash; and
- Non-circulating assets (formerly known as 'fixed' assets) e.g. property, plant and equipment, land, goodwill and rights to dividends.

A search of the PPSR revealed around 330 security interests registered over the Company's assets as at the date of our appointment.

On 10 February 2026, we notified all registered security interest holders of our appointment based on ASIC records. We requested further particulars regarding security interests and any claims over the Company's assets.

We are not aware of any other registered security interests as at the date of this Report.

2.7 ALLPAAP Registration

Our review of the PPSR has identified two ALLPAAP registrations in favour of Global Loan Agency Services Australia Nominees Pty Limited (GLAS) as security trustee, dated 29 July 2025 and 7 October 2025, each recorded over "all present and after-acquired property – with exceptions". We understand these registrations relate to funding advanced by Luminith Investment Pte Ltd (an Oaktree-managed SPV) and Clydesdale Engineering Limited (UK) (CEL).

We are advised that CEL, Liberty Primary Metals Australia Pty Ltd (Administrators Appointed) (LPMA) and Tahmoor Coal Pty Ltd (Administrators Appointed) (Tahmoor) entered into tripartite Loan Agreements under which CEL advanced USD 101,188,069.20 and AUD 30,822,746.07 to LPMA, portions of which were automatically on-lent to Tahmoor. To secure the funding, Tahmoor granted CEL an all-asset security interest under a General Security Deed and provided a guarantee and indemnity for LPMA's obligations.

On 8 October 2025, as part of a broader financing arrangement involving Luminith Investment Pte Ltd, CEL assigned and subordinated its debt and security interests in Tahmoor to Luminith's security trust. We are advised that under this structure, CEL is a junior, subordinated beneficiary without voting or enforcement rights



unless the senior beneficiary is repaid in full. Further amounts owing comprise direct advances made by CEL to Tahmoor after 8 October 2025 to fund payroll and other operating costs.

We have received key supporting information for the above arrangements on 16 February 2026 and our review is ongoing.

2.8 Winding up applications

Multiple creditors have issued both statutory demands and commenced winding-up proceedings against the Company over an extended period.

Based on the Company's books and records, the total value of these creditor claims is ~\$16.2M as at the date of our appointment. This is subject to adjudication of the individual creditor claims.

An ASIC search confirms that CMI lodged a winding-up application against the Company on 15 August 2025, relating to unpaid outstanding debts. There have been a large number of supporting creditors (17) for the winding up proceedings on foot.





3. Sale campaign

3.1 LPMA market testing campaign

On 3 November 2025, Rashnyl Prasad, Sean Wengel and Michael Brereton of William Buck were appointed Joint and Several Administrators of LPMA pursuant to section 436A of the Act.

LPMA is the 100% shareholder of the Company and various subsidiaries which form the LPMA Group.

LPMA is currently subject to a Deed of Company Arrangement (**DOCA**) approved by its creditors on 8 December 2025 and executed on 30 December 2025. Mr Prasad, Mr Wengel and Mr Brereton became the Deed Administrators (**Deed Administrators**). The DOCA appears to require the Deed Administrators to carry out a structured market and sale testing process in respect of LPMA's shareholding in the Company (**Sale Campaign**).

The Deed Administrators advised that they formed the view shareholder-level transaction was the most appropriate mechanism available to LPMA to realise value in its investment in the Company. They suggest a sale of shares would, in principle, preserve corporate continuity at the subsidiary level and provide a purchaser with the ability to recapitalise and restart operations, subject to regulatory and creditor approval processes (where necessary).

The LPMA DOCA also established a framework under which any equity realised from a sale of the Company would be applied for the benefit of certain LPMA creditors, if the shares in the Company are sold within 18 months.

We note in particular the LPMA Voluntary Administrators' report dated 1 December 2025 suggests (at the time of the report) LPMA's equity interest in the Company was unknown and that in a secured creditor enforcement scenario, nil return was anticipated for Tahmoor Coal's unsecured creditors or LPMA as shareholder.

We note that in light of the Voluntary Administration of Tahmoor Coal Pty Ltd, the Deed Administrators would be unable to transfer the shares held by LPMA in Tahmoor Coal Pty Ltd, except with the Voluntary Administrators' written consent or a court order (section 437F of the Act).

3.2 LPMA market testing timeline and process

The sale process conducted by the Deed Administrators and timetable are summarised below:

- The EOI process formally commenced on 22 January 2026 with the release of a public advertisement in the Australian Financial Review (**AFR**) and direct engagement with industry participants who had previously expressed interest. Advertisements were also placed internationally via LinkedIn and on the online Australia Mining Monthly Magazine platform;
- Interested parties were required to execute a confidentiality agreement and access to process information was only granted upon full execution of the confidentiality agreement;
- Phase 1 commenced on 22 January 2026, to run into early March 2026. It involved indications of interest, issuing of process letters, execution of confidentiality agreements and the provision of access to a virtual data room containing a limited information set. We have been provided access to an Intralinks data room that is managed by GFG Alliance and used by the Deed Administrators for the sale of LPMA's shares in the Company;
- Parties submitting non-binding indicative offers (**NBIO**) assessed as credible and capable of completion were intended to be shortlisted to progress to Phase 2. Phase 2 was designed to involve access to a more comprehensive data room, structured management engagement and, where appropriate, site visits. Following completion of Phase 2 diligence, shortlisted parties would be invited to submit binding offers, anticipated in early April 2026.

The Deed Administrators have advised us that interested parties were required to indicate their interest in participating in the process via email. Upon doing so, they were issued with a Process Letter setting out, among other matters:

- (a) the transaction structure being pursued, being a potential sale of LPMA's shares in Tahmoor;
- (b) the staged nature of the process including an indicative timetable;
- (c) expectations regarding conduct, confidentiality and communication; and



(d) the requirement for funding credibility and capacity to support a restart of the Mine.

During the sale process, the Deed Administrators received the following:

- EOs from 24 interested parties. We note we have not received a copy of these EOs from the Deed Administrators to review;
- Of those parties, ten (10) have fully executed confidentiality agreements and have been granted access to the Phase 1 virtual data room and are currently undertaking their assessments. The Phase 1 virtual data room has been prepared by the Deed Administrators of LPMA and designed to enable the participants to conduct preliminary diligence and prepare NBIOS; and
- In addition to the parties who have executed confidentiality agreements, a further group of parties have engaged with the process and have either been issued with confidentiality agreements or are in the process of finalising participation arrangements.

The Deed Administrators have advised that as at 12 February 2026 the sale campaign process remains at the Phase 1 stage, with NBIOS anticipated by 27 February 2026. The Deed Administrators have not received any binding offers and Phase 2 of the process has not commenced.

3.3 Response to the Deed Administrators' correspondence

In our letter to William Buck dated 16 February 2026, we outlined the conditions we thought necessary to ensure that the sale:

- (a) met the obligations Tahmoor's Administrators would need to address; and
- (b) provided sufficient confidence in the process to encourage bids.

A copy of our response letter is included in the Affidavit evidence.

3.4 Observations

We consider the existing process requires some refinement in order to (a) address obligations as Administrators of Tahmoor (should we remain in that role) and (b) ensure the process has a high degree of market confidence for potential buyers. That will include

- The involvement of an Investment Bank to lead the process for the Vendor. While we have no doubt in the capability of WB Corporate Finance, for an asset of this size and complexity it would be routine to engage an independent M&A expert party, skilled in identifying and securing buyers, where the Administrator can rely upon their independent views and representations. We recognise however this must not be at the cost of efficiency and speed, noting the workforce is being maintained at full pay while this process is underway;
- The commencement of a 'market testing' phase might leave the impression the Vendor has not made a clear and unambiguous decision to commit to a sale process fully. There is merit in the Company's Administrators making that position clear, to ensure buyers are appropriately motivated to participate;
- To afford prospective bidders flexibility and maximise engagement, the campaign should be expressed as a both sale of shares, or of assets;
- The sale campaign should be clearly under the control of the Company's Administrators (should our role continue) and no other party.

In our opinion, an effective external sale process including these elements could be run in a period of eight (8) to ten (10) weeks, on the basis we had funded buyers, with strong asset and sector familiarity, who were acceptable to the key stakeholders (such as Government).

In our assessment attached at **Section 6** of this Report we have ascribed values to the business and its assets arising from an orderly sale. The low range valuations arise from the low range indicative bids that have been received, that will not be acceptable bids for the business if sold as a going concern. We have not disclosed the high range estimates, as to disclose these will impact the integrity of the process. However, it is clear that bids based on any reasonable assessment of the business will result in a better return than in a forced liquidation sale.



3.5 Other expressions of interest

Whilst we have not received details of the bids as at the date of this Report, we have been provided with two expressions of interest from parties who may or may not be participating in the process undertaken by Deed Administrators to date. These are summarised as follows:

- An expression of interest from Rstar Mining dated 5 January 2026, addressed to the Company and the Deed Administrators. The particulars of the letter are withheld for commercial sensitivity; however, the offer referenced a consortium proposal, a letter of comfort, and an indicative offer range, all subject to due diligence.
- An indicative offer submitted by the solicitors for another interested party (details withheld for commercial sensitivity). This offer is subject to detailed due diligence and contemplates an acquisition, recapitalisation, refinancing and/or alternative funding arrangements capable of supporting a sustainable restart of the Tahmoor Colliery.

As administrators we have also received preliminary expressions of interest from two further parties (details withheld for commercial sensitivity).

All offers are preliminary, non-binding, and not currently capable of execution.



4. Investigations

4.1 Introduction

We have undertaken preliminary statutory investigations into the affairs of the Company. Given the early stage of the administration and the volume of information still being reviewed, further detailed investigations will be undertaken prior to the second meeting of creditors.

Since our appointment, we have undertaken the following investigations to prepare this Report and formulate our opinions:

- ASIC and real property searches for the Company and the Director;
- Personal Property Securities Register searches;
- submitted information requests to Company management concerning the Company's capital structure, key contracts, assets and financial position and commenced our review and analysis of that information, which commenced on the morning of 12 February 2026 following receipt of an initial tranche of the information requested;
- conferred with the administrators for LPMA concerning a marketing process they have been conducting for the sale of shares in the Company and conducted a preliminary review of materials provided by them, including information uploaded to a data room for review by prospective bidders, certain expressions of interest, marketing materials and related correspondence;
- corresponded with the Environmental Protection Agency concerning certain requirements to ensure environmentally safe operating conditions are in place at the Tahmoor Colliery;
- considered options in relation to an appropriate investment banker to assist with the sale of the Company or its assets, should that become necessary and appropriate;
- conferred with asset valuers to seek valuation of the Company's assets, including its mining leases and associated infrastructure; and
- issued requests to the directors of the Company for statements of affairs;
- issued requests to various parties (including the Safe Harbour Advisors, Olvera) for records and information;
- held discussions with the Directors, creditors and other key stakeholders;
- reviewed the books and records of the Company, including, but not limited to:
 - extracts of the Company's accounting records for the Review Period;
 - bank statements for the 12-month period prior to our appointment; and
 - creditor proof of debts received including supporting documentation.
- conducted preliminary investigations into potential insolvent trading and voidable transactions.
- reviewed the limited books and records of the Company, including bank statements, accounting records, and other correspondence;
- undertook asset searches of the Company, including searching the Service NSW database;
- obtained access to SAP S/4Hana Cloud, the Company's accounting software;
- undertook asset searches of the Directors; and
- conducted investigations into the affairs of the Company including potential insolvent trading and voidable transactions (including obtaining bank statements and relevant financial records).

Given the early stage of the administration and the volume and complexity of information requiring analysis, our enquiries remain ongoing.

Further detailed investigations will be conducted prior to the second meeting of creditors, at which time a more comprehensive assessment of the Company's financial position, potential recoveries, and any matters requiring further action will be provided.



4.2 Historical and Financial Performance and Position

The Company maintained its management reporting through SAP S/4Hana Cloud. On appointment we requested all books and records from the Directors and key management and have been provided access to SAP.

We have undertaken an analysis of the historical financial records (Profit & Loss Statements and Balance Sheets) for FY23, FY24, FY25 and the FY26 year-to-date (31 January 2026) periods leading up to appointment.

We have not audited or verified the financial statements or management accounts.

4.3 Financial performance

The financial performance for the Company is summarised below:

Tahmoor Coal Pty Ltd (Administrators Appointed)				
Profit and Loss \$M	2023	2024	2025	FY26YTD
Trading Income	593.0	629.5	270.0	0.1
Cost of Sales	(273.0)	(341.2)	(311.7)	(85.9)
Gross Profit	320.0	288.3	(41.7)	(85.8)
<i>GP Margin (%)</i>	<i>53.8%</i>	<i>45.8%</i>	<i>(15.4%)</i>	-
Finance Income	1.4	7.1	4.5	0.4
Other Income	3.1	1.1	9.0	-
Operating Expenses	(217.6)	(135.5)	(88.3)	(31.1)
Impairment Expense	-	(1.0)	-	-
Finance Costs	(3.0)	(3.3)	(2.4)	(3.0)
Net Profit Before Tax	25.8	85.7	(118.9)	(119.5)
Total Income Tax Expense	(78.1)	(71.0)	35.2	31.4
Net Profit After Tax	25.8	85.7	(83.7)	(88.1)

Source: Management Accounts

4.4 Commentary on financial performance

We provide the following commentary on the financial performance of the Company:

- The Company has experienced a sustained deterioration in financial performance from FY25, which appear to be driven by (materially) reduced revenue and the operational and financial impacts of the mine being placed into care and maintenance in February 2025.
- Over that period, the Company has generated ongoing trading losses, with reduced and then severely limited revenue generation while fixed operating and care-and-maintenance costs continued to be incurred, albeit less than what they were when the mine was operational.
- To fund losses and meet some of its obligations, the Company has relied on related-party financial support, unpaid trade and other creditors and external borrowings.



4.5 Financial position

The financial position of the Company is summarised below per the management accounts provided:

Tahmoor Coal Pty Ltd (Administrators Appointed)				
Balance Sheet	Jun'23	Jun'24	Jun'25	Jan'26
\$M				
Cash and Cash Equivalents	10.0	0.7	1.1	0.3
Restricted Cash	27.3	30.0	30.0	30.0
Trade and Other Receivables	28.4	85.4	22.1	22.1
Loans to Related Parties	-	-	1.2	1.9
Inventories	24.5	26.6	9.2	10.0
Current Tax Assets	-	-	31.1	62.6
Other Current Assets	1.8	7.1	0.8	2.0
Total Current Assets	92.0	149.8	95.5	127.9
Trade and Other Receivables	12.8	10.6	9.9	7.3
Property, Plant and Equipment	204.2	228.1	179.7	163.6
Mine Development Expenditure	319.2	338.8	345.3	332.5
Intangibles	6.1	4.9	3.8	4.1
Total Non-Current Assets	542.3	582.4	538.7	507.5
TOTAL ASSETS	634.3	732.2	634.2	635.4
Trade and Other Payables	(76.5)	(78.7)	(111.8)	(124.3)
Financial Liabilities	-	(3.5)	-	-
Loans from Related Parties	-	-	(25.7)	(89.6)
Provisions	(60.4)	(55.8)	(54.9)	(54.3)
Total Current Liabilities	(136.9)	(138.0)	(192.4)	(268.2)
Financial Liabilities	-	(2.5)	-	(10.6)
Deferred Tax Liabilities (Net)	(28.2)	(39.4)	(35.4)	(35.2)
Provisions	(75.1)	(72.5)	(72.7)	(72.3)
Total Non-Current Liabilities	(103.3)	(114.4)	(108.0)	(118.1)
TOTAL LIABILITIES	(240.2)	(254.4)	(300.4)	(386.3)
NET ASSETS	394.1	479.8	333.9	249.1
Share Capital	145.2	145.2	145.2	145.2
Retained Earnings	248.7	334.4	188.5	103.6
Reserves	0.2	0.2	0.2	0.3
TOTAL EQUITY	394.1	479.8	333.9	249.1

Source: Management Accounts

4.6 Commentary on financial position

We provide the following commentary on the Company's financial position:

- The Company's balance sheet reflects a progressively weakening financial position leading up to the appointment of Administrators.
- The Company had a current ratio of less than one over the historical period, indicating that current assets were insufficient to discharge current liabilities leaving the Company reliant related party and external financing.
- The Company's liquidity position has deteriorated materially, with limited liquid assets available to meet short-term obligations and an increasing reliance on related-party funding to maintain solvency.
- Notwithstanding the above, the Company reports a positive net asset and equity position, driven by the value of property, plant and equipment and capitalised mine development expenditure.



- Non-circulating assets, including mining equipment and site infrastructure, are highly specialised and would likely realise significantly lower values in a liquidation scenario compared to an in-situ or going-concern sale.
- \$30M restricted cash relates to mine lease bonding and is therefore unavailable for use to meet current liabilities.
- ~\$16M of the \$22M trade receivable relates to coal long service leave provision and is therefore unavailable for use to meet ordinary trading liabilities.

As noted earlier, we have not audited the financial statements or the management accounts of the Company.

4.7 Director's explanation for the Company's difficulties

On appointment, we wrote to the Directors to request the Company's books and records, the completion of ROCAPs, and provision of background information relating to the Company, including reasons for the financial difficulties.

We have not received a copy of the completed ROCAPs as at the date of this Report and no extension has been requested or granted.

4.8 Administrators' explanation for the Company's difficulties

Based on our preliminary investigations, the Company's difficulties appear to have resulted from a combination of operational, financial and structural factors. The mine was placed into care and maintenance in February 2025 following a period of declining operational performance and increasing cost pressures.

From that point, the Company generated minimal revenue while continuing to incur significant fixed costs associated with care and maintenance activities, regulatory compliance, site obligations and employee-related expenses. In addition, the highly specialised nature of the Company's asset base, combined with the cessation of mining operations, limiting the Company's ability to realise assets in the short term.

Between 1 February 2025 and 9 February 2026 (**the Period**), the Company incurred losses due to the mine not being operational. These losses were initially funded by related party funding, with related party loans increasing from ~\$4.1M to ~\$89.6M during the Period according to the Company's management accounts.

On or around 7 October 2025, the Company secured a funding commitment of ~\$95M under the funding arrangements, to be paid in tranches on certain milestones. The initial tranche of c. \$9.8M was drawn down and received in October 2025. We are advised that further funding was not made available to the Company due to failures to meet certain conditions or covenants.

During the period, multiple creditors filed winding up proceedings which the Company appears to have addressed on a creditor-by-creditor basis.

Further investigations into the Company's financial affairs, trading history and funding arrangements are ongoing and will be reported to creditors ahead of the second meeting.

4.9 Adequacy of books and records

Section 286 of the Act requires a Company to keep written financial records that correctly record and explain its transactions, financial position and performance, to enable true and fair financial statements to be prepared and audited. Financial records must be kept for seven years after the completion of the transactions to which the records pertain.

We have been provided with (amongst other things):

- Access to management accounting software (SAP S/4Hana Cloud);
- Audited Financial reports;
- Management accounts for FY23, FY24, FY25 and FY26 year-to-date;
- Employee information regarding potential outstanding entitlements;
- Loan documents;



- Bank statements;
- Certain contracts and leases; and
- Other records.

Noting the short period since our appointment, we intend to provide a view on whether the books and records comply with Section 286 of the Act in our further reports to creditors.

4.10 Insolvency

Our preliminary investigations indicate that the Company may have been insolvent from February 2025, or possibly earlier, however further investigations are required before the second creditors meeting. The basis of our preliminary opinion is discussed below. A summary of the key factors that lead to our preliminary views includes:

- Tahmoor Colliery entered a care and maintenance phase in February 2025. The Company halted operations and kept workers on full pay during the shutdown. The mine remains idle as at the date of this Report;
- Operating losses (for the past 12 months at least), a current asset ratio below 1.0 since at least FY23, majority of aged payables over 90 days (~60%) as at February 2025;
- OSM, acting as the treasury entity within the broader group, was placed into voluntary administration on 19 February 2025;
- Unpaid state royalties owed to the NSW Government of ~\$29M;
- Winding up application lodged in the Supreme Court of New South Wales on 15 August 2025 due to outstanding debts owed to CMI of ~\$4.7M and multiple supporting creditors and unsatisfied statutory demands; and
- LPMA, the parent entity of the Company was placed into voluntary administration on 3 November 2025 and subsequently Deed Administrators on 30 December 2025.

We note defences may be available to the directors in respect of an insolvent trading claim.

4.10.1 Balance Sheet Test

The balance sheet test is one of the tests to consider when assessing insolvency and indicates that a company is or may be insolvent if its total liabilities exceed the value of its total assets (i.e. there are insufficient assets to discharge its liabilities at a point in time).

Balance Sheet Metrics (\$) as at	31 Jan 2026	31 Dec 2025	30 Nov 2025	31 Oct 2025	30 Sep 2025	28 Feb-25
\$M						
Net Current Assets Surplus / (Shortfall)	(\$140.3M)	(\$130.7M)	(\$131.4M)	(\$125.8M)	(\$125.3M)	(48.0)
Current Ratio**	0.48	0.50	0.49	0.49	0.47	(0.83)
Net Assets Surplus / (Shortfall)	\$249.1M	\$264.0M	\$267.7M	\$277.7M	\$292.1M	\$420.5M

*Current assets less current liabilities

**Current assets / current liabilities

Source: Management Accounts and Administrators' calculations

We note:

- Negative working capital and a current ratio of less than one indicates that a company has less than \$1 of current assets to pay every \$1 of its current liabilities and its indicative of insolvency.
- The Company had both negative working capital and a current ratio under 1 from at least February 2025.
- A significant portion of the liabilities is comprised of loans to related parties, which materially increases the total liability position.

We note that determining when a company became insolvent can be a costly and complex exercise, involving a detailed review of the Company's cashflow, financial position and other relevant information.



4.10.2 Cash Flow Test

To evaluate a company's solvency on a cash flow basis, it is necessary to examine the company's ability to meet its ongoing liabilities using its available cash and other resources. This is consistent with the 'solvency' test as set out in Section 95A of the Act and is the preferred test used by the courts when considering a company's solvency. We have also analysed the Company's cash flow balance for the Review Period.

We have sighted the Company's cash balance and aged payables position for the Period, as summary of which is outlined below. As the Company was not operating over the period it had minimal available receivables or inventory that could be converted into cash.

\$M	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Liquid assets*	62.9	45.1	38.9	31.2	32.4	32.9	32.7	32.5	32.3	31.2	33.7	31.4
Payables	(116.6)	(109.1)	(115.9)	(112.7)	(111.8)	(107.0)	(108.0)	(111.2)	(114.1)	(117.1)	(120.0)	(124.3)

*Liquid assets includes cash, inventory and receivables per books and records

Source: Management Accounts and Administrators' calculations

A review of the Company's accounts payable ledger as at 10 February 2026 indicates that a range of creditor invoices remained unpaid from over 12 months.

Aged Payables \$000	Not due	1 Month Jan-26	2 Months Dec-25	3 Months Nov-25	4 Months Oct-25	5 Months Sep-25	6 Months+ Aug-25+	Total
Total	2,340	5,605	3,048	3,746	5,605	7,625	90,590	118,558
% of Total	2.0%	4.7%	2.6%	3.2%	4.7%	6.4%	76.4%	100.0%

Source: Management Accounts and Administrators' calculations

The above aged payables balances include related party liabilities of c.\$12.0M.

Having regard to the above, our preliminary view is that the Company was insolvent from February 2025, or possibly earlier.



4.10.3 Indicia of Insolvency

We have assessed the Company's solvency using the indicators of insolvency adopted in the case *ASIC v Plymin (2003)*. Our analysis is provided below:

#	Indicator	Indicia Present	Administrators' Comments
1	Continuing Losses	Yes	The Company has incurred consistent trading losses since at least FY25.
2	Current Asset ratio below 1	Yes	The Company had a current ratio of below 1 since at least June 2023, and a current ratio of 0.4 as at the date of our appointment.
3	Overdue Commonwealth and State Taxes	Yes	The ATO and NSW state revenue have not submitted proofs of debt to date. We note that the amounts outstanding to the NSW state revenue may be approximately \$34.8M relating to outstanding royalties.
4	Poor relationship with present bank including inability to borrow additional funds	No	We are not aware of any poor relationship the Company had with its bank, however we have not yet received a response from GLAS to date.
5	No access to alternative finance	Yes	We are aware of attempts to raise debt funding including via the GLAS facility.
6	Inability to raise further capital	No	We have not yet received information about this indicator.
7	Supplier placing the debtor on COD terms, or otherwise demanding special payments before resuming supply	Yes	Our preliminary investigations have identified numerous suppliers placing the Company on COD terms and otherwise demanding special payments before resuming supply. We have identified 32 suppliers that have been on stop supply from as early as August 2024.
8	Creditors unpaid outside trading terms	Yes	Our preliminary investigations have identified that the Company was managing creditors to extend payment terms. The Company's aged payables outline c.\$103.8M of payables are 90+ days outstanding.
9	Issuing of post-dated cheques	No	Our preliminary investigations have not identified any post-dated cheques.
10	Dishonoured Payments	No	Our preliminary investigations have not identified any dishonoured payments but are ongoing.
11	Special arrangements with selected creditors	Yes	We have been advised of a number of special arrangements with selected creditors. We have identified some suppliers with payment plans and prepayment requirements but are continuing our investigations.
12	Solicitors letter, summons(es), judgements or warrants issued against the Company	Yes	Our preliminary investigations have identified numerous solicitors' letters and statutory demands.
13	Payments to creditors of rounded figures, which are irreconcilable to specific invoices	Yes	Our preliminary investigations have identified some significant payments to suppliers made within the relation-back period. We note that ~\$795K in payments were made since February 2025. We are continuing our investigations, and this figure is likely to increase.
14	Inability to produce timely and accurate financial information to display the company's trading performance and financial position and make reliable forecasts	No	Our preliminary review indicates that the Company was able to produce timely and accurate financial information from the SAP S/4Hana Cloud accounting system and working papers.



It appears that the Company may have been unable to meet its unsecured creditor payments from at least February 2025, although the date of insolvency may be earlier. Notwithstanding this, the Directors may have various defences available (refer **Section 5.1.2** of this Report).

The Voluntary Administrators will continue their investigations into solvency.

5. Offences and Litigation Recoveries

Administrators are obligated to identify claims that a liquidator could pursue, including:

- Voidable transactions and other potential recoveries; and
- Recoveries against past or present directors, secretaries, other officers and company advisors.

5.1 Insolvent trading

Insolvent trading is when a company incurs a debt at a time when:

- The company was insolvent or became insolvent by incurring the debt; and
- There were reasonable grounds to suspect the company was insolvent or would become so as a result of incurring the debt. Directors of a company have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes Section 588G of the Act.

As outlined in **Section 4** of this Report, our preliminary investigations indicate that the Company may have been insolvent from around February 2025, coinciding with the cessation of mining operations. This assessment remains provisional, and further analysis of the Company's financial position, trading activities, and creditor claims will be undertaken prior to the second meeting of creditors.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of section 588G. An administrator or deed administrator cannot pursue a director for recoveries from contraventions of section 588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (section 588M of the Act).

5.1.1 Insolvent trading claim

Taking into consideration the limited time available to conduct our investigations, our views are preliminary in nature regarding potential insolvent trading claims against the Directors.

The maximum value of an insolvent trading claim is the value of unsecured debts that were incurred during the period in which the Company was insolvent. As previously noted, there are indicators present that the Company may have been insolvent from on or around February 2025, although the date of insolvency may be earlier. Investigations are ongoing to determine the likely date of insolvency.

We note that the total amount of any insolvent trading claim is subject to the insolvent trading date and could be as much as the total value of unsecured creditor claims incurred during the period of insolvency, which we presently calculate to be approximately \$50M (although may be higher), assuming the Company was insolvent from February 2025. At this early stage, there is no reasonable basis to make such an estimate as we have insufficient materials to make an assessment of the parties' ability to meet them. As such, the estimate is made for the purposes of modelling and response to the Court only.

The Directors' potential defences against such a claim, and ability to meet a judgement (if one should be made against them) are discussed below.



We note insolvent trading claims are generally challenging to undertake, time consuming and can be expensive claims to administer and run. They may involve a public examination of the directors, obtaining an expert opinion on insolvency and litigation over a considerable period of time.

5.1.2 Director's defences

Defences available to directors under the Act regarding allegations of insolvent trading are that:

- The director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt;
- The director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent, and that person was fulfilling the responsibility, and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred;
- At the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company; and
- Safe harbour provisions under s588GA of the Act.

We have sighted the Company's bank statements and cash flow balances. We have extracted summary information covering the period around our appointment.

While based on a recent cashflow forecast provided the company, the Company anticipated exhausting its available cash to meet liabilities by the week ending 13 February 2026 (being the week of our appointment) the Company had a large number of unpaid trade liabilities over an extended period, as outlined above. It therefore appears the forecast did not appropriately account for the Company's financial commitments.

We will consider these defences as part of our investigations prior to the second creditors meeting.

5.1.3 Safe Harbour

Provisions under s588GA of the Act provide directors with an exception against insolvent trading claims. The legislation was introduced to allow directors, in circumstances where a company's solvency is in question, to formulate and take courses of action that they expect will result in a better outcome than the immediate appointment of an external administrator.

The protection is available in circumstances where, as soon as insolvency is suspected, directors develop a course of action reasonably likely to lead to a "better outcome" for the company and relates to any new debts incurred from that time directly or indirectly in connection with that course of action. Certain other requirements in relation to payments and lodgements must also be met for the protection to be available.

Our investigations are continuing as to whether the directors (a) obtained financial advice under the safe harbour provisions, and if so, (b) satisfied the safe harbour eligibility criteria during the Period, and (c) any restructuring plan(s) the directors were pursuing during the Period were reasonable likely to provide a better outcome to stakeholders. We have not yet been advised whether the directors intend to raise or seek to rely on the safe harbour provisions.

To be eligible for safe harbour defence, directors must satisfy the eligibility criteria including but not limited to, ensuring all tax returns are lodged on time.

Further investigations into any claims and available defences in relation to insolvent trading will be undertaken prior to the second creditors meeting.

5.2 Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under the Act.

Pursuant to Section 588FE(2) of the Act, a transaction of a company may be voidable if:

- a) It is an insolvent transaction of the company; and
- b) It was entered into, or an act was done for the purpose of giving effect to it during the six months ending on the relation-back day, 9 August 2025 to 9 February 2026.



The Administrators will undertake further analysis of whether the Company traded whilst insolvent, consider any voidable transactions, and the commercial benefit of commencing any recovery actions. Our preliminary investigations, including the prospects of success of any recoveries from potential voidable transactions are detailed below.

5.2.1 Unfair preferences (Section 588FA)

A source of recoveries available to a liquidator are transactions considered voidable pursuant to Section 588FA of the Act. If a transaction appears voidable, a liquidator may commence action to recover the proceeds of the transaction in order to distribute them in accordance with the priorities set out in the Act. Such transactions normally cover payments made to creditors within six months prior to our appointment, when a payment confers an advantage to the creditor above what would be received in a general distribution to creditors in a liquidation.

The relation back day is the six-months prior to the date of our appointment, being 9 August 2025.

Factors which indicate payments might be unfair preferences are:

- Payments in response to winding up applications, statutory demands and other pressure from the creditor;
- Repayment plans with the creditor; and
- Significant 'round' payments made to the creditor.

Where a creditor received a series of payments as part of a so called 'running account' and their overall indebtedness increases over the same period, the creditor is taken not to have received an unfair preference. This is called "the running account defence".

We have reviewed the books and records of the Company available to us, with a focus on:

- A detailed review of bank statements for the 12 months leading up to our appointment (where available), noting any significant sums and/or round payments to creditors; and
- Aged payables reports.

Our initial investigations have identified some significant payments to suppliers, including legal firms and trade creditors, made within the relation-back period. Based on our preliminary assessment that the Company may have been insolvent from February 2025 (or potentially earlier), we note that ~\$650K in payments were made in the relation-back period. This figure is likely to increase as our review of the Company's books and records to date has been limited.

Given the number of statutory demands and the way in which they were managed by the Company, it is likely that additional preference claims may be available to a liquidator if appointed.

These investigations remain at an early stage. We will provide a further update prior to the second meeting of creditors, at which time we expect to have undertaken additional analysis regarding potential unfair preference payments.

5.2.2 Uncommercial transactions (Section 588FB)

Section 588FB of the Act provides that a transaction of a company is an uncommercial transaction of the company if, and only if, it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:

- The benefits (if any) to the company of entering into the transaction;
- The detriment to the company of entering into the transaction;
- The respective benefits to the other parties to the transaction of entering into it; and
- Any other relevant matter.

The company must be insolvent at the time of the transaction or become insolvent as a result of entering into the transaction. In addition, the transaction must have occurred within two years of the appointment of the Administrator or four years for related parties (Sections 588FE(3) and 588FE(4) of the Act).

Section 588FG of the Act provides, in summary, that a transaction is not voidable as against certain persons if it is proved that:



- The person received no benefit as a result of the transaction;
- The person received the benefit in good faith;
- The person had no reasonable grounds for suspecting that the company was insolvent at the time or would become insolvent; and
- A reasonable person in the person's circumstances would have had no such grounds for suspecting.

Our preliminary investigations identified a potential uncommercial or unreasonable director related transaction between the Company and LPMA.

We have made specific enquiries in relation to the forgiveness of a \$427M receivable of the Company. In response to our enquiries, we have been advised by individuals providing shared accounting services to the Company that:

- Tahmoor Coal, LPMA and OSM provided funding to one another and those balances fluctuated over time. At a point in time, the Company had a receivable of \$427M outstanding to it.
- On 2 August 2024 the Company, LPMA and OSM signed a Deed of Assignment of Receivable. On this date, the Company paid a dividend of \$427M in specie to LPMA.
- Under the Deed of Assignment of Receivable the Company assigned its right to receive this amount to LPMA, resulting in the amounts owed by OSM to the Company being fully extinguished on 2 August 2024.

The ultimate effect of the above transaction appears to be that the Company forgave a debt of \$427M for limited consideration, however we note the underlying transactions are complex and will require legal review. We note both LPMA and OSM are subject to external administration, impacting potential avenues for recovery from those entities.

While these arrangements seem interesting and worthy of review, further work is required to form a more advanced view on whether the above transaction might be voidable against a liquidator as an uncommercial transaction or unreasonable director related transaction or otherwise gives rise to a claim against the directors or the counterparties.

5.2.3 Unfair loans (Section 588FD)

A loan is unfair if it is made to the company and the interest or charges relating to the loan are extortionate.

Our preliminary investigations have not identified any unfair loans. Notwithstanding, a liquidator, if one is appointed, would have the benefit of additional time and potentially additional books and records, to allow for further investigations to be undertaken in relation to potential unfair loans.

5.2.4 Unreasonable director-related transactions (Section 588FDA)

A transaction of a company is an unreasonable director-related transaction of the company if, and only if, the transaction is a payment, conveyance, transfer, disposition, issue of securities, incurring of an obligation made by the company to a director, a close associate of a director or a person on behalf of the director, and it may be expected that a reasonable person would not have entered into the transaction having regard to the benefit (if any) or detriment to the company entering into the transaction.

Pursuant to Section 588FDA(1)(c) of the Act we consider whether or not a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:

- The benefits, if any, to the company of entering into the transaction;
- The detriment to the company of entering into the transaction;
- The respective benefits to other parties to the transaction of entering into the transaction; and
- Any other relevant matter.

The timing of the test of the above factors applies at the time the transaction is entered into, rather than as they existed at the time when the obligation was incurred (Section 588FDA(2) of the Act).

We note our comments in relation to potential commercial transactions. Our preliminary investigations have not identified any unreasonable director-related transactions. We will be reporting to creditors prior to the second meeting of creditors.



5.2.5 Transactions with the purpose of defeating creditors (Section 588FDB)

A transaction of a company has the purpose of defeating creditors if it an insolvent transaction of the company, the company became a party to the transaction for the purpose, or for the purposes including the purpose, of defeating, delaying or interfering with, the rights of any or all of its creditors on a winding up of the company, and the transaction was entered into, or an act done was for the purpose of giving effect to the transaction during the 10 years ending on the relation back day.

Such transactions are normally involved in the removal of assets such that they are not available to a liquidator to meet creditors' claims on a winding up. Such action usually involves concealment and may amount to fraud.

Our preliminary investigations have not identified any creditor-defeating transactions, however our investigations are continuing. We will consider whether any transactions identified in this report may be characterised as creditor defeating dispositions.

5.3 Offences

Directors and officers of a company have duties, obligations and responsibilities in relation to common law and statute.

5.4 Directors and officer's insurance policy

A Directors and Officers Insurance Policies (**D&O Policies**) offer liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

We have requested the D&O Policies from the Directors, however we have not received the information as at the date of this Report.

5.5 Director's personal financial position

As part of our investigations into the Directors' personal financial position, we conducted searches with Land Titles Offices in NSW with respect to properties owned in the name of the Directors.

Our investigations indicate that at least one Director owns real property in New South Wales. This may indicate a capacity to respond to claims.

Subject to further investigations into the possible claims against the Directors, a liquidator will undertake further assessment of the Directors' financial capacity to meet any monetary claims, including requesting voluntary statements of personal asset and liability positions and / or public examinations.

We have requested a voluntary statement of personal assets and liabilities from the Directors, however we have not received a response to date.

5.6 Funding investigations and recoveries

In circumstances where the costs of recovery exceed the funds available, a liquidator may invite creditors to consider whether it is commercial to pursue recoveries, and if so, provide funding to conduct further investigations of the Company.

Alternatively, a liquidator may seek external funding from a litigation funder.



6. Estimated Return to Creditors

We provide an estimate of the return to creditors under the VA / Sale scenario and under a forced and immediate liquidation scenario compared to a VA / Sale scenario that may involve an orderly and planned liquidation scenario is attached at **Appendix A** of this Report.

Our estimated voluntary administration return to creditors has attributed values to the business and its assets on an orderly-sale basis. The lower-range valuations reflect the indicative bids received to date, which are not at a level that would be acceptable for a going-concern sale. We have not disclosed the upper-range valuation estimates, as doing so may compromise the integrity of the ongoing sale process. Notwithstanding this, any bid informed by a reasonable assessment of the business is expected to generate a return sufficient to pay creditors in full, with any surplus available to LPMA in accordance with its DOCA.

We have made numerous assumptions, which are outlined in the notes to the estimated outcome statement below. Some general assumptions are summarised as follows:

- estimates are based on information available at the time of preparation and may change if new information emerges;
- asset values, liabilities, and recoveries are assumed to be accurate as disclosed in the Company's books and records;
- no allowance is made for unknown or contingent claims unless specifically identified; and
- all costs are estimates only and may vary depending on complexity, disputes, asset condition, and stakeholder behaviour.

The estimated returns provided is based on currently available information, on assets, recoveries and creditor claims. The estimated return is based on limited information noting the short period since the Administrators appointment, the information available and subject to change.

In consideration of the options available to creditors and formulating our recommendation, we have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change and are provided primarily for illustrative purposes.

A return to creditors in a high scenario will be dependent on the realisation of assets and the recovery of voidable transactions and insolvent trading. The dividend estimate provided is for illustrative purposes and any return is dependent on the receipt of further books and records, further investigation and any counterparty having the capacity to meet any claims brought against them.

Dated this 17th day of February 2026

Tahmoor Coal Pty Ltd (Administrators Appointed)

Joseph Hayes
Joint and Several Administrator

Encl.

Appendix A – Estimated Outcome Statement



A. Estimated Outcome Statement

Tahmoor Coal Pty Ltd (Administrators Appointed)		Balance Sheet	Forced Liquidation		VA / Sale		
Estimated Outcome Statement		Notes	31 Jan'26	Low	High	Low	High
1. Circulating assets subject to security interest							
Cash at Bank	1	330,847	-	-	-	-	
Restricted Cash	2	30,017,614	-	-	-	-	
Inventories	3	9,981,682	-	4,000,000	4,000,000	5,000,000	
Trade Receivables	4	6,120	-	-	-	-	
Other Receivables	5	28,319,801	-	-	-	-	
Loans to Related Parties	6	1,944,025	-	-	-	-	
Current Tax Asset	7	62,573,987	-	-	-	-	
Less: External Administrators' Remuneration and Disbursements			-	(200,000)	(150,000)	(200,000)	
Less: Employee Entitlements			-	(3,800,000)			
Less: Estimated Trading Costs During the Administration Period			-	-	(3,850,000)	(4,800,000)	
Estimated funds available for secured creditors		133,174,075	-	-	-	-	
2. Non-circulating assets subject to security interest							
Property, Plant and Equipment	8	163,604,682	15,000,000	40,000,000	60,000,000	120,000,000	
Mine Development Expenditure	9	332,537,185	-	-			
Less: Estimated Trading Costs During the Administration Period			(2,500,000)	(3,500,000)	(32,150,000)	(28,200,000)	
Less: External Administrators' Remuneration and Disbursements			(800,000)	(1,500,000)	(800,000)	(1,500,000)	
Less: Oaktree secured creditor payment (Senior debt)	10		(12,000,000)	(20,000,000)	(16,000,000)	(20,000,000)	
Less: Clydesdale secured creditor payment (Junior debt)	11		300,000	(15,000,000)	(11,050,000)	(70,300,000)	
Estimated funds available for unsecured creditors		496,141,867	-	-	-	-	
3. Non-circulating assets							
Other Intangibles	12	4,051,962	-	-	-	-	
Other Current Assets	13	2,046,577	-	-	-	-	
Estimated funds available for unsecured creditors		6,098,539	-	-	-	-	
4. Potential recovery action							
Insolvent Trading Claim	14		-	50,000,000			
Unfair Preference Payments	15		-	650,000			
Uncommercial Transactions			-	-			
Unfair Loans			-	-			
Unreasonable Director-Related Transactions	16		-	20,000,000			
Less: Estimated External Administration Legal Fees			-	(500,000)			
Less: External Administration Costs			-	(1,000,000)			
Less: Estimated Employee Entitlements			-	(58,868,608)			
Estimated funds available for unsecured creditors			-	10,281,392	-	-	
5. Sale of business							
Estimated Gross Sale Proceeds (excl. property, plant and equipment)					140,000,000	<i>Amt. Withheld</i>	
Less: Adjustment for Employee Entitlements (AL + LSL) - all staff					(28,463,463)	(28,463,463)	
Less: Provision to Restart Mine (contribution only)					(10,000,000)	(10,000,000)	
Less: Oaktree secured creditor payment (Senior debt)					-	<i>Unknown</i>	
Less: Clydesdale secured creditor payment (Junior debt)					-	<i>Unknown</i>	
Estimated funds available for unsecured creditors			-	-	101,536,537	<i>Amt. Withheld</i>	
6. Total							
Total estimated funds available for unsecured creditors			-	10,281,392	101,536,537	<i>Amt. Withheld</i>	
Estimated Unsecured Creditors - Trade			106,463,073	106,463,073	106,463,073	106,463,073	
Estimated Unsecured Creditors - Related Parties (excl. contingent claims)			12,095,566	12,069,372	12,095,566	12,069,372	
Estimated return to creditors excl. contingent claims			-	8.7	85.6	<i>Amt. Withheld</i>	
Estimated Unsecured Creditors - Net contingent claims (est.)	17		155,000,000	140,000,000	145,000,000	85,000,000	
Estimated return to creditors incl. contingent claims			-	4.0	38.5	<i>Amt. Withheld</i>	



A detailed breakdown of the estimated outcome statement and underlying assumptions is provided below.

Notes:

1. No cash at bank was available on appointment. The administration is currently funded by Clydesdale.
2. The Company is required by legislation to maintain bank guarantees or bonding in connection with mining rehabilitation obligations. We are advised that to secure these guarantees, the Company has provided cash-backed security deposits. These deposits are restricted and not presently available for use.
3. Inventories comprise stores and spares, trading stock (by-products), finished goods, and raw materials. Realisable values have been assessed at a high level in both a forced liquidation scenario (0% – 40% estimated realisable value) and an orderly realisation scenario (40% – 50% estimated realisable value).
4. The outstanding trade debtor balance is minimal given that the Tahmoor Colliery is not operational. Remaining receivables relate to IRH Global Trading and Bluescope Steel. Due to the age of these debts, their low value, and the likely cost of recovery, recovery prospects are considered low.
5. The receivable for long service leave reflects the Company's entitlement to reimbursement from the Coal Long Service Leave Fund under the Coal Mining Industry (Long Service Leave) Legislation Amendment Act 2011. As at 31 January 2026, the associated long service leave liability totals ~\$16.8M. The other receivables include a loan receivable as part of a service arrangement for use of the Port Kembla Coal Terminal (~\$2.3M), GST adjustments (~\$2.4M) and some sundry receivables (~\$57.5K). The recoverability of these amounts is dependent on the underlying agreements and the timing of release conditions. At this stage, no material realisations are assumed due to the nature of these assets. Further analysis will be undertaken to confirm the validity and recoverability of balances.
6. Loans to related parties include an amount of ~\$1.9M owing from Liberty Bell Bay Pty Ltd. The recoverability of this balance remains under review, with confirmation pending. We have currently allowed for nil recovery noting the appointment of a receiver to certain assets of Liberty Bell Bay Pty Ltd.
7. Current tax asset relates to an adjustment in the Company's records. We have written to the ATO to request a running balance account to confirm the overall tax position of the Company. We have not received a response as at the date of this Report. Typically, limited value is realisable from tax assets, however the tax asset may have value for a purchaser in certain sale scenarios.
8. Property, plant and equipment is recorded at a written-down value of \$163.6M and comprises of the following assets:
 - (a) *Buildings (\$1.2M book value)* – relates to the buildings onsite at the Tahmoor Colliery. Any value attributed to these assets would be realised from an in-situ sale to the extent buildings are realisable.
 - (b) *Capital Works in Progress (\$52.2M book value)* – relates to the Tahmoor South Project which is planned continuation of the underground longwall mine to the south of the existing Tahmoor Colliery. Whilst the project is still underway and may recommence when the mine is restarted, the value of the works has been capitalised (value to be determined).
 - (c) *Land (\$10.8M book value)* – relates to the land assets at the Tahmoor Colliery. Any value in the land will likely be offset against any rehabilitation costs that are required.
 - (d) *Plant and Machinery (\$98.9M book value)* – encompasses all plant and machinery at the Tahmoor Colliery site. The value realisable is dependent on the sale process (i.e. forced liquidation versus orderly sale). No formal valuation has yet been obtained by the Administrators, however we have sighted a valuation undertaken in the last 12 months and commenced initial discussions with a qualified valuer. Independent valuers and / or other sale experts will likely be engaged prior to the second creditors meeting. We have adopted the book value of plant and machinery in an orderly wind down scenario.

We have engaged with independent valuers to seek feedback on the estimated realisable value of these assets, including the likely costs associated with removing equipment from the Tahmoor Colliery site. Preliminary indications are that the recoverable value of the assets will be materially higher if sold in situ and as part of a going-concern operation, rather than removed from site and sold individually in a liquidation scenario, where realisations would be significantly lower due to the specialised nature of the assets and the costs of extraction and transport.
9. Mining development expenditure records the historical capital investment required to establish and develop the underground mine, including infrastructure, tunnelling, and other long-life development works. While these assets are recognised with material value the balance sheet, any attributable value is dependent on the mine being operational or capable of recommencement.
10. ALLPAAP registrations in favour of Global Loan Agency Services Australia Nominees Pty Limited (GLAS) as security trustee, dated 29 July 2025 and 7 October 2025, each recorded over "all present and after-acquired property – with exceptions". We understand these registrations relate to funding advanced by Luminith Investment Pte Ltd (an Oaktree-managed SPV) and Clydesdale Engineering Limited (UK). According to the Company's management accounts, the debt owed to Oaktree is ~\$10.5M (first tranche). We have received further information indicating a higher potential claim and have used a conservative estimate. We have not yet received a formal proof of debt, which will be subject to review once received.
11. The Administrators has been advised that Clydesdale is significant creditor of the Company for up to \$202M, comprising a material secured claim (per Note 10 above) and a smaller unsecured claim. This materially exceeds the value recorded in the management accounts. Based on our preliminary review a material portion of the balance claimed relates to guarantees and security provided by the Company rather than direct advances from Clydesdale to the Company. The balances and breakdown of the claims, once a formal proof of debt is received, will be subject to review. We have not yet received a formal proof of debt from Clydesdale.
12. Other intangible assets include software, licences, and other non-physical assets recorded on the Company's balance sheet. These assets typically have limited realisable value in an external administration unless they are directly linked to an operating business or



saleable intellectual property. Given the current non-operational status of the Tahmoor Colliery, and the specialised nature of the intangible assets, recoveries under a liquidation scenario are expected to be minimal. Any potential value would likely arise only in the context of a going-concern sale or a transaction involving the recommencement of mining operations.

13. Other current assets comprise prepaid property rates and land taxes, insurance and any other associated costs. It is unlikely that these assets will be recoverable in any scenario.
14. Insolvent trading claim has been calculated in consideration of the financial statements, negative net assets, current asset ratio below 1.0 and ongoing monthly trading losses. Our preliminary investigations indicate that the Company was historically reliant on intercompany loans to meet working capital and trading losses. A number of creditors have issued statutory demands and there is a winding up application on foot. Based on our initial investigations, the Company may have traded whilst insolvent from February 2025 or potentially an earlier date, with a potential insolvent trading claim estimated to be c.\$50M, however this is subject to further investigations to be conducted prior to the second creditors meeting. We note the Directors may have defences available to any insolvent trading claim, and on a low case scenario, assumed to this to be no recovery.
15. Based on our preliminary assessment that the Company may have been insolvent from February 2025 (or potentially earlier), we note that ~\$650K in payments were made during the relation-back period that appear to be preferential in nature. This amount is likely to increase as our review of the Company's books and records has so far been limited.
16. The Administrators have made specific enquiries regarding the forgiveness of a \$427M receivable owed to the Company. The ultimate effect of this transaction appears to be that the Company forgave a \$427M debt for limited consideration; however, the underlying arrangements are complex and will require legal review. We also note that both LPMA and OSM are currently in external administration, which affects potential avenues for recovery from those entities. For the purposes of our preliminary assessment, the Administrators have assumed that approximately \$20M may be recoverable in a liquidation scenario.
17. A value has been attributed to the related-party contingent claims based on the information currently available however, this remains subject to any claims ultimately submitted and our subsequent review of those claims.