

judgment n 31974

IN THE PRIVY COUNCIL

No. 9 of 1973

ON APPEAL
FROM THE SUPREME COURT OF NEW SOUTH WALES
EQUITY DIVISION

BETWEEN :

HOWARD SMITH LIMITED

Appellant
(13th Defendant)

- and -

AMPOL PETROLEUM LIMITED

Respondent
Plaintiff

R.W. MILLER (HOLDINGS) LIMITED

(1st) Defendant

ARCHIBALD N. TAYLOR

(2nd) Defendant

SIR EMIL HERBERT PETER ABELES

(3rd) Defendant

ELIZABETH MILLER

(4th) Defendant

ROBERT I. NICHOLL

(5th) Defendant

EVAN DUFF CAMERON

(6th) Defendant

KENNETH B. ANDERSON

(7th) Defendant

WILLIAM A. CONWAY

(8th) Defendant

PETER J. DUNCAN

(9th) Defendant

ALAN V. BALHORN

(10th) Defendant

F.M. MURPHY (a male)

(11th) Defendant

C.J. WATT (a male)

(12th) Defendant

SECURITY SHARE SERVICES LTD.
LIMITED

(14th) Defendant

RESPONDENTS

INSTITUTION OF LONDON
INSTITUTE OF ADVANCED
LEGAL STUDIES
- 4 JAN 1975
25 RUSSELL SQUARE
LONDON, W.C.1
RECORD OF PROCEEDINGS

VOLUME VI

Linklaters & Paines,
Barrington House,
59-67 Gresham Street,
London, EC2V 7JA.
Solicitors for the Appellant

Clifford-Turner & Company,
11 Old Jewry,
London, EC2R 8DS.
Solicitors for Ampol Petroleum Ltd.

		<u>Shares</u>	%	1st Defendants Exhibits Exhibit MH11
<u>R.W. MILLER (HOLDINGS) LIMITED AS AT DECEMBER 1971</u>				
				<u>Annexure B to notice to answer interrogatories set by the 1st Defendant R.W. Miller (Holdings) Ltd. for the 3rd Defendant Emil Herbert Peter Abeles 14th January 1972 (continued)</u>
	<u>A. MILLER FAMILY</u>			
	Romanda Pty. Ltd.	2,144,871		
	Estate of Sir R.W. Miller	1,200		
	Lady Elizabeth Miller	57,360		
	R.W. Miller & Co.	5,000		
	Mrs. G. Frazer	12,000		
	Rellim Pty. Ltd.	<u>35,000</u>		
10		2,255,431	25.1	
	<u>B. RELATIVES & FRIENDS</u>			
	Bank of N.S.W. Nominees Pty. Ltd. (Clubs)	945,370		
	Norman R. Rogers	30,000		
	John J. Brown	14,000		
	K.O. Pitt	12,000		
	W.J. Dunlop	13,000		
	Dr. G.S. Cottee	12,000		
	Wentworthville Leagues Club	10,000		
20	W. Gardner	5,000		
	K. Harrison	5,200		
	A.A., C.J. & V. Lockley	440		
	Bradshaw Holdings Pty. Ltd.	4,000		
	W.J. Bradshaw	4,800		
	B. Charles	1,000		
	R. Miller	1,200		
	Marcus Miller	1,200		
	Iris Miller	<u>100</u>		
30	H. Ford	1,060,310	11.8	
	<u>C. DUNCAN FAMILY</u>			
	Ardry Holdings Pty. Ltd.	210,000		
	Wintersun Holdings Pty. Ltd.	200,000		
	P.J. Duncan	<u>6,000</u>		
		416,000	4.6	
	<u>D. BULKSHIPS LIMITED</u>	<u>2,257,100</u>	25.1	

(continued)

1st Defendants
Exhibits
Exhibit MH11

E. OTHERS

Annexure B to
notice to
answer
interrogatories
set by the
1st Defendant
R.W. Miller
(Holdings) Ltd.
for the 3rd
Defendant
Emil Herbert
Peter Abeles
14th January 1972
(continued)

National Nominees Limited	30,600		
Associated Nominees Pty. Ltd.	25,000		
Loani Pty. Ltd.	23,000		
Scandrett Investments Pty. Ltd.	20,000		
Judavphil Pty. Ltd.	17,800		
Unilever Pension Trust Pty. Ltd.	17,100		
Australian Inv. & Devel. Ltd.	15,000		
Miss H.C. Moore	15,000		
David Fowler	14,300		10
Paul Merril Pty. Ltd.	14,000		
Gedclin Pty. Ltd.	14,000		
Ernest Pardy	13,700		
Manly Hotels Pty. Ltd.	12,000		
James Holyman Pty. Ltd.	10,000		
Pactolus Estates Pty. Ltd.	10,000		
Alexander G. Slater	10,000		
Southern Cross Prov. Noms. Pty. Ltd.	10,000		
	<hr/>		
	271,500	3.0	
	<hr/>		
<u>BALANCE HOLDINGS</u> less than 10,000	2,740,445	30.4	20
	<hr/>		
<u>TOTAL SHARES ISSUED</u>	9,000,786	100.0	
	<hr/> <hr/>		

Exhibit M.H.11
(continued)

Annexure C to the notice to answer
interrogatories set by the 1st
Defendant R.W. Miller (Holdings) Ltd.
for the 3rd Defendant Emil Herbert
Peter Abeles (undated)

HEADS OF AGREEMENT REACHED BETWEEN AMPOL
PETROLEUM LIMITED ("AMPOL") AND BULK SHIPS PTY.
LIMITED ("BULK SHIPS") ON THE DAY OF
1972

10

RECITALS

A. Romanda Pty. Limited (herein called "Romanda") is the registered holder and beneficial owner of 2,144,871 ordinary shares of \$1.00 each (herein called "the Romanda shares") in the capital of R.W. Miller (Holdings) Limited (herein called "the Company").

20

B. Bulk Ships has represented to Ampol that it is the registered holder and beneficial owner of ordinary shares in the capital of the Company (herein called "the Bulk Ship shares") and has no relevant interest (within the meaning of Section 6A of the Companies Act as amended by the Companies Amendment Act 1971) in any other Miller shares.

C. Ampol has represented to Bulk Ships that it has no relevant interest in any Miller shares.

D. Ampol and Bulk Ships are desirous of jointly acquiring control of the Company.

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E. In these heads of agreement "Millers shares" means shares in the capital of the Company.

IT IS AGREED as follows:-

1. (a) Ampol shall forthwith enter into negotiations with Romanda with a view to acquiring the Romanda shares on the best terms available and Bulk Ships shall give all assistance and take all steps in its power to assist in the negotiations.

Exhibit M.H.11

Annexure C to
the Notice to
answer inter-
rogatories set
by the 1st
Defendant
R.W. Miller
(Holdings) Ltd. for
the 3rd Defend-
ant Emil Herbert
Peter Abeles

(undated)
(continued)

Exhibit MH11

Annexure C to
the Notice to
answer interro-
gatories set
by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
for the 3rd
Defendant
Emil Herbert
Peter Abeles

(undated)
(continued)

(b) Ampol shall use its best endeavours to effect the purchase of the Romanda shares for a purchase price of \$2.11 per share or such other price as shall be agreed between Ampol and BulkShips such price to be payable in cash on completion of the purchase.

2. (a) As soon as practicable after completion of the purchase of the Romanda shares Ampol shall make offers to acquire all other Miller shares for a price equal to the price paid by Ampol to Romanda for the Romanda shares.

10

(b) Such offers shall be conditional upon acceptances being received in respect of not less than 90% of the total number of Miller shares for which offers are made.

(c) Ampol shall retain the right to waive such condition but shall not declare the offers free of such condition without prior consultation with BulkShips.

(d) BulkShips shall accept the offer made to it in respect of all of the BulkShip shares.

20

3. (a) As soon as practicable after such offers shall have closed after becoming unconditional Ampol shall sell to BulkShips and BulkShips shall buy one half of the total number of Miller shares in which Ampol then has a relevant interest (hereinafter referred to as the Ampol shares")

(b) The total purchase price to be paid by BulkShips to Ampol for such sale and purchase shall be one half of the aggregate of:-

30

(i) the total purchase price payable by Ampol for the Ampol shares.

(ii) all legal expenses and costs incurred or payable by Ampol in respect of the acquisition of the Ampol shares and

(iii) all stamp duties and other imposts payable by Ampol in respect of the transfer of any Ampol shares to Ampol and/or to BulkShips.

40

4. (a) After completion of the said sale and purchase from Ampol to BulkShips the parties shall consult together to assess the value and worth of the assets of the Company with a view to determining whether it would be in the best interests of the Company and the parties to cause the Company to dispose of any of its assets and if so to consider the terms upon which any such assets should be disposed of.

Exhibit MH11
Annexure C to the
Notice to answer
interrogatories
set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd. for
the 3rd Defend-
ant Emil Herbert
Peter Abeles

10 (b) No assets of the Company shall be disposed of unless it shall have first been offered to each of the parties hereto on terms not less favourable both as to price and otherwise than the terms on which it is to be disposed elsewhere and each party has rejected such offer.

(undated)

(continued)

20 5. (a) After completion of the said sale and purchase the parties shall procure that BulkShips shall be appointed by the Company to operate and manage the shipping interests of the Company PROVIDED HOWEVER that except with the prior approval of Ampol:-

(i) no charter part or chartering arrangement shall be entered into in respect of any ship or vessel owned by the Company.

30 (ii) no industrial arrangements or agreements with respect to rates of pay or conditions of service of any seaman employed by the Company shall be entered into

(iii) no insurance arrangements in respect of the shipping operations shall be made by the Company

40 (b) It is intended by the parties that ultimately Ampol and BulkShips will each have an undivided one half interest in the shipping operations of the Company and all ships and vessels owned by the Company to the intent that neither Ampol or BulkShips shall either directly or indirectly receive any greater share of the profits of the shipping operations or obtain any additional advantage over the other in connection with the management and operations of the shipping operations.

Exhibit MH11

Annexure C to
the Notice to
answer interro-
gatories set by
the 1st Defen-
dant R.W. Miller
(Holdings) Ltd. for
the 3rd Defendant
Emil Herbert
Peter Abeles

(undated)

(continued)

6. The parties contemplate that the provi-
sions of clauses 4 and 5 hereof will be
embodied in a formal agreement between the
parties as soon as practicable after comple-
tion of the sale and purchase referred to in
clause 3.

SIGNED for and on behalf
of AMPOL PETROLEUM LIMITED

SIGNED for and on behalf of
BULK SHIPS PTY. LIMITED

10

Exhibit MH11

Answers to
Interrogatories
by the 3rd
Defendant Emil
Herbert Peter
Abeles set by
the 1st Defend-
ant R.W. Miller
(Holdings) Ltd.
September 1972

Exhibit MH11

(continued)

Answers to interrogatories by the
3rd Defendant Emil Herbert Peter
Abeles set by the 1st Defendant
R.W. Miller (Holdings) Ltd.
September 1972

IN THE SUPREME COURT)
OF NEW SOUTH WALES) No. 1240 of 1972
EQUITY DIVISION)

AMPOL PETROLEUM LIMITED

20

Plaintiff

R.W. MILLER (HOLDINGS) LIMITED & ORS.

Defendants

R.W. MILLER (HOLDINGS) LIMITED

Cross Claimant

AMPOL PETROLEUM LIMITED, BULKSHIPS
LIMITED and EMIL HERBERT PETER ABELES

Cross Defendants

STATEMENT IN ANSWER TO INTERROGATORIES

The Third Defendant who is also the third
Cross-defendant answers the first defendant's
interrogatories specified in Notice filed on
24th August, 1972, as follows:-

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1A. On or about 14th January, 1972 did Abeles
cause to be brought into existence the
document headed "Proposal for acquisi-
tion of shares" a copy whereof is here-
unto annexed and marked with the letter "A".

Exhibit MH11

- 1B. No.
- 2A. Prior to the institution of this suit has Abeles seen the document, Annexure "A" hereto.
- 2B. No.
- 3A. If the answer to question 2 is in the affirmative:-
 (a) when;
 (b) where;
 (c) in what circumstances did Abeles see the document Annexure "A".
- 3B. Not applicable.
- 4A. On or about 14th January, 1972 did Abeles cause to be brought into existence the document headed "Proposal for acquisition of shares -- addendum a copy whereof is hereunto annexed and marked with the letter "B".
- 4B. No.
- 5A. Prior to the institution of this suit has Abeles seen the document, Annexure "B" hereto.
- 5B. No.
- 6A. If the answer to question 5 is in the affirmative:-
 (a) when;
 (b) where;
 (c) in what circumstances did Abeles see the document Annexure "B".
- 6B. Not applicable.
- 7A. Did Abeles have any discussions with Ampol Petroleum Limited regarding the possible acquisition jointly or severally by Bulkships Limited and Ampol Petroleum Limited of shares in R.W. Miller (Holdings) Limited not already owned by one or other of them.

Answers to
interrogatories
by the 3rd
Defendant Emil
Herbert Peter
Abeles set by
the 1st
Defendant
R.W. Miller
(Holdings)
Ltd.

September 1972
(continued)

Exhibit MH11

- Answers to interrogatories by the 3rd Defendant Emil Herbert Peter Abeles set by the 1st Defendant R.W. Miller (Holdings) Ltd.
- September 1972
(continued)
- 7B. Yes.
- 8A. If the answer to question 7 is in the affirmative:-
- (a) when was such discussion or if more than one each of such discussions held; 10
- (b) in relation to such discussion or if more than one each of such discussions who on behalf of Ampol Petroleum Limited attended the discussions; 10
- (c) at such discussion or if more than one at each of such discussions what was the substance of the discussion concerning the acquisition of shares in R.W. Miller (Holdings) Limited.
- 8B. (a) I had discussions late in 1971 and from January to May 1972 with Mr. Leonard, the Chairman of Ampol, and Mr. Ted Harris, Managing Director of Ampol, of a possible joint approach to Millers. It was discussed, without reaching agreement, that if Ampol wished to go ahead and acquire Millers and succeeded, Bulkships and Ampol would discuss it further. I also had one informal discussion in January with Mr. Ted Harris, Managing Director of the plaintiff which, to the best of my knowledge, was over lunch. The substance of the said discussions was that Bulkships was interested in acquiring shares in Millers, and Bulkships was prepared to discuss an arrangement with Ampol if Ampol acquired Lady Miller's shares. No agreement was reached. 20 30
- 9A. In or about December 1971 did Abeles have any discussions with Ampol Petroleum Limited concerning shares in R.W. Miller (Holdings) Limited. 40

9B. Yes.

Exhibit MH11

10A. If the answer to question 9 is in the affirmative:-

Answers to interrogatories by the 3rd Defendant
Emil Herbert
Peter Abeles
set by the 1st Defendant
R.W. Miller
(Holdings) Ltd.

- (a) when exactly was such discussion held;
- (b) who on behalf of Ampol Petroleum Limited attended;
- (c) what was the substance of such discussion.

- September 1972

10B. (a) I do not recall.

(continued)

10

(b) Discussions were between myself and Mr. Leonard of Ampol.

20

(c) The substance of the discussions was that Bulkships and Ampol had a probable mutual interest in Millers. I said that Bulkships would have a problem in acquiring the shares held by the Miller family in Millers and that I intended to honour the verbal undertaking given to Sir Roderick Miller that Bulkships would not move against Millers whilst the Miller family continued to hold the 25% shareholding in Millers. If, in fact, Bulkships could not itself buy the said Miller family shareholding I would have no objection to Ampol buying it. In the event of Ampol, in fact, buying the Miller family's holding in Millers and in the event of Bulkships and Ampol then considering the acquisition of the remaining capital in Millers, I would prefer Ampol to make the bid for the said remaining capital. If all this took place then in my view Bulkships would be prepared to take joint responsibility with Ampol for all the assets of Millers, even its fleet of tankers. I felt that Bulkships should own 60-70% of the said fleet of tankers as in my view it would be in the best future interests of the tanker division to be controlled by independent shipping interests such as Bulkships.

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40

Exhibit MH11
 Answers to
 interrogatories
 by the 3rd
 Defendant Emil
 Herbert Peter
 Abeles set by
 the 1st
 Defendant
 R.W. Miller
 (Holdings) Ltd.
 - September 1972
 (continued)

- 11A. Did Abeles undertake in December, 1971 that if Ampol Petroleum Limited made an offer for the acquisition of shares in R.W. Miller (Holdings) Limited then owned by Lady Elizabeth Miller and such offer was accepted and Ampol Petroleum Limited made a subsequent offer to other shareholders of R.W. Miller (Holdings) Limited for their shares then Bulkships Limited would support such offer on condition that Ampol Petroleum Limited would arrange for Bulkships Limited a 60% to 70% interest in the tankers then owned by R.W. Miller (Holdings) Limited. 10
- 11B. No. There were discussions between myself and Mr. Leonard of Ampol in or about December 1971. The substance of such discussions, not resulting in any agreement being reached, was that if Ampol acquired Lady Miller's shares and Ampol made a subsequent offer to other shareholders of R.W. Miller (Holdings) Limited for their shares, then Bulkships would support such offer on the understanding that Ampol would arrange for Bulkships a 60%-70% interest in the tankers then owned by R.W. Miller (Holdings) Limited. 20
- 12A. Did Abeles hold discussions with Ampol Petroleum Limited concerning shares in R.W. Miller (Holdings) Limited on or about 6th January, 1972. 30
- 12B. Yes, but I do not recall the exact date.
- 13A. If the answer to question 12 is in the affirmative:-
- (a) where was such discussion held;
 - (b) who on behalf of Ampol Petroleum Limited attended such discussion;
 - (c) what was the substance of the discussion. 40

- 13B. (a) as to the best of my recollection either at my home or at the office of Mr. Leonard the Chairman of Ampol.
- (b) Mr. Leonard of Ampol.
- (c) See answer to Interrogatory 10A (c).

Exhibit MH11

 Answers to
 interrogatories
 by the 3rd
 Defendant Emil
 Herbert Peter
 Abeles set by
 the 1st Defen-
 dant R.W. Miller
 (Holdings) Ltd.
 - September 1972
 (continued)

10 14A. Did Abeles, acting on behalf of Bulkships Limited, on or about 6th January, 1972 inform Ampol Petroleum Limited that Bulkships Limited would acquire 50% of the assets other than tankers of R.W. Miller (Holdings) Limited and would require a 60% interest in the tankers in the event of a takeover of R.W. Miller (Holdings) Limited by Ampol Petroleum Limited.

20 14B. No. On or about 6th January, 1972, I had an informal discussion with Mr. Leonard the Chairman of Ampol, not acting on behalf of Bulkships as I had no Board approval so to do, the substance of that discussion being that Bulkships would like to acquire 50% of the assets, other than tankers, of R.W. Miller (Holdings) Limited and would be interested in acquiring a 60% interest in the tankers in the event of a take-over of R.W. Miller (Holdings) Limited by Ampol.

30 15A. Did Abeles on or about 6th January, 1972 inform Ampol Petroleum Limited that Bulkships Limited was prepared to enter into a legally binding agreement concerning the division of shares and assets of R.W. Miller (Holdings) Limited between Bulkships Limited and Ampol Petroleum Limited following upon a successful bid by Ampol Petroleum Limited for the shares in R.W. Miller (Holdings) Limited.

40 15B. No.

16A. Did Abeles in 1972 inform Ampol Petroleum Limited that Bellambi Coal was a potential buyer for the colliery interests of R.W. Miller (Holdings) Limited.

- Exhibit MH11

Answers to
interrogatories
by the 3rd
Defendant Emil
Herbert Peter
Abeles set by
the 1st
Defendant
R.W. Miller
(Holdings)
Ltd.
- September 1972
(continued)
- 16B. To the best of my recollection I informed Mr. Leonard, the Chairman of Ampol by telephone I had been informed by Sir Ian Potter, the Chairman of Bulkships and a Director of Goldfields of which Bellambi Coal was a subsidiary that Bellambi would be interested in acquiring Millers' coal interest. I informed Mr. Taylor the Chairman of Millers, of Sir Ian Potter's statement at or about the same time as I informed Mr. Leonard of Ampol. 10
- 17A. Did Abeles cause to be prepared a document entitled "Heads of Agreement" of the agreement reached between Ampol Petroleum Limited and Bulkships Limited in 1972, a copy of which document is hereunto annexed and marked with the letter "A".
- 17B. No.
- 18A. Was the document hereunto annexed and marked with the letter "C" prepared at the instructions of:- 20
- (a) Abeles and/or
- (b) Ampol Petroleum Limited and/or
- (c) Bulkships Limited.
- 18B. (a) No.
- (b) Yes, as far as I am aware.
- (c) No.
- 19A. Does the document Annexure "C" correctly set out the matters discussed between Abeles on behalf of Bulkships Limited and Ampol Petroleum Limited concerning R.W. Miller (Holdings) Limited. 30
- 19B. The annexure marked "C" correctly sets out the substance of the matters discussed between myself and Ampol Petroleum; but no agreement relative to these matters was reached.
- 20A. Did Abeles represent Bulkships Limited in the negotiations leading to the document Annexure "C". 40

- 20B. Yes. Exhibit MH11
- 21A. If the answer to question 20 is in the negative who represented Bulkships Limited in such negotiations. Answers to interrogatories by the 3rd Defendant Emil Herbert Peter Abeles set by the 1st Defendant R.W. Miller (Holdings) Ltd.
- 21B. Not applicable. - September 1972
- 22A. Who represented Ampol Petroleum Limited in the negotiations leading to the document Annexure "C". (continued)
- 10 22B. Mr. Walter McEllister Leonard, the Chairman of Ampol.
- 23A. When and where were the negotiations held which led to the preparation of the document Annexure "C".
- 23B. In or about January - partly by telephone and partly at Leonard's office and partly at my office on dates which I cannot specifically recall.
- 24A. Did:-
- 20 (a) Ampol Petroleum Limited;
- (b) Bulkships Limited;
- ever do anything pursuant to the heads of agreement.
- 24B. The "Heads of Agreement" - Annexure "C" do not represent an agreement between Ampol and Bulkships and nothing was done pursuant to the "Heads of Agreement" by Bulkships.
- 25A. If the answer to question 24 is in the affirmative:-
- 30 (a) what was done;
- (b) by whom was it done;
- (d) when was it done.
- 25B. Not applicable
- 26A. Was the agreement between Ampol Petroleum Limited and Bulkships Limited embodied in the said document hereunto annexed and marked "C" rescinded at any time.

Exhibit MH11

Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles set
by the 1st
Defendant
R.W. Miller
(Holdings Ltd.
- September 1972
(continued)

- 26B. No agreement was ever reached between Bulkships and Ampol embodied in the document Annexure "C" and therefore there was no rescission thereof.
- 27A. If the answer to question 26 is in the affirmative who on behalf of Ampol Petroleum Limited and who on behalf of Bulkships Limited agreed to a rescission and when and what were its terms.
- 27B. Not applicable. 10
- 28A. Has Abeles had any discussions with Ampol Petroleum Limited relating to the disposal following upon a possible successful takeover of the shares in R.W. Miller (Holdings) Limited of the following interests:-
- (a) the hotel interests.
 - (b) the colliery interests;
 - (c) the tanker interests;
- of R.W. Miller (Holdings) Limited. 20
- 28B. Yes, there were discussions between myself and Mr. Leonard of Ampol substantially along the lines of Annexure "A" to the Interrogatories. I answer this interrogatory specifically as follows:-
- (a) Yes.
 - (b) Yes.
 - (c) Yes.
- 29A. If the answer to the foregoing question is in the affirmative:- 30
- (a) when was each of such discussions held;
 - (b) where was each of such discussions held;

Exhibit MH11

Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles
set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
- September 1972
(continued)

10

- (c) with whom on behalf of Ampol Petroleum Limited was each of such discussions held;
- (d) what was the substance of each of such discussions.
- 29B. (a) Late in 1971 and early in 1972.
- (b) I do not recall.
- (c) Mr. Leonard the Chairman of Ampol.
- (d) I cannot recall what was said during each particular discussion, My recollection is as to the substance overall of the discussions. See answer to Interrogatory 10(A)(c).

20

- 30A. Has Abeles held discussions with anyone concerning the disposal of any of the assets of R.W. Miller (Holdings) Limited following upon a possible successful takeover by:-
- (a) Ampol Petroleum Limited and/or
- (b) Bulkships Limited and/or
- (c) any other person or company.

30B. Yes.

The value of 4,500,000 shares issued at \$2.30 per share is \$10,350,000 making a total of \$34,652,122.20 for a total number of shares of 14,286,000 at a valuation of \$2.566,736 per share approximately 13 1/3 cents per share less than the valuation before the issue.

30

- 31A. If the answer to question 30 is in the affirmative:-
- (a) when;
- (b) where;
- (c) with whom was such discussion held;
- (d) what was the substance of each of such discussions.

Exhibit MH11
 Answers to
 interrogatories
 by the 3rd
 Defendant
 Emil Herbert
 Peter Abeles
 set by the 1st
 Defendant
 R.W. Miller
 (Holdings) Ltd.
 - September 1972
 (continued)

31B. (a) As to discussions with Mr. Leonard and of Ampol see my answers to Interrogatories 28 and 29. As to discussions with other persons I do not recall when and where such discussions were held.

(c) I discussed with Sir Ian Potter the Chairman of Bulkships and at or about the same time I discussed with Mr. Taylor the Chairman of Millers my views as to the re-arrangement of Millers and the disposal of certain assets.

10

(d) The substance of my discussions is as follows:

I talked to the Chairman of R.W. Millers, Mr. Arch Taylor, some times between January and March. At the same time I spoke to Sir Ian Potter, Chairman of Bulkships. I gave them my views, that in my opinion a re-organised Miller company should be re-arranged into a shipping division, which undoubtedly could show the right return; a re-organised hotel division, where certain hotels should be sold which did not have the right return, and others could be developed to that this division could be a reasonable profit earner too. As to the coal interests of Millers, I had grave doubts that under the Millers management with its deposits it could compete with the larger exporters of coal. The capital requirements are enormous. My suggestion was to either dispose of the coal division or to go into partnership with a larger organisation that has the know-how, if it is possible, to develop that part of the business jointly. When I talked to Sir Ian Potter about this, he suggested to me that if we ever

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30

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- 9 got into a position to influence the Miller Board to accept these views, we should try Bellambi Coal Company, who possibly could be interested in some sort of arrangement. After July 6th I had discussions with Mr. Leonard of Ampol, where I gave similar opinions, and Mr. Leonard suggested that Mitsui Company Limited could be interested too in in either a joint venture with our collieries, or in acquisition of those collieries.
- 10
- 32A. Did Abeles between 1st January, 1971 and 24th June, 1972 make any estimates or calculations of the value of shares in R.W. Miller (Holdings) Limited.
- 32B. Yes.
- 20 33A. If the answer to question 32 is in the affirmative:-
- (a) when was such estimate or if more than one such estimates made;
- (b) by whom was such estimate or if more than one each of such estimates made;
- (c) what was the estimated value or if more than one each of the estimated values.
- 33B. (a) Over the period June 1971 to June, 1972.
- 30 (b) By myself.
- (c) \$2.70 per share approximately, provided Millers could substantially increase its earning capacity by re-arranging its assets.
- 34A. Did Abeles make known to:-
- (a) Ampol Petroleum Limited.
- (b) anyone else;
- his calculations of the estimated value of the shares in R.W. Miller (Holdings) Limited.
- Answers to interrogatories by the 3rd Defendant Emil Herbert Peter Abeles set by the 1st Defendant R.W. Miller (Holdings) Ltd. - September 1972 (continued)

Exhibit MH11

Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles
set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
- September 1972
(continued)

- 34B. (a) yes.
- (b) yes.
- 35A. If the answer to question 34 is in the affirmative:-
- (a) when;
- (b) where;
- (c) to whom;
- (d) in what manner was this disclosure made and what were the terms thereof. 10
- 35B. (a) In various discussions after 6th July, 1972.
- (b) and (c). At Board Meetings of R.W. Miller (Holdings) Limited; with Mr. Leonard, Chairman of Ampol, on the telephone; and with Sir Ian Potter, Chairman of Bulkships, personally. 9
- (d) I discussed with Sir Ian Potter and Mr. Leonard and Mr. Taylor, Chairman of Millers, the value of shares in Millers. Mr. Taylor said that in his view \$2.70 was not a fair estimate of the value of Miller's shares as it was too low. I said that in my opinion \$2.70 per share was the maximum asset backing value for the shares in Millers but that under good management Millers could substantially increase its earning capacity by re-arranging its assets, and that in those circumstances I could not recommend Bulkships to sell its shares. 20 30
- 36A. Did Abeles have any discussions with any person concerning the financing of the:-
- (a) acquisition by Ampol Petroleum Limited of the shares in R.W. Miller (Holdings) Limited from Romanda Pty. Limited. 40

(b) the takeover offer made by Ampol Petroleum Limited for shares in R.W. Miller (Holdings) Limited.

Answers to
interrogatories
by the 3rd
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set by the 1st
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- September 1972

36B. (a) No.

(b) No.

37A. If the answer to question 36 is in the affirmative:-

(a) when;

(b) where;

10 (c) with whom were such discussions held.

(d) what was the substance of such discussions.

(continued)

37B. Not applicable.

38A. Did Abeles make any offer to anyone for the acquisition of shares in R.W. Miller (Holdings) Limited in:-

(a) 1971;

(b) 1972

20 either (i) on his own behalf or (ii) on behalf of anyone else.

38B. (a) No.

(b) No.

39A. If the answer to question 38 is in the affirmative:-

(a) when did Abeles make such offer or offers;

(b) where did Abeles make such offer or offers;

30 (c) to whom did Abeles make such offer or offers;

(d) on whose behalf did Abeles make such offer or offers;

Exhibit MH11

Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
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set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
- September 1972
(continued)

(e) what was the offer or offers made
by Abeles.

39B. Not applicable.

40A. If the answer to question 39 is in the
affirmative did Abeles withdraw such
offer or offers.

40B. Not applicable.

41A. If the answer to question 40 is in the
affirmative:-

(a) when;

10

(b) where;

(c) by what means did Abeles withdraw
or rescind such offer.

41B. Not applicable.

42A. Did Abeles approve the issue of a state-
ment on or about 27th June, 1972 as set
forth in paragraph 19 of the Statement
of Claim.

42B. As the Boards of Bulkships and Ampol
wished to issue the statement of the
27th June, 1972 I concurred in this
decision.

20

43A. If the answer to question 42 is in the
affirmative was the approval;

(a) express or implied or partly express
and partly implied;

(b) if express or partly express was it
oral or partly oral and/or in
writing or partly in writing;

(c) if oral:-

30

(i) to whom was it given;

(ii) what were its terms;

- Exhibit MH11
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by the 3rd
Defendant
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Peter Abeles
set by the 1st
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R.W. Miller
(Holdings) Ltd.
- September 1972
- (continued)
- (d) if in writing or partly in writing
please specify the document or
documents;
- (e) if implied or partly implied what
are the facts and circumstances
alleged to give rise to the implied
approval.
- 43B. (a) express.
- (b) oral.
- 10 (c) (i) To Sir Ian Potter, Chairman
of Bulkships.
- (ii) I simply concurred in the
issue of a statement.
- (d) Not applicable.
- (e) Not applicable.
- 44A. Does Abeles claim that he was:-
- (a) prevented from fully participating
in the discussion of the resolution
for the allotment of shares to
20 Howard Smith Limited on 6th July,
1972;
- (b) without proper justification and
contrary to the articles of associ-
ation excluded from voting on the
said resolution.
- 44B. (a) Yes. The Chairman said that I had
a conflict of interest and duty and
that I was not entitled to take part
in a debate or to vote on the subject.
- 30 (b) Yes.
- 45A. If the answer to question 44(a) is in the
affirmative what would Abeles have said
had he not been allegedly prevented from
participating in the discussion referred
to.

Exhibit MH11

Answers to
interrogatories
by the 3rd
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Emil Herbert
Peter Abeles
set by the 1st
Defendant
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(Holdings) Ltd.
- September 1972

(continued)

- 45B. I would have discussed with the Board the advisability of the allotment of shares and would have indicated to the Board that in my view, in the light of the previous statements by the Chairman that the shares were worth over \$3.00 that the Board should not allot shares at a price of \$2.30.
- 46A. If the answer to question 43(b) is in the affirmative how would Abeles have voted.
- 46B. I would have voted in the negative. 10
- 47A. In relation to Bulkships Limited is Abeles a director of that Company.
- 47B. Yes.
- 48A. If the answer to question 47 is in the affirmative when was Abeles appointed a director of Bulkships Limited.
- 48B. 7th October, 1970.
- 49A. At all times since 1st January, 1971 has Thomas Nationwide Transport been the owner of 3,537,669 shares in Bulkships Limited. 20
- 49B. Yes.
- 50A. As at 6th July, 1972 was Abeles registered as the holder of 6,300 shares in Group No. 1, 6,475 shares in Group No. 4 and 39,500 shares in Group No. 5 in the capital of Thomas Nationwide Transport Limited.
- 50B. As at 6th July, 1972, I was registered as the holder of: 30
1. 6,300 shares in the capital of Thomas Nationwide Transport Limited.
 2. 6,475 1974 Options.
 3. 39,500 1975 Options.

- 51A. As at 6th July 1972 was P.A. Holdings Pty. Limited registered as the owner of 622,556 shares in Thomas Nationwide Transport Limited. Exhibit MH11
- 51B. Yes. Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles
set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
- September 1972
- 10 52A. As at 6th July 1972 out of 10,000 issued ordinary shares in the capital of P.A. Holdings Pty. Limited did Abeles Holdings Pty. Limited own 9,997. (continued)
- 52B. Yes.
- 53A. As at 6th July 1972 was Abeles the sole governing director of P.A. Holdings Pty. Limited.
- 53B. Yes.
- 54A. As at 6th July 1972 in the capital of Abeles Holdings Pty. Limited:-
- (a) did Abeles hold all the issued A class shares;
- 20 (b) did P.A. Holdings Pty. Limited own all the issued non-cumulative preference shares;
- (c) out of the 9,887 B class ordinary shares did Abelex Investments Pty. Limited own 9,880 shares.
- 54B. (a) Yes.
- (b) No. Abelex Investments Pty. Limited was the owner of all the issued non-cumulative preference shares in the capital of Abeles Holding Pty. Limited.
- 30 (c) Yes.
- 55A. As at 6th July 1972 in the share capital of Abelex Investment Pty. Limited:-
- (a) did Abeles beneficially own:-
- (i) three;
- (ii) four;

Exhibit MH11

Answers to
interrogatories
by the 3rd
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- September 1972
(continued)

of the four issued "A" class shares;

- (b) did Abeles own 667 of the 2,167 issued B class shares;
- (c) did Abeles own 667 of the issued 1,167 C class shares;
- (d) of the issued share capital were the "A" class shares the only ones with voting rights.

- 55B. (a) (i) No.
(ii) Yes.

10

- (b) Yes.
- (c) Yes.
- (d) Yes.

56A. As at 6th July 1972 was Abeles in receipt of any remuneration reward payment or emolument from Thomas Nationwide Transport Limited.

56B. Yes.

57A. If the answer to question 56 is in the affirmative what rewards emoluments or payments was Abeles receiving.

20

57B. I object to answering this Interrogatory on the grounds that it is not relevant to the issues in this suit. If this Honourable Court rules that this interrogatory is proper and that I must answer it, I seek an order from this Honourable Court restricting the disclosure of the answer and its contents to Counsel.

58A. As at 6th July 1972 did Abeles have any options to take up shares in Thomas Nationwide Transport Limited.

30

58B. Yes.

59A. If the answer to question 58 is in the affirmative in respect of how many shares and on what conditions can the options be exercised.

- 59B. 6,475, 1974 Options and 39,500 1975 Options. Exhibit MH11
I do not know what the Interrogatory means
when referring to conditions on which the
options can be exercised because they are
freely traded on the stock market.
- 60A. What interest does Abeles have:-
(a) directly;
(b) indirectly in the share capital of
Thomas Nationwide Transport Limited.
- 10 60B. (a) and (b). In addition to the Options
referred to in paragraph 59 I hold direc-
tly 6,300 shares in the capital of TNT. I
have an interest in PA. Holdings Pty.
Limited which owns 622,556 shares in TNT
and 77,819 1974 options. I also have an
interest in Boulevard Investments which
holds 1,000 shares in TNT.
- 20 61A. Did Abeles abstain from voting on the reso-
lution of the recommendation of the direc-
tors of R.W. Miller (Holdings) Pty.
Limited on 10th August, 1972 on the take-
over offer from Howard Smith Limited.
- 61B. Yes.
- 62A. If the answer to question 59 is in the
affirmative for what reason did Abeles so
abstain.
- 62B. On legal advice.
- 30 63A. Would Abeles have abstained from voting
on the resolution for allotment of shares
to Howard Smith Limited on 6th July 1972.
- 63B. No.
- 64A. Was Abeles aware:-
(a) from April 1971 until 31st December,
1971
(b) in 1972
of the needs of R.W. Miller (Holdings)
Limited for outside finance.

Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles
set by the 1st
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R.W. Miller
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- September 1972

(continued)

Exhibit MH11
 Answers to
 interrogatories
 by the 3rd
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 set by the 1st
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 R.W. Miller
 (Holdings) Ltd.
 - September 1972
 (continued)

- 64B. (a) Yes.
- (b) Yes.
- 65A. What was Abeles' belief:
- (a) from April 1971 until 31st December 1971
- (b) in 1972
- as to the liquidity position of R.W. Miller (Holdings) Limited.
- 65B. (a) From April 1971 to December 1971 it was my view that the liquidity position of R.W. Miller (Holdings) Limited was not good and the company needed finance. After my nomination to the Board early in 1971 I made certain recommendations regarding the finance and it was my view that the financial position of the Company was constantly improving from June 1971. 10
- (b) Yes, as at the 30th June, 1972, it was my belief that the finance situation was then reasonable. All Directors had agreed in May, following the preparation of the General Manager's report on finance, that the finance situation was now in reasonable order. 20
- 66A. Did Abeles:-
- (a) have any discussions with anyone;
- (b) make arrangements with anyone;
- (c) give introductions for R.W. Miller (Holdings) Limited to anyone with a view to obtaining finance for R.W. Miller (Holdings) Limited. 30
- (i) in 1971;
- (ii) in 1972.

- 67A. If the answer to any part of question 66 is in the affirmative:- Exhibit MH11
- Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles
set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
- (a) when;
- (b) with whom or to whom
- did Abeles have discussions, make arrangements or give introductions.
- 67B. (a) In 1971. I cannot recall the relevant times more precisely. - September 1972
- (b) Mr. Brian Hambly of Tricontinental Corporation, Mr. Peter Watts of Australian Finance and Investment Company Limited and Mr. Evan Cameron. (continued)
- 68A. On 6th July 1972 did R.W. Miller (Holdings) Limited require additional funds.
- 68B. Yes, but less than \$2,000,000.
- 69A. Did:-
- (a) Abeles?
- (b) Bulkships Limited
- (i) offer
- (ii) refuse
- to provide funds to R.W. Miller (Holdings) Limited in
- (a) 1971;
- (b) 1972
- 69B. (a) and (b). In 1971 after the death of Sir Roderick Miller I notified the Board of Millers that Bulkships would not introduce funds to Millers but would help with the connections of Bulkships to arrange finance. No request for funds was made to me in 1972.

(Sgd.) E. DAVIS

Filed

Third Defendant's Solicitor

Exhibit MH11

ON the day of September, 1972

Answers to
interrogatories
by the 3rd
Defendant
Emil Herbert
Peter Abeles
set by the 1st
Defendant
R.W. Miller
(Holdings) Ltd.
- September 1972

EMIL HERBERT PETER ABELES, Managing Director,
being duly sworn makes oath and says as
follows:-

1. I am the third Defendant and the third Cross-Defendant in this suit.
2. The answers to the Interrogatories annexed hereto and marked with the letter "A" are true to my own knowledge.

SWORN at Sydney on the day) 10
 and the year first herein-) (Sgd.)
 before mentioned before me:)

(Sgd.) G. F. CAIRNS J.P.

A Justice of the Peace.

1st Defendants Exhibits
Exhibit MH 12

Exhibit MH12
Correspondence
passing between
The Minister for
Shipping and
Transport and
L.D. Koch, and
A.N. Taylor as
set out here-
in
Letter L.D. Koch
to Minister for
Shipping and
Transport
11th June 1971

Correspondence passing between The Minister
for Shipping and Transport and L.D. Koch and
A.N. Taylor as set out herein

R.W. Miller & Co. Pty. Ltd.

The Hon. P.J. Nixon, M.P.
Minister for Shipping and Transport,
Parliament House,
Canberra A.C.T.

20

Dear Mr. Nixon,

As a consequence of the meeting held with
you on Friday 4th June, 1971, we have made a
careful assessment of our cash flow position.

We now find that we are in a position
to make a settlement on the outstanding
progress payment due under the Sale Contract
for M.T. "Amanda Miller".

In this regard we enclose our cheque amounting to \$620,150 being 50 per cent of the amount now due.

Exhibit MH12

Correspondence passing between The Minister for Shipping and Transport and L.D. Koch and A.N. Taylor as set out herein Letter L.D. Koch to Minister for Shipping and Transport
11th June 1971

(continued)

10 We are hopeful that the remaining 50 per cent will be settled by the 30th June 1971, either from our own internal financing, or from external borrowings. On this matter, we offer, without precedent and without prejudice, to pay interest at the rate of 9 per cent per annum on the amount of \$620,150 outstanding as from today's date.

We wish to confirm that we have a firm commitment from Australian Financed and Investment Company Limited for a loan of \$7.4 million as finance for the construction of M.T. "Amanda Miller", but the drawdown for this amount cannot be made prior to the hand-over of the vessel.

20 This substantiates our concern at the continuing delays occurring in the construction of this vessel, and our complete inability to obtain confirmation of the delivery date from either the Australian Shipbuilding Board or the Builder.

30 Our financial consultants, namely, Tri-continental Corporation Limited are in possession of our financial situation for the purpose of submitting a recommendation for the future financing of our entire capital expenditure programme.

A meeting was held with them on Thursday, 10th June 1971, and they were quite satisfied that our financial projections can be suitably serviced.

40 In the case of M.T. "Robert Miller", they are at present finalising a submission to our Company for a ship's mortgage loan of 80 per cent of the cost of this vessel, and are proposing to place this through the Australian Trading Bank System.

They are most experienced with this type of financing, and their Chairman, Sir Ian Potter, is most confident that the M.T. "Robert Miller" can be financed on this basis, and has recommended this method in preference to a lease back arrangement.

Exhibit MH12
(part)

Correspondence
passing between
The Minister
for Shipping and
Transport and
L.D. Koch and
A.N. Taylor as
set out herein
Letter L.D. Koch
to Minister of
Shipping and
Transport

11th June 1971

(continued)

As soon as finality is reached on this matter, we will advise you in full detail of the arrangements so made. In the meantime, their Managing Director, Mr. Brian Hamley, is prepared to discuss this matter with you personally, at any time to suit your convenience.

At present, our Chairman and Joint Managing Director, Mr. A.N. Taylor, is in Japan discussing the position of the Bank guarantee required by Ishikawajima-Harima Heavy Industries Company Limited for the package machinery equipment, and upon his return will be in a position to elaborate further on this matter.

10

We trust that this information is satisfactory to you, and we take the opportunity of thanking you and your Department for the understanding and cooperation received on these matters.

Yours sincerely,

20

(Sgd.) L. D. KOCH

L.D. Koch
General Manager

Encl.

Exhibit MH12

Letter Minister
for Shipping
and Transport
to L.D. Koch
17th June 1971

Exhibit MH 12 (continued)

Letter Minister for Shipping and Transport to L.D. Koch 17th June 1971 - Commonwealth of Australia Minister for Shipping and Transport
Dear Mr. Koch, 17th June 1971

Thank you for your letter of 11th June, 1971.

I note that your company has been, since 18th March 1971, in default in respect of payment of the amount which it agreed to pay upon the launching of the vessel, M.T. "Amanda Miller". Your company's cheque for \$620,150 has been received and the balance of the relevant amount, namely \$620,150, is still outstanding.

30

It will be appreciated that the amount provided by the agreement to be paid on the launching of the vessel is intended to be

40

partial reimbursement of amounts which the Commonwealth has been obliged to pay in respect of the construction of the vessel. Clear provision is made for the payment of this amount under the agreement with your company and I feel obliged to insist that it be paid forthwith. Provision is also made under the agreement for payment of interest upon any amount not paid and payment of such interest is required.

Exhibit MH12

Letter
Minister for
Shipping
and Transport
to L.D. Koch
17th June 1971
(continued)

10

The amount of \$620,150 forwarded with the letter under reply has been received on behalf of the Commonwealth and will be held in anticipation of the payment of the full amount. The retention of this money must not, however, be taken to be any waiver of the rights of the Commonwealth under the agreement or of the breach which has been committed by your company, nor must it be taken as any acceptance of any variation of the agreement in respect of payment of interest or otherwise.

20

Your observations as to the company's financial position and the steps which it is taking in this regard are noted, but it is felt that these are essentially the concern of your company and no comment is made in respect of them. Your reference to delays in the construction of the vessel and the matters concerning its delivery date may, if appropriate, be dealt with subsequently and I refrain from comment upon them at this stage.

30

I am advised that appropriate steps should be taken on behalf of the Commonwealth to secure payment of the full amount agreed by your company to be paid upon the launching of the vessel. Please therefore note that your Company is held to be in breach of the agreement by virtue of its failure to pay in full, the amount provided to be paid under Clause 8 of the agreement upon the launching of the vessel; that the payment of this amount is now to be deemed to be of the essence of the agreement and that failure to pay the full amount on or before 7th July 1971, will be taken to be a fundamental breach of the agreement and a refusal by your company to perform the agreement according to its terms.

40

Exhibit MH12

Letter
Minister for
Shipping and
Transport to
L.D. Koch

17th June 1971
(continued)

In the event of such a failure, the Commonwealth will determine what action should be taken, whether by way of legal proceedings for recovery of the amount in question, rescission of the agreement, or otherwise, as may then be considered appropriate.

Yours sincerely,
(SGD.) P. J. NIXON

Mr. L.D. Koch, General Manager,
R.W. Miller & Co. Pty, Ltd.
19 Bridge Street, Sydney N.S.W. 2000.

Exhibit MH 12

Exhibit MH12

Letter
Minister for
Shipping and
Transport to
L. D. Koch

16th July 1971

Letter Minister for Shipping and Transport to
L.D. Koch 16th July 1971 - Commonwealth of
Australia Minister for Shipping and Transport
Dear Mr. Koch, 16th July 1971

10

The Australian Shipbuilding Board has advised me that your company has failed to pay to the Commonwealth instalments totalling \$2,465,820 due in respect of the purchase price of the vessel 'Robert Miller', the instalments unpaid being firstly, that for \$1,232,910 due in respect of the fabrication or erection of 10 per cent of the steel required for the vessel and secondly, the instalment for \$1,232,910 due in respect of the laying of the keel. These instalments were payable on or before 24 June 1971.

20

As you are aware, payment of the above instalments is intended to be partial reimbursement to the Commonwealth of amounts which it has already paid in respect of the construction of the vessel. The contract between your company and the Commonwealth for the purchase of the 'Robert Miller' makes clear provision for the payment of these instalments and for the payment of interest on any instalment not paid, and it is essential that the Commonwealth obtain payment of the instalments, together with interest as provided under the contract, from your company without further delay. Please note that payment of these amounts is now deemed to be of the essence of the contract and that failure to pay the full amount of \$2,465,820,

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40

together with interest, on or before 9 August, 1971, will be taken to be a fundamental breach of the contract and a refusal by your company to perform the contract according to its terms.

Exhibit MH12

Should payment in full be not made in accordance with the preceding paragraph, the Commonwealth will take such action as it may be advised is appropriate, whether by way of legal proceedings for recovery of the amount in question, rescission of the agreement or otherwise.

Letter
Minister for
Shipping and
Transport to
L. D. Koch

16th July 1971

(continued)

10

Yours sincerely,
(SGD.) P. J. NIXON

Mr. L.D. Koch,
General Manager,
R.W. Miller & Co. Pty. Ltd.
19 Bridge Street, Sydney N.S.W. 2000

Exhibit MH 12

Letter A.N. Taylor to Minister for Shipping and Transport dated 6th August 1971 - R.W. Miller & Co. Pty. Ltd. The Hon. P.J. Nixon M.P. Minister for Shipping & Transport, Parliament House, Canberra, A.C.T. 2600. August 6th, 1971.

Exhibit MH12

Letter
A.N. Taylor to
Minister for
Shipping and
Transport

6th August 1971

20

We refer to your letter of July 16th, 1971, concerning the outstanding instalment due in respect to the construction of M.T. "Robert Miller" wherein you granted an extension until 9th August, 1971, for settlement of this account.

30

We would like to take the opportunity of thanking you personally for the understanding and consideration given to us in this matter. At this juncture we would also like to express our appreciation of your Department's and its Officers' assistance in finalising an equitable charter rate between the Oil Companies' Consortium and ourselves for M.T. "Amanda Miller".

As you are aware, agreement of the charter was of paramount importance in our negotiations with Hambros Bank Limited for financing the construction of this vessel.

40

We are now pleased to inform you that a firm commitment has been received from Hambros and settlement of the loan of \$7.4-million is to be made upon handover of the vessel. However,

Exhibit MH12

Letter
A.N. Taylor
to Minister
for Shipping
and Transport
6th August 1971

the loan of \$7.4-million from Hambros Bank forms an integral part of our cash flow and is conditional upon their acceptance of the preliminary agreement at present being executed by the Oil Companies' Consortium as evidence of the intent to charter M.T. "Amanda Miller". We expect this document in our hands on August 12th.

(continued)

As the ultimate charterers of this vessel will be a Consortium comprising six Oil Companies (with overseas Principals), we are informed that the official Time Charter could take some considerable time to execute. We, therefore, seek your forbearance regarding the now overdue payment on M.T. "Robert Miller" until settlement is received from Hambros Bank Limited.

10

As evidence of the statements made above, we enclose all details confirming the commitment by Hambros Bank Limited, together with a copy of the proposed Preliminary Agreement for the charter of M.T. "Amanda Miller".

20

Should you wish to discuss this matter personally I, or a representative of this company, would be available at any time to suit your convenience.

Yours sincerely,

(Sgd.) A. N. Taylor

Joint Managing Director

Exhibit MH 12

Exhibit MH12

Letter
Minister for
Shipping and
Transport to
L.D. Koch
7th December
1971

Letter Minister for Shipping and Transport to L.D. Koch dated 7th December 1971 Commonwealth of Australia Minister for Shipping and Transport, 7th December 1971

30

Dear Mr. Koch,

I have been advised by the Australian Shipbuilding Board that your company has defaulted in making progress payments totalling \$4,315,185 which have become due under the Company's agreement with the Commonwealth for the purchase of M.T. Robert Miller. The payments involved are those which became due under the contract in respect of the fabrication or erection of ten per centum of the

40

steel for the vessel, the laying of the keel and the fabrication or erection of twentyfive per centum of the steel.

Exhibit MH 12

Letter
Minister for
Shipping and
Transport to
L.D. Koch

7th December
1971

(continued)

10

I have previously pointed out to you that the instalments of the purchase price payable by your company under its agreement with the Commonwealth in respect of the vessel are intended to be a partial reimbursement of amounts paid by the Commonwealth for the construction of the vessel and your Company's repeated failure to meet its obligations to make the progress payments as they become due is causing my Department considerable difficulty and embarrassment.

20

Please therefore note that your Company is held to be in breach of the agreement by virtue of its failure to make the progress payments totalling \$4,315,185 referred to above, that the payment of this amount is now to be deemed to be of the essence of the agreement and that failure to pay this amount together with interest accrued thereon on or before 24 December 1971 will be taken to be of a fundamental breach of the agreement and a refusal by your Company to perform the agreement according to its terms.

30

In the event of such a failure, the Commonwealth will determine what action should be taken whether by way of legal proceedings for recovery of the amount in question, rescission of the agreement, or otherwise as it may then be considered appropriate.

Yours sincerely,
(SGD.) P.J. NIXON

Exhibit MH 12

Letter A.N. Taylor to Minister for Shipping and Transport dated 8th December 1971 -

R.W. Miller & Co. Pty. Ltd.

The Hon. P.J. Nixon, M.P. Minister for Shipping & Transport, Parliament House, Canberra A.C.T.

Dear Mr. Nixon,

Whilst I know that you have been kept posted on our negotiations for long term finance for the M.T. "Robert Miller", I would like to take this opportunity of bringing you up to date on the latest developments during my visit to London last week.

Exhibit MH 12

Letter
A.N. Taylor to
Minister for
Shipping and
Transport
8th December,
1971

Exhibit MH12

Letter A.N.
Taylor to
Minister for
Shipping and
Transport

8th December
1971

(continued)

Mr. L.D. Koch and I had detailed discussions with Hambros Ltd. in England who had, prior to our departure, agreed to consider making construction finance available to a maximum of U.S. \$10-million and take position of lead bank in a consortium to provide long term finance following delivery of the ship. At a meeting on Friday last Hambros Ltd. agreed to provide 80% of the construction finance provided we can obtain an undertaking from our Bank (The Bank of New South Wales) to provide the balance of 20%. Since my return discussions with Bank officials indicate that this proposal will be favourably considered by the Board of the Bank.

10

As regards long term finance, the consortium headed by Hambros Ltd. is prepared to provide \$7.4-million (Aust.) on the basis of a letter of commitment from the Shell Co. to undertake a five year charter of the ship with an extension of three years.

20

Since my return I have had discussions with Mr. E.B. Grant of the Shell Co. who can see no reason why Shell would not be able to give this undertaking subject to prices being mutually agreed upon. I will be discussing this matter in more detail personally with Mr. Froggatt and Mr. Grant in a few days when Mr. Koch has returned.

Hambros Ltd. have informed us that, once these requirements are fulfilled, the money can be available in Australia within 48 hours.

30

I would again like to express my appreciation of your understanding and co-operation in this matter.

Yours sincerely,
(SGd.) A.N. TAYLOR
A. N. TAYLOR
JOINT MANAGING DIRECTOR

1771

Exhibit MH 12

Letter L.D. Koch to Minister for Shipping and
Transport dated 16th December 1971
R.W. Miller & Co. Pty. Ltd.
The Hon. P.J. Nixon M.P. Minister for Shipping
& Transport, Parliament House, Canberra A.C.T.
December 16th 1971

Exhibit MH 12

Letter L.D. Koch
to Minister for
Shipping and
Transport dated
16th December
1971

Dear Mr. Nixon,

10

Thank you for your letter of December 7th
1971, regarding progress payments due under the
agreement with the Commonwealth for the purchase
of the M.T. "Robert Miller".

As previously advised, negotiations have
been in progress for several months for long
term finance for the financing of this vessel.
Following the visit of Mr. Taylor and myself to
London earlier this month to discuss final
details with a consortium of Banks, comprising
Hambros Bank Ltd. Midland and International
Bank Ltd. Chase Manhattan Bank M.A., Security
Pacific Bank, and Lloyds and Bolsa Bank Ltd.
these negotiations are now reaching a satisfac-
tory conclusion.

The Banks have agreed in principle to lend
us \$ U.S. 8.5-million and transfer this amount to
Australia within 48 hours of finalisation of a
charter commitment with the Shell Co. This
charter commitment has been discussed in detail
with Shell over the past month and further dis-
cussions will take place in Melbourne early next
week.

We will advise you immediately of the out-
come and request a meeting with you.

Yours sincerely,
(SGD.) L.D. KOCH
General Manager

Exhibit MH 12

Letter Minister for Shipping and Transport to
A. Taylor dated 18th May 1972
Commonwealth of Australia Minister for Shipping
and Transport 18th May 1972

Exhibit MH 12

Letter Minister
for Shipping and
Transport to
A. Taylor
18th May 1972

Dear Mr. Taylor,

You will recall that I wrote to you on
17th December 1971 indicating that your Company
was held to be in breach of its contract with
the Commonwealth by virtue of its failure to
make progress payments in accordance with the
contract.

Exhibit MH12
Letter Minister
for Shipping and
Transport to
A. Taylor
18th May 1972

Subsequently you indicated to me that if a long term charter could be arranged for the use of the vessel that your Company would be able to secure the necessary finance from a consortium of overseas banks.

The present situation is that whilst the long term charter has been concluded your Company has been unable to obtain the finance and the amount outstanding by your Company at 30 April was £8,013,915.

10

I have received your submission detailing your latest proposals for obtaining the finance. You will appreciate however that a stage has now been reached where the Commonwealth must determine urgently what action should be taken. In arriving at this decision we will give careful consideration to the information contained in your submission.

Yours sincerely,
(Sgd.) P.J. Nixon
(P.J. NIXON)

20

Mr. A. Taylor,
Managing Director,
R.W. Miller & Co. Pty. Ltd.
19 Bridge Street, Sydney, N.S.W.

Exhibit MH 12
Letter A.N. Taylor
to Minister for
Shipping and
Transport
18th May 1972

Exhibit MH 12
Letter A.N. Taylor to Minister for Shipping and Transport dated 18th May 1972

The Hon. P.J. Nixon, M.P. Minister for Shipping and Transport, Parliament House, Canberra A.C.T.
Dear Mr. Nixon, 18th May 1972

We feel that we must advise you of the current position regarding our negotiations to obtain finance for the M.T. "Robert Miller" at present under construction at Evans Deakin Shipyard in Brisbane.

30

We originally approached our Bankers. The Bank of New South Wales, for assistance with finance for the construction and operation of the vessel, however as this type of finance was new to them they, at the time, declined financial assistance to our Company.

We have been in negotiation for some considerable time with Hambros Bank Limited of London, which had agreed to act as Lead Banker in a consortium of Banks to consider providing the required finance.

40

The proposal put to them was in two parts: Exhibit MH 12

- | | |
|--|--|
| <p>(1) Construction finance to meet progress payments made by the Commonwealth during the course of construction.</p> <p>(2), End financing for a period of 5 years from date of delivery.</p> | <p>Letter A.N. Taylor
to Minister for
Shipping and
Transport
18th May 1972</p> |
|--|--|

(continued)

They have agreed that the amount of financing involved would be 60 per cent of the cost to us for construction of this vessel, i.e.

10 60% of \$12,329,100 = \$7,397,460

The end take out is virtually assured, but problems have arisen regarding the construction finance, which is a facet of ship financing in which they are reluctant to participate.

20 Australian shipbuilding practice is unique in that in other shipbuilding countries this type of finance is provided by Governmental Agencies or the builders. As you know here the ship purchaser has to approach private sector financing institutions, many of these seek the support of their overseas affiliates who advise that as they have no experience in this form of financing they are therefore reluctant to support their Australian associates in undertaking it.

30 Another reason for this reluctance is the uncertainty of the date of completion, (they and the performance bond underwriters have reminded us on numerous occasions that their stand is supported by the circumstances which affected the delivery of our other tanker M.T. "Amanda Miller",) and, as they have to programme their liquid position, the possibility of late delivery would materially affect their overall position.

40 On this point they informed us that they would be prepared to provide construction finance facilities on the basis of a Government guarantee that the vessel would be delivered no later than 12 months after the Contract delivery date.

Exhibit MH 12
 Letter A.N. Taylor
 to Minister for
 Shipping and
 Transport

18th May 1972
 (continued)

We approached your Department on this matter at that time, and no doubt with good and sufficient reason, the Commonwealth could not see its way clear to accede to this request.

In response to a suggestion from the consortium we then approached Insurance Companies in an endeavour to obtain a Performance Bond to cover such a situation. However, the recent damaging statements made by the Chairman of Evans Deakin Industries Limited concerning the future of their Shipyard resulted in the proposed Underwriters uncompromisingly refusing this business.

10

In the meantime after unsuccessfully approaching the Commonwealth Bank of Australia the Australian Resources Development Bank, the Australian Industry Development Corporation, and the A.N.A. Bank Limited, we finally approached the Australian European Finance Corporation Limited on the entire matter of financing this vessel. This Corporation is an Australian Company jointly sponsored by:-

20

Algemane Bank Nederland N.V.
 Head Office: Amsterdam

Banca Nazionale Del Lavoro
 Head Office: Rome

Banque Nationale de Paris
 Head Office: Paris

Commonwealth Trading Bank of Australia
 Head Office: Sydney

30

Dresdner Bank A.G.
 Head Office: Frankfurt a.M.

After considering our proposition, their Board verbally advised rejection of our submission on Monday 15th instant on the ground that this type of finance was new to them.

Following a comprehensive re-programming of our operations we have carried out an intensive survey of our immediate finances and wish to advise you that the following monies will be available by 30th June 1972:-

40

Funds available from investments which have been realized progressively since March 1972.

Exhibit MH12

Letter A.N. Taylor to Minister of Shipping and Transport

18th May 1972

(continued)

Albion Hotel	Contracts exchanged and completion imminent	500,000
Bexley North Hotel	Contracts exchanged and completion imminent	940,000
Richmond Hotel	Contracts exchanged and completion imminent	160,000
10 Manly Vale Hotel	Contracts forwarded settlement expected in approx. 6 weeks	975,000
Kingswood Hotel	Deposit paid	280,000
Merryfield Hotel (delicensed)	Contracts exchanged settlement when license has been secured	130,000
		<u>2,985,000</u>

Additional Funds:

	Commonwealth Superannuation Fund	
20	Mortgage arranged and expected to be completed prior to 30th June 1972. The final sum anticipated is to be 60% of the Valuation of the Funds Valuer	2,500,000
	Additional sum from repayment of Loan Finance prior to 30th June 1972	<u>800,000</u>
	Total liquid resources imminently available	<u>2,285,000</u>

The amount owing to the Commonwealth under the terms of our contract are as follows:-

	Progress payments outstanding to date	8,013,915
30	Estimated interest payment due June 1972	<u>93,750</u>
		<u>8,107,665</u>

Exhibit MH12

Letter A.N. Taylor
to Minister for
Shipping and
Transport

18th May 1972

(continued)

We have approached the Bank of New South
Wales once again for bridging finance up to
\$5 million on the following basis:-

- (i) Pay the Department of Shipping
and Transport before 30th June,
1972, the amount of approximately
\$1.82 million which will be the
balance of our indebtedness to
them at that date.
- (ii) Pay the instalment \$1,849,365 due 10
to the Department in November/
December 1972.
- (iii) Provide working capital in meeting
our commitments for the normal
operations of the Group between
now and June 1973.

We are hopeful that our submission to the
Bank of New South Wales will receive favourable
consideration, but we do not expect to have
their answer before Friday 26th May, 20

We do not under any circumstances wish the
contents of this letter to be taken as a mere
excuse for our non-compliance with our contrac-
tual obligations for the construction of this
vessel, but as an honest and sincere effort to
appraise the Commonwealth of our earnest and
continuing endeavours to obtain the balance of
the construction finance in the face of moun-
ting difficulties, in many cases arising from
circumstances beyond our control. 30

Finally, we take the liberty of once again
raising the matter of the Government guaran-
tee sought by the consortium as a definite
solution to the difficulty which might perhaps
be re-considered. You will, we are sure,
understand that we are not attempting to raise
again an issue which has finally been determined
but merely to ensure that no aspect or possible
solution to the situation is overlooked. In
this regard at the risk of stating the obvious
our contract for the construction of the tanker
is with the Commonwealth of Australia and,
as we see it, the issue of a guarantee to a
third party as suggested amounts merely to the
affirmation of an obligation which the Common-
wealth already has to this Company. A precedent

for the issue of a Commonwealth guarantee comparable in nature, if not in form, is of course to be found in the case of Ansett Transport Industries Limited.

We have taken the liberty of enclosing such supporting evidence as we feel may be of assistance to you in considering this matter.

Yours sincerely,
A.N. Taylor
Managing Director

Encl.

Exhibit MH12

Letter A.N. Taylor
to Minister for
Shipping and
Transport

18th May 1972

(continued)

10

Exhibit MH 12

Letter A.N. Taylor to Minister for Shipping and Transport dated 13th June 1972

R.W. Miller & Co. Pty Ltd.

The Hon. P.J. Nixon M.P. Minister for Shipping and Transport, Parliament House, Canberra A.C.T.

13th June 1972

Exhibit MH 12

Letter A.N. Taylor
to Minister for
Shipping and
Transport

13th June 1972

Dear Mr. Nixon,

We would like to thank you most sincerely for affording us your time on the 18th May to meet with you and discuss our financial arrangements regarding the payments due to the Department for the construction of M.T. "Robert Miller".

20

Further to our letter of that date, we now summarise the current position. The following statement has been prepared to show the anticipated dates upon which we intend to settle our account.

Progress payments outstanding	£8,013,915
Less paid to date	1,750,000
	<hr/>
Balance owing	£6,263,915
	<hr/>

Estimated dates of future payments:-

30

23.6.72	1,000,000
26.6.72	150,000
30.6.72 (Commonwealth Super-annuation Board)	3,000,000
30.6.72 (Bank of New South Wales)	2,400,000
	<hr/>
	£6,550,000
	<hr/>

Exhibit MH12

Letter A.N.

Taylor to
Minister for
Shipping and
Transport

13th June 1972

(continued)

We were hopeful that a decision would have been made by the Commonwealth Superannuation Board last Friday 9th inst., but we have since been advised that the Board will now meet on Friday 16th inst. to consider our mortgage finance.

The Board have previously informed us that if approval is given they expect settlement to be made by the 30th June, and we have stressed the importance of the draw - down being made available by that date.

10

We attach herewith a copy of Inter-office Memo detailing discussion between our Mr. Murphy and Mr. Mattress of the Commonwealth Superannuation Board (attachment "A") together with a further memo covering discussions held with the Bank of New South Wales (Attachment "B").

In our letter to you of the 18th May, we informed you that we had made a further approach 20 to the Bank of New South Wales for bridging finance, and now attach a copy of their letter dated 6th June 1972, wherein they approved a loan of \$4.2 million to be cleared by June 1973. (Attachment "C").

If the Commonwealth Superannuation Board cannot settle by the 30th June, we intend applying to the Bank of New South Wales for the full draw-down of \$4.2 million prior to 30th June.

30

Furthermore, we are pleased to report that Hambros Bank Limited have now made a firm commitment for end financing to the extent of U.S.\$8.8 million under similar terms and conditions as our previous loan regarding M.T. "Amanda Miller", and we enclose copy of their Commitment Letter. (Attachment "D").

We appreciate your co-operation in this matter and you may rest assured that every possible endeavour is being taken to ensure that the payments set out previously in this letter will be adhered to.

40

Yours sincerely,
(SGD.) A.N. Taylor
Managing Director

Attachments.

Exhibit MH 12

Letter Minister for Shipping and Transport to
A.N. Taylor dated 15th June 1972
Commonwealth of Australia Minister for
Shipping and Transport 15th June 1972

Exhibit MH12

Letter Minister
for Shipping
and Transport
to A.N. Taylor

Dear Mr. Taylor

15th June 1972

Thank you for your letter of 18 May 1972
in which you set out details of your Company's
endeavours to obtain the balance of the construc-
tion finance for M.T. "Robert Miller".

The position (excluding interest) as at
present is as follows:-

10

<u>Stage</u> <u>of</u> <u>Construc-</u> <u>tion</u>	<u>Amount</u> <u>due</u>	<u>Due Date</u>	<u>Amount</u> <u>Paid</u>	<u>Date</u> <u>Paid</u>	<u>Still</u> <u>Due</u>
	£		£		
Deposit	616,455	17.12.70	616,455	17.12.70	Nil
10% steel	1,232,910	14.6.71	(1m. 29.5.72) (232,910 2.6.72)		Nil
Keel	1,232,910	24.6.71	517,090	2.6.72	715,820
25% steel	1,849,365	1.9.71	Nil	-	1,849,365
50% steel	1,849,365	10.12.71	Nil	-	1,849,365
75% steel	1,849,365	27.3.72	Nil	-	1,849,365

20

In addition, \$1,345.13 interest is due for 1 June 1972
and at the rate of \$1,201.29 per day from 2 June 1972
to the date of payment.

30

You will know that since construction commenced
the only instalment payment which has been made in
full was made over 11 months late and that the
greater part of the payment due by 24 June 1971 and
the whole of payments due by 1 September 1971,
10 December 1971 and 27 March 1972 are still out-
standing.

In view of your Company's repeated statements
that it was negotiating for finance to meet its
obligations under the contract, the Commonwealth
has forborne taking the legal proceedings against
the Company which it would otherwise have initiated.
This position can, however, not be allowed to continue
and unless the unpaid balance of the due instalments,
together with the interest accrued thereon, is paid

Exhibit MH12

Letter Minister
for Shipping
and Transport
ato A.N. Taylor

15th June 1972

(continued)

by Friday, 30th June, 1972, I shall have no alternative but to instruct the Crown Solicitor to commence proceedings against your Company for the recovery of these amounts without further notice.

I should mention that these proceedings if taken, must not be regarded as in any way waiving, or varying, the Commonwealth's rights to rescind the contract or any other rights which may be available to it.

10

In relation to the guarantee you have sought, I regret that I am unable to agree to your Company's request.

Yours sincerely,
(SGD.) PETER NIXON

Mr. A.N. Taylor,
Managing Director,
R.W. Miller & Co. Pty Ltd.
19 Bridge Street, Sydney N.S.W.

1st Defendants Exhibits

Exhibit MH 13

Minutes of
Meetings of
Directors of
R.W. Miller
(Holdings) Ltd.
and Management
Reports

24th June 1971

PRESENT:

IN ATTENDANCE:

APOLOGIES FOR
NON-ATTENDANCE

CONFIRMATION
OF MINUTES
OF PREVIOUS
DIRECTORS'
MEETING

CONFIRMATION OF
MINUTES OF SHARE
TRANSFER COMMITTEE
MEETINGS:

Minutes of Meeting of Directors of
R. W. Miller (Holdings) Ltd. and Management
Reports - 24th June 1971

20

R. W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED HELD IN THE BOARD ROOM,
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY,
AT 11 A.M. ON THURSDAY, JUNE 24th, 1971

Mr. A.N. Taylor - Chairman
Lady Miller and Messrs. K.B. Anderson, R.I.
Nicholl, E.D. Cameron

Mr. H.V. Ellis-Jones - Secretary
Miss M.J. Hill

30

The Chairman tendered apologies for non-attendance on behalf of Messrs. A.V. Balhorn and J.W. Parker who were overseas in Japan and England respectively.

The Minutes of the Meeting of Directors held on May 31st, 1971, were tabled, confirmed by the Meeting and signed by the Chairman as a true record and the proceedings thereat.

The Minutes of Meetings of the Share Transfer Committee held on the following dates were confirmed.

40

1971: May 21st
 May 28th
 June 4th

Exhibit MH 13
 Minutes of
 Meetings of
 Directors of
 R.W. Miller
 (Holdings) Ltd.
 and Management
 Reports
 24th June 1971

EASTERN SUBURBS LEAGUES CLUB LTD.:
 Lady Miller enquired as to the present position following the decision made at the last Meeting to increase the interest charged on the Club's debt from 7½% per annum to 9% per annum.
 The Chairman reported that the Club's Management had indicated that they would refuse to pay the increased interest and that Tricontinental Coporation Ltd. were negotiating with a possible lender who had shown interest in lending against the security of the mortgage.

BUSINESS
 ARISING
 FROM
 MINUTES
 OF
 PREVIOUS
 DIRECTORS'
 MEETING:

10

J. & K. JOHNSTONE HOLDINGS LIMITED.
 Mr. R.I. Nicholl informed Mr. E.D. Cameron that this matter had reached the position where it was necessary to go through the whole history of dealings with the Johnstone interests on mining leases with members of the staff who could give direct evidence on verbal negotiations as much of the direct dealing with the Johnstone interest had been conducted by the late Sir Roderick Miller.

20

It was agreed that Mr. A.N. Taylor should investigate and pursue this matter with Mr. R.I. Nicholl and Mr. J. Wild and that the advice of Mr. Dennis Mahoney should then be obtained on whether legal action was warranted and advisable.

PLANNED ECONOMIES:

The Chairman reported that a written instruction had been issued by the General Manager calling for all possible economies to be instituted Future overseas air travel would be at tourist class wherever practicable.

30

"PAMELA ANN":

It was reported that this vessel had been valued by Mr. Warwick Hood at \$12,000 and that a buyer (at present overseas) known to Mr. N.J. Middleton had shown interest in purchasing the vessel for \$15,000.

40

Lady Miller offered also to try and find possible buyers for the vessel.

Exhibit MH 13

Minutes of
Meetings of
Directors of
R.W. Holding
(Holdings) Ltd.
and Management
Reports

24th June 1971

(continued)

SURFERS PARADISE:

The Chairman advised that he had obtained a valuation for the Company's residence at Surfers Paradise at \$26,000 against a book value of \$31,571. As this valuation appeared to be too low, it was intended to obtain another valuation on a "Walk-in Walk-out" basis fully furnished and, alternatively, as a bare residence.

It was intended that, if the contents of the residence could not be sold at a realistic price, they would be transferred for use in one of the Group's hotels.

10

The meeting decided that, in future, occupancy of the residence would be offered to selected individuals on a rent free basis only with the occupiers providing their own food and liquor and that the residence should be sold during the coming six months if possible.

PALM BEACH RESIDENCE:

The Chairman reported that a valuation was being obtained on this residence, its book value being:

20

Land & Building	\$46,289
Furniture & Fittings	10,774
	<u>\$57,063</u>

whilst the current Valuer-General's I.C.V. valuation was \$35,000.

Lady Miller advised that she would be interested in submitting an offer to the Company for this residence and the Chairman agreed that Lady Miller would be given an opportunity to submit an offer before the residence was placed on the market.

30

PRESTON EXTENDED COLLIERY:

Mr. R.I. Nicholl enquired as to the latest developments affecting this colliery and was advised by Mr. K.B. Anderson that the colliery was being kept in production with a reduced manning until July 31st, 1971, when the outcome of negotiations for the shipment of Preston coal to the European market should be known.

40

Despite the reduced shifts being worked at the colliery, the colliery's output was being maintained and 64,000 tons of coal was stock-piled awaiting disposal.

10 In reporting to the Board on his recent visit to Japan, the Chairman stated that the visit had been made from a sense of public relations to show that the Miller Group would still continue to function in the coal export trade and also it had been deemed advisable to obtain first hand a market forecast for the Group's coal exports.

Short term market indications were that the Group's coal exports would be reduced from 2.1-million tons per annum to 1.2-million tons per annum, a reduction of approximately 46%.

20 Lack of coal loading facilities at Newcastle have inhibited coal exports and market expansion in coal exports from Newcastle can not be achieved unless a second coal loading plant is installed.

Mitsui & Co. Ltd. had stressed this point to the Chairman in Japan and had suggested that the Miller Group should consider a joint venture with Gollin & Co. Ltd. to construct a second coal loading plant at Newcastle.

30 The necessary coal loading plant could be provided by Mitsui & Co. Ltd. on a deferred payment basis, repayable over a term of 3, 5 or 7 years at a low interest rate, and the Japanese steel mills would be willing to pay an additional £0.50 per ton, over and above the normal loading rate, on all coal handled by the new loader over a period of five years to assist in recouping its capital cost.

40 Mr. E.D. Cameron suggested that any proposed expenditure on such a coal loading plant would have to be linked with the Group's projected capital expenditure at collieries and export coal market forecasts and the Chairman agreed that a full evaluation of the proposed second loader would be submitted to the next Board Meeting.

Exhibit MH 13
Minutes of
Meetings of
Directors of
R.W. Millers
(Holdings) Ltd.
and Management
Reports
24th June 1971
(continued)

Exhibit MH 13
 Minutes of
 Meetings of
 Directors of
 R.W. Miller
 (Holdings) Ltd.
 and Management
 Reports
 24th June 1971
 (continued)

In presenting the General Manager's Report, the Chairman said that it had been instituted to give the Board a condensed summary of the Group's operational activities.

The following matters were discussed following consideration of the Report:

M.V. "RICKIE MILLER":

Preliminary enquiries indicated that M.V. "Patris" was responsible for the collision with our vessel. Damage to our vessel was estimated at \$25,000 and the vessel would be out of commission for about twenty eight days while repairs were carried out.

10

M.T. "AMANDA MILLER":

Following submission of an unrealistic daily charter rate by the committee representing the major oil companies, we had broken off all negotiations and informed the committee that, if they were not prepared to adopt a reasonable attitude in the matter, we would have no alternative other than to submit our case to the Minister for Shipping & Transport to establish guide lines for the employment of M.T. "Amanda Miller".

20

The Committee had since requested a further meeting at which they proposed to submit a revised charter rate for the vessel.

INCINERATION:

It was agreed that a further report on this matter would be submitted to the Board when more details of the project would be available.

30

TAVERNS:

The Board was advised that the offer by Tooheys Limited to provide finance for selected projects was not restricted to tavern development and that \$90,000 was to be borrowed from Tooheys Limited to assist in financing the tavern development in the new office building to be constructed by Thomas Nationwide Transport Ltd. at Redfern.

Rentals had been agreed with T.N.T. on the basis of \$9.50 and \$4.00 per square feet for the ground floor and basement space respectively, resulting in an annual rental payment of approximately \$43,500.

It was estimated that this tavern would initially make a net profit of \$15,000 to \$20,000 per annum.

CAPITAL EXPENDITURE:

10

Mr. E.D. Cameron submitted that, whilst it was not the function of the Board to interfere in management, he regarded it as normal commercial practice that a level of capital expenditure should be established beyond which Board approval should be obtained before any liability was incurred.

20

It was agreed that Mr. Cameron should confer with the Joint Managing Directors with a view that the matter raised should be more fully discussed at the next Board Meeting.

Estimated Group Results for the ten months ended April 30th, 1971, were considered by the Board.

The apportionment of the total \$10,000 Directors' Fees available for payment in respect of the year ending June 30th, 1972, was discussed.

30

It was resolved that the \$10,000 available would be divided equally between the five (5) non-executive Directors and that no travelling expenses would be payable by R.W. Miller (Holdings) Limited.

Mr. L.D. Koch, General Manager, joined the Meeting by invitation and gave the following details of recent events:

MEETING WITH MINISTER FOR SHIPPING & TRANSPORT:

40

In company with Mr. B. Hamley of Tricontinental Corporation Limited, Mr. Koch had seen the Minister for Shipping & Transport, the Hon. P.J. Nixon, at Parliament House, Canberra, the previous day.

Exhibit MH 13

Minutes of
Meetings of
Directors of
R.W. Miller
(Holdings) Ltd.
and Management
Reports

24th June 1971

(continued)

Exhibit MH 13

Minutes of
Meetings of
Directors of
R.W. Miller
(Holdings) Ltd.
and Management
Reports

24th June 1971

(continued)

At this meeting a cheque for \$620,150, being the balance of the progress payment due on the launching of M.T. "Amanda Miller", was handed to the Minister.

Mr. Hamley had given a summation of the manner in which Tricontinental Corporation Ltd. planned to raise the necessary finance for the construction of M.T. "Robert Miller".

Concern was expressed to the Minister at the continuing delay in the delivery date of M.T. "Amanda Miller" and the Minister undertook that his Department would give all the assistance possible to advance the delivery date.

10

The Minister had also suggested that the Government institute guide lines to fix the daily charter rate for M.T. "Amanda Miller" and Mr. Koch had agreed with the Minister's suggestion providing that the Government's guide lines applied to all tanker operators.

TRICONTINENTAL CORPORATION LIMITED:

20

The Cash Flow Statement and supporting data supplied by the Company had been studied by Tricontinental Corporation Ltd. and they had prepared an initial financing proposal based on the Group's financial situation.

It was now intended to revise the Company's Cash Flow Statement with a much lower level of capital expenditure at collieries and with the inclusion of the construction costs of the second tanker, M.T. "Robert Miller".

30

On receipt of the revised data, Tricontinental Corporation Ltd. would prepare a final detailed submission for presentation to the Bank of New South Wales, as the proposed lead bank in a consortium of private banks to be approached for financial assistance for the construction of M.T. "Robert Miller".

CAPITAL EXPENDITURE AT COLLIERIES:

The following figures were given to the Board:

CAPITAL EXPENDITURE AT COLLIERIES: (CONTD.)

Exhibit MH 13

	<u>Wallsend Borehole:</u>	§	
	Contracts signed and work due for completion between present time and October 1971	1,087,000	
	<u>Belmont Colliery:</u>		
	Essential capital expenditure to preserve coal seam for future development	320,000	
10	<u>Ayrfield Colliery:</u>		
	Proposed expenditure over next 2 years	1,024,000	
	Less: Curtailment	<u>824,000</u>	200,000
	<u>Ironbark Colliery:</u>		
	Contracts signed for	1,700,000	
	Other projected expen- diture	<u>1,960,000</u>	
		3,660,000	
	Less: Curtailment to be attempted	<u>2,760,000</u>	<u>900,000</u>
20	Revised Projected Expenditure over two years:		<u><u>£2,507,000</u></u>

Minutes of
Meetings of
Directors of
R. . Miller
(Holdings) Ltd.
and Management
Reports
24th June 1971
(continued)

HOTELS:

As recommended by Tricontinental Corporation Ltd., the possibility of selling some of the Group's less profitable hotels had been considered and it had been decided to place Engadine and Allawah Hotels on the market.

30 It was also intended to discharge the existing mortgages on the Hume and Albion Hotels as funds became available by repaying the relatively small principal sums due on mortgages, thus permitting these hotels to be used as security for increased borrowings.

There being no further business, the Meeting was then declared closed by the Chairman.

CONFIRMED:

CHAIRMAN

Exhibit MH 13
Management
Report
June 1971

From General Manager
To. Joint Managing Directors
Exhibit MH 13
(continued)
Management Report June 1971

1. FINANCE:

At the present time, our entire financial structure is being assessed by Tricontinental Corporation Ltd. for the purpose of a submission for the future financing of all capital development. Extensive projected cash flows and profit statements have been prepared and forwarded to them, and their report is expected within the next few weeks. 10

As a short term measure we have accepted an offer by Chase-N.B.A. Ltd. for a loan of \$2.5 million to be repayable upon the delivery of M.T. "Amanda Miller". This loan was made conditional upon the Bank of N.S.W. agreeing to extend our overdraft limit to \$4.0 million for the same period. Our application to the Bank was duly accepted. 20

We have also offered 12 hotels as security for a loan of \$3.0 million from Hill Samuel Australia Ltd. At our meetings to date, they have indicated a bill line of 180 days with a once roll-over. This short-term negotiation was made in consultation with Australian Finance and Investments Ltd. for the intent to pay out Chase-N.B.A. A.F.I.C. then propose to commence proceedings for medium term funding on the same security. 30

Finance - M.T. "Amanda Miller" - A.F.I.C. have made a firm commitment for a 1st Mortgage ship's loan of A\$7.4 million repayable over a 5 year period, with the refinancing at the end of the 5 years, for the balance of principle still outstanding. The drawdown for this loan to be made on the commissioning of the vessel, and subject to a charter party being signed. 40

Finance - M.T. "Robert Miller" - Tricontinental Corporation Ltd. in their overall assessment of our financial position. are also preparing a suggested method for financing the construction of this vessel. Their initial thoughts are to arrange a 1st Mortgage ship's loan for 80% of the cost, through the Australian Trading Bank system. This method is not new to them, as they have arranged similar finance for Bulkships Ltd. A meeting is being held with Tricontinental on Tuesday 22nd inst., and Mr. Cameron at the Board Meeting on the 24th inst., will be in a position to advise Directors of the latest position.

Exhibit MH 13
Management
Report
June 1971

(continued)

10

Regarding the M.T. "Amanda Miller" progress claim of \$1.2 million outstanding since March this year, a meeting was held with Mr. P.J. Nixon, Minister for Shipping & Transport, on 4th June, whereat he expressed his concern at our failure to meet this payment. At a further meeting with him on 11th June, we handed him a cheque for 50% of the claim on the understanding that we would endeavour to make final settlement prior to 30th June. This will be fulfilled with the assistance of a 270 day Commercial Bill for \$500,000 arranged by Tricontinental.

20

At the same time it is proposed to request an extension for the two progress claims due on 24th June, relating to the construction of M.T. "Robert Miller", and amounting to \$2.45 million. On 18th June, a meeting was held with Mr. K. Ejiri, Managing Director, Mitsui Aust. Ltd. and he agreed to advance a further \$500,000 on their current security of El Rancho Hotel/Motel.

2. SHIPPING:

- (a) M.T. "Amanda Miller" - We have been unable to ascertain, either from the Australian Shipbuilding Board, or the Builder, when the delivery date of this vessel will be. Because of our finance arrangements, this information is most important, and, on our request, the Minister for

Exhibit MH 13
 Management
 Report
 June 1971
 (continued)

Shipping & Transport has instructed his Department to investigate this matter. In order to bring the delivery forward, we have put before the builder a proposal to reduce the extent of the cargo tank painting, but, as yet, no finality has been reached.

- (b) M.T. "Robert Miller" - Construction of this vessel has commenced, and the keel was laid on 2nd June. The contract delivery date is 15th March, 1973. 10
- (c) M.T. "Millers McArthur" and M.T. "R.W. Miller" - Both vessels have been fully employed during the month, and have been free of industrial disputes.
- (d) M.V. "Rickie Miller" - On the evening of 18th June, this vessel was involved in a collision with the liner "Patris" in Sydney Harbour. She was extensively damaged on the port bow, and early indications are that repairs will take one month. The Marine Inquiry commenced on 21st June. 20

3. COLLIERIES:

Production

30

Average daily production during the past month aggregated 2954 net tons individual daily production and stock at 18th June being as follows:

	<u>Production</u>	<u>Stock</u>	
Ayrfield	485 net tons	8,100	
Belmont	995 " "	87,600	
Northern Rhondda	-	39,200	40
Wallsend Borehole	438 " "	} 50,300	
Minmi	1,036 " "		
	<u>2,954</u>	<u>185,200 tons</u>	

Ayrfield production is average.

Exhibit MH 13

Belmont is now working in good conditions with good quality coal and output is expected to increase substantially on the above production.

Management
Report

June 1971

(continued)

Wallsend Borehole is currently working in bad conditions hence the reduced production.

Minmi's production is average.

10 In addition to the above stocks we are holding 64,600 tons at Preston Colliery.

Capital Expenditure

We are currently in contract for capital expenditure of £3,092,000 on Ironbark, Belmont Ayrfield and Wallsend Collieries before 30th June, 1972.

20 Most of the above expenditure is on new development at Ironbark and Wallsend. The Ironbark expenditure of £1.8 million requires additional capital expenditure of up to £3.4 million to achieve the production specified for this mine.

We are currently reviewing the Ironbark development with the objective of a staged programme of expenditure related to reduced production and projected export sales.

30 At Belmont we are now working the Fassifern Seam. We have not worked the Great Northern Seam (this is above the Fassifern Seam) which has great coal reserves, and to protect this seam before it becomes irretrievable it is now necessary for us to develop both seams concurrently. This will require additional capital expenditure of £320,000 on the Great Northern Seam.

Ayrfield is operating with the same equipment as was used twenty five years ago. The production cost of Ayrfield Coal is high, therefore to reduce this cost and increase production of this good quality coal, it is necessary to mechanise the mine. Mechanisation

Exhibit MH 13
 Management
 Report
 June 1971
 (continued)

estimated to cost \$1.0 million over the next two years would more than double production and reduce the cost of Ayrfield coal by one-third.

However, the initial capital expenditure required would be in the order of \$150,000, and to achieve a saleable output of 1,000 tons per day, a considerable amount of equipment could be transferred from Rhondda Without the construction of a washing plant this output could be achieved, and in all the capital expenditure could be reduced by \$600,000. 10

When the currently contracted expenditure on Wallsend is spent by October 1970, this mine will be capable of doubling production virtually on demand.

It must be borne in mind that we are at present purchasing high priced coal, in order to meet our contract specification. With the up-dating of Ayrfield Colliery, and the production from Ironbark, the extent of outside coal purchases could be substantially reduced with the supplementing of coals from the above pits, which would greatly improve our profitability on export market. 20

4. EXPORT COAL:

(a) Japan - The recession in the Japanese Steel Industry is still continuing and affecting all Australian producers. Senior executives from our company have recently returned from Japan and Taiwan, and we are awaiting their report on the future trend of this market. 30

(b) Greece - Negotiations are still continuing, and our clients have requested an extension until 31st July, 1971. 40

5. HOTELS:

We are at present promoting hotels through service and presentation, and with customer comforts, so as to attract and retain the public for this physical require-

ments, pleasure and relaxation during leisure time, and through the above to provide increase in sales and a respectable level of profits.

Exhibit MH 13
Management
Report

June 1971
(continued)

During the past two years, hotels have experienced a fall in bar trade, and in the trade generally "take home goods" as supplied by bottle departments, have shown a marked increase, whereas sales of draught beer have shown a tendency to fall.

10

In addition, Wine and Spirit Merchants' Licences are in demand. Consequently, the policy is currently directed to up-grading the internal comforts and attractions of the bars, with emphasis on food service, and to developing modern merchandising methods in bottle departments.

Taverns

We are at present turning our sights to the introduction of Tavern bars, which are being established to offer the most comfortable and up to date drinking and eating facilities. It is anticipated that the Tavern bar at our Bexley North Hotel will open in 2 weeks' time.

20

Plans are in process for a Tavern to be included in the new St. James building. This Tavern will provide a high standard of drinking comfort and eating facilities.

30

Plans are also in progress for a Tavern to be incorporated in the T.N.T. building at Redfern. This Tavern will be developed along the same lines as Bexley North.

Tooheys Limited have indicated that they are prepared to lend us up to \$500,000 for the establishment of Taverns in the City and Metropolitan areas.

40

For some time, we have been in possession of land in Wollongong with the intention of constructing a modern Hotel/Motel in this area. In order to have a

Exhibit MH 13
 Management
 Report
 June 1971
 (continued)

licence available when this project is to be undertaken, we have commenced proceedings to acquire the lease of the Grande Hotel at Wollongong, as this is the essential step for proper utilisation of the land held in that City.

The trading potential of the Allawah Hotel and the Engadine Hotel are causing some concern, and we are investigating the possibilities of selling both of these. At this stage it is estimated that these two Hotels could realise approximately \$450,000 and \$400,000 respectively. We are pursuing these matters at the present time.

10

Property Potential

The hotel properties operated by the company are in many cases substantial areas of land, and generally speaking have not been developed other than for the purpose of conducting a hotel. In addition, in certain cases, hotels are situated in suburbs such as Rozelle and Camperdown where redevelopment is taking place, and an opportunity may present itself for better use of the land.

20

These properties are all strategically situated, and have a potential for greater development at a point of time in the overall development of Sydney and, in addition, represent a prospective source of capital gain which will remain untapped until such time as the opportunity is taken to reap the reward available from suitable development or sale to developers.

30

Properties which it is considered come within this category, and present potential for more intensive development are:-

40

	Blacktown	Kildare Road	Exhibit MH 13
	Brighton	Brighton-le-Sands	Management
	El Rancho	Marsfield	Report
	Family	Rydalmere	June 1971
	Highway	Wentworthville	(continued)
	Hume	Yagoona	
	Manly Vale	Condamine St.	
	Merryfield	Woolloomooloo	
	Warriewood	Pittwater Road	
10	Nth St. Marys	Richmond Road	
	Oceanic	Coogee	
	Prospect	Western Highway	
	Richmond	Camperdown	
	Riverwood	Josephine Street	
	Rose, Shamrock & Thistle	Rozelle	
	Sundowner	Punchbowl	
	Sylvania	Princes Highway	
	Wollongong	Swan Street	

20 In order to more accurately assess this situation, talks have been instituted with Westfield Development and with another developer. This should provide us with an opportunity of gaining additional information which may then be placed before the Board.

Eastern Suburbs Leagues Club:

30 Negotiations are proceeding in an endeavour to increase the interest rate payable by this Club on the loan made by our company some time ago.

A meeting is being held with the Secretary-Manager this week and the outcome will be reported on later.

6. DIVERSIFICATION:

A sub-committee has been formed to investigate the feasibility of taking over a company actively engaged in incineration manufacturing. We have carried out extensive research into this field, and it is considered that the potential is such, that warrants further examination.

(SGD.) L. D. KOCH

Exhibit MH 13
Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

29th July 1971

Present

In attendance

Confirmation of
Minutes of
previous
Directors
Meeting

Confirmation of
Minutes of
Meeting of
Share Transfer
Committee

Business arising
from Minutes of
previous
Directors
Meeting:

Exhibit MH 13
(continued)

Minutes of Meeting of Directors of
R. W. Miller (Holdings) Ltd.
29th July 1971

Mr. A. N. Taylor - Chairman
Lady Miller and Messrs. P.J. Duncan,
E.P.H. Abeles, E.D. Cameron, R.I. Nicholl,
K.B. Anderson

Mr. H.V. Ellis-Jones - Secretary
Miss M.J. Hill

The Minutes of the Meeting of Directors held
on June 24th, 1971, were tabled, confirmed by
the Meeting and signed by the Chairman as a
true record of the proceedings thereat.

The Minutes of Meetings of the Share Transfer
Committee held on the following dates were
confirmed:

1971: June 11th
June 18th
June 25th
July 2nd
July 9th

EASTERN SUBURBS LEAGUES CLUB LTD.:

Mr. Abeles asked what was the legal position
on interest being charged to Eastern Suburbs
Leagues Club Ltd. and was informed by the
Chairman that a planned meeting between himself
and the Club's Secretary/Manager to discuss
this matter had not eventuated due to the
Chairman's absence overseas and on interstate
trips.

Mr. Abeles suggested that Mr. R.I. Nicholl
should advise the Board whether the rate of
interest stipulated in the mortgage could be
charged and enforced.

After discussion, the Board agreed with
Mr. Abeles' submission that, if the mortgage
rate of interest was enforceable, the Club
should be charged accordingly and, in the
event of the Club refusing to pay the higher
rate of interest, steps should be taken to
enforce payment.

10

20

30

40

CAPITAL EXPENDITURE:

Mr. E.D. Cameron submitted that Management should be authorised by the Board to incur capital expenditure up to a certain limit for any particular project.

Mr. Abeles further suggested that the Board should also consider a cumulative limit on the amount of capital expenditure which could be incurred by Management between monthly Board Meetings.

The Chairman commented that, if the need arose to incur capital expenditure beyond the limits fixed by the Meeting, the Board Members could be contacted by telephone to obtain the necessary approval.

It was agreed that Management should have the right to incur capital expenditure up to \$25,000 for any particular project with a cumulative limit of \$50,000 between monthly Board Meetings without prior Board approval.

"PAMELA ANN":

The Chairman advised that to date a buyer had not been found for this vessel,

PALM BEACH RESIDENCE:

The Chairman reported that the sale of the residence was still in abeyance and that Lady Miller was interested in its purchase.

SURFERS PARADISE:

The Chairman reported that this property had been placed in the hands of L.J. Hooker Ltd. for sale and that to date the best offer received had been \$22,000 although it was hoped to realise \$25,000 on the property later in the year.

The Meeting agreed to leave the decision on the sale of the property in the hands of Management.

J. & K. JOHNSTONE HOLDINGS PTY. LTD:

Mr. R.I. Nicholl reported to the Board that he had held a conference with Messrs. J.H. Souter and J. Wild of the Company's staff to ascertain facts on this matter within their knowledge.

Exhibit MH 13
Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
29th July 1971
(continued)

10

20

30

Exhibit MH 13
Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
29th July 1971

(continued)

Report by
Mr. J.H. Souter
on overseas
trip

General
Managers
Activity
Report.

An opinion on the Company's position had been delayed due to absence on vacation of Dennis Mahoney and also due to his appearance in the frozen foods' legal case now in its final stages.

It was hoped to have a final opinion from Dennis Mahoney for consideration by the Board in the near future.

The Chairman informed the Board that this report had been prepared as a brief summation of the recent trip overseas by Messrs. J.H. Souter and J. Wild in order to keep Board Members advised of current Japanese market trends.

10

The following matters arose from consideration of the General Manager's Activity Report:

BANK OF NEW SOUTH WALES:

The Chairman and Mr. E.D. Cameron had just returned from a meeting with senior officers of the Bank of New South Wales' Head Office held to discuss the submission prepared by Tricontinental Corporation for additional Bank assistance.

They reported that the Bank was not sympathetic to the submission and that the Bank had requested the preparation of additional financial data before placing the submission before the Bank's Board of Directors.

20

HAMBROS BANK LIMITED:

Mr. E.P.H. Abeles commented that, as the offer of a loan against the security of M.T. "Amanda Miller" expired on the 31st instant, it was of the utmost importance that Hambros should be advised as soon as the Vessel's charter agreement was signed.

30

The Chairman advised that a revised cash flow operating statement, based on a daily charter hire of \$10,750 per day, had already been prepared and given to Mr. Peter Watts for advice of Hambros Bank Limited to enable them to evaluate whether the anticipated final daily charter hire was acceptable for the purposes of the loan.

M.T. "AMANDA MILLER":

The Chairman advised Mr. Abeles that he was confident that the estimated voyage expenses, prepared by us were based on realistic estimates, apart from repairs and maintenance

40

M.T. "AMANDA MILLER" (CONTD):

estimates which were an unknown factor until the vessel commenced operations.

Exhibit MH 13
Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings)
Ltd.

29th July 1971

(continued)

10

The insurance cover to be taken out over the vessel was discussed and it was agreed that at the next Board Meeting full details would be tabled of the costs attached to insurance cover against mechanical breakdowns and consequential loss of profits arising from collisions etc.

Board approval was given to Management to sign a Charter Party Agreement for the employment of the vessel at \$10,750 per day and also to accept the loan offered by Hambros Bank Ltd. against the security of the vessel.

20

The Board also directed that Management should endeavour to obtain from the oil companies an offer for the charter of M.T. "Robert Miller" for the Board to consider as this would facilitate the raising of immediate finance for the construction of this vessel.

FINANCE:

Mr. E.D. Cameron gave the Board the salient details of a projected cash flow statement prepared by Management.

30

In dealing with projected colliery capital expenditure, Mr. Cameron said that this comprised both contracted capital expenditure and the minimum additional capital expenditure considered necessary by Management to enable colliery operations to be maintained at a profitable level.

Mr. Cameron also stated that the cash flow had been prepared on the assumption that a loan of 80% of the construction costs of M.T. "Robert Miller" would be arranged and that the income tax commitment shown in the cash flow had been overstated and that steps had been taken to minimise future income tax liability.

40

In reply to a question from Mr. Abeles, Mr. Cameron was of the opinion that, if the Bank of New South Wales extended its overdraft accommodation of \$4-million to the end of September 1971, the receipt of a loan of \$7.4 from Hambros Bank Ltd. would enable outstanding progress claims totalling \$2.4-million on M.T. "Robert Miller" to be paid and this would assist

Exhibit MH 13
 Minutes of
 Meeting of
 Directors of
 R.W. Miller
 (Holdings) Ltd.
 29th July 1971
 (continued)

FINANCE: (CONTD.)

in deferring payment of the next progress claim of \$1.8-million on the vessel.

Mr. Cameron also pointed out to the Board that it would be necessary to evaluate the cash flow statement once the decision of the Bank of New South Wales was known on the submission for additional financial assistance.

VALUATION OF HOTEL PROPERTIES:

The Board decided that all of the Group's hotel properties should be valued, including hotel sites, and the return from each hotel would be considered in the light of the valuations obtained.

10

SALE OF HOTELS:

The Board approved the sale of the Allawah and Engadine Hotels at the following minimum selling prices:

Allawah Hotel	\$375,000 nett
Engadine Hotel	\$390,000

J. & K. JOHNSTONE HOLDINGS PTY. LTD.

20

In reporting to the Board on the dispute with the Johnstone interests over the supply of coal under the Big Ben contract for export to Japan, the Chairman explained that, under the verbal agreement which had been in existence and honoured for some years, the Johnstone interests were entitled to supply up to 30% of the tonnage shipped under the Big Ben contract.

Recently the Johnstone interests had pressed for 40% of the tonnage shipped under the Big Ben contract up to a maximum of 400,000 tons per annum, and, upon being denied this increase the Johnstone interests had countered by offering to supply 260,000 tons of Buchanan/Borehill coal per annum at the agreed Big Ben contract purchase price with the balance of any additional coal to be supplied by them up to a total of 400,000 tons per annum being supplied from their Lemington Colliery at \$2 per ton higher than the Big Ben contract purchase price.

30

40

Mr. P.J. Duncan advised the Board that he had fully discussed the dispute with Mitsui & Co. Ltd. in Tokyo and at the present time Mitsui regarded it as a domestic matter between the

Miller and the Johnstone interests and they did not wish to become involved in the dispute.

The Board agreed with the Chairman's recommendation that no departure should be made from the agreement under which the Johnstone interests supplied 30% of the Big Ben contract tonnage.

10 The Chairman reported to the Meeting that Broken Hill Proprietary Co. Ltd. wished to have a naming ceremony at the shipyard in Whyalla on August 23rd.

The Board considered and approved a list of persons to be invited to the ceremony as representatives of R.W. Miller & Co. Pty. Ltd.

20 Members of the party would be advised by Management of details of their travel arrangements to Whyalla and return at a later date, it being intended that the forward and return travel would be on the day of the ceremony.

In advising the Board of the closure of Preston Colliery, the Chairman reported that the necessary notifications had been given to the Minister for Mines, the Joint Coal Board and other necessary authorities.

30 The Chairman also reported that it would be necessary to maintain a small staff at the Colliery to remove plant for use at other Group collieries and also to supply coal from the colliery's stockpile to service local sales and to meet export shipment requirements. It was also reported that the Colliery could be brought back into production if suitable markets could be found.

40 The Minister for Mines had expressed concern at the closure of the colliery and had unsuccessfully sought from the Company a statement that the colliery would still have been closed, irrespective of any decision made on representations for a reduction in the rail freight on coal railed from Gunnedah to Newcastle for export shipments.

Exhibit MH 13
Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
29th July 1971
(continued)

Exhibit MH 13
 Minutes of
 Meeting of
 Directors of
 R.W. Miller
 (Holdings) Ltd.
 29th July 1971
 (continued)

The Board considered an estimated trading result for the R.W. Miller Group for the year ended June 30th, 1971, showing a profit before income tax of \$1,016,153.

In reply to a question from Mr. Abeles, Mr. Cameron stated that in his opinion the financial result and the Group's liquid position would not justify the payment of a final dividend. However, after a brief discussion it was agreed that a decision on the payment of a final dividend should be deferred to a later date when the outcome of current negotiations for long term borrowings was known.

10

PROPOSED SECOND NEWCASTLE COAL LOADER:

Mr. P.J. Duncan informed the Board of discussions between himself and Mr. Gale of Gollin & Co. Ltd. in Tokyo on the proposal that Gollin & Co. Ltd. and Millers should investigate the feasibility of a joint venture for the installation of a second coal loader at Newcastle with Japanese financial assistance.

20

The Chairman reported to the Board that he had seen Mr. Davis Hughes and Mr. Milton Morris on this matter and had been informed that Cabinet was prepared to guarantee a consortium of interested coal exporters prepared to construct a coal loader on the Kooragang Island site.

The Chairman also advised the Board that he had discussed with the Premier the concept that the present Canwan loading site and facilities should be developed as a second coal loader as an alternative to the Kooragang Island proposal with an initial expenditure of \$5-million being shared equally by Gollins, Millers and Mitsui & Co. Ltd. and the Premier had indicated keen interest in this alternative proposal.

30

Mr. Abeles commented that any additional capital expenditure on coal exports was not justified in the light of present profits.

40

COAL EXPORTS TO MAINLAND CHINA:

Mr. P.J. Duncan reported that the prospects of exporting Australian coal to China had been carefully surveyed by Alliance Industries and Shippers Pty. Ltd. and the survey

had shown that mainland China was self-sufficient at the present time insofar as coal requirements were concerned.

Exhibit MH 13
Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
29th July 1971
(continued)

METROPOLE TAVERN:

10 The Chairman reported to the Meeting that he had just been given advice that the Licensing Court had approved the application by Millers Hotel Pty. Ltd. for the Metropole Tavern development and the Meeting was also told that Tooheys Limited had agreed to advance up to a total of \$500,000 to Millers Hotels Pty. Ltd. for tavern development projects.

M.T. "ROBERT MILLER":

In reply to a question from Mr. Abeles, the Chairman advised that the anticipated charter hire rate for M.T. "Robert Miller" was \$12,500 per day if calculated on the same basis as that adopted to fix the charter rate for M.T. "Amanda Miller".

20 M.T. "AMANDA MILLER":

The Chairman reported that dockside engine trials had just recently been concluded and that the trials had been satisfactory in every respect.

30 Mr. R. I. Nicholl enquired as to arrangements for the servicing of the vessel's automated equipment and was told by the Chairman that arrangements had been made for Honeywell technicians to stand by on the vessel during the running-in period and that thereafter Honeywell technicians would be available at each of the vessel's ports of call to service the equipment under a maintenance service agreement.

There being no further business, the Meeting was then declared closed by the Chairman.

CONFIRMED:

CHAIRMAN

Exhibit MH 13
(continued)Exhibit MH 13
Management
Report
27th July 1971

July Management Report - 27th July 1971

FROM: General ManagerTO: Joint Managing DirectorsMANAGEMENT REPORT - JULY 19711. FINANCE:

On 13th July, 1971, in conjunction with Tricontinental Corporation Ltd. a submission was presented to the Bank of New South Wales, not only as a means of correcting the current situation but to also solve the immediate problem of financing M.T. "Robert Miller". 10

The application to the Bank took the following course:

- (1) An overdraft limit of \$4 million for the next 12 months.
- (2) A Ship's Mortgage for M.T. "Robert Miller" for 80% of the cost of \$12,329 million, i.e. \$9.863 million on the basis of the bank of New South Wales acting as "lead bank" in a consortium of Australian banks. 20
- (3) An additional five year Term Loan of \$2 million from the Australian Resources Development Bank Ltd. for capital expenditure in the collieries.

We have been advised that the above submission will be placed before the Board of the Bank on Friday, 30th July, 1971. 30

At this stage it is envisaged that a meeting will be held with the Bank's management on 29th July, to further discuss our application.

It was previously indicated that Hill Samuel Australia Ltd. were prepared to offer a Commercial Bill line for \$3 million over a 12 month period. They have since declined, however, notwithstanding this, A.F.I.C. are prepared to commence proceedings for medium term financing to the same extent on the security of certain hotels. 40

The short-term loan from Chase-N.B.A. Ltd. expires on 31st July, 1971, unless the Bank of New South Wales agrees to continue its extended overdraft facilities - we have been advised that this will be agreed to.

Exhibit MH 13
Management
Report
27th July 1971
(continued)

10 With regard to the outstanding progress payments previously due under the contract for the construction of M.T. "Amanda Miller", it is advised that these have now been settled. The Minister for Shipping and Transport, Mr. P.J. Nixon, expressed his appreciation at the efforts made by the company in order that such payment could be made.

20 We are at present in default on progress payments due under the contract for the constructions of M.T. "Robert Miller", to the extent of \$2.45 million which was due for payment on 24th June, 1971. The Minister has agreed to an extension until 9th August, 1971, before the Commonwealth will decide on the action they will take to enforce payment.

Colliery Capital Expenditure - At the June Board Meeting, an indication was given as to the expenditure in this area. We now wish to elaborate on this matter.

30 COLLIERY CAPITAL EXPENDITURE
CONTRACTED AND PROPOSED FOR YEAR ENDING
30/6/72

Wallsend:

Contracted (to Oct. '71)	\$1,046,000
Proposed	<u>158,000</u>

\$1,204,000

Belmont:

Contracted (to Dec. '71)	320,000
Proposed	<u>163,000</u>

483,000

Ayrfield:

40

Contracted (to Jan. '72)	57,000
Proposed	<u>117,000</u>

174,000

Exhibit MH 13
 Management
 Report
 27th July 1971
 (continued)

Ironbark:

Contracted (to June '72)		1,183,000	
Contracted (Year to June '73)	<u>882,000</u>		
Proposed (to June '72)		<u>99,000</u>	1,282,000
Proposed (Year to June '73)	2,199,000		
Proposed (Year to June '74)	598,000		
Proposed (Year to June '75)	<u>726,000</u>		
	<u>\$3,523,000</u>		
Total Contracted and proposed in Future years - Ironbark	<u>\$4,405,000</u>		<u>\$3,143,000</u>

Of this expenditure, payments have been made to date amounting to approximately \$450,000. The above summary is in keeping with our submission made to the Bank of New South Wales, but we wish to make it perfectly clear that approval for any proposed expenditure will not be given until management has carried out a full investigation on all matters.

2. SHIPPING:

(a) M.T. "Amanda Miller" - As a consequence of our proposal to reduce the extent of the cargo tank painting, B.H.P. have advised us that the projected delivery date of this vessel is 27th August, 1971. It has been agreed that the Naming Ceremony will be held in Whyalla on 23rd August. At this stage the likely manning on this vessel appears to be:-

1	Master	Exhibit MH 13
3	Mates	Management
4	Engineers	Report
1	Electrician	27th July 1971
1	Shipwright	
1	Radio Officer	
17	Seamen's Union Members	
2	Cooks	(continued)
1	Chief Steward	
3	Asst. Stewards	

10

34

However, the Merchant Service Guild are requesting a 4th Mate, The Institute of Marine & Power Engineers are insisting on a 5th Engineer, and an application is currently before the Manning Committee for an additional Asst. Steward. All of these have been disputed by the Company.

20 (b) M.T. "Amanda Miller" - Charter Negotiations.

Numerous meetings had been held with representatives of the oil company consortium, in an endeavour to arrive at a suitable charter rate for this vessel. Negotiations finally reached a deadlock at the following stage:-

Oil Company offer - \$10,000 per day

R.W.M. Offer - \$11,750 per day

30 It was then agreed that the Department of Shipping & Transport should become involved in order to assist in the establishment of an equitable rate. In this regard, a meeting was called by Mr. M. Summers, Secretary, Department of Shipping & Transport for 22nd inst.

40 At this meeting, Mr. Summers discussed the matter privately with both parties. We informed him that our lowest possible rate was \$11,000/\$11,200 per day, to enable us to achieve a reasonable profit, and to cover our loan repayments. We mentioned this rate, as we had it on sound advice approx. 4 weeks ago, that if the Department became involved, they would recommend a rate of \$11,000.

Exhibit MH 13
 Management
 Report
 27th July 1971
 (continued)

However, our position was greatly affected by the fact that Mr. Summers admitted that he was fully aware that the Board had authorised us to finalize a charter to a bottom limit of \$10,800. At that stage it was quite apparent that the Department had re-assessed their rate, and that any thought of attaining our required figure was completely nullified.

At the conclusion, in consultation with both parties, Mr. Summers requested that a rate of \$10,750 be seriously considered, as he felt this to be fair to all concerned. The oil companies did say that they were prepared to accept full escalation on all non-voyage operating costs, and that they would investigate the possibility of paying charter hire in U.S. Dollars. 10

At a rate of \$10,750 per day, our estimated profitability and cash flow would be:- 20

INCOME:

Charter Hire - 335 days @ \$10,750 per day =	\$3,601,250
--	-------------

EXPENDITURE:

Depreciation	631,250	
Non-voyage operating costs	1,390,000	
Interest - Hambros Bank	<u>516,000</u>	
		<u>2,537,250</u>
Profit before tax		1,064,000
Taxation @ 47½%		505,400
		<u>\$558,600</u>
<u>Profit after Tax</u>		<u><u>\$558,600</u></u>

ESTIMATED CASH FLOW:

Income		\$3,601,250
Expenditure		
Non-voyage operating costs	1,390,000	
Interest	516,000	
Taxation	505,400	
Hambros Loan	<u>740,000</u>	
		<u>3,151,400</u>
<u>Net Cash Flow</u>		<u>\$449,850</u>

The taxation commitment on the above figures has been calculated on a single unit basis, but this is subject to adjustment in our overall taxation assessment.

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Management
Report
27th July 1971

We now have to await advice from A.F.I.C. as to whether this charter rate is acceptable to Hambros Bank.

(continued)

10 (c) M.T. "Robert Miller" - The construction of this vessel is still in its early stages and the programme is progressing according to plan.

(d) M.T. "Millers McArthur" - For the year ended 30th June 1971 this vessel operated "on hire" for 335 days. The 30 days "off hire" period was due to 19 days for repairs (including 14 days annual survey) to the vessel and 11 days relating to industrial disputes.

20 (e) M.T. "R.W. Miller" - During the year ended 30th June 1971, this vessel was "on hire" for a period of 353 days. The "off hire" period of 12 days was entirely due to industrial disputes.

30 (f) M.V. "Rickie Miller" - Following the collision on the 18th June 1971, this vessel will shortly be ready for service again, and we are preparing her for the possibility of being engaged on the interstate trade. The reason for this action, is due to the fact that numerous permits are being issued by the Department of Shipping & Transport for foreign flag vessels to trade interstate on bulk cargoes. We are objecting to these permits being issued, and there is a possibility that this vessel can be occupied interstate.

3. COLLIERIES:

(a) Production:

40 For the month ended 23rd July 1971 the average daily production of our pits were as follows:-

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Report

Wallsend (inc. Minmi)	1502 tons
Belmont	1034
Ayrfield	456

27th July 1971

(b) Stocks on Hand:

(continued)

Stock held at the various collieries as at the 23rd July are as follows:-

Belmont	62,435	
Northern	29,586	
Wallsend	12,957	
Ayrfield	820	10
Preston	87,300	

We are in a similar position to other coal exporters, as it is reported that Coal & Allied have a stock of 1 million tons and Gollins 350,000 tons.

(c) On the 5th July 1971 all mines commenced working a 35 hour week as laid down last year by Mr. Justice Gallagher. Variation in production due to the 35 hour week cannot yet be determined, even on a straight out count of cars produced on each shift. Other causes of output variation cloud the issue, and as no bonus systems in our Collieries have been adjusted for the shorter working hours, the miners' effort is to maintain their earnings by producing the same amount of coal. Costs must increase, but such increase will only be determined after the first quarter's operation.

Following Mr. Justice Gallagher's Award of an increase of ~~£~~6.00 per week in mine workers' wages, the mine workers have rejected the Award and all mines were idle for one week as from Wednesday, 21st July 1971.

(d) Ironbark Colliery:

The production date for this colliery has now been delayed to coincide with the commissioning of a second coal loader at Newcastle or at such time as the market determines. All expenditure has been replanned to this factor, with all contracts being delayed as much as possible.

(e) Belmont Colliery:

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 Management
 Report
 27th July 1971
 (continued)

We have transferred the operations of Allied Constructions Pty. Ltd. (Contractors, Ironbark Colliery), where we have commenced work to sink a shaft to the Fassifern Seam for ventilation, and drive two drifts to the Great Northern Seam.

(f) Northern Rhondda Colliery:

10 The fire in the Great Northern Seam has progressed over half a mile from its point of origin. The extremely high ambient temperature rendered any attempt to recover the equipment sealed in virtually impossible. As the colliery is from now on unworkable, the "Reinstatement Conditions" in the insurance would be substituted by "Indemnity Provisions", which would make it impossible to recover the full cost value of the equipment sealed in the mine, which amounts to
 20 \$456,908. It is anticipated that the amount recoverable from Insurance will approximate \$280,000.

(g) Wallsend Borehole Colliery:

At the present time production at this pit exceeds washing plant capacity, and it is felt desirable to delay our re-organisation of production shift times to coincide with the commissioning of the new washing plant.

30 The new washery is proceeding satisfactorily and is due to be handed over after commissioning on the 11th October 1971. However operations will commence during September, and any irregularities will be adjusted prior to handover date.

The open cut has been kept at minimum production in order to preserve Joint Coal Board Authority to operate same.

40 Due to a tightening employment condition, the Miners' Federation has made representations to the Joint Coal Board to curtail permission to operate open cuts, therefore any increase in our open cut operations must be carefully implemented.

Exhibit MH 13
 Management
 Report
 27th July 1971
 (Continued)

4. EXPORT COAL:

(a) Japan:

The report covering the recent trip to Japan by Messrs. Taylor, Souter and Wild has been presented to the Board, and it is felt unnecessary to elaborate any further on this matter. However, briefly it appears that the future of this market is assured, but the extent of any increase in export tonnage will be governed by the installation of a new loader at the Port of Newcastle. 10

(b) Greece:

Due to the down turn in the overseas freight market, we were in a position on the 8th July 1971 to offer coal to this client for a 5 year period at the price originally negotiated on the 12th June 1970. As yet we have had no confirmation of this offer from Greece, but during various telephone conversations with their Agent in Zurich, he felt that it is desirable for this matter to be discussed personally with them. 20

Timing for this proposed visit is naturally important, and they will advise us of a suitable date for the holding of such a meeting.

We have heard that the Greek Steel Mills are having technical difficulties in their coke ovens, and for the time being are purchasing coal on a "spot" basis. 30

In our latest offer we have allowed for a freight content of U.S.\$6.10, whereas our broker feels that if we play our cards correctly, a 5 year freight rate could be obtained for around U.S.\$5.60/\$5.75.

5. HOTELS:

(a) Taverns:

The new tavern at Bexley North Hotel was opened on the 7th July 1971. Results

from this operation to date have been extremely favourable, the latest available figures showing sales of liquor at around \$3,200 per week and food in excess of \$1,500 per week. Customer acceptance of the drinking and eating facilities available have been highly encouraging.

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Report
27th July 197

(continued)

10 The tavern at the site of the old Metropole Hotel is well under way, and negotiations are now being carried out for the lease of these premises on a basis of 10 year tenure, with an option for a further 10 year period. The plant allows for a public bar area with entrance from Phillip Street, and a mixed drinking area downstairs, which also has provision for food services.

20 The upstairs section features a mixed drinking and food service with the highest standard of modern amenities.

In addition, as there will be more than 2,000 persons working in the building, provision will be made for take away food for the general office staff.

30 A feasibility covering the anticipated food and liquor takings indicates a break even point on turnover of \$9,000 per week. Such a site must command greater sales than this figure, and we are confident that this project will be an important adjunct to the profitability of our hotel section.

40 We are required to provide all fixtures and fittings within the tavern, and it is estimated that the cost of providing these will not exceed \$150,000. The liquor licence will be attached to the building and is not tied to either Brewery. This licence will be leased to our company.

(b) In the previous report mention was made of the possibility of selling both the Allawah Hotel and the Engadine Hotel.

Exhibit MH 13
Management
Report
27th July 1971
(continued)

We have since received offers for these sites as follows:-

Allawah Hotel:

Current Book Value

Land & Buildings	\$413,718
Plant & Furniture (written down value)	33,870
	<u>\$447,588</u>

Profits earned for			
year to	30/6/68	\$23,927	10
	30/6/69	\$23,415	
	30/6/70	\$13,649	

This hotel requires to be modernized with a Drive-In Bottle Department which would cost a minimum of \$120,000 and even then we would not have any parking.

Offer received \$380,000 through Neate & Broomham - Hotel Brokers.

Recommendation: That an offer of \$375,000 clear of brokerage be accepted. 20

Engadine Hotel:

Current Book value:

Land & Buildings	\$243,422
Plant & Furniture (written down value)	33,800
	<u>\$277,222</u>

Profits earned for			
year to	30/6/68 (leased)	\$2,450	
	30/6/69 (managed)	\$14,295	30
	30/6/70 (managed)	\$27,957	

This hotel is 15 years old and is in an area well serviced by Clubs where development opporuunities are limited.

Offer received \$390,000 through Neate & Broomham - Hotel Brokers.

Recommendation: That offer be accepted.

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(c) Managed Hotel Sales:

27th July 1971
(continued)

We give below a summary of sales for managed hotels for the year ended 30th June 1971 with year ended 1970 comparisons.

	<u>1970</u>	<u>1971</u>
10 Liquor & Tobacco	\$11,443,822	\$13,535,853
Food	1,121,484	1,172,714
Accommodation	466,075	469,234
	<u>\$13,031,381</u>	<u>\$15,177,801</u>

(d) Millers Catering Services:

We advise the following sales figures for the year ended 30th June 1971 relating to the above Department which only relate to our catering contract with A.J.C. Randwick and Warwick Farm Racecourses.

	<u>1971</u>
20 Confectionary	130,082
Food	504,876
Liquor	392,962
	<u>\$1,027,920</u>

6. DISPUTE WITH J & K JOHNSTONE (HOLDINGS) PTY. LTD.

At the present time discussions are being held regarding the supply of Johnstones' coal to fulfil our current Big Ben contract with Japan.

30 The brief history of the Big Ben contract is that this particular contract was negotiated between Johnstones and the late Sir Roderick Miller on a joint basis. There was an unwritten agreement that Johnstones would supply 30 per cent of the Big Ben tonnage. Because of the current short fall in the Japanese market,

Exhibit MH 13
 Management
 Report
 27th July 1971
 (continued)

Johnstones originally approached us demanding 40 per cent of the required tonnage. This was rejected and we agreed in writing to purchase from them 30 per cent of the required tonnage in accordance with the previous verbal arrangement.

Johnstones refused to sign this agreement and stated that regarding their Buchanan and Borehill Collieries, they were only in a position to supply a maximum of 260,000 tons per annum. 10

On the 26th July a further meeting was held with J & K Johnstones, where they presented a further proposal for our consideration.

This proposal confirmed that they were only prepared to supply a maximum of 260,000 tons of Buchanan/Borehill coal for the Big Ben contract, and would increase their tonnage to 400,000 tons per annum by supplementing their Lemington coal. 20

The Lemington coal being of higher quality would necessitate an increased price comparable to that of Liddell coal.

It must also be borne in mind that this proposal from the Johnstones is only valid until the expiration of the current Big Ben contract on the 31st March 1974. They have made it perfectly clear that after that time they will attempt to introduce their Lemington coal to the export market in competition to our Big Ben contract. 30

We are studying their proposal, and our early thoughts are that we accept their offer of 260,000 tons of Buchanan/Borehill coal and reject their additional offer for Lemington coal.

It has been proved that we can supply the remainder of the requirements of the Big Ben contract with our own coals, which would provide us with greater profitability from coal at our own pits. 40

In fact we could reject Johnstones' offer entirely and "go it alone". However, serious consideration must be given to the attitude of the Japanese Steel Mills which, if we took this attitude, could react to our detriment, due to the current short fall in the Japanese requirements.

7. INCINERATION:

In the previous report it was mentioned that we were investigating the possibility of taking over a company actively engaged in incineration manufacturing.

We have since had a meeting with the company involved and they have submitted to us a proposition for the take over of their interests.

At these discussions there was too much evasion in their attitude and insufficient substance in their evaluation. It is felt that before any further steps can be taken that we must be provided with further information to consider the feasibility of entering into this field.

(SGD.) L.D. KOCH

L.D. Koch

Exhibit MH 13
(continued)

Minutes of Meeting of Directors of
R.W. Miller (Holdings) Ltd.

26th August 1971

Mr. A. N. Taylor - Chairman
Lady Miller and Messrs. P.M. Wilkinson
E.H.P. Abeles, E.D. Cameron, A.V. Balhorn,
K.B. Anderson.

Mr. H.V. Ellis-Jones - Secretary
Miss M.J. Hill

Exhibit MH 13

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

26th August 1971

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
26th August 1971
(continued)

Apology for Non-Attendance

The Chairman tendered an apology for non-attendance on behalf of Mr. R.I. Nicholl and advised that Mr. Nicholl was prevented from attending the Meeting due to his absence on business in the country.

Appointment of Alternate Director:

Lady Miller advised the Board that, due to the illness of Mr. J.W. Parker, it was necessary for her to revoke the appointment of Mr. Parker as her Alternate Director and asked for the Board's consent to the appointment of Mr. P.M. Wilkinson as her alternate Director in lieu of Mr. Parker on the same terms and conditions as those applying to Mr. Parker's appointment.

10

The Board's consent to the appointment of Mr. Wilkinson was granted unanimously.

Confirmation of Minutes of previous Directors' Meeting:

The Minutes of the Meeting of Directors held on July 29th, 1971, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

20

Confirmation of Minutes of Share Transfer Committee Meetings:

The Minutes of Meetings of the Share Transfer Committee held on the undermentioned dates were confirmed:

1971: July 16th
 July 23rd
 July 30th
 August 6th

30

Business arising from Minutes of previous Directors' Meeting:

Purchase of Wollongong Property:

The Chairman advised the Board that, since the last Board Meeting, a residence on land adjoining land already held as a hotel development site at Wollongong had been purchased.

The Chairman reported that the property had been purchased for \$25,500 with a view to improving the utilisation of the land already held as there was a distinct

40

possibility that the new area acquired could be later sub-divided and sold as a site for a service station.

The purchase of the property was ratified by the Board.

EASTERN SUBURBS LEAGUES CLUB LTD.

10 Mr. E.H.P. Abeles enquired whether the legal opinion had been received on whether the rate of interest stipulated in the mortgage over the Club's premises could be reverted to.

The Secretary reported that further additional information requested by Mr. R.I. Nicholl was being prepared and it was anticipated that Mr. Nicholl's advice would be available for the next Board Meeting.

J. & K. JOHNSTONE HOLDINGS PTY LTD.:

20 The Chairman reported that representatives of J & K. Johnstone Holdings Pty. Ltd. had approached Nippon Steel and suggested that Mitsui & Co. (Australia) Ltd. should be appointed to act as an arbitrator in the dispute between J. & K. Johnstone Holdings Pty Ltd. and R.W. Miller & Co. Pty Ltd.

The Chairman had advised Mr. K. Ejiri, Managing Director of Mitsui & Co. (Australia) Ltd. that the proposed arbitration was not acceptable as it could jeopardise legal proceedings contemplated by R.W. Miller & Co. Pty. Ltd.

ALLAWAH HOTEL:

30 It was reported that the buyer interested in the purchase of this hotel had reduced the price offered to \$360,000. Consequently, negotiations for the sale of the hotel were proceeding in an endeavour to obtain a higher price for the property.

ENGADINE HOTEL:

The Board was advised that the sale of this hotel had been effected and that the buyer had lodged a deposit against its purchase.

1st Defendants

Exhibits
Exhibit MH 13

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

26th August 1971

(Continued)

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VALUATION OF HOTEL PROPERTIES

The valuation of all hotel properties and sites was discussed and the Chairman reported that Mr. G. Clubb of George Clubb & Sons Pty. Ltd. had completed the valuations of twelve hotels and was proceeding with the valuation of other properties.

It was agreed that each Board Member would be provided with detailed information showing in respect of each property its book value, value as real estate and value as a going concern on a 'walk-in walk-out' basis.

10

Report on Overseas trip by Messrs. A.N. Taylor & L.D. Koch:

The Chairman informed the Board that, as a result of the recent trip to Europe by himself and Mr. L.D. Koch, the possibility of any court action arising from the contract to supply soft coking coal to Greece could be ruled out. Also as a result of the visit, the Chairman was hopeful that in the future sales of steaming coal would be made to the United Kingdom and Greece.

20

Whilst in London, discussions were held with Hambros Bank Ltd. on the provision of finance for the construction of M.T. "Robert Miller" and, arising from the discussions, it was confirmed that the finalisation of the charter party for M.T. "Amanda Miller" was imperative as Hambros Bank Ltd. would not consider long term finance on M.T. "Robert Miller" until this had been achieved.

30

Mr. E.H.P. Abeles advised the Board that Gatz were still interested in providing finance for this purpose. However, the terms offered by them were not comparable with the terms offered by Hambros Bank Ltd.

Mr. Abeles suggested that contact should be made with Mr. Rosenfeldt of Maritime Bulk Carriers to obtain details of protection cover against strikes by sea-going personnel employed on the Group's tankers and also that a quote should be obtained from the insurers recommended by Mr. Rosenfeldt.

40

Preston Colliery

The Chairman advised the Board that the Government had refused to grant a freight rebate on the railage of Preston coal to Newcastle and that notice of closure of the colliery which had previously been given to employees at the colliery expired to-day.

10 The decision to close down the colliery was now being reviewed following receipt of an offer from B.H.P. to buy the present stocks held by the colliery and also additional tonnage from output.

Mr. E.H.P. Abeles reported to the Meeting that Consolidated Goldfield Aust. Ltd. would be interested in holding discussions with the R.W. Miller Group on the merits of entering into a joint venture for the development of colliery properties.

20 As a prerequisite to these proposed discussions Mr. Abeles recommended that a report be prepared by an independent reliable source on the coal resources and colliery development held by the R.W. Miller Group and it was agreed that Management would arrange for a survey and report to be prepared for consideration by the Board.

Foreign Exchange:

The effect of foreign currency fluctuations on the Group's earnings from coal exports was raised and discussed.

30 Mr. Abeles expressed the opinion that future contracts for coal export should be expressed in Australian currency and, in cases where this was not practicable, insurance cover should be taken out against foreign currency devaluations.

Consideration of General Manager's Activity Report:

The following matter arose from consideration of the General Manager's Activity Report:

COAL STOCKS:

40 The Chairman reported that the Group's stocks of coal at grass would be disposed of by the end of September. 1971.

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Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

26th August 1971

(continued)

Mr. Abeles enquired whether domestic coal selling prices could be increased and stated that, in view of the fact that cartage rates will increase by approximately 10% to 12% in the near future, this factor should be kept in mind when applying cost increases.

The Chairman assured Mr. Abeles that domestic coal selling prices were increased whenever and wherever possible and agreed that the General Manager should report next month on the subject of price increases.

10

HOTELS:

In reply to a question from Mr. Abeles, an assurance was given by the Chairman that hotel food prices were under constant scrutiny and subject to regular revision.

M.T. "AMANDA MILLER":

The Chairman outlined the history of the dispute with the Guild over the appointment of a fourth Mate for the vessel.

Captain H.D. Smith, Master of the vessel and also President of the Guild, had stated that in his opinion the services of a fourth Mate were not required. However, Mr. S. Benson, General Secretary of the Guild, had confirmed that the Guild's Committee would not permit the vessel to sail unless a fourth Mate was appointed.

20

The Company was resisting this appointment and the dispute had been referred to a Manning Committee.

30

The matter of the basis of the Escalation Clause to be inserted in the vessel's Charter Party Agreement was raised and Mr. Abeles suggested that the basis of escalation of voyage expenses should be linked with the escalation of wages.

Any other Business:

The present and potential value of land held at Warriewood by Millers Hotels Pty. Ltd. was discussed and it was agreed that a valuation of the land should be obtained and submitted to the Board.

40

Close of Meeting:

There being no further business to be transacted the Meeting was declared closed by the Chairman.

CONFIRMED:

CHAIRMAN

Exhibit MH 13

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.26th August 1973
(continued)

From: General Manager

To Joint Managing Directors

Exhibit MH 13
(continued)

August Management Report

25th August 1971

Management Report

Exhibit MH 13

August Management
Report

25th August 1971

10

1. FINANCE:

In the July report it was mentioned that a submission had been presented to the Bank of New South Wales, with a view to arranging suitable accommodation to solve our current financial problem.

20

On the 13th August 1971 the Bank advised us, that, after considering our submissions, they preferred not to increase the level of their present support. Additionally they would not be prepared to involve itself in participation in the consortium tanker finance of \$9.9 million or in the refinancing proposal of \$2 million with the Australian Resources Development Bank.

30

At a subsequent interview with Executives of the Bank, they advised that they would not alter their decision on facts known to them at this stage. They did make it clear, however, that they would give due consideration to any new proposals submitted to them in the future.

They confirmed that the bank expected our overdraft to be reduced from \$4 million to \$1.87 million when the settlement from Hambros Bank Limited was made in regard to M.T. "Amanda Miller".

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August Management Report
25th August 1971
(continued)

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The Chase-N.B.A. Loan of \$2.2 million will become a "Demand Loan" at the time of handover of M.T. "Amanda Miller".

Chase are aware that there could be a slight delay in settlement of the tanker finance, but as a safeguard, we are negotiating through Tricontinental Corporation and A.F.I.C. in an endeavour to secure replacement finance on a medium to long term basis in lieu of the Chase finance.

10

With regard to the financing for M.T. "Amanda Miller", we wish to advise that on the 30th July 1971 we formally accepted the offer from Hambros Bank Limited for a Ship's Mortgage Loan of U.S. \$8.3 million, and on the 3rd August 1971 Hambros confirmed their agreement to the deal.

On the 17th August 1971, Mr. Taylor and the writer met with Hambros in London in an endeavour to clarify any matters which could possibly delay settlement of the loan upon handover of the vessel. The Mortgage Documents were forwarded to Sydney and the relevant Lawyers have conferred on the contents, and the formal document is at present being typed up for execution. At this stage there appear to be no reason why settlement cannot be made within a few days of handover.

20

30

During the meeting with Hambros we also discussed the financing of M.T. "Robert Miller", and Mr. Christopher Sporborg, Director of Hambros, informed us that they would probably present an offer to us in conjunction with Greyhound Leasing, on a first mortgage basis, with settlement in line with progress payments due during the course of construction of this vessel. We expect confirmation of this in approximately one week.

40

The Company is still in default on the \$2.45 million progress payment owing on this vessel, and a further claim of \$1.85 million is due for payment on 1st September 1971. We have been advised that the Minister for Shipping and Transport is not pressing for payment at this

stage, having regard to our request on the 6th August 1971 that settlement of the \$2.45 million be deferred until settlement is received from Hambros Bank Limited.

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August
Management
Report

25th August 1971

(continued)

We have made a complete review of proposed capital expenditure, and have instituted a strict control system over future expenditure of this nature.

10 At Ironbark Colliery, all capital expenditure, other than already contracted, has been deferred, and at all other collieries the position is being examined very closely.

Financial Results:- Trading results for the month of July 1971 will be available for the Board Meeting on the 26th August 1971.

20 During the month our staff have concentrated on finalising the annual accounts which, after audit, we are hopeful will be submitted at the September Board meeting.

2. SHIPPING:

(1) M.T. "Amanda Miller"

30 A charter rate of \$10,750 per day has been agreed by the oil consortium and Amoco have been appointed Managing Agents for the vessel. A Letter of Intent has been signed by all parties and the official Time Charter Party will be executed as soon as possible, but with so many companies in the consortium it is anticipated that this could take some months.

Sea trials were held on the 19th, 20th and 21st August and were a complete success.

On the 23rd August 1971 the vessel was officially named by Miss Amanda Miller and the handover date is scheduled for 30th August.

1st Defendants
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August
Management
Report

25th August 1971

(continued)

(2) M.T. "Robert Miller"

Construction of this vessel is proceeding on schedule.

(3) M.T. "R.W. Miller" and M.T. "Millers McArthur"

Apart from a one day Moratorium stoppage, both vessels were fully employed during July 1971.

(4) Colliers:

M.V. "Rickie Miller" returned into service on 28th July 1971, following repairs carried out after the collision with the Greek vessel "Patris".

10

M.V. "Lisa Miller" has been fully employed during the month.

3. HOTELS:

Hotel sales for July 1971 amounted to \$1,079,000 which was \$104,000 in excess of the same period for 1970, and the estimated net profit for the entire hotel division for the same period was \$71,380.

20

All sections of this division including managed hotels, leased hotels, Cooper Nathan, Butcher Shop and catering services traded profitably during July 1971.

A sales promotion for Fathers Day is currently in progress, and further promotions for Spring and the Melbourne Cup are at present being planned.

Taverns:

The licence for the St. James Tavern has been approved by the Licensing Court, and demolition of the building has commenced.

30

Progress is also being made on the Redfern and Metropole Taverns as previously reported.

The Bexley North Tavern continues with further improved performance during the last month. Food and liquor sales are now at the £5,400 per week level, and increased sales are being recorded in the Public Bar and Bottle Department. This hotel achieved a net profit of £7,028 for July 1971, an increase of 46% over the results for the same period in 1970.

Training:

A one week Seminar for hotel managers is planned for September. This Seminar will open up a new phase in management training, and is designed to advance the knowledge of our Managers in the fields of merchandising, catering, staff and public relations.

4. COAL DIVISION:

Sales for July were as follows:

Export	£2,262,313
Domestic	791,037
	<hr/>
Total	£3,053,350
	<hr/> <hr/>

Export Sales:

Were very much in excess of the agreed shipping programme, due to the fact that one of our major competitors was unable to fulfil his tonnage due to industrial trouble.

As we had adequate reserves we were requested to increase the extent of our original tonnage.

Domestic Sales:

Were also higher than anticipated due to the increased purchasing by the Electricity Commission who have decided to increase their reserve areas following continued industrial trouble in their own collieries and powerhouses.

Exhibit MH 13

August
Management
Report

25th August 1971

(continued)

Greece:

A full account of this market has been given in the report by Mr. Taylor and the writer on the outcome of their recent visit to Zurich. Briefly the position is now becoming clearer, and in our opinion there is no likelihood of the Greeks taking legal action against us for repudiation of the contract.

At the present time they are testing other types of coal in an endeavour to establish what quality is most suitable for their coke ovens. 10

It is our opinion that we are in favour with Mr. Meierhans of Solindex (the other party to the contract) and we feel that he will do his utmost to push Millers' coal in this market. However, there is no chance of any decision being made until the beginning of 1972, and with continued close liaison with Dr. Meierhans, it is felt that we have every chance of securing a long term contract with this consumer. 20

5. COLLIERIES:

During the past month, Miners Federation members continued their action against the recent \$6 per week increase by holding further stoppages. All mines were idle for the week ended 27th July and the week ended 13th August 1971. A further strike is planned for one week from 15th September 1971. 30

(1) Production:

For the month ended 20th August 1971 average daily production was as follows:

Wallsend (including			
Minmi)	1,228	tons	
Belmont	1,262	"	40
Ayrfield	477	"	
Preston	1,376	"	

(2) Stocks:

Coal stocks held at 20th
August were as follows:

Wallsend	4,957	tons
Belmont	60,070	"
Ayrfield	2,411	"
Northern Rhondda	18,730	"
Preston	86,300	"

August
Management
Report

25th August 1971

(continued)

(3) Ironbark Colliery:

10

Further to the decision to defer Ironbark development, the contractors supplying the washing plants have been requested to provide information on the installation of one of these plants at Ayrfield Colliery.

20

At this stage it is proposed that the remaining plant will still be erected at Ironbark to service possible open cut production, if required, at an early stage.

Discussions are continuing with those contractors who hold contracts for development at Ironbark.

(4) Ayrfield Colliery:

The existing washing plant is limited in its ability to extract the maximum saleable coal and for many years the residue (slurry) has been deposited in settling ponds.

30

Acceptance of the proposal that one of the Ironbark washing plants be installed at Ayrfield would mean:-

1. Increased saleable tonnage from current and future mining operations:
2. Saleable coal of good quality could be recovered from the settling ponds. It is estimated

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25th August 1971
(continued)

that there is over 250,000 tons of saleable coal which could be recovered at nominal cost of approximately \$1.50 per ton.

3. The facility is present to wash coal from the new entry at Ayrfield when it is required.
4. Greatly reduced overall cost of production. 10
5. Greater profits for this colliery.

(5) Belmont Colliery:

Work is continuing on the development of the Great Northern Seam. The area to be worked is expected to provide good conditions for maintaining the production rate at Belmont. 20

(6) Wallsend Colliery:

This mine has been subject to many industrial stoppages mainly over demarcation disputes and these have affected production and costs.

The washery at Wallsend No. 2 (Minmi) is expected to be commissioned in early October and colliery staff are programming open cut operations to commence mid-November. 30

(7) Northern Rhondda Colliery:

The fire in underground workings is now uncontrollable and loss assessors have been advised

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(continued)

that a total loss position exists. Underwriters have been informed and we are now proceeding with preparation of a claim.

The Electricity Commission has ordered approx. 40,000 tons of the steaming coal stock remaining at Rhondda, and this is expected to be delivered by early September 1971.

10

The Company is also exploring the possibility of marketing coal from the open cut workings.

(8) Preston Colliery:

The production at Preston has been maintained at a high level even though the future of the mine is uncertain.

Allowing for increased production during the month there has been a slight reduction in the coal stock at 20th August 1971. This stock will be further reduced by export shipments late in August and September and also by likely sales to other exporters and consumers.

20

The question of rail freight reductions from Preston has been considered and refused by the Government. The Joint Coal Board is now considering the position and our executives are in constant touch with them.

30

Meanwhile the Company is exploring all possibilities for local and overseas marketing of this coal.

The possibility of continued industrial unrest at Bellbird Colliery (which supplies us with a "sweetener" coal) and the

40

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(continued)

uncertainty of future trade with
the Johnstone interests, tend to
favour the continued working of
the mine as a form of insurance.

(SGD.) L.D. KOCH

EXHIBIT M.H.13 (continued)

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LTD. 30th SEPTEMBER 1971.

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED, HELD IN THE BOARD ROOM,
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY,
AT 11 A.M. ON THURSDAY, 30TH SEPTEMBER 1971.

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Meeting of
Directors of
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(Holdings) Ltd.
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- 10 PRESENT: Mr. A.N. Taylor (Chairman)
Lady Elizabeth Miller, and Messrs.
E.H.P. Abeles, P.J. Duncan,
R.I. Nicholl, P.M. Wilkinson,
E.D. Cameron, K.B. Anderson.
- IN Mr. H.V. Ellis-Jones (Secretary)
ATTENDANCE Miss M.J. Hill
- 20 CONFIRM-
ATION OF
MINUTES OF
PREVIOUS
DIRECTORS'
MEETING The Minutes of the Meeting of Directors
held on 26th August 1971 were tabled,
confirmed by the Meeting and signed by
the Chairman as a true record of the
proceedings thereat.
- 30 CONFIRM-
ATION OF
MINUTES OF
SHARE
TRANSFER
COMMITTEE
MEETINGS The Minutes of Share Transfer
Committee Meetings held on the
following dates were confirmed.
- 1971
- 13th August
20th August
27th August
3rd September
10th September
- 40 BUSINESS
ARISING
FROM
MINUTES OF
PREVIOUS
DIRECTORS'
MEETING WARRIEWOOD LAND:
The Chairman advised the Meeting that
a valuation just received on this
property assessed its current market
value in its present state at \$242,500
against a book value of \$114,800.

The property had also been alternatively
valued on the assumption that the land

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(continued)

if suitably filled at a cost \$250,000 was sub-divided, with portion approved by relevant authorities for use as a licensed hotel site, and the balance of the land zoned as a light industrial area, then the total valuation would be increased to \$1,740,000.

It was agreed by the Board that an application should be lodged for the transfer of a liquor license to the site, and that all possible efforts should be made to obtain a light industrial zoning for the area.

10

COLLIERY JOINT VENTURE:

Mr. E.D. Cameron suggested that before any discussion was held with Consolidated Goldfields Aust. Ltd. on the question of a possible joint venture, he felt it would be desirable to first confer with Mitsui & Co. (Australia) Ltd. on this matter.

20

The Board agreed with Mr. Cameron's suggestion, and also decided that the matter should be left in abeyance pending receipt of valuations of the R.W. Miller Group's colliery interests.

30

ESCALATION CLAUSE - M.T. "AMANDA MILLER"

The Chairman reported that the basis to be adopted for the escalation clause to be inserted in the Time Charter Party Agreement for M.T. "Amanda Miller" had been fully debated with the consortium representing the oil companies.

The consortium would not accept our proposal to have escalation of operating costs based on increases in wage levels, and it had been finally agreed that the escalation would be based on movements in the Consumer Price Index.

40

EXPORT COAL PRICES:

The Chairman confirmed advice given at the previous Directors' Meeting that export coal selling prices were expressed in Australian currency under contracts held by the R.W. Miller Group, therefore the income from this source was unaffected by foreign currency exchange fluctuations.

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
30th September
1971
(continued)

10 CONSIDER-
ATION OF
LEGAL
OPINIONS

RE J. & K. JOHNSTONE HOLDINGS LIMITED

In advising the Board of the current situation, the Chairman stated that as we still need coal produced by the Johnstone interests to meet export requirements, we have been endeavouring to hold their participation in export shipments by continuing to offer them up to 30% of all export coal shipped under the Big Ben contract, in accordance with the agreement which had been practiced for some years.

20

Whilst it was felt that the Johnstone interests would not continue to supply coal in accordance with the agreement, it was our intention to continue to honour the agreement until it was broken by the Johnstones.

30

Mr. P.J. Duncan reported that at a recent meeting held with Mitsui & Co. (Australia) Ltd. the dispute with Johnstones had been regarded by Mitsui as a domestic matter between the two companies concerned, however as Mr. K.A. Johnstone was not present at this meeting it was not possible for a firm decision to arise from the discussion.

40

RE EASTERN SUBURBS LEAGUES CLUB LTD.

In opening discussion on this legal opinion, Mr. K.B. Anderson expressed the opinion that there should be no increase made in the rate of interest currently being charged on the loan

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to the Club. Mr. Anderson said this opinion had been reached after giving the matter a great deal of consideration, and after considering that the Club was making repayments of principal at the rate of \$12,500 per month on a voluntary basis, in lieu of the mortgage repayment rate of \$7,000 per month.

Mr. Anderson also said that whilst an additional \$30,000 profit would be earned in the first year if the mortgage rate of interest was charged, he was certain this would influence the Club to reduce its monthly repayments of principal from \$12,500 to \$7,000, and jeopardise sales of wines and spirits made by Cooper Nathan & Co. Pty. Ltd. to the Club which had a present sales value of about \$100,000 per annum. 10 20

Lady Miller supported Mr. Anderson's remarks and stated that she would not like to see the present relationship with the Club disturbed.

Mr. R.I. Nicholl stressed to the Board that the legal opinion given by him was based on available evidence and that there was nothing in writing to substantiate the present relationship with the Club. 30

Mr. E.H.P. Abeles stated that due to the present liquidity problem faced by the Group he was firmly of the opinion that the rate of interest stipulated in the mortgage should be charged, and enforced if necessary as this would enable the loan to be assigned and discounted at a most favourable rate.

In stating that he supported Mr. Abeles in his views, Mr. E.D. Cameron said that he regarded the mortgage loan as a first class proposition for discounting to raise urgently required funds. 40

A motion moved by Mr. Abeles and seconded by Mr. Cameron that the rate of interest stipulated in the mortgage be charged to the Club was not carried.

RE "AMANDA MILLER" FIRE:

10 The Chairman informed the Board that accounts totalling about \$400,000 had been lodged, based on a penalty rate of \$4,000 per day for delay in handing over the vessel due to the fire at B.H.P.'s Whyalla shipyard.

It was also reported that it had not been considered politic to institute action for the recovery of the penalty whilst the Company was in default in meeting progress payments now overdue on the construction of M.T. "Robert Miller".

20 Mr. E.D. Cameron queried whether portion of the estimated recovery applicable to the period ending on 30th June 1971 should be incorporated in the Group's accounts for the financial year ended on that date, and it was agreed that Mr. Cameron should confer with Rettie & Vickery on this point and make a recommendation to the Board.

30 SALE OF
BALMAIN
PROPERTY The Secretary reported that a two storey residence adjacent to freehold land occupied by Jubilee Engineering Co. Pty. Ltd. had been purchased some two years ago at a total cost of \$23,500, and that since purchase the residence had been tenanted under Section 5A leases.

40 It had not been possible to change the residential zoning attached to the residence, and it had therefore been recently sold for \$31,000.

VALUATION
OF HOTEL
PROPERTIES

After consideration by the Board of a schedule showing independent valuations of hotel properties Mr. E.H.P. Abeles suggested that it

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 1971
 (continued)

was important that the valuations should be related to the profits earned by each individual hotel.

The Chairman stated that it was misleading to equate the valuations with the hotel results for the months of July and August, as these two months were traditionally the worst months for hotel trading.

It was agreed that the Board would be provided with a comparison between the valuations and 1971 trading results of each hotel, and also that management would supply details of hotels it was proposed to sell to raise up to £ 3,000,000 as planned. 10

Mr. R.I. Nicholl said that the results of the Manly Vale hotel would have been disrupted by road widening works, and that substantial improvement in the hotel's trading should follow industrial and home unit development in the vicinity of the hotel. 20

In reply to a question from Mr. Nicholl, Mr. Abeles said that at the present time he was opposed to the Company holding real estate for capital appreciation, and quoted the Manly Vale, Allawah, Marayong and Sundowner hotels as being properties that could be considered as being suitable for disposal by sale. 30

ADDITIONAL
 BOARD
 MEETING

It was decided that an additional Board Meeting would be held at 9.30 am on Wednesday, 13th October 1971, to consider the audited Group Accounts for the year ended 30th June 1971 and matters associated thereto.

GENERAL
 MANAGER'S
 ACTIVITY
 REPORT

Mr. L.D. Koch, General Manager, then joined the Meeting and the following matters were discussed. 40

AYRFIELD COLLIERY:Minutes of
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(continued)

10

In placing before the Board a proposal to transfer one of the two washing plants ordered for Ironbark Colliery to Ayrfield Colliery, the General Manager pointed out that contracts had been entered into for the supply and installation of two washing plants at Ironbark Colliery at a cost of \$500,000 each, and with the curtailment of development at Ironbark Colliery it was recommended that as an alternative to having two idle washing plants at Ironbark Colliery, one of the plants should be transferred to Ayrfield Colliery.

20

Installation of a new washery at Ayrfield Colliery would enable the recovery of approximately 100,000 tons of saleable coal from sludge coal rejected by the existing washing plant, at a total cost of about \$1.00 per ton.

30

In addition, the new washery would reduce the ash content of coal produced at the Colliery from 8.5% or 9% down to 6.5% and would also enable the recovery of an estimated 200,000 tons of saleable steaming coal for the local market from reject coal at a cost of \$3.50 per ton.

40

It was anticipated that after installation of the new washing plant the old washing plant could be sold to a small mine for about \$30,000.

The Board agreed to the recommendation, and resolved that one of the two washing plants ordered for Ironbark Colliery be installed at Ayrfield Colliery.

FINANCE:

In reply to a question from Mr. R.I. Nicholl on the present financial position of the Group, the General

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Manager reported that on receipt of the long term loan from Hambros Bank Ltd. the bank overdraft had been reduced from \$4 million to its normal level of \$1,873,000, the short term loan of \$2,200,000 due to Chase-N.B.A. Group had been discharged, and an overdue payment of \$1,997,000 had been made on M.T. "Amanda Miller".

It was also reported that the Chase-N.B.A. 10
Group were keen to re-negotiate a loan
against the security of hotel properties,
and a submission was being prepared for
the Bank of N.S.W. to support an
application for a permanent increase in
the Group's overdraft limit from
\$1,873,000 to \$3,000,000.

The General Manager said that the Bank
of N.S.W. had expressed the opinion
that they would prefer to see the 20
Company stand on its own feet in
submitting proposals to the Bank,
therefore it was intended that the
Company would prepare and present future
proposals after submitting them to
Tricontinental Corporation Ltd.

In agreeing with this intention,
Mr. Abeles said he could see no harm
arising as Tricontinental could still
advise and render any assistance 30
required if difficulties arose.

M.T. "ROBERT MILLER"

It was reported that \$4,200,000 due
for construction progress payments on
the vessel was still outstanding, and
although the Minister of Shipping was
not worried about the position at
this stage, it was intended to see him
on his return from an overseas trip to
keep him informed on negotiations to 40
finance the vessel's construction.

Mr. Abeles advised the Board that he
had spoken to the Minister at a recent
meeting of the Transport Advisory
Council, and the Minister had informed

him that he expected a firm proposition within four weeks from the Company.

10

Mr. Abeles also informed the Board that Hambros Bank Ltd. had advised him they would consider providing finance for the construction of M.T. "Robert Miller" providing a long term Charter Party Agreement is signed for the employment of M.T. "Amanda Miller". Mr. Abeles said that whilst Hambros Bank Ltd. would not advance the finance to meet full progress payments, he was hopeful that arrangements could be made for Tricontinental Corporation Ltd. to finance the balance.

20

The Chairman reported that on the expiration of the first month's Charter of M.T. "Amanda Miller" a further charter of 18 days had been granted to the Charterers, with the advice that if a suitable long term Charter was not arranged within that time we would employ the vessel on a spot Charter basis.

M.T. "MILLERS MCARTHUR - R.W. MILLER"

The Chairman reported that negotiations had commenced with the Oil Companies for an increase of \$250 per day in the daily charter rate of these vessels.

30

SHIPS' BUNKERS:

Mr. Abeles advised that he is negotiating rates for the supply of ships' bunker fuel to the Union Steamship Co. Ltd. by B.P. Australia Ltd., and offered assistance in any negotiations the R.W. Miller Group may have in this direction.

COLLIERY VALUATIONS:

40

In reply to a question from Mr. Abeles, the Chairman stated that valuations of Colliery assets were being carried

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out by the Group's Superintendent of Collieries, and would be verified in consultation with an independent valuator.

ANY OTHER
BUSINESS

PRESTON COLLIERY:

The Board was advised that notices of dismissal given to a number of employees had been rescinded, and the colliery had been restored to a two shift basis.

10

Despite the fact that the Colliery was now working on a lower manning than previously the colliery's saleable output was being maintained, and additional coal had been sold to Gollin & Co. Ltd.

RE-VALUATION OF GROUP ASSETS:

The Chairman advised the Board that the Secretary had raised for the Board's consideration whether the capital appreciation in the Group's freehold properties disclosed by independent valuations recently made should be reflected in the Group's financial accounts.

20

Mr. Cameron requested time to consider the implications and effects of the Secretary's suggestion.

CLOSE OF
MEETING

There being no further business to be transacted, the Meeting was then declared closed by the Chairman.

30

CONFIRMED

(Sgd) A.N. Taylor

CHAIRMAN

EXHIBIT M.H.13 (continued)SEPTEMBER MANAGEMENT REPORT 28th SEPTEMBER 1971

28th September 1971

September
Management
Report
28th September
1971

FROM: General Manager

To: Joint Managing Directors

MANAGEMENT REPORT - SEPTEMBER 19711. MATTERS ARISING FROM THE BOARD MEETING HELD
ON THE 20TH AUGUST 1971.

10 At this Board Meeting, the question was raised as to the effect of the U.S. \$ devaluation on our existing contracts for coal exports.

The Board was informed that the Newstan Contract was expressed in £ Sterling, and that the Big Ben and Huntley Contracts were each expressed in \$ Australian.

We wish to confirm that these statements were correct.

20 Regarding the question of insuring against consequential loss of profits arising from M.T. "Amanda Miller" being involved in collisions or mechanical breakdowns, we wish to advise that this coverage has been effected at an annual premium of \$64,350. We are obliged to carry the first 14 days off-hire period and from then on the coverage is at the rate of \$11,000 per day for a maximum of 90 days.

30 We would point out that this insurance has been taken out with Australian Insurance Brokers Limited, who were referred to us by Australian Finance and Investment Company.

We are also at present investigating the cost of arranging protection cover on our existing fleet of vessels against strikes by sea-going personnel. It is difficult at this stage to advise the Board of the most effective method, as this type of insurance can be obtained both overseas and in Australia, and the Premiums are assessed in a similar manner to P & I Insurance, depending on the number of claims presented

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(continued)

throughout a Policy year.

We are seriously considering covering through an overseas company, as the spate of strikes on the Australian coast are quite considerable as compared to worldwide.

We hope to be in a position by the next Meeting to advise the Board of our recommendation.

The valuations of Company assets are being carried out, and further details have been covered separately in the Agenda.

10

2. FINANCE:

We are pleased to report that on the 17th September 1971, the loan from Hambros Bank amounting to U.S. \$8.3 million was credited to our account. The conversion rate of \$1.1548 was applied and the Australian equivalent amounted to \$7,187,391.75.

On the 20th September we repaid the Chase-N.B.A. loan of \$2.2 million, and in addition \$1,997,260 to the Australian Shipbuilding Board, being the amount so due for the hand-over progress payment of M.T. "Amanda Miller".

20

This payment to the Australian Shipbuilding Board was made after consultation with the Department of Shipping and Transport, and they advised us that they would prefer us to clear the "Amanda Miller" payments, as the loan was made for this particular vessel.

At this stage they are not pressing for the "Robert Miller" outstanding payments, but would appreciate discussion with them to advise of the progress being made in this regard.

30

We have been in touch with Hambros Bank in London, and they have advised us that as soon as the charter for M.T. "Amanda Miller" is executed, they are anxious to make a start on the financing of M.T. "Robert Miller".

We intend approaching Chase-N.B.A. for a further loan on the security of certain properties, and in addition, we are preparing a submission to the Bank of New South Wales for the increase

40

in our current overdraft limit from \$1.8 million to a minimum of \$3 million.

We anticipate being in a position at the next Board Meeting to advise of the progress made in these areas.

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(continued)

3. SHIPPING:

(1) M.T. "Amanda Miller"

10 This vessel was handed over to us on the 31st August 1971, and has been operating quite satisfactorily.

She is at present completing her third voyage, after which she is to proceed to Cairncross Dock in Brisbane where she will remain for three to four days. After this, speed trials will be conducted off the Brisbane Coast line, and from there she will proceed north about to Barrow Island.

20 The Charter for this vessel is nearing execution, and after various meetings with the Oil Company Consortium, it is now only a matter of a few minor points to be agreed upon before this document can be signed.

(2) M.T. "Robert Miller"

This vessel is proceeding on schedule, and, following the launching of "Esso Gippsland" earlier this month, greater headway is now anticipated.

(3) M.T. "R.W. Miller" and M.T. "Millers McArthur"

30 These vessels both operated satisfactorily during the month.

Negotiations have been commenced for the re-chartering of both vessels for at least a further 12 months, and we are confident that this will be agreed upon. We are negotiating for the re-chartering of these vessels at an increased charter rate.

4. HOTELS:

Managed hotel sales for the month of August

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(continued)

amounted to £1,141,846, which was £128,543 in excess of the same period for 1970.

The income from our Catering Services for the month of August amounted to £63,072, which was slightly higher than for the corresponding period in 1970.

Further promotions through the Bottle Departments are being held, and the response is extremely encouraging.

The Richmond Hotel at Camperdown, currently under lease, will come under our management on the 11th October 1971, and this will enable us to upgrade the hotel for purposes of either re-leasing or sale.

10

The Bexley North Tavern continues to improve under the new Tavern concept, and total income for the month amounted to £66,447. Of this amount, £65,621 was attributable to liquor and food.

This augurs well for the proposed City Taverns, and further emphasises the potential of this type of catering.

20

5. COAL DIVISION:

The sales for August were as follows :

Export	819,761
Domestic	<u>886,378</u>
Total -	<u><u>£1,706,139</u></u>

Export Sales:

These were lower than July, but it was stated in last month's report that July sales were much in excess of the agreed shipping programme. We would point out at this stage that the September figures are in excess of the August sales stated above.

30

Domestic Sales:

These sales are slightly in excess of normal figures, due to the fact that during the month we

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sold approximately 15,000 tons of Preston coal to Gollin and Company.

It has been agreed with Gollins that they will purchase a definite 30,000 tons of Preston coal with a possibility of further purchases over the next two months.

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10 At the present stage, we have negotiated with B.H.P. for the supply of a minimum of 50,000 tons of Preston coal from now until mid-December 1971.

In addition, during the same period they have agreed to purchase approximately 2,500 tons per week of raw coal from the Wallsend Colliery.

Also they have agreed to purchase approximately 1000 tons per week of washed coal from the same colliery.

20 We have received permission from the Joint Coal Board to open-cut approximately 20,000 tons of open-cut coal from the Northern Colliery. This coal will be available for sale from the 29th September 1971 and is for shipment to the Sydney general trade.

Greece:

30 On the 24th September 1971, a meeting was held with Mr. Von Poser of Hansen Neuerburg, our former Agent regarding the Greek Contract. Considerable discussion was held regarding this market. We advised him that we were most disturbed when they quoted coal from J & K Johnstones to this market at such a short time after our return from overseas.

He denied having done this, at which point we showed him a copy of the offer which he had made. From that point onwards he was most uneasy, and was obviously looking for an opportunity to leave.

40 He informed us that the Greeks were about to sign a contract for 300,000 tons of coal, and that also at the present time Mr. Ken Johnstone was in Greece having discussions with them.

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(continued)

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At the conclusion of the meeting, which he left rather suddenly, it is apparent that we have no further obligation or association with Hansen Neuerburg regarding any European markets.

6. COLLIERIES:

During the week commencing 15th September 1971, the Miners' Federation instituted another week long strike in accordance with their continued action against the recent Arbitration ruling on wages.

10

(1) Production:

For the month ended 17th September 1971, average production on a daily worked basis was as follows :

Wallsend	1273	tons
Belmont	1377	"
Ayrfield	503	"
Preston	1138	"

(2) Stocks:

Coal stocks held at the 24th September 1971 were as follows :

20

Wallsend	2500	tons
Belmont	7500	"
Ayrfield	850	"
Northern	500	"
Preston	54600	"

(3) Ironbark Colliery:

Construction has ceased at this colliery, but the contractors are pressing for the commencement of foundations for one washery, in order that they can keep their construction crew employed.

30

They could, however, delay the erection of this plant by transferring their labour to Ayrfield Colliery for the construction of the other washing plant, which was originally destined for Ironbark.

In the light of the current and future coal trade position, and capital availability, a

study is currently being made as to the minimum cost that would make Ironbark Colliery operational. The output from one mining unit using as much existing equipment as possible, and working one, two, or three shifts would be up to 1000 tons per day.

10 We would emphasise at this stage, that we are committed for certain capital expenditure at this pit, and are endeavouring to ascertain the most economical way of utilising the contracted equipment.

(4) Belmont Colliery:

The first drift to the Great Northern Seam has hit the seam 150 feet earlier than predicted, resulting in a cost saving of \$35,000. The reason for this is that the seam rolls, and apparently we have struck one of the local hills in the seam.

20 Working conditions continue to be good at the face in the Fassifern seam, and although the workings are making a lot of water, the pumping system installed when these new headings were commenced, is now coping satisfactorily with the water.

(5) Northern Colliery

30 Regarding the fire at this Colliery, we have been informed that the Underwriters have told the Assessor that approval has been given for him to approach us regarding value of equipment destroyed as a result of this fire.

We feel it can be anticipated that liability is now acknowledged.

(6) Wallsend Colliery:

Initial commissioning has commenced on the washery to check the operation with manufacturers, and according to the present progress, this plant should be in operation by the contract date 14th October 1971.

(7) Preston Colliery:

40 As stated previously, deliveries have

1st Defendants
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September
Management
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28th September
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(continued)

commenced to B.H.P., and after initial disputes regarding the quality of the coal, our Laboratory results were proven to be correct, and B.H.P. are now completely satisfied with the coal.

(8) Ayrfield Colliery:

Included in the report for August 1971, preliminary details were given for the installation of one of the washing plants originally designated for Ironbark, to be erected at Ayrfield.

10

We wish to point out that we are contracted for two plants, and, if it is decided not to transfer one to Ayrfield, we would be still liable for the cost of these without recouping any benefit.

It is therefore economically desirable that approval be given for this proposal.

The new washery can be made ready for commissioning in 5 months from the time instructions are given to proceed.

20

The existing washing plant at Ayrfield was installed in 1956/57 and is a simple jig process which cannot effectively clean the small coal.

The new washery will be capable of handling fine coal recovered from the sludge pond, and processes this coal either separately, or while other coal is being washed.

A survey on the 24th September 1971, showed that the sludge pond contains 275,000 cubic yards of recoverable material. Allowing for a 50 per cent clean coal recovery, saleable coal of between 93,000 to 115,000 tons is available.

30

Recovery of this coal loaded into transport, after washing, will cost approximately \$1 per ton, which on current day prices allows a margin of approximately \$5 per ton.

Naturally, ancillary plant including conveyors, coal breakers, clean coal conveyors, water supply and sludge pond recovery equipment will have to be installed, which is estimated to be \$125,000, in addition to the amounts already contracted.

40

SUMMARY OF BENEFITSSeptember
Management
Report
28th September
1971
(continued)

	<u>Existing Ayrfield Washery</u>	<u>Proposed New Ayrfield Washery</u>
	Capacity 60 tons per hour	200 tons per hour
	Ash Quality 6.7%-9.0%	6.5%
10	Yield of clean coal on same output Nil	+7½%
	Sludge pond Recovery Nil	Approx. 100,000 tons
	Additional Contracted Cost -	Ø125,000

20 It was previously proposed to spend approximately Ø270,000 on modifications to the existing washery, in order to raise its efficiency to the level of the new proposed plant, but if this had been carried out, the capacity would only have reached 120 tons per hour.

Development has already proceeded with a new entry from the surface to the bottom seam, which will raise the output to 1000 tons per day, and result in a substantial reduction in cost.

30 The new washery will enable the further extension of output to take effect when the market so demands.

This proposal is placed before the Board for their approval, and it is recommended by Management that such approval be granted.

(Sgd) L.D. Koch.

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EXHIBIT M.H.13. (continued)

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
13th October
1971

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LTD. 13th OCTOBER 1971.

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED HELD IN THE BOARD ROOM OF
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY,
AT 9.30 A.M. ON WEDNESDAY, OCTOBER 13th, 1971.

<u>PRESENT:</u>	Mr. A.N. Taylor (Chairman) Lady Miller Mr. K.B. Anderson Mr. R.I. Nicholl Mr. E.D. Cameron Mr. P.M. Wilkinson (Alternate Director) Mr. A.V. Balhorn (Alternate Director)	10
<u>IN ATTEND- ANCE</u>	Mr. H.V. Ellis-Jones (Secretary) Mrs. M. Squires	
<u>APOLOGY FOR NON- ATTENDANCE</u>	An apology was tendered on behalf of Mr. E.H.P. Abeles regretting his inability to attend the Meeting.	20
<u>CONFIRM- ATION OF MINUTES OF PRE- VIOUS DIRECTORS MEETING:</u>	The Minutes of the Meeting of Directors held on September 30th 1971, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat, subject to Mr. E.H.P. Abeles confirming the record in the Minutes relating to the discussion on the Eastern Suburbs Leagues Club Ltd.	
<u>CONFIRM- ATION OF MINUTES OF SHARE TRANSFER COMMITTEE:</u>	The Minutes of Meetings of the Share Transfer Committee held on the following dates were confirmed : September 17th, 1971 September 24th, 1971	30
<u>BUSINESS ARISING FROM MINUTES OF PREVIOUS DIRECTORS MEETING:</u>	The Chairman reported on the following matters to the Board: <u>WARRIEWOOD LAND:</u> A plan incorporating a hotel develop- ment and sub-division of the remainder	40

of the land for light industrial development had been prepared as a necessary preliminary step to have the land re-zoned.

HOTEL VALUATIONS:

Complete valuations of all hotel properties had been obtained and were included in the Directors' Board folders.

10

M.T. "AMANDA MILLER":

The official Charter Party agreement for an initial term of five years had been signed by the consortium of oil companies as charterers and R.W. Miller & Co. Pty. Ltd. as owner.

IRONBARK COLLIERY:

20

Approximately 300 acres of the surface of the colliery holding had been sold to Phoenix Dairies Pty. Ltd. at a price of \$50 per acre with the purchaser paying all legal costs, survey fees and incidental expenses.

Pit timber growing on the land had been destroyed some time ago by a bush fire and as all mineral (illegible).....

30

.....
R.W. Miller Co. Pty. Ltd. It was considered that the sale was a good move as, in addition to providing funds, it would also save an annual outgoing for rates, etc.

PALM BEACH RESIDENCE:

This property had been sold to Lady Miller for \$50,000, this being the value placed on the residence by L.J. Hooker Ltd.

J. & K. JOHNSTONE HOLDINGS PTY. LTD.

40

In reply to a question from Mr. R.I. Nicholl, the Chairman reported that the Johnstones had finally accepted our offer to participate in the Big Ben

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13th October
1971
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1854.

contract on the original terms and conditions.

CONSIDER-
ATION OF
1971
AUDITED
GROUP
ACCOUNTS:

The Board considered the audited Consolidated Balance Sheet and Profit & Loss Account prepared by Messrs. Rettie & Vickery.

In commenting on the proposal that the Group's freehold properties should be shown in the Accounts at the value fixed by independent valuation, Mr. E.D. Cameron said that he was not in favour of this action as it would have the effect of reducing the return on shareholders' funds and would also reduce profits which would be realised on future sales of properties. However, he considered that comment should be made in the Annual Report on the valuations.

10

20

Mr. Cameron also informed the Board that a substantial tax loss incurred by Northern (Rhondda) Collieries Pty. Ltd. had been reduced by future income tax benefits amounting to £63,000 and also that the Consolidated Group Net Profit included £196,000 (less capitalised interest on this sum written back) being value of a claim up to 30th June, 1971, for the late delivery of M.T. "Amanda Miller" arising from the shipyard fire.

30

At this stage Mr. L.D. Koch, General Manager, was invited to join the Meeting and the effect of a declaration of a final dividend on the Group's liquidity was discussed, as also was the effect on the Group's borrowing programme if the final dividend was passed.

40

RECOMMEND-
ATION OF
FINAL
DIVIDEND:

RESOLVED that the Directors recommend that a final dividend of 3% per annum, making a total of 8% for the year, be paid from the profits earned during the year ended June 30th, 1971.

FURTHER RESOLVED that the dividend be

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1971
(continued)

paid on November 19th, 1971, and that, for the purpose of establishing entitlements to the dividend, the Company's Register of Members and Transfer Books be closed from 5 p.m. November 3rd, 1971, to 9 a.m. November 8th, 1971.

10 ANNOUNCE-
MENT TO
STOCK
EXCHANGES:

The Board considered the draft of an announcement to be made to Stock Exchanges reporting on the Group's result for the year ended June 30th 1971.

Mr. E.D. Cameron and Mr. P.M. Wilkinson suggested that the announcement should contain reference to the effect of increased costs and over-heads on the net profit and the report was amended to incorporate this reference.

20

The recommendation of The Institute of Chartered Accountants in Australia that freehold buildings should be depreciated was discussed and the Board agreed that the Annual Report should state that this recommendation would be considered during the current year.

30

Messrs. J. Bates and M.J. High, partners of Messrs. Rettie & Vickery, were then invited to join the Meeting and, after consideration, agreed that the Board's decision on the depreciation of freehold buildings would not affect the issue of an unqualified audit certificate on the Group's accounts for the year ended June 30th, 1971.

40

The Secretary was then authorised to issue the announcement, as approved by the Board, to the Stock Exchanges concerned after the close of the day's trading.

NINTH
ANNUAL
GENERAL
MEETING:

The Board considered and approved a draft notice of meeting and resolved that the Company's Ninth Annual General Meeting be held in the Conference Room at Millers Oceanic

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1971
(continued)

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Hotel, Arden & Carr Streets, Coogee,
at 3 p.m. on Friday, November 19th, 1971.

APPOINTMENT
OF LEGAL
OFFICER:

The Chairman informed the Board that he had discussed with Mr. W.A. Conway, partner of W.P. McElhone & Co., the possibility of Mr. Conway joining the Company's staff as Group Legal Officer. Preliminary discussions had indicated that Mr. Conway would accept the position providing his employment was the subject of a Service Agreement to provide him with security of employment from his present age of 58 years to the normal retiring age of 65 years. The Chairman considered that Mr. Conway would be a most valuable addition to the Company's executive and that the saving in legal costs would fully justify his salary. 10

The Chairman stated that the employment of Mr. Conway had been discussed with Mr. R.I. Nicholl and there was no ethical objection to Mr. Conway's appointment. 20

Mr. E.D. Cameron suggested that the appointment of Mr. Conway should be brought up at the next Board Meeting.

NEXT BOARD
MEETING:

It was resolved that the next Meeting of Directors would be held in the forenoon on Friday, November 19th, 1971, and that the Board Meeting which would normally have been held on Thursday, October 28th, 1971, would be dispensed with. 30

OVERSEAS
VISIT BY
CHAIRMAN:

The Chairman outlined the itinerary of his impending visit to Hong Kong and Japan and explained to the Board that he had arranged to have discussions with officials of M.I.T.I. in an attempt to have the Japanese steel mills increase their imports of Australian coking coal with Millers receiving preferential treatment, as he considered that the purchase by Millers of over eight million dollars worth of machinery from Japan entitled the Company to some preference on a reciprocal basis. 40

1857.

CLOSE OF MEETING:

There being no further business to be discussed, the Meeting was then declared closed by the Chairman.

CONFIRMED

(Sgd) A.N. Taylor.

CHAIRMAN

1st Defendants Exhibits Exhibit M.H.13 Minutes of Meeting of Directors of R.W. Miller (Holdings) Ltd. 13th October 1971 (continued)

Exhibit MH.13 (continued)

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER (HOLDINGS) LTD. 19th NOVEMBER 1971.

Exhibit MH.13 Minutes of Meeting of Directors of R.W. Miller (Holdings) Ltd. 19th November 1971

10

R.W.MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER (HOLDINGS) LIMITED HELD AT THE OCEANIC HOTEL, CNR. ARDEN & CARR STREETS, COOGEE, AT 12 NOON ON FRIDAY, NOVEMBER 19th 1971.

PRESENT:

Mr. A.N. Taylor (Chairman)
Lady Miller
Mr. P.J. Duncan
Mr. K.B. Anderson
Mr. E.D. Cameron
Mr. R.I. Nicholl

20

Messrs. P.M. Wilkinson and A.V. Balhorn (Alternate Directors for Lady Miller and P.J. Duncan respectively) were also present.

IN ATTENDANCE

Mr. L.D. Koch General Manager
Mr. H.V. Ellis-Jones Secretary
Miss M.J. Hill

APOLOGY FOR NON-ATTENDANCE:

The Chairman informed the Meeting that Mr. E.H.P. Abeles was absent overseas and tendered an apology for non-attendance on his behalf.

30

1st Defendants Exhibits
 Exhibit M.H.13
 Minutes of Meeting of Directors of R.W. Miller (Holdings) Ltd.
 19th November 1971
 (continued)

CONFIRMATION OF MINUTES OF PREVIOUS DIRECTORS MEETING:

The Minutes of the Meeting of Directors held on October 13th, 1971, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

CONFIRMATION OF MINUTES OF SHARE TRANSFER COMMITTEE MEETINGS:

The Minutes of Meetings of the Share Transfer Committee held on the following dates were confirmed:

1971:	October	1st	
	October	8th	
	October	15th	
	October	22nd	
	October	29th	
	November	3rd	

10

BUSINESS ARISING FROM MINUTES OF PREVIOUS DIRECTORS MEETING:

W.A. CONWAY:

Mr. K.B. Anderson raised the matter of the appointment of Mr. W.A. Conway as the Group's Legal Officer, it having been decided at the last meeting of Directors, at the suggestion of Mr. E.D. Cameron, that a decision on the appointment should be deferred until the next Directors' meeting.

20

The Board was informed that in the last financial year the cost of legal fees paid by the Group amounted to \$42,089 and that the estimated cost of employing Mr. Conway would be \$24,000 per annum including salary, superannuation, provision for a company car, private secretary and office rental.

30

The Chairman recommended the appointment of Mr. Conway and said that his employment would not entirely dispense with the use of outside legal firms specialising in particular facets of law.

40

Lady Miller suggested that the appointment should be deferred until the next Directors' meeting to enable the Service Agreement governing Mr. Conway's appointment to be studied.

Messrs. K.B.Anderson and L.D.Koch supported the Chairman in his recommendation and, in discussion on the appointment, the Chairman said that the annual revision of staff salaries to be made in November, 1971, would not apply to Mr. Conway who would not take up his duties until January, 1972.

Resolved:

10 That Mr. W.A. Conway be and is hereby appointed Group Legal Officer and that Messrs. P.M. Wilkinson and R.I. Nicholl should jointly consider the Service Agreement governing Mr. Conway's appointment to ensure that it was framed in the best interests of the Company.

PROPERTY VALUATIONS:

20 The Chairman reported that the valuation of the Group's Colliery interests had been completed and that the total valuation was in excess of \$15,000,000. The Chairman reported that the combined valuations of the Group's colliery and hotel interests showed a vast increase over and above book values.

WARRLEWOOD LAND:

30 It was reported that attempts to have this property re-zoned were continuing and also that negotiations with prospective developers were being pursued.

CHAIRMAN'S
RECENT
VISIT TO
JAPAN:

An extract from The Japan Commerce Iron & Steel (Daily) reporting on the Chairman's recent visit to Japan was circulated to Board members.

40 In outlining details of his visit, the Chairman reported that discussions with Nippon Steel, Sumitomo Metal and Government officials on the subject of trade reciprocity should ensure R.W. Miller & Co. Pty. Ltd. receiving favourable consideration when price increases were later considered.

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Minutes of
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(continued)

On the question of the construction of a second coal loader at Newcastle, N.S.W. letters of intent evidencing Japanese financial support and interest had been obtained and these had been given to the Premier, Minister of Mines and Minister of Transport.

The Chairman advised the Board that, in his opinion, it was essential for Millers to join and participate in the forthcoming mission of N.S.W. coal exporters to Japan and he was hopeful that participation would result in our obtaining a price increase of \$0.70 per ton on export coal which would help to offset past increases in operating costs. 10

The Chairman also reported that, in discussions with the Japanese, productivity had not been raised as a factor to justify price increases as this would give the Japanese a lever to ask for price reductions when productivity increased when coal exports came back to normal in about two years' time. 20

Whilst in Japan the Chairman had visited I.H.I. and had requested a price for a 110,000 d.w.t. tanker constructed to operate under Australian maritime conditions, for possible employment on the Australian coast when production of local crude oil increased as he was confident of obtaining Government approval for the employment of a foreign built tanker. 30

Whilst in Hong Kong enquiries had also been made on the possible employment at a later date of M.T.'s "R.W. Miller" and "Millers McArthur" under the Liberian flag, with Australian Masters and Officers and Asiatic crews. 40

GENERAL
MANAGERS
ACTIVITY
REPORT:

The following matters were discussed following consideration of the General Manager's Activity Report:

FINANCE:

10 Mr. L.D. Koch reported that A.F.I.C. had originally reported that Hambros Bank Ltd. was only prepared to advance \$6 million on M.T. "Robert Miller" with a guarantee from the Commonwealth Government.

The Minister of Shipping had stated that the question of a guarantee by the Commonwealth would be considered if Hambros Bank Ltd. indicated the terms of the guarantee sought by them.

20 A.F.I.C. had subsequently informed us that, if Bulkships Limited provided a suitable guarantee, Hambros Bank Ltd. would reconsider their offer of finance. However, we had learnt that this proposal originated from A.F.I.C. and not Hambros Bank Ltd.

30 Further negotiations had resulted in Hambros Bank Ltd. offering to advance \$10 million towards the cost of constructing M.T. "Robert Miller" with the proviso that the advance would revert to 60% of the vessel's world market value at date of handover.

Trans City Ltd. and Hill Samuel Australia Ltd. had indicated some interest in joining Hambros Bank Ltd. and Security Pacific in a consortium approach to provide finance for the vessel. Chase-N.B.A. Group had also shown interest in providing construction finance and long term finance on the vessel's handover.

40 The Bank of New South Wales had stated that, once finance for M.T. "R.W. Miller" had been arranged, they would favourably consider an application to increase the Group's overdraft limit from \$1.8 million to \$4 million.

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(continued)

The Chairman advised the Board that he intended to fly from Japan to London to join Mr. L.D. Koch with the object of making a personal submission to London bankers for finance for M.T. "Robert Miller"

A.J.C. & RANDWICK RACECOURSE CATERING:

Lady Miller commented on the adverse publicity arising from remarks made by certain Aldermen of Randwick Council alleging lack of hygiene in food handling and preparation at Randwick Racecourse and asked the Chairman for a report on the current position. 10

The Chairman replied that Randwick Council had decided to prosecute the A.J.C. and the attitude of the A.J.C. would be more fully known after a Committee Meeting to be held that evening. In the meantime we had written to the A.J.C. stating that they had our full support in any legal proceedings arising from Randwick Council's actions. 20

The Chairman also advised Lady Miller that, despite the publicity, the catering facilities at Randwick Racecourse were fully booked out and bookings for functions between the present time and Christmas were being refused.

M.T. "AMANDA MILLER": 30

Mr. E.D. Cameron was informed that a letter had been written to the Australian Shipbuilding Board requesting that a conference be convened to consider our claim for penalty due to the late delivery of the vessel.

To date a reply to our letter had not been received and it was not considered politic to press our claim too strongly whilst \$4 million was owing to the Commonwealth on outstanding progress claims on the construction of M.T. "Robert Miller". 40

QUALITY OF MILLERS BEER:

Lady Miller raised the matter of the decline in the quality of Millers beer produced by Tooheys Limited and enquired as to action taken to remedy the position.

Minutes of
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10

The Chairman advised that complaints had been made to Tooheys Limited and that, in addition, Abbott, Tout, Creer & Wilkinson had been asked to examine the trade-tie contract entered into with Tooheys Limited and to report on its validity and enforceability.

ANY OTHER
BUSINESS:LLOYDS REGISTER OF SHIPPING:

The Chairman informed the Board that he had been recently appointed to the Australian Committee of Lloyds Register of Shipping.

20

"PAMELA ANN":

The Board was advised that this vessel had been sold for \$9,750.

FUTURE BOARD MEETINGS:

30

The Chairman submitted for the Board's consideration a proposal that the December Board Meeting be dispensed with and that in 1972 Board Meetings be held at two monthly intervals to lighten the work load on executives responsible for preparing data for presentation to the Board.

Lady Miller and Mr. E.D. Cameron spoke in favour of monthly Board Meetings being continued and it was finally decided that the practice of holding monthly Board Meetings on the last Thursday in each month should continue unchanged.

40

At the suggestion of Mr. Cameron it was unanimously decided that an exception should be made for the next meeting which was fixed for 11 a.m. on Thursday, December 23rd, 1971.

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19th November
1971
(continued)

CLOSE OF
MEETING:

There being no further business to be transacted by the Board, the meeting was then declared closed by the Chairman.

CONFIRMED:

(Sgd) A.N.Taylor

CHAIRMAN.

Exhibit MH.13 (continued)

Exhibit MH.13
November
Management
Report
18th November
1971

NOVEMBER MANAGEMENT REPORT 18th NOVEMBER 1971

18th November, 1971.

FROM: General Manager

10

TO: Joint Managing Directors

MANAGEMENT REPORT - NOVEMBER 1971

1. FINANCE:

As advised in the September Report, we are proceeding as quickly as possible with our financial negotiations to cover our immediate and future capital commitments.

Regarding the finance for M.T. "Robert Miller" we have been advised by A.F.I.C. that, at this stage, Hambros Bank are only prepared to commit themselves for \$6 million, and this to be paid upon Hand-over of the vessel and also on finalisation of the Charter Party. They are apparently concerned with their involvement with one company bearing in mind the U.S.\$8.3 million financing of M.T. "Amanda Miller". They have indicated that they would be prepared to finance on a construction basis, provided the Commonwealth Government issued a guarantee to Hambros covering the progress payment to be made. This new attitude of theirs is completely contrary to discussions held with them in London in August with Mr. Taylor and the writer, and is extremely difficult to follow.

20

30

It is not clear at this stage, as to the exact guarantee they require from the Commonwealth and we have asked A.F.I.C. to obtain this from Hambros. The Minister for Shipping and Transport has informed us that he would certainly consider a guarantee, but could not commit himself until he knows the full details. To date, no further advice has been received from Hambros.

- 10 We have also discussed the matter of financing this vessel, combined with its charter, to the Shell Company of Australia, and they are showing keen interest, and are preparing a proposal for our consideration. The Minister has been advised of this, and he seems very interested.

At this stage we are in default to the Commonwealth to the extent of \$4.3 million on the construction of the above vessel.

- 20 We have also conferred with Trans City Securities Ltd., in an endeavour to ascertain whether they are in a position to make an offer for the financing of this vessel, but were informed that this type of ship financing is not in their field. However, their associates, overseas bankers, would be interested in considering becoming involved as a partner with Hambros provided the latter becomes the lead bank.

- 30 We have had an enquiry from Hill Samuel Aust. Ltd., whereby they indicated their interest in becoming a partner with Hambros, as a consequence of other negotiations we are negotiating with them concerning the supply of coal for the export trade.

- 40 Following on from our previous association, Chase-N.B.A. have advised us that they are also prepared to make an offer for a long term loan for this same vessel, and if successful they would be prepared to provide Bridging Finance until Hand-over of the vessel.

All of the above facts have been passed on to our financial Advisor, Mr. Brian Hamley, of Tricontinental Corporation Limited.

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(continued)

We have also passed on to the Bank of New South Wales, the basis of our proposed submission for an increase in our overdraft facilities from the current \$1.8 million to \$4 million. However we have been advised that the Bank will not consider any submission until the financing for the "Robert Miller" is committed.

2. SHIPPING:

(1) M.T. "Amanda Miller"

The Charter for this vessel was signed on 13th October 1971, and is for five years with the Charterers' Option for a further five years.

10

Since Hand-over, the vessel is operating most satisfactorily but naturally, we are experiencing a few teething problems, but as yet the vessel has not been "off-hire".

She is due to go into dock on 27th of this month, whereat all possible troubles will be rectified.

Her performance to date has exceeded our expectations, and the Charterers are extremely satisfied.

20

(2) M.T. "Robert Miller"

This vessel at present, is approximately one month ahead of the building schedule, and as Evans Deakin have, at this stage, no further follow-up orders, it is possible that the Hand-over date could be well ahead of the contract delivery date of March, 1973.

(3) M.T. "R.W. Miller" and M.T. "Millers McArthur" 30

Both of these vessels have been re-chartered to Mobil and B.P. respectively for one year, at an increased Charter Rate of \$252 per day.

The "R.W. Miller" had repairs executed at the State Dockyard, Newcastle during the month of October, and became involved in industrial stoppages associated to that Dockyard. Because of the industrial unrest, as soon as the necessary repairs were carried out, the docking was cancelled and deferred until April next year.

40

1867.

However, the vessel was "off-hire" for a total of 21 days.

M.T. "Millers McArthur" is due for docking from the 23rd of this month to the 25th, at Cockatoo Dock in Sydney and with other repairs to be carried out, it is anticipated that the vessel will be "off-hire" for approximately 10 days. This action is necessary because the vessel will be "out of class" at the end of this month.

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(continued)

10 3. HOTELS:

Managed hotel figures for the months of September and October were as follows :

September: \$1,525,744 - which represented an increase of 14.7% over the same period last year.

October: \$1,301,961 - representing 12% increase on the previous year.

The estimated net profit for these months is 10% on the above figures.

20 Our catering services continue to expand, and during the first week of November, we played a prominent part in the overall catering for the delegates of the American Society of Tourist Agents Conference, whose numbers exceeded 2,000. Throughout the week we catered for three functions each in excess of 2,000 people which culminated on the final night with a special banquet for 2,039 delegates at Randwick Racecourse.

30 On each occasion our services were praised by the State Government, and also many of the overseas delegates.

40 The profitability of this week will be presented to the Board at the next meeting, but apart from this, an important facet of this week was to prove to the Tourist Authorities in this state that we are capable of handling functions of this size. We might add that the catering for this week was the largest ever undertaken in Sydney.

The sale of the Allawah Hotel was settled on

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Monday, 15th November, amounting to \$385,000 and the sale of the William Hotel is to be completed this week, and the balance payable is \$155,000.

With regard to our proposed hotel at Wollongong, an application has been lodged with the Licencing Court for the conditional removal of the license of the Grand Hotel to the Company's site on the corner of Swan and Corrimal Streets, Wollongong.

It is expected that a tentative plan will be available for Management consideration during the next week. 10

It is particularly to be noted that Bexley North Hotel is continuing its high standard of improvement and we are confident that when finance permits, that this type of innovation can be applied to other hotels in our chain.

4. COAL DIVISION:

The sales for the months of September and October were as follows : 20

	<u>September</u>	<u>October</u>
EXPORT	\$1,354,780	\$1,048,435
DOMESTIC	\$1,009,808	\$1,012,074

Export Sales:

These figures were in excess of August sales but November sales will be slightly lower.

Domestic Sales:

As stated in the September Report, these figures are an increase on previous months, but were attributed to the sales to B.H.P. and Gollins & Company. 30

We have also received permission from the Joint Coal Board to open out a further 20,000 tons of coal from Northern Colliery making a total of 40,000 tons from this particular type of coal.

5. COLLIERIES:

The production and costs from our Collieries have still been affected by the continuing strikes instituted by the Miners' Federation. Their claim is now before the Coal Industry Tribunal, but should the strikes resume after the determination of their claims, we intend laying off men as much as possible.

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(1) Production:

10 Average production figures for the months of September and October were as follows :

	<u>September</u>	<u>October</u>
WALLSEND	1,924 tons	1,811 tons
BELMONT	1,624 tons	1,175 tons
AYRFIELD	490 tons	487 tons
PRESTON	756 tons	1,039 tons
NORTHERN OPEN CUT	587 tons	931 tons

(2) Stocks:

20 Coal stocks held at the 12th November were as follows :

WALLSEND	1,010 tons
BELMONT	4,204 tons
AYRFIELD	2,935 tons
PRESTON	36,000 tons
NORTHERN	6,047 tons

(3) Wallsend Colliery:

30 This Colliery has been beset by demarkation disputes which caused an additional 4 days loss in the month of October. The issues have, for the most part, been resolved and apart from the general strike condition, the matter at this stage seems to have settled down.

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The new washing plant at Wallsend No.2 was commissioned on Monday 15th November, and a true picture will be available in the next month's report.

Planning of the open cut area has proceeded in order to satisfy the conditions of the Clean Air Act. The plan will provide for the development of the area in the later stage for subdivision, so that capital profits made later will be, we trust, tax free.

10

(4) Belmont Colliery:

The drifts being sunk to the Great Northern Seam are now both in coal. In approximately 2 weeks time the required connections will be made in the coal but the contract will soon have to be delayed because our workings in the Fassifern Seam are not to a point where the two shafts can be sunk. Both drifts were considerably shorter than expected due to a fortunate rise in the seam at this point.

20

During the strike periods, our washing of washery refuse has recovered useful amounts of saleable coal.

Bad roof conditions and water at the face of the Fassifern Seam have interfered with production during the month of October. We have struck a five foot downthrow fault. At present we have turned aside the workings to work a small area out by the fault while we properly secure the three headings that have reached the fault. We expect to go through the fault next week. Although we were not aware of the fault's existence there is an anticline running through this part of the property. There is no evidence to suggest that conditions beyond the fault will be exceptionally difficult as the bad roof encountered near the fault is characteristic of such disturbances.

30

(5) Ayrfield Colliery

Following the approval of the Board at the last Meeting for the new washing plant at this Colliery, it is advised that the construction has commenced. The site has been prepared and electric cables re-routed; the site of the washery has been fixed and permission obtained from the Department of

40

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Mines for the overall plan.

In about 2 weeks time we shall commence production from the new tunnel in the bottom seam on a limited scale, to develop airways and initial pit room.

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10 The Department of Mines has modified its requirements for the replacement of electric cables. Our mines will be classified as a Category A, in which new cables will not have to be used for about five years with the exception of flexible cables used on mobile equipment. This will particularly affect this Colliery, where the amount of £32,000 has been allowed as capital for the replacement of cables.

20 On Saturday night, 13th November, 1971 Lady Miller presented five gold watches to men having more than 30 years service at this Colliery. This was an excellent function and now makes a total of 41 such presentations, which is unique in the coal industry in Australia.

(6) Northern Rhondda Colliery:

To date approximately 30,000 tons of our total permitted output of 40,000 tons have been mined from open cuts and approximately 2 weeks further production are available.

30 We are developing a plan to extinguish the fire underground by the pumping of water and slurry into the fire area, and at the same time reclaiming saleable coal in the slurry pond. This plan should be presented in about 4 weeks time, depending upon the delivery to us of the prices for the necessary equipment.

The schedule of values for the insurance claim for equipment lost in the underground fire has been completed according to the loss assessors requirements, and is anticipated to be in excess of £300,000.

40 On completion of the existing coal order, if no further trade is obtained, five members of the Miners' Federation will be dismissed.

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(7) Preston Colliery:

Because of B.H.P. decreasing its order from 4,000 tons per week to 1,000 tons per week, this mine has reverted to a one shift production, and notice has been given to 12 miners to take effect as from Friday, 19th November, 1971.

Moisture in shipped coal has been a serious problem with B.H.P. but strenuous efforts are being made to reduce water necessary for dust suppression as much as possible.

10

6. VICTORIAN DIVERSIFICATION:

Following some quite considerable negotiations, we wish to report that we have been appointed Australian Agents for the shipment of Char for the Colonial Gas Association. This Char is a bi-product of Bricquettes and is virtually carbon. Colonial Gas expect to build up this business on the export market to approximately 100,000 tons per annum.

Our role as Agents include loading road vehicles at their Footscray works and delivery to Appleton Dock, handling on wharf prior to vessel's arrival, and stevedoring. It is estimated that our minimum profit on this market will be 70¢ per ton, but are hopeful that this figure will be in the vicinity of \$1.00 per ton.

20

The first shipment of 6,000 tons is due to load about early December for New Zealand followed by a further 4,000 ton shipment in January, 1972.

Regarding the export trade, the market is obtained by Colonial Gas, but with the Australian trade, if we can obtain a market, our profit margin will be extremely greater. This material has an ex-works price of approximately \$38 per ton.

30

(Sgd) L.D. Koch.

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MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LTD. 23rd DECEMBER 1971.

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED HELD IN THE BOARD ROOM AT
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY AT
11 A.M. ON THURSDAY, DECEMBER 23RD, 1971.

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10 PRESENT: Mr. A.N. Taylor Chairman
Lady Miller
Mr. E.H.P. Abeles
Mr. E.D. Cameron
Mr. R.I. Nicholl
Mr. K.B. Anderson
Mr. A.V. Balhorn (Alternate Director)
Mr. J.W. Parker (Alternate Director)

IN Mr. L.D. Koch General Manager
ATTENDANCE Mr. H.V. Ellis-Jones Secretary
Miss M.J. Hill

20 APPOINTMENT Lady Miller advised the Board that she
OF NEW wished to revoke the appointment of
ALTERNATE Mr. P.M. Wilkinson as her Alternate
DIRECTOR: Director and to appoint Mr. J.W. Parker
in his stead. The Board consented to
the appointment of Mr. J.W. Parker as
Lady Miller's Alternate Director.

30 ANY OTHER The Chairman advised the Meeting that
BUSINESS: Mr. Abeles would have to leave the
meeting at 11.25 a.m. to keep an urgent
medical appointment and, at the
Chairman's request, the Meeting
consented to Item 7 on the Agenda
"Any Other Business" being dealt with
before the items preceding it on the
Agenda.

ANNOUNCEMENT TO STOCK EXCHANGES:

40 The Chairman stated that he wished to
make the first comment on this matter
and that his reason for directing the
following two questions to two of the
Directors present was to enable an
announcement to be made to the Stock

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Exchange who would then advise all the Company's shareholders of the current situation of the Company in relation to a takeover or takeover bids.

The Chairman then directed the following questions to Mr. Abeles and Lady Miller:

1. "Have you or your principals attempted to acquire by way of purchase or proxy any large quantity of shares which could be considered a takeover bid for this Company?" 10
2. "Have you made any attempt or approach to anybody to sell your shareholding to any other party?"

In reply to the first question Mr. Abeles replied that "we" have not bought one share since Sir Roderick Miller died or practically over the last two years and that each time a seller had made an offer he had reported the offer to the Chairman. 20

Mr. Abeles also said that "we" had one Group asking if "we" were prepared to sell and he had replied that, unless Lady Miller wanted to make a change, "we" were not interested in any proposition.

Mr. Abeles gave a negative answer to the second question and said that "we" are doing nothing and, if one group came along and asked him the same question, he would have replied that, as long as Lady Miller has done nothing, "we" will not do anything. 30

Lady Miller gave a negative answer to both questions and Mr. J.W. Parker then further replied on Lady Miller's behalf as follows: 40

"We have not made any attempt to sell. We have had one party come to us with a cash offer to acquire Lady Miller's

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shares in the Company. In addition to that, we have been approached by another group who appear to be interested in buying but, as yet, have not made any formal offer".

The Chairman then directed the same two questions to each of the other Directors present and received negative answers to both questions.

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10 The Board then approved the issue of an announcement to the Stock Exchanges that valuations obtained on the Group's hotel properties effectively increased the asset backing of the Company's shares by 55.8 cents per share and advice that one offer had been made for the purchase of a major shareholder's shares in the Company and that another party has approached that shareholder.

20 FINANCE - M.T. "ROBERT MILLER":

Mr. Abeles complimented the Chairman and General Manager on the outcome of their recent visit to London to raise finance for M.T. "Robert Miller" and said that the success was due entirely to their own efforts.

EXPORT COAL PRICE INCREASE:

30 The Chairman reported briefly on his participation in the recent mission of Australian coal exporters to Japan and commented that the price increases gained for coal handled by the R.W. Miller Group were the best which could have been hoped for, having regard to the present state of the Japanese economy and its effect on their steel industry.

DEVALUATION OF U.S. DOLLAR:

40 The General Manager reported to the Board that the recent devaluation of the U.S. Dollar in relationship to the Australian dollar would result in a saving of Aust. \$589,000 in repayments

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of principal to Hambros Bank on the loan secured on M.T. "Amanda Miller" and that a saving of Aust. \$29,450 would be gained on payment of the first instalment of interest.

DOMESTIC COAL:

The General Manager advised that applications made to the Joint Coal Board for increases in the price of coal supplied to Australian Paper Manufacturers Ltd. and Imperial Chemical Industries of Australia & New Zealand Ltd. had resulted in the Board approving price increases of \$1.10 and \$1.35 per ton respectively.

10

At this stage of the Meeting Mr. Abeles retired to attend his medical appointment.

CONFIRMATION OF MINUTES OF PREVIOUS DIRECTORS' MEETING:

The Minutes of the Meeting of Directors held on November 19th, 1971, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

20

CONFIRMATION OF MINUTES OF SHARE TRANSFER COMMITTEE:

The Minutes of Meetings of the Share Transfer Committee held on the undermentioned dates were confirmed:

1971: November 12th
 November 19th
 November 26th
 December 3rd

30

BUSINESS ARISING FROM MINUTES OF PREVIOUS DIRECTORS' MEETING:

WARRIEWOOD LAND:

The Chairman advised Mr. Cameron that negotiations for the rezoning of the land were continuing and that problems associated with the filling of the land to required levels were being studied.

SECOND NEWCASTLE COAL LOADER:

In reply to a question from Lady Miller, the Chairman reported that there had been no new developments in this matter which was in the hands of the Minister for Decentralisation.

40

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COAL MISSION TO JAPAN:

The Chairman reported that price increases of \$0.47 and \$0.60 per ton had been obtained for Big Ben and Huntley coals respectively and that the Japanese steel mills had not given any indication of an increased demand for Australian coal in the near future.

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10 It was also reported that the Japanese had resented the collective approach by the Mission representing Australian coal exporters and the Mission had proved that unity and solidarity could be achieved between Australian coal producers and exporters.

M.T. "ROBERT MILLER":

20 The General Manager advised that Hambros Bank had agreed to act as lead bank in a consortium of lenders to provide an overall 60% of the finance required for the construction of M.T. "Robert Miller".

Initially the consortium would advance 80% of the stage progress payments to be made to the Australian Shipbuilding Board with the final progress payment being reduced to bring the total advance to 60% of the vessel's cost.

30 The advance of the finance was contingent on the Shell Co. of Australia Ltd. furnishing a letter of intent to charter the vessel on terms and conditions acceptable to the consortium.

40 In this respect Shell were proving difficult and the General Manager placed on record the assistance given by Mr. B.L. Hamley of Tricontinental Corporation Ltd. in providing discounted cash flow calculations for use in the negotiations with Shell.

In reply to a question from Mr.R.I.Nicholl,

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the General Manager reported that at the present time progress payments totalling \$4.4 million were overdue for payment to the Australian Ship-building Board.

EASTERN SUBURBS LEAGUES CLUB LTD.:

The Chairman advised the Board that Mr. R.C. Jones, Secretary/Manager of the Club, had phoned him to advise "out of courtesy" that the Club intended to commence selling Tooth's beer.

As the Club had an agreement that they would only sell Millers and Tooheys beers, the Chairman was seeing Mr. Jones and other Club officials next week to discuss the matter with them.

The Secretary reported that Mr. R.C. Jones had again informed him that the Club refused to pay the interest rate of 9% per annum stipulated in the mortgage held over the Club's premises and that they intended to continue paying the interest rate of 7½% per annum agreed upon with the late Sir Roderick Miller. 20

CONSIDER-
ATION OF
GROUP
RESULTS:

The Group Results for the five months ended November, 1971, were considered and discussed by the Board.

Mr. Cameron commented upon the adverse performance of Wallsend Collieries compared with their budget and was told that all colliery budgets for the six months ending June 30th, 1972, were to be revised, the original budgets having been proved to be too optimistic. 30

The Board was also informed that the Sydney domestic coal market had been severely affected by the closure of Pymont Power Station about nine weeks ago and the use of the Group's colliers as container vessels on the Sydney/Newcastle run was being investigated. 40

Mr. Cameron raised the question as to timing of the announcement of results for

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the six months ended December 31st, 1971, and suggested that, in view of the activity in trading in the Company's shares, every effort should be made to announce the results at the earliest possible date.

ANY OTHER
BUSINESS

10

The Chairman thanked Mr. Cameron for his constructive suggestion and pointed out to the Board how helpful it was to Management to receive such constructive suggestions from Board Members.

It was agreed that every effort should be made to produce the Group Result for the half year for the February Board Meeting so that the announcement to the Stock Exchange could be made at the conclusion of that meeting.

20

GOLLIN & CO. LTD.:

Mr. A.V. Balhorn handed to each Director a letter from Mr. P.J. Duncan concerning Gollin & Co. Ltd.

30

The Chairman stated that we had sold coal to Gollin & Co. Ltd. for export with unsatisfactory results as payment for some coal supplied was now overdue and we were disputing deductions made by Gollin & Co. Ltd. from invoices rendered to them for alleged penalties.

The Chairman stated also that our involvement with Gollin & Co. Ltd. arose mainly from joint discussions on an alternative and more practical site for the proposed second coal loader at Newcastle.

HOTELS ETC.:

40

Mr. D.P. Walker joined the Meeting at this point and verbally gave the Board the full history of transactions with the Eastern Suburbs Leagues Club Ltd. from the date of the foundation of the Club up to the present time.

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Mr. Walker also advised the Board that the agreement with the Club to sell only Millers and Tooheys beers was not a valid tie and could not be legally enforced.

Mr. Walker also presented the Directors with a written report on hotel operations for the five months ended November 30th, 1971.

AUSTRALIAN SHIPBUILDING BOARD:

10

The Chairman advised the Board that a meeting was to be arranged early in January, 1972, between representatives of the Australian Shipbuilding Board, Broken Hill Pty.Co.Ltd. and R.W.Miller & Co.Pty.Ltd. to discuss our claim for penalties arising from the late delivery of M.R. "Amanda Miller" and various claims made by The Broken Hill Pty.Co.Ltd. under the force majeure clause of the shipbuilding contract.

20

J. & K. JOHNSTONE HOLDINGS PTY.LTD.:

The Chairman tabled copies of a letter prepared by Mr. Dennis Mahoney Q.C. addressed to J. & K. Johnstone Holdings Pty.Ltd. concerning repudiation by them of an agreement to participate with R.W. Miller & Co.Pty.Ltd. in a joint venture for the development of coal bearing areas at Lemington.

30

After consideration the Board approved service of the letter on J. & K. Johnstone Holdings Pty.Ltd.

NEXT BOARD MEETING:

At the suggestion of Mr. Cameron it was decided that a Board Meeting would not be held in January, 1972, and that the next Board Meeting would be held at 11 a.m. on Thursday, February 24th, 1972.

CLOSE OF MEETING:

There being no further business to be discussed, the Meeting was then declared closed by the Chairman.

CONFIRMED:

(Sgd) A.N. Taylor
CHAIRMAN.

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GENERAL MANAGER'S REPORT ON OVERSEAS TRIP RE
FINANCING M.T. "ROBERT MILLER" 21st December 1971.

21st December 1971

FROM: General Manager

TO: Joint Managing Directors

SUBJECT: REPORT ON OVERSEAS TRIP RE
FINANCING M.T. "ROBERT MILLER"

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10 The purpose of this visit to London was to ascertain whether certain Banks would be interested in joining a consortium to finance M.T. "Robert Miller" on the following basis:

- (1) Construction financing - draw-downs on the dates upon which we have to make progress payments to the Australian Shipbuilding Board.
- (2) Post delivery financing on the same basis as that arranged for M.T. "Amanda Miller".

20 As a starting point, we intended approaching the Banks for 100 per cent construction financing (A\$12.3 million), and post delivery financing of 80 per cent (A\$9.8 million), but to be perfectly realistic, we were fully appreciative before leaving, that the extent of this financing would be virtually impossible, but it was a good starting point.

30 On Monday 29th November 1971 the initial meeting was held with Hambros Bank Limited. At that meeting we explained our case in full detail, emphasising in particular the Commonwealth Government's attitude towards our Company in the Australian Coastal tanker trade.

Although appreciating the Government's policy, Mr. Arnesen, a Director of Hambros, made it perfectly clear, that with their involvement in financing the "Amanda Miller", his company was only prepared to increase their participation by a further U.S.\$3 million.

After considerable discussion, he agreed

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that Hambros were prepared to become Lead Banker in the consortium, provided that we approached the other banks, and, after giving detailed explanation of our balance sheet and trading operations, they indicated their interest in such consortium participation.

He made it perfectly clear, however, that under no circumstances would they be prepared to arrange post delivery financing in excess of 50 per cent of the total cost to R.W.M., but they may consider 100 per cent construction financing. 10

On the 30th November 1971, 1st and 2nd December, visits were made to the following banks:

Security Pacific National Bank

Frank V. Cahouet	- Vice President
Robert W. Hull	- Assistant Vice President

Midland and International Banks Limited

Raymond J. Hornsby	- Assistant General Manager	20
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The Chase Manhattan Bank, N.A.

Alan D. Brauner	- Assistant Manager European Shipping Co-ordinator
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Lloyds & Bolsa International Bank Limited

Michael Broxup	- Assistant General Manager
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After explaining the reason for our visit, and giving full details of the Commonwealth Government's policy on Australian Tankers, together with all information regarding our financial position, each of these banks expressed interest in joining the consortium. 30

We would like to point out at this stage, that in every instance they informed us that if Mr. Arnesen from Hambros thought our proposition a good deal, then they would go along with it. We were also informed that Mr. Arnesen is

recognised in London as the expert on ship financing.

As a consequence of these discussions, a meeting was held in Hambros Bank Board Room on Friday 3rd December with all of the above Banks in attendance.

10 Mr. Arnesen chaired the meeting and briefly outlined our requirements. Speaking on behalf of Hambros, he informed the meeting that their policy would never allow for post delivery financing to the extent of 80 per cent against first mortgage, and stated that their limit was 50 per cent. On asking the other members whether they were prepared to go to a limit of 80 per cent the general comment was "No".

20 From then on considerable discussion was once again held on our companies position regarding Government policy for Australian tankers. We emphasised most strongly the unique position in which we found ourselves regarding Government protection on employment of vessels, and stressed that this on its own must be of great importance to any Banker. They all agreed with this, but it became quite apparent that they did not fully understand the Australian scene, but even if they did, as bankers, they were only interested in their position should anything go wrong. In other words, if they committed themselves to financing, their primary concern 30 was how they were going to be paid out, or to use their own words "What is the way home".

We might point out at this stage, that during the entire meeting, the majority of the talking, other than ours was done by Mr. Arnesen, and the other banks seemed to go along with what he said.

40 Towards the end of the meeting Mr. Arnesen suddenly advised the meeting that as far as Hambros were concerned they were prepared to be Lead Bank on the following financial basis:

- (1) Construction financing of 80 per cent of the cost of the ship to Millers (amounting to A\$9.8 million)
- (2) Post delivery financing of 60 per cent of

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the cost (A\$7.4 million) for 5 years on an 8 year repayment basis. In other words he was prepared to increase their post delivery financing from 50 per cent to 60 per cent, an increase of A\$1.3 million.

However, the following provisos were applicable:

1. Re construction financing -

- (a) A guarantee from either the Commonwealth or the Bank of New South Wales for 20 per cent, being the difference between the construction finance of 80 per cent and the post delivery finance of 60 per cent. 10
- (b) A guarantee from the Commonwealth of Australia that the ship will be constructed and delivered according to the contract, or else all monies are refunded.
- (c) A Letter of Commitment to Charter the vessel upon delivery by a major oil company at a rate of no less than A\$12,000 per day.

2. Re post delivery financing - 20

- (a) A Charter Party is negotiated for a 5 year period with a major oil company prior to delivery of the vessel.

With regard to their requirements before construction finance is available, (b) has been fulfilled and is acceptable to them.

The question of the bank guarantee would have created a problem, as we are already preparing a submission to them for additional overdraft facilities, and it is felt that the additional guarantee could act detrimentally to this submission. We therefore, contacted Hambros with the suggestion that construction finance be limited to A\$7.4 million, which is the exact amount of the agreed post delivery finance. This was agreed by them, and now obviates the necessity for the bank guarantee. We have been in constant touch with Mr. Hamley throughout these negotiations, both in London and upon returning to Australia, and he is in complete agreement with this move. 40
The balance of construction finance will be provided by the mortgaging of certain hotel properties.

Initial discussions have been held with Shell Company regarding the Charter of this vessel, and further information required by them was forwarded last week, and a meeting is being held with them on Tuesday 21st December to discuss the matter further.

In summing up, the full position regarding the financing of M.T. "Robert Miller" is now as follows :

10 (1) Construction Finance:

Provided by the Consortium of Banks	£7.4 million
Provided by R.W.M.	<u>4.9</u> "
Total Construction Cost	£12.3 million

(2) Post Delivery Finance:

Provided by the Consortium A£7.4 million over 5 years on Ship's first mortgage.

A.J.C. CATERING:

The original report was made in Council meeting on 2nd November 1971.

20 At the regular Council Meeting held on 16th November 1971 a motion was passed that a prosecution be launched against the A.J.C. No further official action has taken place to date, nor has any prosecution been instituted.

30 On Thursday, 25th November a letter was addressed to the Committee of the A.J.C. by this Company indicating improvements desirable to reduce the vulnerability of certain aspects of the catering operation. As a result of this letter, representatives of Millers met with the catering Sub-committee of the A.J.C. on Thursday, 2nd December, and a Sub-committee comprising representatives of the A.J.C. permanent staff and Millers Catering Services were commissioned to prepare plans to effect desirable improvements. This Committee has met with the Health Inspectors of Randwick Council and has submitted a preliminary report to the A.J.C.

L.D. Koch

General Manager

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24th February
1972

1886.

EXHIBIT M.H.13 (continued)

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LTD. 24th FEBRUARY 1972.

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED HELD IN THE BOARD ROOM OF
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY, AT
11 A.M. ON THURSDAY, FEBRUARY 24th, 1972.

PRESENT: Mr. A.N. Taylor Chairman 10
Lady Miller
Mr. K.B. Anderson
Mr. R.I. Nicholl
Mr. E.D. Cameron
Mr. A.B. Balhorn Alternate Director

IN Mr. H.V. Ellis-Jones Secretary
ATTENDANCE: Miss M.J. Hill

ALTERNATE
DIRECTORS: The Chairman stated that the future
appointment of Alternate Directors
and their attendance at Board
Meetings would be strictly in 20
accordance with the Company's
Articles of Association and the law in
this regard and, therefore, the
attendance at Board Meetings of a
Director in company with his/her
Alternate Director would no longer
be permitted.

The Board approved the appointment of
Mr. Colin James Watt as an Alternate
Director to represent Mr. E.D.Cameron 30
during his absence overseas and the
Board also approved the appointment
of Mr. Francis Michael Murphy as an
Alternate Director to represent
Mr. A.N. Taylor.

Lady Miller gave notice that she wished
to revoke the appointment of Mr. J.W.
Parker as her Alternate Director and
sought to appoint Mr. P.M. Wilkinson
in his stead. 40

Mr. E.D. Cameron queried the
desirability of the appointment of
Mr. P.M. Wilkinson as an Alternate

10 Director in view of the fact that Mr. Wilkinson was a partner of Messrs. Abbott, Tout, Creer & Wilkinson who acted as solicitors for Ampol Petroleum Limited and, therefore, the question arose of a conflict of duty, having regard to recent publicity arising from the offer by Ampol Petroleum Limited to purchase a major shareholding in R.W. Miller (Holdings) Limited.

Mr. R.I. Nicholl supported the opinion of Mr. Cameron and quoted an instance where he had been interested in a matter under discussion by the Board whereupon he had immediately given the Board notice of his interest and conflict and had left the room whilst the matter was under discussion.

20 Lady Miller then informed the Board of her intention to reconsider her position prior to the next Board Meeting.

CONFIRMATION OF MINUTES OF PREVIOUS DIRECTORS' MEETING:

The Minutes of the Meeting of Directors held on December 23rd, 1971, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

30 BUSINESS ARISING FROM MINUTES OF PREVIOUS DIRECTORS' MEETING:

EASTERN SUBURBS LEAGUES CLUB LTD.:

In reply to a question from Mr. K.B. Anderson, the Chairman reported to the Board that at a meeting between himself and officials of the Club agreement had been reached that the Club would pay interest at the rate of 8 $\frac{1}{4}$ % per annum as from January 1st, 1972, on the principal sum of the Club's debt to R.W. Miller & Co. Pty. Ltd.

WARRIEWOOD LAND:

40 Lady Miller asked for a report on negotiations to have this land zoned 'light industrial' and was informed by the Chairman that efforts to have

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1888.

the land rezoned were continuing.

SECOND NEWCASTLE COAL LOADER:

The Chairman reported that Gollin & Co.Ltd. were prepared to undertake the construction of the loader on their own if a consortium of coal exporters could not be formed to undertake its construction.

R.W. Miller & Co.Pty.Ltd. favoured the formation of a consortium as substantial savings in demurrage would follow the installation of a second coal loader. Therefore, the Company was pursuing this approach.

10

Mr. R.I. Nicholl queried whether the tonnage of coal to be shipped from Newcastle in future coal exports would justify a second coal loader and the Chairman stated that the expansion of coal exports to European markets would ensure the economic working of the loader.

20

The Chairman also raised the point that this loader could possibly relieve R.W. Miller & Co.Pty.Ltd. of the necessity of maintaining an export coal stockpile at Carrington, thus freeing this freehold property for sale.

J. & K. JOHNSTONE HOLDINGS PTY.LTD.:

The Board considered a letter dated January 13th, 1972, from J. & K. Johnstone Holdings Pty.Ltd. denying that a contract had ever existed with R.W. Miller & Co.Pty.Ltd. relating to Lemington coal.

30

The Chairman reported to the Board that the concensus of opinion of executive staff members was to accept the position as it now stands, without prejudice, to pave the way for better mutual understanding and co-operation as J. & K. Johnstone Holdings Pty.Ltd. contributed 30% of the Big Ben coal

40

1889.

export contract held by R.W. Miller
& Co. Pty. Ltd.

Mr. R.I. Nicholl said that the outcome
of any legal proceedings instituted
against J. & K. Johnstone Holdings
Pty. Ltd. would be uncertain, Messrs.
K.B. Anderson and A.V. Balhorn
concurring with this view.

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10 The Chairman further reported that
the conflict arising from this dispute
was a reason for non-co-operation on
the disposal of equipment etc. from
Preston Colliery with resultant harm
to shareholders.

It was resolved that a letter should
be prepared by the Group's Legal
Officer in consultation with Mr. R.I.
Nicholl, to effect a reconciliation
with J. & K. Johnstone Holdings Pty.
Ltd. without prejudice to the legal
rights of R.W. Miller & Co. Pty. Ltd.

20 M.T. "ROBERT MILLER":

Mr. R.I. Nicholl asked for a report
on negotiations for the raising of
finance to meet construction costs
of this vessel.

30 The Chairman reported that, following
pressure by the Australian Shipbuilding
Board for payment of overdue progress
payments on the vessel's construction,
the General Manager, Mr. L.D. Koch,
had seen the Minister for Shipping to
acquaint him of difficulties experienced
by the Company in dealing with the
Shell Co. of Australia Ltd. on the
vessel's eventual charter.

40 As a result of the General Manager's
representations, the Minister of
Shipping had convened a meeting in
Canberra today between Shell Co. of
Australia Ltd. and R.W. Miller & Co.
Pty. Ltd. to come to an agreement on
a charter rate for the vessel's employment.

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1890.

It was hoped that, as a result of the meeting, a letter would be received from Shell Co. of Australia Ltd. accepting our daily charter rate which would enable negotiations to be concluded in London for long term finance to meet outstanding and future progress payments for the vessel's construction.

SALE OF SHARES IN COMPANY:

The Chairman referred the Board to the Minutes of the last Directors' Meeting relating to an offer made to purchase a major shareholding in the Company and also referred the Board to an announcement made to Stock Exchanges on December 23rd, 1971, dealing with this matter. 10

The context of questions directed by the Chairman to Board Members and answers received thereto are fully reported as follows : 20

A.N.Taylor: You will recall that, at the last meeting of the Board, I addressed to each and every one of you a question regarding the sale of shares in the company.

I feel that this matter should be updated in view of the continuing remarks in the press bearing in mind the possibility of a takeover of this company and also bearing in mind the quite heavy responsibility which this Board carries - not only to the major shareholders but to the minor shareholders who make up approximately fifty per cent of the total shareholding. 30

I am doing this without malice of forethought - I am doing this to get some facts and truth in an earnest endeavour to acquaint as much as possible every shareholder of what may occur or have occurred. 40

I feel that there are also many loyal people who have stuck to us who should

1891.

also be advised.

I also feel that, apart from any legality, we have a very strong moral obligation to protect these people and, with that in mind, I would like to ask you all the following questions:

Question 1: Directed to Mr. K.B. Anderson: Have you or any interests which you represent to your knowledge received any offer for your or their shareholding in this Company or any part thereof?

10

To this, Mr. Anderson replied "No".

Question 2: Directed to Mr. K.B. Anderson: Have you offered for sale or do you intend to offer for sale your shareholding or the shareholding of any interests you represent in this company or any part thereof?

20

To this, Mr. Anderson again replied "No".

The above two questions were then directed to Mr. A. Balhorn as Alternate Director for Mr. P.J. Duncan and Mr. Balhorn gave a negative answer to both questions.

Mr. Taylor then directed Question No.1 to Lady Miller, i.e. Have you or any interests which you represent to your knowledge received any offer for your or their shareholding in this Company or any part thereof?

30

Lady Miller: I am going to repeat what I said last time - we have not made any attempt to sell personally and I can really not discuss any of Romanda's business here, unfortunately, and I repeat what I said last time.

Mr. Taylor then referred to the previous minutes where questions were asked of Lady Miller and the replies from both Lady Miller and Mr. John Parker:

40

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1. Have you or your principals attempted to acquire by way of purchase or proxy any large quantity of shares which could be considered a take-over bid for this Company?

2. Have you made any attempt or approach to anybody to sell your shareholding to any other party:

Lady Miller gave a negative answer to both questions and Mr. J.W.Parker then further replied on Lady Miller's behalf as follows :

10

"We have not made any attempt to sell. We have had one party come to us with a cash offer to acquire Lady Miller's shares in the Company. In addition to that, we have been approached by another group who appear to be interested in buying but, as yet, have not made any formal offer."

20

Lady Miller: I repeat that.

Mr. Taylor: Have you offered for sale or do you intend to offer for sale your shareholding or the shareholding of any interests which you represent in this company or any part thereof?

Lady Miller: Of my own - no.

Mr. Taylor: Has Romanda Pty.Ltd. offered for sale or intends to offer for sale shareholding in this company or any part thereof?

30

Lady Miller: No - exactly the same - we have not made anything definite at all.

Mr. Taylor: With great respect, would you like to reflect on that answer?

Lady Miller: I cannot speak any more than what I have said.

1893.

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Mr. Taylor: I do not want to embarrass you at all - do you want to reconsider?

Lady Miller: No- not really.

Mr. Taylor: Would you like to seek legal opinion on it? I have no objection at all and I am sure that the other directors would not object.

10 Lady Miller: I am afraid that, at a Millers Board Meeting, I will not discuss anything of Romanda's Board Meeting.

Mr. Taylor: It is not for me to remind you of the duties of a director of any public company.

Lady Miller: I realise that.

20 Mr. Taylor: Well, under these circumstances your answer is that there has been no alteration since the last Board Meeting when you replied firstly in a negative answer.

Lady Miller: In addition to that, we have been approached by another group. There has been no formal offer - it is much the same as last time.

Mr. Taylor then asked how many offers had been received to which Lady Miller replied:

30 "We have been approached by three parties - no - four altogether.

Mr. Taylor: Thank you for answering those questions that you have been approached by three other parties and no decision has been made.

Lady Miller: That is right.

40 Mr. Taylor: My purpose, as you know, is to incorporate this in the proposed announcement for figures and to try and create an awareness amongst shareholders.

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I am Chairman of this company and am charged with the responsibility of seeing fair dealing to all shareholders, both major and minor, and I have to advise this Board formally and without conflict that I am and have been, since prior to the death of the late Sir Roderick Miller, a Director of Romanda Pty.Ltd. At a meeting of Romanda Pty.Ltd. held on the 15th of this month which I attended a resolution was passed by the majority of the Directors that the Company, i.e. Romanda Pty.Ltd., would accept for sale of the shares the best offer received and their solicitors were advised accordingly.

10

I might add that I voted against this resolution and had my dissent recorded in the Minutes of the Meeting.

20

Questions Nos. 1 and 2 aforementioned were also directed to Messrs. R.I. Nicholl and E.D. Cameron and both these Directors gave negative answers to each question.

H.C.SLEIGH
LTD:

The Board was advised by the Chairman that two officers of H.C. Sleigh Ltd. had been interviewed by himself and the Group's Legal Officer recently and, in the course of the interview, the officers of H.C. Sleigh Ltd. had asked if they could be provided with detailed financial information relating to the Group's activities.

30

This request was refused and, subsequently in a letter dated February 15th, 1972, H.C. Sleigh Ltd. submitted an offer for the purchase of either one or both of M.T.s "Amanda Miller" and "Robert Miller".

40

The Board considered the letter from H.C. Sleigh Ltd. and the rejection of the offer by R.W. Miller & Co. Pty. Ltd.

1895.

OVERSEAS
TRIP BY
CHAIRMAN
& GENERAL
MANAGER:

The following information relating to the departure overseas of the Chairman and General Manager on 25th inst. was given to the Board.

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10

GREECE: An invitation had been received to submit an offer for the export of soft and hard coking coal to Greece. Due to reduced coal requirements of Australian Iron & Steel Ltd. and reduced exports to Japan, it was possible that Huntley coal could be offered and it was intended to re-open negotiations for a long term export contract with Greek steel mills.

20

LONDON: It was hoped that arrangements for a long term mortgage loan to finance construction of M.T. "Robert Miller" would be finalised in London and it was intended to see executives of the C.E.G.B. as, following the recent strike by coal miners in Great Britain, there were bright prospects of obtaining orders for the export of steaming coal to Great Britain.

30

JAPAN: The Chairman gave details of the itinerary in Japan, the visit being a follow-up of the recent visit of the Mission of Coal Exporters to Japan and reported that an agency agreement for the import into Australia of solar domestic heating equipment was nearing completion.

40

HONG KONG: It was intended to investigate the possible eventual sale of M.T.s "R.W. Miller" and "Millers McArthur" and the possibility of purchasing a new tanker for foreign trading.

A Board Meeting of Hong Kong Tanker & Traders Ltd. would be attended and it was proposed that Mr. L.D. Koch would be appointed to the Company's directorate at this meeting.

TAIWAN: The development of exports of

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1896.

coking and steaming coal to Taiwan would be pursued.

The Chairman reported that the duration of the trip would be about 21 days and the approval of the Board was given.

GENERAL
MANAGER'S
REPORT:

The General Manager's Management Report was considered and discussed by the Board.

The Chairman directed the Board's attention to the comments by the General Manager on the effect of recent publicity concerning the possibility of sale of portion of the Company's shares.

10

CONFIRM-
ATION OF
MINUTES OF
SHARE
TRANSFER
COMMITTEE
MEETINGS:

The Minutes of Meetings of the Share Transfer Committee held on the undermentioned dates were confirmed:

<u>1971:</u>	December	10th
	"	17th
	"	24th
	"	31st
<u>1972:</u>	January	7th
	"	14th
	"	21st
	"	28th
	February	4th
	"	11th

20

SALE OF
ALBION
HOTEL:

The sale of the Albion Hotel, Parramatta, for the sum of \$500,000 was approved by the Board.

30

HOTEL
CAPITAL
EXPENDITURE

The Board adopted a recommendation by the Finance Committee and approved Hotel capital expenditure totalling \$100,800.

APPOINTMENT
OF MR. L.D.
KOCH TO
DIRECTOR-
ATES OF
SUBSIDIARY
COMPANIES:

The appointment of Mr. L.D. Koch to the Directorates of all wholly owned subsidiaries of R.W. Miller (Holdings) Ltd. was authorised by the Board.

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1897.

1st Defendants
Exhibits
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ANY OTHER
BUSINESS:

A.A.S.E. REQUIREMENTS:

The Chairman acquainted Directors of the provisions of Paragraph 9 under the heading of take-overs issued by the Australian Associated Stock Exchanges.

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ASSET BACKING OF COMPANY'S SHARES:

10

The Board was advised by the Chairman that the Company's auditors, Rettie & Vickery, had calculated the net asset backing of each share in R.W. Miller (Holdings) Ltd. at \$3.71 per share.

The valuation had been prepared by the auditors for the Board's information and it was not intended to make the valuation public.

SUPERANNUATION ASSURANCE:

20

The Chairman reported that a subsidiary company had taken out a policy on his life, per medium of that company's superannuation fund, for a sum assured of \$50,000 maturing in ten years' time, at an annual premium of \$5,000.

30

The proposal for the assurance had been discussed with the Directors of the subsidiary company who had been in agreement with the assurance being effected.

TRADE TIE WITH TOOHEYS:

The Board was advised that the Chairman had requested a firm of solicitors to give an opinion as to the validity and the strength of the trade tie held by Tooheys Ltd. over the Group's hotel properties.

40

The solicitors had obtained counsel's opinion which pointed out that the total period of the trade tie was sub-divided into five yearly terms

1898.

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and that the tie would be difficult to break provided that Tooheys Ltd. observed the conditions imposed on them by the agreement conferring the tie.

It was agreed that Mr. R.I. Nicholl should study the counsel's opinion and report on it to the Board at the next meeting.

A.J.C. CATERING:

It was reported that Randwick Council were proceeding by summons in the matter of alleged unhygienic food handling conditions at Randwick Racecourse and that, whilst the proceedings would result in some publicity, it was believed the incident would soon be forgotten. 10

OPERA HOUSE CATERING:

The Board was informed that Millers Catering Services were interested in obtaining the contract for catering at the Sydney Opera House and that the matter was progressing satisfactorily. 20

DIRECTORS' FEES:

Mr. E.D. Cameron suggested that consideration should be given to obtaining an increase in Directors' fees when the results of the Company sufficiently improved. 30

Messrs. K.B. Anderson and R.I. Nicholl agreed with Mr. Cameron's suggestion and, in so doing, Mr. Nicholl referred to the more onerous duties and liabilities imposed on Company Directors by recent amendments to the Companies Act.

BEXLEY NORTH HOTEL:

The Board was advised that an offer had been received this morning for the purchase of Bexley North Hotel for the sum of £925,000. 40

1899.

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The offer was discussed by the Board but no decision was reached on the offer pending further evaluation.

ADJOURNMENT
OF MEETING:

10

At this stage of the Meeting the Chairman advised that Lady Miller and himself were required to attend a Board Meeting of Romanda Pty. Ltd. at 2.30 p.m. and at the Chairman's suggestion, the Board decided to adjourn the meeting and to resume at 4.30 p.m. after the conclusion of the Board Meeting of Romanda Pty. Limited.

CONSIDER-
ATION OF
GROUP
RESULTS FOR
SIX MONTHS
ENDED 31ST
DECEMBER
1971:

20

The Board considered the following Consolidated Group Results for the six months ended December 31st, 1971:

GROUP TRADING RESULT
(before Income Tax) £884,996

Add: EXTRAORDINARY &
ABNORMAL ITEMS:

Profit on sale of £35,036
hotels

Less: Loss on sale
of Hotel
plant etc. 3,700 31,336

30

Proportion of admitted
fire damage claim re
Northern (Rhondda)
Colliery 100,000
1,016,332

Deduct Provision for
Income Tax 380,046

GROUP RESULT
(After Income Tax) £636,286

DECLARATION
OF INTERIM
DIVIDEND:

40

RESOLVED: That an interim dividend for the six months ended December 31st, 1971, of 4% (£0.04) per share be and is hereby declared payable on April 28th, 1972, and that for the purpose of establishing entitlements to the dividend, the Register of Members and Transfer Books of the Company be closed from

1900.

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5 p.m. April 13th, 1972, to 9.a.m.
April 17th, 1972.

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ANNOUNCE-
MENT TO
STOCK
EXCHANGES:

The Board considered and approved the issue of an announcement to Stock Exchanges reporting on the activities of the Company and its subsidiaries for the six months ended December 31st, 1971.

The Secretary was instructed to arrange for the transmission of the announcement by telex to the Stock Exchanges concerned.

10

CLOSE OF
MEETING:

There being no further business to be transacted, the Meeting was then declared closed by the Chairman.

CONFIRMED:

(Sgd) A.N. Taylor

CHAIRMAN.

Exhibit MH.13
February
Management
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22nd February
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Exhibit MH.13 (continued)
FEBRUARY MANAGEMENT REPORT
22nd February 1972.

20

22nd February 1972

FROM: General Manager

TO: Managing Director

MANAGEMENT REPORT - FEBRUARY 1972.

Since the last Board Meeting of this Company, a system of Sub-committees has been instituted for the purpose of ensuring the Groups various activities are all under vigorous and positive direction.

The sub-committees so formed were as follows :

30

1901.

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(continued).

- (1) Coal Marketing - Domestic
- (2) Interstate Diversification
- (3) Coal Production
- (4) Coal Export
- (5) Coal Loading, Handling & Distribution
- (6) Colliers
- (7) Future of Jubilee Engineering
- (8) Hotels - Development
- (9) Taverns
- 10 (a) Decor and Planning
- (b) Food
- (10) Club Loans

All of these Sub-committees have been given positive tasks and the leaders thereof directed to report all progress to the executive meeting in the following month.

20 I am pleased to report that the scheme, even at this early stage of its existence, is operating exceptionally well and the leaders of the various sub-committees are providing evidence that they are actively carrying out the tasks with which they were entrusted.

30 I would however, be doing them something less than justice, unless I drew to the Board's attention the fact that recent publicity concerning the sale of a portion of the Company's shares is causing some measure of exasperation and a sense of frustration to those Executives who were entrusted with the above duties in an endeavour to increase the Company's activities and profitability.

I feel I must also draw to the Board's notice the fact that this publicity cannot fail to be harmful to the Company's public image and in my view can, if it already has not, seriously prejudice negotiations of the most vital importance to the Group as a whole.

Even at this stage, we have evidence that this is beginning to take place :-

- 40 (1) Hambros Bank have required further information regarding cash flows and profitability statements because, as they stated, "in view of current circumstances". At the meeting held with them in London last year, we offered this information, but

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1902.

were told that this was not necessary, and that they were only interested in a successful Charter rate being negotiated.

- (2) Excessive demands are now being made upon our Company by all Maritime Unions.
- (3) H.C. Sleigh Limited inquired from us whether we were interested in selling both "Amanda Miller" and "Robert Miller" at figures in excess of what the total costs amounted to.

1. FINANCE:

10

As the Board is fully aware, the most pressing item at the moment is the commitment of the financing for M.T. "Robert Miller".

We have had numerous negotiations with Shell in an endeavour to reach a satisfactory Charter rate, and although we are very close to finality, they have not as yet accepted our revised offer.

We have been in constant touch with the Minister for Shipping and Transport and he feels that our offer is most reasonable in an endeavour to come to a satisfactory commercial conclusion.

20

He assured us that at this stage the Government will not be pressing us for the outstanding monies owed on M.T. "Robert Miller", but naturally he is most desirous of seeing an early conclusion made in this regard.

Through Tricontinental Corporation Limited in conjunction with A.F.I.C. negotiations have been commenced for the raising of approximately \$4 million on the security of various hotel properties. We are hopeful that a commitment will be made within the next few weeks.

30

At such time as the above matters are concluded, it is our intention to prepare a submission to the Bank of New South Wales for an increase in our overdraft facilities.

2. HOTELS:

Trading in managed hotels was adversely affected during January 1972 by the abnormal wet weather. However, sales of \$1,152,000 are

40

1903.

in excess of those of January 1971, after making adjustment for sales by hotels which are not now owned by the Group.

The role of the hotels over the past six months has been essentially defensive, however, planning is now being directed to increased aggression in merchandising with more attention to the improvements necessary to meet the continuing evolvement of customer requirements.

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(continued)

- 10 The application for a licence for the new hotel at Woollongong was approved on Friday, 18th February 1972 and it is proposed that plans should now be progressed so that construction may start when final approval of the Board becomes available.

At a meeting held on the 26th January 1972, the Finance Committee recommended the expenditure of approximately \$100,000 spread from February to September this year.

- 20 The expenditure to be incurred has been allocated to those hotels, which is considered to have the greatest profit potential.

We have received an offer for the sale of the Albion Hotel at a sale price of \$500,000. The value of this hotel in our books stands at \$315,000 and the independent valuation made recently on a walk-in walk-out basis was \$485,000.

- 30 This hotel is some 60 years old, at its peak in trading, and, in Management's opinion, does not lend itself to any further expansion or development.

The profits of this hotel before Management Fee for the past three years has been as follows:-

1969	-	\$33,694
1970	-	\$43,392
1971	-	\$58,563

- 40 As the Board is aware, hotels provide the Company with a dual opportunity for gaining profits, namely through operation and also through development.

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(continued)

1904.

In view of the price now offered and our previous policy of obtaining further finance through the sale of certain properties, it is recommended that this price be accepted.

3. COAL DIVISION:

The sales for the month of January were as follows :

Export coal	-	£2,836,725
Domestic coal	-	£302,872

Although the export sales are quite satisfactory, it must be pointed out that the sharp decline in the domestic trade is quite normal for this particular month of the year.

10

Continuing negotiations have been carried out in the matter of sales to Greece, and in this regard the time is now opportune for a personal approach to be made, to be followed immediately with a definite offer through their Agent in Zurich.

Furthermore, the Board will be fully aware of the current crisis in the United Kingdom regarding the coal strike.

20

We have been in constant touch with the Central Electricity Generating Board, and now that the strike appears to have ended they will be looking for coal from outside the U.K. for some considerable time.

During our previous visit we made personal contact with the Chief Purchasing Officer of C.E.G.B. and he expressed his willingness to consider any offer which we may make, as even at that stage, the strike was inevitable.

30

It is felt that here again the time is now opportune to make an offer to this Company.

4. COLLIERIES:

The production of collieries has not been stated in this month's report, as the Miners' Holidays encroached this period and the figures given would be quite misleading.

1905.

1st Defendants
Exhibits
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(a) Ayrfield Colliery:

Work is continuing on the development of the new tunnel and is scheduled to be completed coinciding with the opening of the new Washery in May/June 1972.

February
Management
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22nd February
1972
(continued)

Considerable tests have been carried out on the recovery of saleable coal from the Sludge Ponds and this is expected to conform with our previous estimates.

10 (b) Wallsend Colliery:

While the underground pit is on strike, the open cut operation is still continuing and is now producing over 1000 tons per day.

(c) Northern Rhondda Colliery:

Washing tests on slurry pond coal has indicated a yield of 42% with an ash content of 8%. It is estimated that with a two shift operation, the slurry washing process will yield approximately 300 tons per day.

20 We are also investigating with the relevant authorities our interest in certain Colliery holdings in the Upper Hunter area. This area has extensive deposits of high value coal and we feel it imperative that we endeavour to obtain leases of certain available areas.

5. SHIPPING:

(1) M.T. "Amanda Miller"

30 This vessel continues to operate satisfactorily and the Charterers are extremely satisfied with the performances, particularly when, during industrial disputes, the vessel has berthed and sailed without the use of tugs.

(2) M.T. "Robert Miller"

This vessel is proceeding in accordance with the Contract Schedule.

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(continued)

(3) M.T. "R.W. Miller" and "Millers McArthur"

These vessels are also operating satisfactorily, but as stated previously, various demands are being placed on us concerning these two vessels by the various Maritime Unions.

(4) M.V. "Rickie Miller"

This vessel is still laid up at Blackwattle Bay, but we are investigating various avenues to bring this ship back into service either Interstate or Intrastate.

10

(Sgd) L.D. Koch.

Exhibit MH.13

Exhibit MH.13 (continued)

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
5th April 1972

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LTD. 5th APRIL 1972

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED HELD IN THE BOARD ROOM,
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY,
AT 11 A.M. ON WEDNESDAY, APRIL 5TH, 1972.

PRESENT: Mr. A.N. Taylor Chairman
Lady Miller
Mr. K.B. Anderson
Mr. R.I. Nicholl
Mr. E.D. Cameron

20

IN
ATTENDANCE: Mr. L.D. Koch General Manager
Mr. H.V. Ellis-Jones Secretary
Miss M.J. Hill

APOLOGIES
FOR NON-
ATTENDANCE
ETC.: The Chairman tendered apologies for non-attendance on behalf of Messrs. P.J. Duncan and A.V. Balhorne, both of whom were at present in Japan.

30

Miss M.J. Hill advised that Sir Peter Abeles' Secretary, Miss J. Finlay, had phoned to advise that Sir Peter had been detained at an important meeting with Government Ministers and would be unable to attend the Meeting.

1907.

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Directors of
R.W. Miller
(Holdings) Ltd.
5th April 1972
(continued)

The Secretary reported that Mr. Cameron's Secretary had phoned to advise that Mr. Cameron had been detained and would join the Meeting as quickly as possible.

10 CONFIRM-
ATION OF
MINUTES OF
PREVIOUS
DIRECTORS'
MEETING:

The Minutes of the Meeting of Directors held on February 24th, 1972, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

CONFIRM-
ATION OF
MINUTES OF
SHARE
TRANSFER
COMMITTEE
MEETINGS:

Mr. K.B. Anderson advised the meeting that between February 18th 1972, and March 17th, 1972, a total of 57,300 shares had been registered in the name of Portview Nominees Pty. Limited, a Melbourne based nominee investment company and that this shareholder now held 68,200 shares in the Company.

20 The Minutes of Meetings of the Share Transfer Committee held on the under-mentioned dates were then confirmed:

1972: February 18th
February 25th
March 3rd
March 10th
March 17th

30 BUSINESS
ARISING
FROM
MINUTES OF
PREVIOUS
DIRECTORS'
MEETING:

WARRIEWOOD LAND:

Lady Miller asked to be informed about the present position on Warriewood land.

The Chairman advised that the application for removal of the Merryfield Hotel licence to the Warriewood site was now in the fifth day of hearing at the Licensing Court and that we were confident of the application being granted.

40 Zoning of the land was dependent on the outcome of the application before the Licensing Court as five acres, including two acres required by the Council for car parking, was required for the hotel, leaving nine acres available for other development.

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Suitable sources of filling were being investigated in the interim. However, the type of filling to be finally used would also be dependent on the zoning applied to the land.

ALTERNATE DIRECTOR:

Mr. K.B, Anderson asked Lady Miller whether a decision had been made on the appointment of Mr. P.M. Wilkinson as her Alternate Director.

10

Lady Miller advised that she had decided that an Alternate Director would only be required by her on the occasions when she would be absent from Sydney.

A.J.C. CATERING:

Lady Miller raised the prosecution of Millers Hotels Pty. Ltd. by Randwick Council for unclean premises at Randwick Racecourse and queried the wisdom of the Company not fighting the case more vigorously.

20

Mr. R.I. Nicholl explained that the Company had initially proceeded on the basis that the Council complaint was not justified. However, the Council Health Inspector's report subsequently showed that three inspectors had found ample evidence to support a prosecution.

30

It had, therefore, been decided to plead guilty to the charge to minimise undesirable publicity, with Mr. Paul Flannery retained to appear for the Company, and the hearing resulted in Millers Hotels Pty. Limited being fined \$400 plus costs.

Lady Miller reported that, from personal experience, the afternoon tea served at Warwick Farm racecourse was deficient both in quality and quantity and the Chairman undertook to investigate

40

1909.

Lady Miller's complaint and to report his findings to the next Board Meeting.

TOOHEYS TRADE TIE:

Mr. E.D. Cameron joined the meeting at this point and asked Mr. R.I. Nicholl for his opinion on Counsel's Opinion received on the validity of the trade tie held by Tooheys Limited over the Group's hotels.

10

Mr. Nicholl stated that he concurred with the opinion that, whilst a restraint of trade for a period of 50 years could possibly be held to be invalid, a tie for 20 years would perhaps not be invalid and the tie held by Tooheys Ltd. was broken down into five-year periods so that, if a tie for a long period was held to be invalid, then a tie for a shorter period would be operative.

20

Mr. Nicholl also reported that, under the Trading Agreement, Tooheys Limited were obligated to maintain beer supplied by them at a consistent and acceptable quality and advised that any breach of the Agreement in this respect should be reported to Tooheys Ltd. and recorded to provide a history of breaches. In addition, Tooheys Ltd. were also required to promote the sale of beer under the name of Millers and had failed to do so apart from promoting Millers Hi-Lo Lager.

30

On the question of breaking the trade tie to Tooheys Ltd. Mr. Nicholl expressed the opinion that it was doubtful if a buyer would purchase a hotel from the Group on our assurance that the tie was not valid. Therefore, it would be necessary for a buyer to breach the conditions of the tie and defend any Court action instituted by Tooheys Ltd. with Millers indemnifying the buyer.

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Dealing with the sale by a mortgagee in possession of a newly erected hotel, Mr. Nicholl expressed the opinion that this would be a cumbersome method of breaking the tie. Also, it would react against the Group's image and could be regarded as a sham by the Equity Court.

HOTEL FINANCE:

The Chairman reported that, whilst in London, he had approached a major U.K. hotel group to interest them in providing finance for expansion of the Group's hotel interests, possibly construction of hotels of international standing in capital cities. However, any prospect of obtaining finance had been ruined by uncertainty created in the U.K. Group's mind by the actions of a break-away syndicate of Miller employees in developing a private interest in hotels. 10
20

Our aim was now to obtain finance from Tooheys Ltd. for hotel and tavern developments, principally for the St. James, Wollongong, Parramatta and Warriewood projects.

H.C. SLEIGH LIMITED:

In reply to a question from Mr. R.I. Nicholl, the Chairman advised that no further communication had been received from H.C. Sleigh Ltd. following our rejection of their offer to purchase M.T.s "Amanda Miller" and "Robert Miller". 30

The Chairman commented that the reason for H.C. Sleigh's interest in our tankers was apparent as it had been learnt that the costs of building the new Sleigh/Caltex tanker at Whyalla were \$16 million net and \$24 million gross. 40

1911.

REPORT ON
OVERSEAS
TRIP:

The Chairman gave the following report on the recent overseas trip by himself and Mr. L.D. Koch.

GREECE:

The visit to Greece had met with a good reception and a quotation was submitted for the export of Huntley Coking Coal to Greek steel mills. It was feared that price cutting tactics adopted by Utah could prejudice our prospects of exporting to Greece at the present time.

10

LONDON:

Pending assessment of union reaction to the import of steaming coal, the U.K. Government has deferred the issue of import licences.

20

At the time of the visit, the National Coal Board was investigating the quantity of imported coal likely to be required and, at the time import licences are issued, it was hoped that Millers would obtain a share of the imports as our price and quality was competitive. There was no intention by Millers to sell coal on a speculative spot shipment basis.

30

Whilst in London the construction finance for M.T. "Robert Miller" was discussed with members of the consortium of bankers.

40

The consortium had expressed concern on the possibility of the vessel's construction extending beyond the scheduled completion date of March 31st 1973, and had stated that, whilst they were prepared to provide construction finance up until March 31st, 1974, they reserved the right to require repayment on the latter date if the vessel was then not completed or, alternatively, the right to renegotiate the terms and conditions of the loan.

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In addition, the consortium required a guarantee from the Commonwealth of Australia that repayment of the construction finance would be available to the consortium on March 31st, 1974.

The consortium was informed that the Commonwealth would not enter into a guarantee of that nature and we had offered that, if delay in construction extended beyond March 31st, 1974, the payment of the first year's instalments of principal and interest would be guaranteed by R.W. Miller (Holdings) Limited irrespective of whether the vessel had been handed over or not.

10

Negotiations on our counter proposal were still being conducted simultaneously with negotiations with Shell Co. of Australia Ltd. for completion of the Letter of Intent for the charter of M.T. "Robert Miller".

20

JAPAN:

Reports previously circulated to Board members on discussions held in Japan with Mitsui & Co. Ltd. and Japanese steel mills were taken as read.

The Chairman advised that Mitsui & Co. (Australia) Ltd. had been approached to reinstate their original loan of \$1 million on repayment of the last instalment of principal due early this month.

30

HONG KONG:

A Board Meeting of Hong Kong Tanker & Traders Ltd. had been attended in Hong Kong and the Board had decided that the Company should more actively pursue its objective of expanding its interests in import and export business.

40

1913.

GENERAL
MANAGER'S
ACTIVITY
REPORT:

SALE OF HOTELS:

RESOLVED in accordance with the submission made to the Board that sales of the following hotels be authorised:

Bexley North Hotel
Manly Vale Hotel
Kingswood Hotel

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10 FURTHER RESOLVED that attention should be given to upgrading and redeveloping hotels in accordance with the submission.

COMMODORE HOTELS LIMITED:

It was decided that the feasibility of making an offer for a controlling interest in this Company should be further investigated.

FINANCIAL RESULTS:

20 The Group's results for the eight months ended February, 1972, were considered and discussed.

Mr. L.D. Koch reported that colliery results had been adversely affected by the demarcation dispute at Wallsend Colliery now in its ninth week and that only open-cut production and washing was being carried out at this Colliery.

30 Mr. Koch further reported that an application had been made to the Joint Coal Board for permission to close the colliery following the failure of every attempt to reconcile the opposing viewpoint of the unions involved.

40 Mr. Koch reported that price increases had been obtained for coal supplied to I.C.I. and A.P.M. in Sydney and a Joint Coal Board certification had been obtained to increase the price of coal supplied to South Australian Gas Company by \$0.35 per ton and we

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were hopeful of obtaining a retrospect adjustment under this contract.

The Chairman advised the Board that there was a possibility that substantial coal deliveries could be made to Pymont Power Station during the winter months.

ANY OTHER
BUSINESS:

J. & K. JOHNSTONE (HOLDINGS) PTY.LTD.:

The Chairman advised that the decision made at a previous Board Meeting to write a letter to J. & K. Johnstone Holdings Pty.Ltd. to effect a reconciliation in the existing dispute had not been carried out as it was felt that Johnstones would use such a letter to our disadvantage in Japan. 10

The meeting concurred with Mr.Cameron's suggestion that this problem should be left in the hands of management. 20

QUEENSLAND DEVELOPMENTS:

The Chairman advised the Board that, in company with Messrs. P.J. Murray and J. Wild, he had visited Brisbane to investigate the possibilities of the Miller Group extending its interests to Queensland and the following resume of the visit was given:

MINING:

Discussions had been held with the State Minister for Mines and Under Secretary for Mines to acquaint them of our interest in extending our mining interest to Queensland. 30

The Minister had promised access to all information held by his Department on areas available and open for Authority to Prospect and it was arranged for Mr. P.J. Murray, accompanied by appropriate staff, to meet the Chief Coal Geologist and Chief Inspector of Coal Mines to collect data for an application for Authority to Prospect. 40

1915.

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OTHER DEVELOPMENT:

A meeting had been held with the Minister for Industrial Development, Mr. F.A. Campbell, and the Director of the Department, Sir David Muir.

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5th April 1972
(continued)

10

Sir David Muir had informed the Chairman that Brisbane had an acute need for a good hotel of international standard to accommodate the increasing flow of tourists to Brisbane and mentioned the existence of a suitable site at the corner of George & Anne Streets, Brisbane, which was to be offered for sale by auction on May 2nd, 1972.

20

The Minister had given introductions to the Director General of Tourist Services and the Chairman of the Licensing Commission and had also given an assurance that all possible assistance would be given to establish Millers in Queensland.

30

Referring to the possible extention of the Group's coal interests to Queensland, Mr. E.D. Cameron stated that he would not like to see any further capital committed to new mining ventures until an evaluation of the Group's coal interests had been made and a long term feasibility study of the future of coal exports had been prepared.

40

M.T. "ROBERT MILLER":

The Chairman reported that, during his recent visit to Brisbane, the opportunity had been taken to visit Evans Deakin Limited shipyard to view the progress being made in the construction of M.T. "Robert Miller", also to discuss the rudder stock for the vessel which had developed a large crack during manufacture and had been repaired by welding.

Although the repaired part had been

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rejected by Lloyds in London, Evans Deakin Ltd. insisted that the repaired stock would be equally as strong as a stock which had no crack and that, if the repaired stock was not accepted, delivery of the vessel could be delayed by nine months.

The Chairman had informed Evans Deakin Ltd. that enquiries made by him in Japan had shown that a new rudder stock could be obtained from Japan in three months from receipt of order.

10

It had been decided to refer this matter to a technical committee and the committee's decision on the acceptability of the repaired rudder stock would be referred to the Chairman of the Australian Shipbuilding Board.

INCREASE IN ISSUED CAPITAL:

Mr. R.I. Nicholl raised for discussion the possibility of R.W. Miller (Holdings) Limited making a general share issue or share placement to raise additional capital.

20

Mr. E.D. Cameron commented that, with the Company's present share premium, a share issue or placement was a possibility, as also was a "hiving-off" of the Group's coal interests to a separate company with other interests having an equity in the new company.

30

The Chairman advised the Board that Mitsui & Co. Ltd. had expressed interest in obtaining an equity in the Company.

NEXT BOARD MEETING:

It was decided that the next Board Meeting would be held at 11 a.m. on Thursday, June 1st, 1972.

CLOSE OF MEETING:

There being no further business to be discussed, the Meeting was then declared closed by the Chairman.

CONFIRMED:

(Sgd) A.N. Taylor
CHAIRMAN.

1917.

EXHIBIT M.H.13 (continued)

MARCH MANAGEMENT REPORT - MARCH 1972

FROM: General Manager

TO: Managing Director

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MANAGEMENT REPORT - MARCH 1972

1. FINANCE:

10 Whilst in London, the Chairman and the writer held meetings with Hambros Bank and informed them of the current proceedings with Shell for the Charter of M.T. "Robert Miller".

We asked them to progress matters with all consortium members in order to obviate unnecessary delays when the letter of Commitment is signed.

20 On Wednesday, 29th March, a meeting was held with Shell, and agreement in principle was reached on the format of the Letter of Commitment. On Friday, 31st March, a telex was received from Shell as to its intended substance, and it is basically identical to our proposition. It is hoped that this will be signed by both parties at the end of this week.

Briefly, the terms are for the base charter rate to be \$11,690 per day, with escalation on non-voyage costs to be applied from 1st September 1971.

30 The capital charges included in the charter rate amounting to \$7,160 per day, are applicable to :-

Depreciation	-	\$2,330
Profit & Taxation	-	\$4,830

This is estimated to show a return of \$1,593,900 per annum which represents 13% on capital investment before taxation.

At the present time, we are indebted to the Government for \$8 million in progress payments for the construction of M.T. "Robert Miller"

1918.

for claims up to and including 75% of steel fabrication.

To summarise our financial programme, we submit the following :-

Hambros Bank	£7.3 million
Long-term loan on	
Hotel properties	£3.0 "
Mitsui re financing	£1.0 "

As stated in previous reports it is also our intention, when the Hambros finance is settled, to approach the Bank of N.S.W. for increased overdraft facilities.

10

2. COAL MARKETING:

(1) Japan

A full report on the visit made to Tokyo by the Chairman and the writer has been included elsewhere in the Agenda.

Briefly, it is very apparent that our company is held in high esteem by the Japanese Steel Industry and will benefit as a consequence of the co-operation afforded to them during the recent period of economic recession.

20

In general, we were informed that the import of Newcastle to Japan in 1972/73 will be no less than 1971/72 (964,000 tons of Big Ben), then we can expect increased tonnages from 1973/74 onwards.

(2) Greece

We were extremely well received by the Angelopoulos family, and there is no doubt that any previous differences between our two companies has been completely dispelled.

30

We offered them a trial cargo of Huntley coal for delivery April/May at the Japanese contract price.

Our main competitor in this market is Utah of Queensland, who are under-cutting us by A\$2.00 per ton, but strangely enough the Greeks did not

1919.

show any displeasure at the price we quoted.

At this stage, we have had no commitment to our offer, and if Utah continue to undercut, this market will be extremely difficult to break into.

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March
Management
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March 1972
(continued)

(3) United Kingdom

10 As a consequence of the recent coal strike, we met with senior executives of the Central Electricity Generating Board, and officially offered them 500,000 tons of steaming coal for delivery over the year ending April 1973.

Our price is very competitive but at this stage the C.E.G.B. are not sure how much coal they will be permitted to import, and they are awaiting notification from the National Coal Board as to the estimated coal production for the coming year.

We are keeping in close communication with the U.K. on this matter.

20 (4) Domestic Markets

Recent increased prices to the two major consumers in Sydney will have a marked effect on the profitability of this section.

In addition, the required certification for increasing the price of coal supplied to S.A. Gas Co. has been received, and we are endeavouring to have this increase (35¢ per ton) applied from September, 1970.

3. HOTELS:

30 Submission is made of offers for three hotels as follows :-

Bexley North Hotel	-	£940,000
Manly Vale Hotel	-	£900,000
Kingswood Hotel	-	£280,000

The particulars appertaining to each of these hotels are given below, however, in general, cognizance is taken of the following facts.

1. A plan was formulated to raise £3,000,000 during the financial year by the sale of hotels, so as to convert a portion of fixed assets to liquid assets for the reduction of short term liability, at this time £2,100,000 has been raised.

2. The finances of the company are still vulnerable and we are not in a position to pursue development opportunities pending further strengthening of our overall financial condition. The liquid resources to be derived from the above sales would very largely correct the financial shortcomings apparent in June 1971. 10

3. The capital gain or preferably profit available from the development of these hotels and others we have sold is substantial and is of particular importance to the company in this particular year.

4. Particular reasons as applicable to each hotel are as follows :-

Bexley North Hotel 20

The current written down book value is £421,983
Profit rate to capital invested
before tax 21.9%
Profit rate to purchase offer
before tax 10.3%

This hotel is one of our best profit earners and is likely to hold this position, however, it is hard to conceive what further development can be undertaken, consequently trading is now probably close to a peak. In fact the buoyancy of this hotel derives from an idea, a profit of £500,000 makes it a really good idea, and suggests that it should be repeated in other hotels we have, which would respond to such treatment. 30

It is recommended that this offer should be accepted and that we should move to regain the loss in revenue through improvements to certain of our other hotels.

Manly Vale Hotel

The current written down book value of this hotel is £860,000 40
Profit rate to capital invested
before tax varies from 3% to 4%

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March
Management
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March 1972
(continued)

Development around this hotel has been slow but is now gaining momentum and the future prospects are much brighter. However, in view of the bad record over the past six years and for the reasons stated above as to the overall finances, it is recommended that instructions be given to sell for \$900,000 or any better offer.

Kingswood Hotel

10 An offer is to hand for \$280,000 and two other parties have expressed interest, but it is unlikely that an offer will be made in excess of \$285,000.

The current written down book value
of this hotel is \$170,834

20 This hotel is a good small operation and earns close to 20% on book value and it is also strategically well situated to the very large development at present taking place in the Blacktown to Penrith area, as such it would not normally be offered as a sale prospect. However, the construction of the hotel is bad. The foundations are very poor and as such it cannot be altered or extended but will have to be rebuilt. The area of land available is not sufficient to warrant holding the hotel for future rebuilding, consequently it is recommended that the purchase offer be accepted at \$280,000 or better. It should also be recorded that several people have inspected this hotel over
30 the past nine months but only one has made an offer to date.

In making these recommendations, notice is taken of the responsibility inherent with hotel keeping for continuous upgrading to meet the evolving requirement of the community and currently three or four hotels are in need of attractive treatment to ensure that their value continues to grow.

Sapporo Beer:

40 Whilst in Tokyo we conferred with Mitsui, who were authorised to speak on behalf of Sapporo Brewery, and offered to act as their Agent in New South Wales for the importation of Sapporo beer and their own brand of Whisky.

1922.

We have been advised verbally from Mitsui that our offer has been accepted, and we are now awaiting further advice as to prices, promotion, etc.

4. COMPANY DEVELOPMENT:

We wish to report that we have been appointed Managing Agents for M.V. "Troubridge" in South Australia. This R.O.R.O. vessel is operated by the S.A. Government, and the period of agency is for 2 years. It is anticipated that an annual profit of \$40,000 will be achieved.

10

We are also negotiating for employment of M.V. "Rickie Miller", in the interstate freighting of light-weight aggregate.

With regard to Jubilee Engineering Co. we are hopeful of acquiring agencies for certain Japanese equipment and products, and have also had an extensive campaign to obtain outside contracts, thereby extending the operations of Jubilee beyond those of merely a service adjunct to our own engineering requirements.

20

We are confident that through these efforts, Jubilee will become an important profit section of the Group.

While visiting Hong Kong, we had important discussions with Taxation Consultants whereby we can take advantage of benefits arising from utilizing Hong Kong Tanker & Traders Ltd. as a true trading company.

L.D. Koch

30

1923.

EXHIBIT M.H.13 (continued)

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LTD. 15th MAY 1972.

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED HELD IN THE BOARD ROOM,
"SCOTTISH HOUSE" 19 BRIDGE STREET, SYDNEY,
AT 5.10 P.M. ON MONDAY, MAY 15TH, 1972.

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Directors of
R.W. Miller
(Holdings) Ltd.
15th May 1972

10 PRESENT: Mr. A.N. Taylor Chairman
Lady Miller
Mr. K.B. Anderson
Mr. R.I. Nicholl
Mr. A.V. Balhorn Alternate Director
for Mr.P.J.Duncan
Mr. C.J. Watt Alternate Director
for Mr.E.D.Cameron

20 IN Mr. L.D. Koch General Manager
ATTENDANCE: Mr. H.V.Ellis-Jones Secretary
Mr. W.A. Conway Legal Officer
Miss M.H. Hill

APOLOGY FOR The Chairman tendered an apology for non-
NON- attendance on behalf of Sir Peter Abeles.
ATTENDANCE: The Chairman reported that he had spoken
to Sir Peter, who was at present in New
Zealand, to inform him of the reason
for calling the Board Meeting.

30 SALE OF The Chairman stated that the Meeting had
SHARES BY been called due to the present gravity
ROMANDA PTY. of the situation as it was felt that it
LIMITED TO was incumbent upon the Directors, as
AMPOL Directors of a listed Public Company,
PETROLEUM to issue a statement to the Stock
LIMITED: Exchanges and hence to the Press as the
Company had been under constant pressure
all day from various sources, including
minority shareholders, for a statement
on the Company's present position.

40 At this point the Board agreed with the
Chairman's suggestion that the Group's
Legal Officer, Mr. W.A. Conway, should
join the Meeting to assist the Board
in its deliberations.

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(Holdings) Ltd.
15th May 1972
(continued)

1924.

The Chairman reported to the Board that, to reassure staff and employees and to maintain morale, he had held a staff conference with senior members of the staff at the Sydney Office, and with the same motives messages had been conveyed to the Colliery Superintendent, Hotel Managers and the Managers of Newcastle, Melbourne and Adelaide offices.

In addition, the following message had been sent to the Masters of the Group's vessels: 10

"You will have heard of the change in ownership of a major parcel of shares in our Company. This simply means that we now have a new major shareholder in Ampol in place of the Trustees for Rod's family. As far as the day to day operations of the company are concerned the position remains unchanged. All operations and activities will continue normally under the same administration. Good wishes to all Officers and crew." 20

Messrs. A.V. Balhorn and K.B. Anderson commended the Chairman for directing his prompt attention to this matter.

The Chairman said that the Directors were still very much in the dark as to the Company's future as there had been no communication from Ampol Petroleum Limited since the Press release by Mr. W.M. Leonard announcing the purchase of shares from Romanda Pty. Limited, also there had been no communication from Bulkships Limited apart from the telephone conversation with Sir Peter Abeles. 30

The Board then considered drafts of proposed announcements to the Australian Associated Stock Exchanges and also questions directed to the Chairman of Ampol Petroleum Limited and the Chairman of Bulkships Limited. 40

1925.

1st Defendants
Exhibits
Exhibit M.H.13
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(Holdings) Ltd.
15th May 1972
(continued)

Upon the Chairman calling for debate on the draft announcements etc., Mr. C.J. Watt stated that he considered the questions to be proper. However, he commented that Question (6) directed to Ampol Petroleum Limited seemed to be out of context.

10

The Chairman replied that he considered the question was not out of context as there have been other parties which have acknowledged the asset backing of the shares as being substantially in excess of \$3.00 and during the year the Company had announced that hotel properties had been revalued.

Since then, a further revaluation had increased the asset backing to far in excess of \$3.00 per share.

20

Lady Miller enquired whether it was normal to direct questions of the nature proposed to major shareholders, particularly to Bulkships Limited, and especially mentioned Question (4) directed to that Company.

30

The Chairman agreed that it was not usual but, as the Company was not in a normal situation, it was the duty of the Board to put themselves in an unassailable position by using every endeavour to protect the interests of minority shareholders and staff.

40

Messrs. R.I. Nicholl and K.B. Anderson supported the Chairman's remarks and the Chairman stated that the questions were being asked not only on behalf of the minority shareholders but on behalf of the majority and that the Board should endeavour to ascertain on behalf of the shareholders whether there was collusion between Ampol Petroleum Limited and Bulkships Limited.

The Chairman also said that it was perfectly legal for Ampol Petroleum Limited to acquire the shareholding of Romanda Pty. Limited and the Board

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(continued)

1926.

was not attempting to stop the transaction, it was merely endeavouring to keep the public fully informed.

Lady Miller asked whether Question (6) directed to Bulkships Limited was correct and the Chairman replied that it had been quoted in the Press some time in January that Bulkships Limited had offered Romanda Pty. Limited \$2.30 per share for its shareholding and this was pure speculation.

10

Mr. C.J. Watt raised the question as to whether it was considered desirable and necessary to send a copy of the telexes to the Press at this stage as he felt that, in doing so, the Company may be making a rod for its own back. The Chairman replied that he did not think that this would be so.

The motion to despatch the telex messages to the Stock Exchanges, Ampol Petroleum Limited and Bulkships Limited was moved by Mr. K.B. Anderson, seconded by Mr. R.I. Nicholl and carried unanimously.

20

The Chairman then advised that he wished to address some questions to Lady Miller and the questions asked by the Chairman and the replies by Lady Miller were as follows :

30

Question: You have answered me previously but this is not intended to embarrass you. If at any stage during my asking these questions I embarrass you or you wish to seek legal counsel or advice, you may do so. I repeat that it is not made to discredit you or Romanda or anybody but I am concerned with the effect of the sale of Romanda shares on the price of the shares held by other shareholders, particularly those of the minority shareholders.

40

By selling Romanda's shares at \$2.27, we know that it was pretty close to the mark. It is also pretty common knowledge that the revaluation has not yet been

1927.

completed and they are worth more than that.

In this regard you, as a Trustee, in my view could be at risk in having sold the shares at an under-value and this could set an under-valuation on the shares generally.

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(continued)

Answer: The Trustees do not have anything to do with this situation.

Question: I am asking you as a Director of Romanda and the same applies to you as a Trustee.

10

Answer: This is a separate issue.

Question: I realise that this is not the place to discuss Romanda business but you must realise that the decision of the Directors and Trustees have set the par for the course.

20

One measure which you and your Co-Trustees would no doubt have considered adopting for their protection and for the protection of other shareholders would be to acquaint Ampol of the Auditors Report on the asset backing of \$3.71 per share and perhaps also our projected profits and cash flow. Did you do this?

Answer: No.

Question: Have you at any time passed on to any other party beyond the Directors of this Company the Auditors Report on the asset backing of the Company or proposed projected backing?

30

Answer: I have not passed anything on to anyone.

Question: Your answer is 'No'. Well, surely it must have been painfully clear that this information would, if passed on, have had a most powerful effect on increasing any offer which Ampol would have been prepared to make,

1st Defendants
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(continued)

1928.

bearing in mind that the last asset
backing figure published was \$2.31.

Answer: Is that a question or a statement?

Question: I am making a statement; Thank
you for answering me.

Answer: I have not passed on any Miller
information to anyone - Ampol or
anybody - Bulkships or anyone.

The Chairman then said that, as Lady
Miller had answered these most painful
questions, he felt that there was not
much purpose in continuing the meeting
as this was the main purpose of holding
such a meeting.

10

Lady Miller has answered the questions
in the negative and he again stated
that this was not done to embarrass her
but it was to clear the air.

The Chairman then asked if there was
any further business to discuss but, as
there was none, the meeting then closed.

20

CONFIRMED:

(Sgd) A.N. Taylor

CHAIRMAN.

1929.

EXHIBIT M.H.13 (continued)

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER (HOLDINGS) LTD. 26th MAY 1972.

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER (HOLDINGS) LIMITED HELD IN THE BOARD ROOM, "SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY, AT 4.30 P.M. ON FRIDAY, MAY 26TH, 1972.

1st Defendants Exhibits Exhibit M.H.13

Minutes of Meeting of Directors of R.W. Miller (Holdings) Ltd. 26th May 1972 (continued)

PRESENT: Mr. A.N. Taylor Chairman
Lady Miller
Mr. K.B. Anderson
Mr. R.I. Nicholl
Mr. C.J. Watt Alternate Director for Mr. E.D. Cameron
Mr. A.V. Balhorn Alternate Director for Mr. P.J. Duncan

IN ATTENDANCE: Mr. L.D. Koch General Manager
Mr. H.V. Ellis-Jones Secretary
Mr. W.A. Conway Legal Officer
Miss M.J. Hill

CONFIRMATION OF MINUTES OF PREVIOUS DIRECTORS' MEETINGS: The Minutes of Meetings of Directors held on April 5th, 1972, and May 15th 1972, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

CONFIRMATION OF MINUTES OF SHARE TRANSFER COMMITTEE MEETINGS: The Minutes of Meetings of the Share Transfer Committee held on the undermentioned dates were confirmed:

1972: March 25th
" 30th
April 7th
" 13th
" 21st
" 28th
May 5th
" 12th

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Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.
26th May 1972
(continued)

NOTICE OF
TAKE-OVER
SCHEME
RECEIVED
FROM AMPOL
PETROLEUM
LIMITED:

1930.

APPOINTMENT OF OUTSIDE EXPERT ADVISERS

The Chairman raised for the Board's consideration the granting of approval to Management to employ outside expert advisers to advise management on the preparation of all relative data and alternative courses of action, with the intention that this information would be placed before the Board to assist it in arriving at the recommendation to be made to the Company's shareholders on the merits or otherwise of the take-over offer to be made to shareholders by Ampol Petroleum Limited.

10

Mr. C.J. Watt asked whether it was known which Company was acting as merchant bank for Ampol Petroleum Limited and was advised by the Secretary that Chase-N.B.A. Group had acted for Ampol Petroleum Limited in this capacity and it was possible that this association existed in the present situation.

20

Mr. A.V. Balhorn commented that the situation depended to a great extent on future action by Bulkships Limited and no decision should be made until the attitude of Bulkships Limited was known.

Mr. K.B. Anderson recommended the employment of outside experts to advise Management and, in concurring, Mr. R.I. Nicholl stated that experts should be retained to protect the interests of minority shareholders.

30

Lady Miller expressed the opinion that the Board should be able to handle the situation with staff professional talent at the Board's disposal.

At the Chairman's request, Mr. W.A. Conway quoted the practice in the United Kingdom of both offeror and offeree companies retaining merchant banks in take-over attempts and said that, in his opinion, the Board would be at risk as it

40

1931.

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(continued)

could be charged with not taking all possible steps to protect the interests of minority shareholders if the Board failed to seek expert advice, inasmuch as it was possible for a merchant bank to influence events and induce another take-over offer which could result in a higher offer being made to shareholders.

10

The Board then discussed various merchant banks and Mr. C.J. Watt agreed that the Chairman's preference for Darling & Company Ltd. could not be faulted.

20

The Chairman sought Mr. Conway's advice on the selection of an outside legal adviser and Mr. Conway advised that, after reviewing legal advisers whom he knew to be available, he had no hesitation in recommending the legal firm of Barkell & Peacock.

A motion was then passed unanimously that Management should endeavour to retain Darling & Co.Ltd. as merchant banker and Barkell & Peacock as legal advisers and that, if either or both could not be retained, the selection of suitable alternate/s should be left to the decision of Management.

LETTER TO AMPOL PETROLEUM LIMITED:

30

The draft of a letter proposed to be written to Ampol Petroleum Limited was distributed to all present and at the Chairman's request the draft letter was read by Mr. W.A. Conway.

40

Discussion then followed and Mr. R.I. Nicholl commented that, as the consideration in the offer by Ampol Petroleum Limited was cash and did not involve an exchange of share scrip, some of the questions asked in the letter were perhaps irrelevant. However, he supported the letter being despatched in its present form.

1st Defendants
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26th May 1972
(continued)

1932.

At the suggestion of Mr. C.J. Watt, Question 3 was modified to avoid any inference of contravention of Section 67 of the Companies' Act and it was decided that the proposed Question 9 would not be directed as a question but the information contained therein would be stated as a matter of fact and intention.

At the Chairman's suggestion, the word "commitment" was substituted for the word "intent" in Question 6. 10

Both Lady Miller and Mr. Watt recommended that the draft letter, as modified, should be approved by the merchant bank before being delivered to Ampol Petroleum Limited and it was agreed to adopt this suggestion if practicable and if time permitted.

It was resolved without dissent that the letter should be delivered to Ampol Petroleum Limited and to the Australian Associated Stock Exchanges. 20

APOLOGY FOR
NON-
ATTENDANCE: The Chairman tendered an apology for non-attendance on behalf of Sir Peter Abeles who was prevented from attending the meeting due to other business.

APPOINTMENT
OF
ALTERNATE
DIRECTOR: Mr. K.B. Anderson advised the Board of his impending departure on holidays and sought the Board's approval to the appointment of Mr. W.A. Conway as his Alternate Director to act during his absence on holidays and on any future occasions when he was prevented from attending Board Meetings. 30

The appointment of Mr. W.A. Conway to act as Alternate Director for Mr. K.B. Anderson was approved by the Board without dissent.

There being no further business to be discussed by the Board, the Meeting was then declared closed by the Chairman. 40

CONFIRMED:

(Sgd) A.N. Taylor
CHAIRMAN:

1933.

EXHIBIT M.H.13 (continued)

MAY MANAGEMENT REPORT - MAY 1972

FROM: General Manager

TO: Managing Director

MANAGEMENT REPORT - MAY 1972

1. FINANCE:

In previous reports it was mentioned that our negotiations with Hambros Bank in regard to the financing of M.T. "Robert Miller" was put
10 to them in two parts:

- (a) Construction finance to meet progress payments made by the Commonwealth during the course of construction.
- (b) End financing for a period of 5 years from date of delivery.

The finance involved amounted to \$7.4 million.

As construction financing was foreign to Hambros and the other consortium members, they were not prepared to go ahead unless we were able to secure
20 a performance bond covering the delivery date of the vessel.

Following the damaging statements made by the Chairman of Evans Deakin Industries Limited in April, whereby he stated that their shipyard would be forced out of business within weeks unless it obtained further orders for ships, the Underwriters withdrew their proposition for such a Bond. As a result of this action Hambros advised us that the consortium banks would not be
30 prepared to go ahead with the construction finance.

We then approached Hambros and asked that if we were able to secure construction finance ourselves would they be prepared to commit themselves for the end take-out.

On the 25th May a Telex was received from them advising us that this was agreed to and a formal commitment letter outlining the terms and conditions would be sent to us within approximately one week.

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May Management
Report
May 1972

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May Management
Report
May 1972
(continued)

1934.

Prior to this we had once again approached the Bank of New South Wales with a submission for bridging finance up to \$5 million until the date of delivery of M.T. "Robert Miller". On Friday 26th May we were advised that the Bank had agreed to make available bridging finance to the extent of \$4.2 million.

We might add at this stage that on the 18th May a meeting was held with the Minister for Shipping and Transport, the Honourable P.J. Nixon, giving him full details of the current position regarding our negotiations to obtain the above finance. Although he was most sympathetic towards us, he was quite explicit as to the position that would arise if we were unable to settle our account by the 30th June. 10

The current position regarding our liability towards the Commonwealth is as follows :-

Progress payments outstanding to date	\$8,013,915	
Estimated interest payments due to the end of June 1972		20
	<u>93,750</u>	
	<u>\$8,107,665</u>	

Funds available from investments which will be realised progressively to 30th June 1972.

Albion Hotel	500,000	
Bexley North Hotel	940,000	
Richmond Hotel	160,000	
Manly Vale Hotel	975,000	
Kingswood Hotel	280,000	
Merryfield Hotel	<u>130,000</u>	2,985,000 30

Additional funds available

Mortgage finance from Commonwealth Super-annuation Fund estimated to be	2,500,000	
---	-----------	--

Additional sum from repayment of loan finance	<u>800,000</u>	<u>3,300,000</u>
Total funds available		<u><u>\$6,285,000</u></u>

1935.

1st Defendants
Exhibits
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May Management
Report
May 1972
(continued)

This leaves a deficiency to the 30th June 1972 of approximately \$1.82 million which will be supplemented by our bridging arrangements by the Bank of New South Wales.

2. HOTELS:

10 The Metropole Tavern is now progressing and is expected to open in October. Planning is well advanced to provide the standard of service we desire and investigations are proceeding with a view to leasing the equipment including furniture.

Discussions have been held with Mitsui and Sapporo who are prominent restaurateurs in Japan with a view to opening a Japanese style restaurant in an additional area which is being reserved for the purpose. This proposal is still being investigated by the Japanese, but the area in question will represent a compromise because of structural walls and some reservations must exist in this particular case.

20 The St. James Tavern is behind schedule, it now seems likely that this operation will be opening in February or March 1973.

Proposals are being pursued so that the company may avail itself of the valuable opportunity of development in respect of many of its sites, particularly those occupied by -

30 Brighton Hotel
Oceanic Hotel
Sylvania Complex
Riverwood Hotel
The Hume Hotel

Plans are being progressed to improve the standards of our other hotels and to avail ourselves of the experiences of Bexley North. In addition, the amendments to the Liquor Act, which became law on May 1st, provide favourable and extended trading opportunities for hotels of the Bexley North type.

40 Efforts are also under way to obtain approval for T.A.B. Agencies at North St. Marys and the Sundowner.

1936.

Our application for an hotel license on the Warriewood site has been rejected on the grounds that the type of hotel planned would constitute a disturbance of the peace and good order of the neighbourhood. The Licensing Court found that requirement had been established. An amended application has immediately been lodged so as to preserve our priority for a hearing.

Results of trading in Hotels have been adversely affected by the inclement weather, particularly in April and this effect on trade has continued into May

10

3. SHIPPING:

(1) M.T. "Amanda Miller"

At present this vessel is on Voyage 32 loading at Westernport Bay for Brisbane.

The vessel has been operating extremely satisfactorily and the Charterers have complimented us on the manner in which we are fulfilling our charter agreement.

20

It is pleasing to note that since the vessel went into service, the off-hire period amounts to only eight days.

(2) M.T. "Robert Miller"

Construction of this vessel is proceeding satisfactorily, although it is felt that delivery will be a few months after the contract delivery date. This has been refuted by Evans Deakin who stated that as far as they were concerned the delivery date would be met.

30

Following the adverse report mentioned above by Evans Deakin Industries Limited, the Chairman and the writer held a meeting with both the Chairman and the Managing Director of Evans Deakin. We expressed our concern at the reports made and advised them that in light of their contractual commitments, we are under certain obligations to the Charterers of the vessel relying upon their contractual commitment to deliver the ship by a certain time.

40

1937.

1st Defendants
Exhibits
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May Management
Report
May 1972
(continued)

Their Chairman said that he fully appreciated our concern and subsequently forwarded a letter whereby he clarified his purported press statement and assured us that at the present time he could see no reason why the vessel would not be completed by the contract delivery date, namely 15th March 1973.

(3) M.V. "Millers McArthur" and M.V. "R.W.Miller"

10 These vessels continue to operate satisfactorily but it must be borne in mind that upon the completion of the Wag Pipeline a surplus tanker tonnage will in all probability eventuate.

We will then have to consider the employment of these vessels overseas.

4. COAL SECTION:

Coal sales for the month of April were as follows :-

Export coal	£1,035,684
Domestic Coal	<u>338,883</u>
	<u>£1,374,567</u>

20

During the months of May and June our export tonnage will be substantially reduced owing to a strike by the Japanese seamen.

Colliery Reports

(1) Ayrfield:

30 Production in early May was lower than normal due to physical conditions and breakdowns. This has improved during the past fortnight and current production is brighter than normal due to improved underground haulage arrangements.

Erection of the new washery is proceeding and this plant should commence commissioning in late July or early August.

Work in the new entry has recommenced but is being hampered by poor roof conditions.

1938.

1st Defendants
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May Management
Report
May 1972
(continued)

Roof bolting has been introduced with good results and the first cut-through will be driven during the next two weeks.

(2) Belmont:

Production during the month has been halved due to poor physical conditions allied with large quantities of water in the seam. The section is now being enlarged to allow manoeuvring room which will give more flexibility and reduce losses due to bogging and pumping. Roof bolting is being carried out at roadway intersections and this practice is to continue until the roof strata improves.

10

(3) Wallsend Borehole:

Production has returned to normal since settlement of the strike. The No.2 washery is in operation but Dravo are still completing the adjustments and alterations necessary before acceptance trials.

20

The raw and clean coal handling plants at No.2 have been commissioned and are operating satisfactorily.

5. EXPORT MARKETS:

Our competitors have for some time been more active in the promotion of export markets than has been the case with our company.

30

Although recent trips made by both the Chairman and the writer have to a certain

1939.

1st Defendants
Exhibits
Exhibit M.H.13
May Management
Report
May 1972
(continued)

extent attempted to cover a limited range in this market it would be appreciated by the Board that the principal reason for these visits has been on the matter of finance.

10 Over the past two years Clutha have regularly sent executives overseas on promotional trips, and their success is substantiated by the sale of over 500,000 tons of coal to Europe.

Utah, Gollins and Austen and Butta are constantly travelling in this area, and as a result have sold substantial tonnages to Italy, Belgium, Spain, Portugal and the United Kingdom.

20 We have as many contacts overseas as they have but their distinct advantage is the fact that they are constantly following up previous discussions.

Unless we are prepared to adopt a similar policy, the entire market for both Europe and South America will undoubtedly fall in the hands of our competitors.

30 It is therefore our intention to become more active in the export trade and that overseas visits along similar lines to our competitors will be undertaken in the near future.

1940.

1st Defendants
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May Management
Report
May 1972
(continued)

Although our coal sales at the present time are not returning the required profit margin, we are convinced that with a sound promotion policy this aspect of our company can regain its former lucrative position.

(Sgd) L.D. Koch.

1941.

1st Defendants
Exhibits

Exhibit M.H.14

Exhibit M.H.14

Minutes of Meeting of Directors of
R.W. Miller (Holdings) Ltd.
20th April 1971

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

R.W. MILLER (HOLDINGS) LIMITED

20th April
1971

MINUTES OF MEETING OF DIRECTORS OF R.W.
MILLER (HOLDINGS) LIMITED HELD AT "SCOTTISH
HOUSE", 19 BRIDGE STREET SYDNEY, AT 11.30 A.M.
ON TUESDAY, 20TH APRIL 1971

10 PRESENT:

Sir Roderick Miller C.B.E. (Chairman)
Messrs. K.B. Anderson, A.N. Taylor,
R.I. Nicholl and E.H.P. Abeles

IN ATTENDANCE:

Mr. H.V. Ellis-Jones (Secretary)
Miss M.J. Hill

CONFIRMATION OF MINUTES OF PREVIOUS
DIRECTORS' MEETINGS:

20 The Minutes of Meetings of Directors
held on 26th March 1971, and 2nd April 1971,
were tabled and confirmed by the Meeting as
a true record of the proceedings thereat.

CONFIRMATION OF MINUTES OF MEETINGS OF SHARE
TRANSFER COMMITTEE

The Minutes of Meetings of the Share
Transfer Committee held on the under-mentioned
dates were confirmed:-

1971

30 12th March
19th March

APPOINTMENT OF MR. E.H.P. ABELES AS A
DIRECTOR

In welcoming Mr. Abeles to the Board,
the Chairman informed him that the invitation
to join the Company's Board of Directors

Exhibit M.H.14

had been made with the unanimous approval of all Board members.

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

The following resolution was then passed unanimously.

Resolved

20th April
1971
(continued)

That Mr. E.H.P. Abeles be and is hereby appointed as a Director of R.W. Miller (Holdings) Limited.

J. & K. JOHNSTONE HOLDINGS PTY. LTD.:

In outlining the history of the dispute with J. & K. Johnstone Holdings Pty. Ltd. to Mr. Abeles, the Chairman stated that the granting of leases by the Department of Mines to J. & K. Johnstone Holdings Pty. Ltd. was influenced by a combination of two factors, namely their commitment to supply a considerable quantity of coking coal to R.W. Miller & Co. Pty. Ltd. to fulfil contractual export tonnages, and the declining coal deposits available to J. & K. Johnstone Holdings Pty. Ltd.

10

20

The Company had acted on the advice of Dennis Mahoney in allowing the Johnstone interests to negotiate the granting of private leases, and if legal action was undertaken it would probably be necessary to subpoena the relevant files from the Dept. of Mines.

Mr. R.I. Nicholl advised the Meeting that all documents relevant to the matter under discussion had been forwarded by Nicholl & Nicholl to Dennis Mahoney for his consideration, and a conference was to be held later with Dennis Mahoney when legal remedies available to R.W. Miller & Co. Pty. Ltd. would be made known.

30

PRESTON EXTENDED COLLIERY

The Chairman reported that initial mining difficulties were now largely overcome, and that a series of test borings indicated good mining conditions for some years ahead.

40

1943.

1st Defendants
Exhibits

It was also reported that the current recession in Japan had seriously reduced the sales prospects of Preston coal and therefore colliery production had been curtailed.

Exhibit M.H.14

The Board discussed whether additional funds required by Preston Coal Company Pty. Ltd. should be obtained by a further issue of share capital to R.W. Miller & Co. Pty. Ltd. or by way of loan from that Company.

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

20th April
1971

(continued)

10 The Board decided to await legal advice from Dennis Mahoney re: J. & K. Johnstone Holdings Pty. Ltd. before further considering the financial position of Preston Coal Company Pty. Ltd.

TAVERNS

20 Mr. E.H.P. Abeles advised the Board that parking space was not required in the new building being constructed for Thomas Nationwide Transport Ltd. therefore this space in both buildings would be available for a drive-in Bottle Department.

COOGEE REAL ESTATE

Correspondence from Coogee Real Estate offering for sale real property adjacent to the Oceanic Hotel, Coogee, was tabled for consideration by the Board.

30 Mr. A.N. Taylor reported that although the properties would be ideal for future expansion of the hotel, the properties offered were tenanted, subject to unfavourable zoning conditions, and the prices quoted were too high.

Further inquiries about the properties were being conducted without disclosing our interest in the offer, and a further report on the result of these inquiries would be made at a later Board Meeting.

1st Defendants
Exhibits

1944.

Exhibit M.H.14

CLOSE OF MEETING:

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

There being no further business to
be discussed, the Meeting was then declared
closed by the Chairman.

CONFIRMED

20th April
1971
(continued)

CHAIRMAN

Exhibit M.H.14

1st Defendants Exhibits

Exhibit M.H.14 (continued)

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

Minutes of meeting of Directors of
R.W. Miller (Holdings) Ltd.
31st May 1971

10

31st May 1971

R.W. MILLER (HOLDINGS) LIMITED

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER
(HOLDINGS) LIMITED, HELD IN THE BOARD ROOM,
"SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY,
AT 11 A.M. ON MONDAY, MAY 31ST, 1971.

PRESENT:

Mr. A.N. Taylor (Chairman), Lady Miller and
Messrs. E.P.H. Abeles, K.B. Anderson,
J.W. Parker, E.D. Cameron and A.V. Balhorn

20

IN ATTENDANCE:

Mr. H.V. Ellis-Jones (Secretary)
Miss M.J. Hill

APOLOGY FOR NON-ATTENDANCE:

The Chairman tendered an apology from
Mr. R.I. Nicholl for his non-attendance at
the Meeting and explained that appointments
made by Mr. Nicholl prior to receiving notice
of the Meeting prevented him from being
present.

30

1945.

1st Defendants
Exhibits

Exhibit M.H.14

APPROVAL OF APPOINTMENT OF ALTERNATE
DIRECTORS:

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

31st May 1971
(continued)

10 In submitting for the Board's approval
the appointment by Lady Miller of Mr. J.W.
Parker as her Alternate Director and the
appointment by Mr. P.J. Duncan of Mr. A.V.
Balhorn as his Alternate Director, the Chairman
stated that the attendance of both Lady
Miller and her Alternate Director should not
be taken as a precedent that the attendance
of both a Director and his/her Alternate
Director at the same meeting could be continued
as an established practice.

The Board concurred with the Chairman's
view and also agreed with the suggestion by
Mr. Abeles that Mr. Parker should be able
to attend meetings with Lady Miller at the
Board's discretion.

20 It was then agreed unanimously that the
above appointments of Alternate Directors
by Lady Miller and Mr. P.J. Duncan be approved
by the Board.

APPOINTMENT OF MR. E.D. CAMERON AS
DIRECTOR:

In welcoming Mr. Cameron to the Meeting,
the Chairman said that the appointment of
Mr. Cameron as a Director had met with the
approval of Mr. Abeles, Lady Miller and all
other Board members.

30 In proposing Mr. Cameron's appointment
as a Director, the Chairman submitted that
Mr. Cameron should not be appointed as
Finance Director as stated in the Agenda as
this title indicated an executive position in
the Company.

40 Mr. Abeles supported the Chairman's
submission, and recommended that Mr. Cameron
should confer with the Chairman after his
appointment to arrive at a mutual under-
standing of his specific functions other
than his normal Board duties.

Exhibit M.H.14

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

31st May 1971
(continued)

Mr. Cameron disclosed that he was a partner of Hungerford, Spooner & Kirkhope, Chartered Accountants, and that his firm acted as auditors for Rettie & Vickery in Adelaide in conducting the audit of R.W. Miller & Co. (S.A.) Pty. Ltd.

Mr. Cameron also advised the Meeting that his firm have relinquished the audit to avoid any conflict of interest.

Resolved

10

That Mr. Evan D. Cameron be and is hereby appointed as a Director of R.W. Miller (Holdings) Limited.

DEPARTURE OF MR. ABELES OVERSEAS

Mr. Abeles advised the Board that he was departing Sydney next Saturday 5th June, on an Overseas trip, and requested and was granted leave of absence from Board Meetings for a period of one month.

CONFIRMATION OF MINUTES OF PREVIOUS DIRECTORS' MEETINGS:

20

The Minutes of Meetings of Directors held on 20th April 1971 and 27th April 1971 were tabled, confirmed by the meeting, and signed by the Chairman as a true record of the proceedings thereat.

MATTERS ARISING FROM PREVIOUS MINUTES:

J. & K. Johnstone (Holdings) Pty. Ltd.

Mr. Abeles inquired whether the legal opinion had been received from Dennis Mahoney on this subject.

30

The Chairman reported that the opinion had been received by Nicholl & Nicholl, and whilst it had not yet been forwarded to the Company it was understood that the opinion was to the effect that legal proceedings could be instituted against the Johnstone interests

1947.

1st Defendants
Exhibits

and possibly destroy or at least retard their development of the Lemington colliery holding.

Exhibit M.H.14

10 Mr. Abeles expressed the opinion that legal action should only be instituted if damages could be obtained, therefore he recommended that the Chairman should see Dennis Mahoney to receive his opinion, and that on receipt of the opinion a commercial decision will have to be made by the Company as to whether legal proceedings should be instituted.

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

31st May 1971
(continued)

Mr. Parker stated that he would also like to see and consider the legal opinion to be furnished by Dennis Mahoney.

Tavern Development

20 Mr. Abeles declared the interest of Thomas Nationwide Transport Limited in the Tavern proposal at Redfern, and informed the Board that as Managing Director of Thomas Nationwide Transport Limited he would be acting for that Company in this matter and would therefore abstain from voting on any issue affecting the proposal placed before the Board of R.W. Miller (Holdings) Limited.

Mr. Abeles similarly declared his Directorship in I.C.D. Limited, and the interest of that Company in the St. James building development and tavern proposal.

30 Abbott Tout Creer & Wilkinson

Mr. Parker informed the Board that he was a partner in the legal firm of Abbott Tout Creer & Wilkinson, and declared the interest of that firm in legal matters pertaining to licensing work carried out on behalf of various Companies in the R.W. Miller Group.

1st Defendants
Exhibits

1948.

Exhibit M.H.14

Preston Colliery

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

31st May 1971
(continued)

In reply to a question from Mr. Abeles, Mr. K.B. Anderson reported that prior to a recent Directors' meeting of Preston Coal Company Pty. Ltd. both he and the Chairman were of the opinion that the colliery should be closed down, as since the introduction of mechanised mining production from the colliery had not met export quality requirements.

10

Notice has been given that the colliery will be closed down within sixty days, however, this decision could be reversed if acceptance is received of an offer to supply coking coal to Greece.

Coogee Real Estate

Mr. Abeles was advised by the Chairman that there had been no further developments in this matter, and that the Company was not interested in these properties from a short-term point of view.

20

CONFIRMATION OF MINUTES OF SHARE TRANSFER COMMITTEE

The Minutes of Meetings of the Share Transfer Committee held on the under-mentioned dates were confirmed:

1971

26th March
2nd April
8th April
16th April
23rd April
30th April
7th May
14th May

30

M.T. "ROBERT MILLER"

The Meeting was advised by the Chairman that it had been learnt that contracts for the construction of M.T. "Robert Miller" had been signed by The Australian Shipbuilding

40

1949.

1st Defendants
Exhibits

Board and Evans Deakin Industries Ltd. and that Mr. R.I. Nicholl had advised that in his opinion a contract existed between R.W. Miller & Co. Pty. Ltd. and The Australian Shipbuilding Board for the supply of the vessel.

Exhibit M.H.14

Minutes of
Meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

SHORT TERM FINANCE:

31st May 1971
(continued)

10 The Secretary reported to the Board that the Bank of New South Wales had temporarily increased the Group's approved overdraft limit from \$1,873,000 to \$3,400,000, and had then further increased this temporary limit to \$4,000,000 on receipt of short-term bridging finance of \$2,500,000 from All-States Commercial Bills Limited.

20 Mr. Abeles raised the question of the possibility of Tooheys Limited taking over loan debts due by Club's to Millers, and was advised by the Chairman that Tooheys Limited had stated that they could not take over these loans, however they had indicated that they would consider a request for financial assistance, also they would consider providing finance for development of hotel properties.

30 The debt due by Eastern Suburbs Leagues Club Ltd. to R.W. Miller & Co. Pty. Ltd. was discussed, and the Secretary was instructed that the interest rate of $7\frac{1}{2}\%$ p.a. currently being charged on the Club's debt was to be increased to 9% p.a. as from the conclusion of the current quarter ending on 15th June 1971.

40 There was also discussion on the possibility of factoring the debt due by Eastern Suburbs Leagues Club Ltd. and other Club loans, and the Secretary informed the Meeting that the mortgage held over the Eastern Suburbs Leagues Club premises by R.W. Miller & Co. Pty. Ltd. had been assigned to the Bank of New South Wales as part of the security held by the Bank for overdraft accommodation.

Exhibit M.H.14

LONG TERM FINANCE:

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

The Chairman reported that the provision of long term finance from Hambros Bank Limited, against the security of M.T. "Amanda Miller", was held up pending negotiation of a satisfactory charter rate for the vessel.

31st May 1971
(continued)

It was hoped to receive an answer in the near future from the consortium representing various oil companies on our counter offer to reduce the daily charter rate from £12,900 to £12,500, following our rejection of the consortium's offer of £9,000 per day.

10

The Board authorised the executive management to fix the daily charter rate for M.T. "Amanda Miller" at £12,000 per day, plus or minus 10% tolerance.

CAPITAL EXPENDITURE FOR COLLIERY DEVELOPMENT:

The Chairman advised the Meeting that the Group's Superintendent of Collieries, Mr. P.J. Murray, was available to address the Board on planned development of the Group's collieries, with plans and colour slides to illustrate the progress made to date.

20

The Board agreed with the Chairman's suggestion that due to lack of time this business should be carried forward to be dealt with at length at a later Meeting.

PLANNED ECONOMIES

The Board was advised that it was intended by Management to effect every possible economy to reduce spending, and it was intended to dispense with the Sydney Xmas party at the Trocadero and greatly reduce the expenditure on Xmas gifts, with similar economies being introduced in Melbourne.

30

It was also proposed to sell the motor cruiser "Pamela Anne", a residence at Surfers' Paradise, and reduce the expenditure by staff on entertaining and overseas travel.

1951.

1st Defendants
Exhibits

Exhibit M.H.14

Mr. Abeles agreed with the proposal to dispense with the Xmas party as a demonstration to institutions that the Company was prepared to "tighten its belt", and suggested that the Company's Xmas card should include the message that the party had been suspended due to the death of Sir Roderick Miller.

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

31st May 1971
(continued)

10

Mr. Abeles also recommended that all personnel, apart from the Joint Managing Directors, should travel tourist class on international travel, and that planned economies should be left to the Joint Managing Directors who should report back to the Board when the economies were made.

ANY OTHER BUSINESS:

Mr. Abeles requested that the following financial data etc. should be regularly presented to future Board Meetings:-

20

- (1) Cash Flow statement.
- (2) Monthly Profit & Loss Account prepared on unit basis.
- (3) Comparison between monthly and budgetted and actual results.
- (4) Details of entries in guarantee register.
- (5) Details of entries in seal register.
- (6) List of subsidiary Board minutes.

30

Mr. Parker requested that data prepared by the Finance Committee for the Joint Managing Directors should be distributed to other members of the Board for their information.

FIXED DATE FOR FUTURE BOARD MEETINGS:

The Board discussed the desirability of holding future Board Meetings regularly each month on a fixed day, and it was finally

1st Defendants Exhibits

1952.

Exhibit M.H.14

agreed that future Board Meetings should be held on the last Thursday of each and every month.

Minutes of meeting of Directors of R.W. Miller (Holdings) Ltd.

It was agreed that the Agenda for each Meeting, together with financial data and business papers, should be placed in the hands of each Director as far in advance of the Meeting as possible, to enable the Directors to devote prior study to the business to be conducted.

31st May, 1971 (continued)

10

CLOSE OF MEETING:

There being no further business to be discussed the Meeting was then declared closed by the Chairman.

CONFIRMED.

CHAIRMAN

Exhibit M.H.15

1st Defendants Exhibits

Exhibit M.H.15

Minutes of meeting of Directors of R.W. Miller (Holdings) Ltd.

Minutes of Meeting of Directors of R.W. Miller (Holdings) Ltd. 1st June 1972

20

R.W. MILLER (HOLDINGS) LIMITED

1st June 1972

MINUTES OF MEETING OF DIRECTORS OF R.W. MILLER (HOLDINGS) LIMITED HELD IN THE BOARD ROOM, "SCOTTISH HOUSE", 19 BRIDGE STREET, SYDNEY, AT 11 A.M. ON THURSDAY, JUNE 1ST, 1972.

PRESENT:

Mr. A.N. Taylor Chairman
Lady Miller
Sir Peter Abeles
Mr. R.I. Nicholl
Mr. K.B. Anderson
Mr. E.D. Cameron
Mr. A.V. Balhorn Alternate Director for Mr. P.J. Duncan

30

1953.

1st Defendants
Exhibits

IN ATTENDANCE:

Exhibit M.H.15

Mr. L.D. Koch General Manager
Mr. H.V. Ellis-Jones Secretary
Mr. W.A. Conway Legal Officer
Miss M.J. Hill

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

CONFIRMATION OF MINUTES OF PREVIOUS DIRECTORS'
MEETING:

1st June 1972
(continued)

10 The Minutes of the Meeting of Directors held on May 26th, 1972, were tabled, confirmed by the Meeting and signed by the Chairman as a true record of the proceedings thereat.

AMPOL PETROLEUM LIMITED:

At the Chairman's request, Mr. W.A. Conway briefly summarised the salient points of the summary prepared by him for the last Board Meeting, relating to the Notice of Take-Over Scheme served on the Company by Ampol Petroleum Limited.

20 The points summarised by Mr. Conway were as follows:

- (a) As the notice was served by Ampol prior to June 1st, the take-over would proceed under the old A.C.T. Companies Ordinance, as the new provisions in the Ordinance dealing with take-over offers only applied to take-over notices and offers framed after June 1st, 1972.
- (b) Whilst the Ampol take-over notice and offer possibly contained minor defects, these would not invalidate proceedings and, if a challenge on these defects was successful, it would only expose the Directors of Ampol to penalties.
- (c) The offer by Ampol will probably be despatched to the Company's shareholders on June 15th or within three days before or after that date.
- (d) The offer must remain open for a minimum period of one month from June 15th.
- 30

Exhibit M.H.15
Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

1st June 1972
(continued)

- (e) The Part C. statement to be furnished to the Company's shareholders could at the Company's option be either mailed to shareholders with Ampol's offer or mailed direct by the Company within 14 days thereafter.
- (f) Statutory information to be contained in the Part C. Statement was fully described.

Sir Peter Abeles stated that he approved the appointment of Barkell & Peacock recorded in the Minutes of the previous Directors' Meeting. However, he queried the desirability of retaining a specific Merchant Bank to act on the Company's behalf. 10

Mr. W.A. Conway was invited by the Chairman to repeat the advice given by him at the previous Board Meeting when he outlined the reasons for employing a Merchant Bank in take-over situations.

Sir Peter Abeles said that he favoured the Company being open to approach by any Merchant Bank and at this point the Chairman advised the meeting that he had been contacted by Ord-B.T. Co. Ltd. on the question of attracting a counter-bid to the Ampol bid and an appointment had been made for Mr. David Nicoll of Ord-B.T. Co. Ltd. to place his views before the Chairman to-morrow. 20

Sir Peter Abeles informed the meeting that it was not desirable for Trincontinental Corporation Ltd. to be involved in the matter under discussion owing to their association with Sir Ian Potter and Bulkships Limited. 30

The Chairman advised the Board that Mr. W.A. Conway would prepare a questionnaire for completion by Board members to enable the Company to prepare the Part C. statement and it was planned to mail the questionnaire to all Directors to-morrow.

After discussion, the Board decided that the Part C. statement would be mailed direct by the 40

1955.

1st Defendants
Exhibits

Company to its shareholders within 14 days of Ampol's offer being made.

Exhibit M.H.15

10 The Chairman reported that he was under pressure from the various Trade Unions involved to preserve the seniority of ships' officers and crews and he proposed to discuss this question with Mr. W.M. Leonard to place the Unions' views before him. Mr. E.D. Cameron and Sir Peter Abeles favoured this approach only if the Board recommended acceptance of Ampol's offer.

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

1st June 1972
(continued)

Mr. A.V. Balhorn repeated his statement made at the previous Board Meeting that the Board's ultimate decision would be greatly influenced by the attitude of Bulkships Limited and Sir Peter Abeles stated that this question would be resolved at the Board Meeting of Bulkships Limited to be held next Wednesday, June 7th.

20 Sir Peter Abeles also stated that, as previously announced, Bulkships Limited did not intend to make a counter bid and they would either accept Ampol's offer or else continue their shareholding.

30 Mr. W.A. Conway suggested that a few days prior to Ampol's offer being mailed, the Company should write to all shareholders advising them to await the Company's Part C. statement before making any decision on Ampol's offer.

Sir Peter Abeles favoured an announcement to the Stock Exchanges and Press whilst Mr. E.D. Cameron favoured the Part C. statement being mailed to shareholders either at the time when Ampol's offer was despatched or shortly thereafter.

40 Mr. R.I. Nicholl commented that, as the offer from Ampol was a cash offer, the standing of Ampol would not enter into the Part C. statement. Therefore, if the offer was not recommended to shareholders, it would be on the grounds that the cash offer was inadequate.

Exhibit M.H.15

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

1st June 1972
(continued)

The calculation of the net tangible asset backing of the Company's shares was discussed and Sir Peter Abeles said that, whilst he felt that possibly the valuations of hotels and tankers used by the Company's auditors in their calculation were valid, he did query the value placed on the Group's coal reserves in the ground.

Sir Peter requested that a schedule be prepared showing a comparison between book values and valuations used in the calculation and the Chairman undertook to have this information prepared, at the same time re-affirming his faith in the ultimate future of coal.

10

It was resolved that the next Meeting of Directors would be held at 9 a.m. on Friday, June 9th, 1972, to further consider the Ampol offer and also the Part C. statement prepared in draft form.

20

GENERAL MANAGER'S MANAGEMENT REPORT:

The General Manager's Management Report for May, 1972, was considered by the Board and the following matters were discussed:

Long Term Finance:

Mr. L.D. Koch reported that it was reasonably expected that the Commonwealth Superannuation Board would advance \$3-million long term finance against mortgage security over eight hotels.

30

It had been originally anticipated that only \$2.5 million would be advanced against the security of nine hotels.

Tariff Board Report on Shipbuilding:

Press reports of the findings of the Tariff Board inquiry into shipbuilding were discussed and Mr. L.D. Koch advised that from the Press reports the following points were of major interest to the Company:

1957.

1st Defendants
Exhibits

- (a) The import of new ships into Australia will be permitted if the import price is lower than the local price.
- (b) The increased shipbuilding subsidy would not apply retrospectively to M.T. "Amanda Miller" and it was not clear at the present if it would apply to M.T. "Robert Miller".

Exhibit M.H.15
Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

1st June 1972
(continued)

Coal:

10 The General Manager commented that, whilst it was difficult at present levels of profitability to justify the Group's investment in coal, he agreed with the Chairman's faith in the long term benefits to be derived from participation in coal exports and, in his opinion, it was essential to more actively pursue overseas export orders.

20 The Chairman recommended that a two man sales team should be sent to Europe, and a similar team to South America, to compete with other Australian coal exporters who constantly had active sales teams visiting these areas.

Sir Peter Abeles said that, before any further contracts for coal exports were entered into, he would like to see budgets prepared to show the projected profit to be derived from the additional contracts.

30 The Chairman agreed to have this information prepared for Sir Peter together with operating statements for M.T. "Amanda Miller".

GROUP RESULTS:

Estimated Group Results for the ten months ended April, 1972, were considered and discussed by the Board.

40 Mr. L.D. Koch commented that, whilst Blackwattle Bay Depot still showed a loss for the period, the loss shown in earlier results had been reduced by price increases applied to coal deliveries to Australian

1st Defendants
Exhibits

1958.

Exhibit M.H.15

Minutes of
meeting of
Directors of
R.W. Miller
(Holdings) Ltd.

1st June 1972
(continued)

Paper Manufacturers Ltd. and Imperial
Chemical Industries of Australia & New Zealand
Ltd.

Sir Peter Abeles suggested that the
Chairman should contact Mr. Ross Cribb of Thomas
Nationwide Transport Ltd. to discuss the
possibility of finding employment for M.V.
"Rickie Miller".

ANY OTHER BUSINESS:

In reply to a question from Lady Miller,
the Chairman advised that the rezoning of land
at Warriewood had not yet been accomplished.

10

A new application for the transfer of a
publican's license to the site was not being
prepared with the proposed hotel being
positioned on a different area of the land to
overcome objections raised by residents in
the area.

There being no further business to be
discussed, the Meeting was declared closed by
the Chairman at 12.45 p.m.

20

CONFIRMED:

CHAIRMAN:

Exhibit M.H.16.

Exhibit MH.16

Letter Shell to
A.N. Taylor
17th November
1971

Letter Shell to A.N. Taylor
17th November 1971

P.O.Box 872K 3001.
155 William Street,
Melbourne, 3000

17th November, 1971

Dear Arch,

At our meeting on the 3rd November 1971
I undertook to let you know before the 19th
November whether Shell would be prepared to
enter into a 50/50 Joint Tanker Company which
would own and operate all the Australian Flag

30

1959.

1st Defendants
Exhibits

vessels controlled by our two companies. Additionally, you wished to know whether we would agree to the Joint Company utilising Shell's resources to help raise approximately \$12½ million to finance the "Robert Miller".

Exhibit M.H.16

Letter Shell
to A.N.Taylor

17th November
1971

(continued)

10

The joint company proposal has, of course, been discussed between us before, with different shareholding ratios under consideration. In the meantime, the prospects for long term employment of coastal tonnage have been changing. As a consequence I can report, after due consideration and consultation, that Shell does not see its way clear, at this moment, to make a commitment to subscribe to the joint company. It is possible that this attitude may change over time, but the only answer which can be given this week must be along the above lines.

20

However, this does not exclude the possibility of some other arrangements which would help with your financing problem for the "Robert Miller". In particular, I confirm our willingness to enter negotiations on a Charter Party with the thought that you could use this as collateral with the Banks.

30

Irrespective of how you may decide to proceed from this point on, it is clear that there are many points of joint interest in the coastal shipping business and I believe it would be mutually advantageous if we were to maintain frequent contact. You can rest assured that you will always be welcome to drop in any time you are in Melbourne.

Kind regards,

Yours sincerely,

Mr. A.N. Taylor,
c/o R.W. Miller & Co.Pty.Ltd.,
17-19 Bridge Street,
SYDNEY

1st Defendants Exhibits

1960-1961.

Exhibit M.H.17.

1st Defendants Exhibits

Exhibit M.H.17.

Summary of short term borrowings as at 30th June 1972 (undated)

Summary of short term borrowings as at 30th June 1972 (undated)

A summary of our short term borrowings as at the 30th June 1972 was as follows:

Deposits at call	406,900	
Due 14.8.72 Bills - Tricontinental	500,000	10
Due 2.9.72 Deposits	285,000	
" 28.9.72 Bills - Tricontinental	1,000,000	
Due 27.10.72 Bills - Tricontinental	1,000,000	
Due 27.12.72 Bills - Tricontinental	1,100,000	
Due 17.1.73 Deposit	200,000	
Due 16.2.73 Bills - Tricontinental	500,000	20
Due 2.3.73 Bills - Tricontinental	500,000	
Due 22.6.73 Bills - Tricontinental	250,000	
Due 30.6.73 Bank of New South Wales Loan	2,400,000	
Progressively to February 1973	<u>800,000</u>	8,941,900
Repayments due under long term borrowings before 30th June 1973 are as follows :-		30
Payments due to Australian Shipbuilding Board on launching and handover M.T. "Robert Miller"	3,699,000	
Australia Resources Development Bank	489,000	40
Hambros Bank re: M.T. "Amanda Miller"	720,000	
Broken Hill Proprietary Limited	455,000	
Sundry mortgage payments	<u>18,000</u>	
		<u>14,322,900</u>

1962.

1st Defendants Exhibits

Exhibit M.H.19

M.T. "Amanda Miller" Charter Party
31st August 1971

Code word for this Charter Party
"AUSTANKTIME 1"

TANKER TIME CHARTER PARTY

SYDNEY 31st August 1971

10 IT IS THIS DAY AGREED between R.W. MILLER
& COMPANY PTY. LIMITED of SYDNEY N.S.W.
Owners (hereinafter referred to as "Owners")
of the good Australian motor/tank vessel
called "AMANDA MILLER" (hereinafter referred
to as "the vessel") described in the Schedule
referred to in Clause 5, and AMOCO AUSTRALIA
PTY. LIMITED, BP AUSTRALIA LIMITED, CALTEX
OIL (AUSTRALIA) PTY. LIMITED, MOBIL OIL
AUSTRALIA LIMITED, H.C. SLEIGH LIMITED and
TOTAL AUSTRALIA LIMITED together with their
20 successors and assigns (hereinafter referred
to as "Charterers")

Period

1. Owners agree to let and Charterers agree
to hire the service of the vessel for a period
of 5 (five) years (15 days more or less at
Charterers' option), commencing at 1900
Hours on the 31st August, 1971 and renewable
at the option of the Charterers for a further
period of five (5) years upon and subject to
30 the same terms and conditions as are herein
contained such option to be exercised by the
Charterers giving six (6) months written
notice to Owners of renewal.

Delivery/Cancelling/Re-delivery

2. The vessel shall not commence service
under this Charter before 25th August, 1971
unless otherwise agreed and Charterers shall
have the option of cancelling this Charter if
the vessel is not ready and at their disposal
on or before 25th September, 1971. The
40 vessel shall commence such service at

1st Defendants
Exhibits

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971

1st Defendants
Exhibits

1963.

Exhibit M.H.19

M.T. A"Amanda
Miller" Charter
Party

31st August
1971
(continued)

WHYALLA, S.A., unless otherwise agreed and return to Owners at an Australian Port to be mutually agreed, Charterers to give Owners about one month's notice prior to the termination of this Charter. On redelivery vessel's cargo tanks, pumps and pipelines will be suitably cleaned for the continued carriage of crude oils.

Classification of Vessel

3. Owners undertake that at the date of delivery under this Charter the vessel shall be classed +100 A 1 at Lloyds for the carriage of Petroleum in bulk and undertake so to maintain the vessel in such class throughout the period of service under this Charter.

10

Grade of Bunkers

4. Charterers shall supply for use in the main motors and under the boilers Fuel Oil with a maximum viscosity of 1,500 seconds Redwood No. 1 at 100° F. with a maximum Sulphur content of 3.5% and a minimum gross calorific value of 18,000 Btu/lb. and Owners undertake that the vessel is fitted for burning oil of this description. In the event of High Viscosity Fuel Oil not being available, Charterers have the option of supplying Marine Diesel Oil or Gas Oil. If at Owners request the vessel is supplied with more expensive bunkers than those which would be supplied by Charterers the difference in price shall be borne by Owners.

20

30

Description

5. (1) Owners undertake that at the commencement of this Charter the vessel shall be of the description and performance set out in the Schedule signed by them and attached and undertake so to maintain the vessel during the period of service under this Charter. Should the vessel during the period of service under this Charter fail to comply in any respect with the said description, hire shall be reduced to the extent necessary to indemnify Charterers for such failure, without

40

1964.

1st Defendants
Exhibits.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

10 prejudice to any claim Charterers may otherwise have on Owners under this Charter. Further, but otherwise without prejudice to the generality of this Clause, Owners undertake that the average speed in service of the vessel will be not less than 16 knots with a maximum bunker consumption of 4.5 tons Diesel Oil and 65 tons Fuel Oil per day. These consumption figures exclude bunkers used for ballasting, cargo heating and tank cleaning.

(2) The overall average speed and bunker consumption for all sea passages completed under this Charter shall be calculated at the following times:-

(A) At each periodical drydocking as it occurs.

20 (B) At the termination of the Charter or any extension thereof subject to the provision of paragraph (5) of this Clause.

The calculations shall be based on the distance made and time taken by the vessel to complete all sea passages from Pilot Station to Pilot Station but excluding:-

30 (a) periods in which time is lost on Charterer's instructions or due to causes specifically excepted under this Charter.

(b) time off-hire.

(c) periods in which time is lost solely for reasons of safe navigation but the burden of proving that time has been so lost shall be on Owners.

40 (3) If any of the calculations made under paragraph (2) of this Clause show that over all the sea passages completed under this Charter when the calculations are made:-

1st Defendants
Exhibits

1965.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

(a) the average speed of the vessel has fallen short of the average speed in service set out in paragraph (1) of this Clause, and/or

(b) the average daily bunker consumption has exceeded the maximum consumption per day set out in paragraph (1) of this Clause.

the hire shall be recalculated as appropriate for a vessel of the overall average performance actually achieved using factors applicable as at the date of this Charter and shall, subject to Paragraph (4) of this Clause, apply from the commencement of the period immediately following that to which the calculation refers. 10

The difference between the hire paid and the hire due for a vessel of the overall average performance actually achieved shall be deducted from the first payment of hire due after completion of the calculation. However no deduction shall be made unless the average speed in service falls below 15.7 knots and bunker consumption exceeds a 3.0% tolerance. 20

(4) If, as a result of improvement in the vessel's performance a calculation shows that an excessive amount has been deducted from hire, Charterers shall refund to Owners the amount necessary to equate the hire paid with the hire due for a vessel of the overall average performance actually achieved under this Charter, save that in no event shall Charterers make a payment which would result in Owners receiving more than the hire which would have been due under Clause (12) over the term of the Charter concerned. 30

(5) Reduction of hire under this Clause for the period between the final periodical drydocking and the termination of this Charter or any extension thereof shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the Charter period as so specified. 40

1966.

1st Defendants
Exhibits

Any necessary adjustment after the end of the Charter shall be made by payment by Owners to Charterers or by Charterers to Owners as the case may require.

Exhibit .M.H.19

M.T. "Amanda
Miller" Charter
Party

(6) Reduction of Hire under the foregoing provisions shall be without prejudice to any other remedy available to Charterers.

31st August
1971
(continued)

10 (7) In the event of any conflict between the particulars set out in the aforesaid Schedule and any other provisions (including this clause) of this Charter such other provision shall prevail.

Condition of Vessel

20 6. Owners shall before, at the date of delivery and throughout the period of service under this Charter exercise due diligence to make and maintain the vessel tight, staunch, strong in good order and condition, in every way fit for the service and in every way fit to carry the cargoes provided for in Clause 8 with the vessel's machinery, boilers hull-pumps pipelines and heating coils in such a state as to obtain the most economic working having regard to the speed and consumption specified in the Schedule referred to in Clause 5 and with a full and efficient complement of Master, officers and crew for a vessel of her tonnage. Owners also warrant to carry out a programme of progressive tank cleaning to ensure that the vessel can at 30 all times load and carry cargo up to the designed capacity and, in particular, to avoid the build up of residues and other deposits which may be encountered.

Suez/Panama Canals

40 7. Owners undertake that throughout the period of service under this Charter they will at their expense comply with the regulations in force from time to time so as to enable the vessel to pass through the Suez and Panama Canals by day and night without delay.

Exhibit M.H.19

Cargoes Bulk Cargoes

M.T. "Amanda
Miller" Charter
Party

8. Subject to Clause 9, Charterers have the right to ship all lawful merchandise.

31st August
1971
(continued)

In particular and without limiting the generality of the foregoing Charterers may trade the vessel with Dirty Oils including Crude Oil and/or Fuel Oil and/or Diesel Oil and/or Gas Oil and/or Distillate of Petroleum during the period of service under this Charter. Alternatively, Charterers may trade the vessel with Clean Oils including Refined Petroleum and/or Spirit of Petroleum and/or Gas Oil, it being understood that Charterers may change from dirty to Clean Oils, or vice versa as they require. The time used and expenses incurred solely for cleaning the vessel's tanks pipes and pumps on each occasion of changing from Dirty Oils to Clean Oils shall be for Charterers' account

10

20

Injurious Cargoes

9. No acids, explosives or cargoes injurious to the vessel shall be shipped, nor shall any voyage be undertaken, nor goods or cargoes be loaded, that would involve risk of seizure, capture or penalty imposed by rulers or governments. Without prejudice to the foregoing, any damage to the vessel caused by the shipment of any such cargo as aforesaid shall be at Charterers' risk and expense, and the time taken to repair such damage shall be for Charterers' account.

30

Trading

10. Subject to no objection being raised by the Australian Commonwealth Government at the time, the vessel shall trade in any part of the world as Charterers' shall direct. Charterers undertake that unless Owners prior consent has been obtained, such trading shall be subject to the limits of the current British Institute Warranty Clauses and subsequent amendments thereof. The vessel shall not be obliged to force ice.

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1968.

1st Defendants
Exhibits

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

Should the vessel be required to trade overseas as per this clause, the charter hire shall be adjusted to cover any increased costs to the Owner as a consequence of such trade.

31st August
1971
(continued)

Loading/Discharge Place

10 11. The vessel shall be loaded and discharged at any port, berth, dock, anchorage, submarine line, alongside vessels or lighters or any other place whatsoever as ordered by Charterers. Charterers shall not be deemed to warrant the safety of any of the aforementioned places and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence before directing the vessel to any such places to ascertain that the vessel can always lie safely afloat.

Rate of Hire

20 12. Subject as herein provided Charterers shall pay for the service of the vessel under this Charter at the rate of A\$10,750 per day payable Monthly in advance, commencing at and from the time and date of commencement of this Charter, and continuing until the time and date of the return of this vessel to Owners subject to Clause 46.

Payment of Hire

30 13. Payment of the said hire shall be made in Sydney monthly in advance less: (1) any advances for disbursements made on Owners' behalf; (2) any amount or expenses in respect of actual or estimated off hire periods; (3) any expenses incurred by Charterers which may reasonably be estimated by them to relate to such off hire periods and (4) any amounts due or estimated to become due to Charterers under the terms of Clause 5 hereof. Any adjustments shall be made at
40 the due date for the next monthly payment or as soon as possible after the facts have been ascertained.

1st Defendants
Exhibits

1969.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

In the event of such payment not being made on the due date, Owners shall notify Charterers whereupon Charterers shall make payment of the amount due within seven days of receipt of notification from Owners, failing which Owners shall have the right to withdraw the vessel from the service of Charterers, without prejudice to any claim Owners may otherwise have on the Charterers under this Charter.

10

Final Voyage

14. Should the vessel be on a voyage towards the port of re-delivery at the time payment of hire is due, payment of hire shall be made for such length of time as Owners and Charterers may agree upon as being the estimated time necessary to complete the voyage, less any disbursements made or expected to be made or expenses incurred or expected to be incurred by Charterers for Owners' account and less the cost of bunker fuel estimated remaining at the termination of the voyage, and when the vessel is re-delivered any overpayment shall be refunded by Owners or under-payment paid by Charterers.

20

Should the vessel be performing a voyage at the expiry of the period of this Charter, Charterers may have the use of the vessel at the same rate and conditions, for such extended time as may be necessary to complete loading and/or discharge of the cargo as required by Charterers, and if necessary until her return to a Port of redelivery as provided by this Charter.

30

Disbursements

15. Should the Master require from Charterers or their agents, advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of $2\frac{1}{2}$ per cent and all such advances shall be deducted from hire.

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1970.

1st Defendants
Exhibits

Exhibit M.H.19

Lien

16. Owners shall have a lien upon all cargoes and all freights for any amounts due under this Charter and Charterers shall have a lien on the vessel for all moneys paid in advance and not earned and for the cost of fuel in bunkers and for all claims for damages arising from any breach of this Charter by Owners.

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

10 Loss of Vessel

17. Should the vessel be lost, hire shall cease at noon on the day of her loss, and, should the vessel be missing, hire shall cease, at noon on the day on which she was last heard of, and any hire paid in advance and not earned shall be returned to Charterers.

Laying-up

20 18. Charterers shall have the option of laying up the vessel instead of working her in which case the hire provided for under this Charter shall be reduced by the amount by which Owners are capable of reducing their expenditure under this Charter.

Owners to Provide

30 19. Except as otherwise stated in this Charter or as may be agreed from time to time Owners shall provide and/or pay for all requirements, costs or expenses of whatsoever nature relating to the vessel, her Master, Officers or crew which, without prejudice to the generality of the foregoing, shall include (1) dry-docking repairs, docking for Owners' purposes, and all expenses associated therewith; (2) provisions, wages, shipping and discharging fees and all other expenses of the Master, officers and crew; (3) deck, cabin and engine room stores; (4) galley fuel and fuel used for supplying facilities to the crew for heating the accommodation and for the operation of air conditioning plant; 40 (5) domestic water; (6) marine and war risk

Exhibit M.H.19
M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

insurance on the vessel; (7) fumigation and deratisation exemption certificates; (8) tonnage certificates as required; (9) any additions dues or charges which may be levied on the vessel by reason of its flag; (10) all customs or import duties arising in connection with any of the foregoing.

Any amounts allowable in General Average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a period when the vessel is on hire.

10

Charterers to Provide

20. Charterers shall (except when incurred for Owners' purposes or during loss of time on Owners' account whether or not the vessel is off hire) provide and/or pay for; (1) all fuel except (a) Fuel for Owners account under Clause 19, and (b) fuel used in connection with a General Average sacrifice or expenditure or with the preparation for and the drydocking, repair, or docking of the vessel for Owners' purposes; (2) water for the boilers; (3) port charges including State light dues, Charterers agency fees, commissions, expenses of loading and discharging cargoes and canal dues; (4) towage, pilotage and stevedoring, save that Owners shall remain responsible for proper stowage which must be controlled by the Master who shall keep strict account of all cargo loaded and discharged, and save that Owners hereby accept responsibility for and indemnify Charterers their servants and agents against all claims, damages, liabilities and obligations whatsoever which may arise out of any towage, pilotage and stevedoring as aforesaid, whether such claim, damage, liability or obligation arises under conditions imposed by the party rendering the service or otherwise. Owners' liability under this clause shall not exceed the amount to which Owners would have been entitled to limit their liability if the arrangements for towage, pilotage and stevedoring had been made by Owners themselves.

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1972.

1st Defendants
Exhibits

Exhibit M.H.19

N.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

All requirements of the vessel whatsoever during or in connection with periods of off hire and during loss of time on Owners' account whether or not the vessel is off hire, shall be provided and/or paid for by Owners notwithstanding that such requirements would otherwise be provided and/or paid for by Charterers under this clause.

Bunkers and Water at Delivery and Redelivery

10 21. Charterers shall accept and pay for all
bunker oil and boiler water on board at the
time of delivery, and Owner shall, on the
expiry of this charter, pay for all bunker
oil and boiler water then remaining on board
at current published market prices at the
respective ports. Owner shall give Charterers
the use and benefit of any fuel contracts it
may have in force, at home and/or abroad if
20 so required by Charterers, provided suppliers
agree.

Maximum bunker fuel oil on delivery and
redelivery shall be sufficient for vessel's
needs to reach next loading port plus spares
as required by Charterers and Owner,
respectively.

Heating Coils

30 22. Vessel shall be fully coiled and capable
at all times of heating to and maintaining
the cargo at a temperature of 140° F. and at a
sea water temperature of 40° F.

Off Hire

23. The vessel shall be off hire:

40 A. In the event of loss of time continuing
for more than 24 hours through; (1) deficiency
of personnel unless arising from any cause
referred to in paragraph B hereof; (2) defi-
ciency of stores; (3) breakdown (whether
partial or otherwise) of machinery or boilers;
(4) accident or damage to the vessel including
collision and stranding; (5) any other cause
preventing the efficient working of the vessel.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

B. In the event of loss of time whether or not continuing for 24 hours through: (1) breach of orders or neglect of duty by, or the consequences of illness or injury to, or strikes by, or refusal to sail on the part of the Master, officers or crew; (2) deviation for the purpose of obtaining medical advice or treatment for, or landing any person (other than a passenger carried under Clause 32 hereof) in consequence of illness or injury; (3) putting into and whilst at any port or anchorage other than that to which the vessel is bound under the instructions of Charterers for any reason other than stress of weather; (4) in the event of detention of the vessel by authorities at home or abroad in consequence of legal action against vessel or Owners (unless brought about by the act or neglect of Charterers) whereby the vessel is rendered unavailable for Charterers' service, the vessel shall be off-hire until the service can again be resumed. Should such detention render the vessel unavailable for Charterer's service for a period of 30 days, Charterers, by written notice, shall have the election to cancel this charter or to suspend same until the service can again be resumed, without prejudice to any right of claim for damage which Charterers may have in the premises; (5) tank cleaning and/or gas freeing for drydocking and/or repairs; (6) time in drydock; (7) waiting repair facilities or turn for repair berth, anchorage or drydock; (8) proceeding for drydocking and/or repairs to any port other than the port off which Charterers could have placed the vessel at Owners' disposal in accordance with Clause 24 if Owners had not elected to send the vessel to a special port.

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C. At Charterers' option if the State of the flag of the vessel or the State in which the effective Management of the vessel is exercised becomes engaged in hostilities and Charterers find it impossible to employ the service of the vessel. In this event Owners shall have the right to employ the service of the vessel on their own account during such period.

1974.

1st Defendants
Exhibits

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

10 All periods of off-hire shall run from the commencement of the loss of time, deviation or putting back and shall continue until the vessel is again in a fully efficient state to resume her service from a position not less favourable to Charterers than that at which the loss of time, deviation or putting back commenced. Any period of off-hire shall count as part of the period provided for in Clause 1 of this Charter.

Drydocking

20 24. Owners undertake that approximately 12 months after the vessel was last drydocked and at the expiry thereafter of approximately each 12 months of service under this Charter they will put the vessel in drydock and clean and paint her bottom at their expense in either case as soon thereafter as Charterers place the vessel at Owners' disposal, clear of cargo, off a port in Australia having suitable accommodation for the purpose. Subject to Clauses 20 and 23 Owners may send the vessel to a special port in which event Charterers will credit Owners with any benefit they may gain in purchasing fuel at the special port aforesaid.

Space Available to Charterers

30 25. The whole reach, burthen and decks of the vessel, and its passenger accommodation (which shall be deemed to include Owners' suite), if any, shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's Master, officers, crew, tackle, apparel, furniture, provisions, stores, and lubricating oil, provided that the weight of stores, spare gear and lubricating oil on board shall not, unless specially agreed, exceed the tonnage shown in Clause 3(E) of the Schedule attached
40 hereto at any one time during the period of service under this Charter.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

Duties of Master

26. The Master shall prosecute his voyages with utmost despatch and shall render all reasonable assistance with the vessel's officers and crew and equipment. The Master shall ensure that the vessel shall load and discharge cargo as rapidly as possible by night as well as by day when required by Charterers or their agents to do so.

10

Ship's Documents

27. The Master shall keep a full and correct log of the voyage or voyages, which shall be open to inspection by Charterers or their agents as required, and shall furnish Charterers or their agents when required to do so with a true copy of the vessel's log books and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents as are not provided by the Master.

20

Conduct of Vessel's Personnel

28. If Charterers shall complain of the conduct of the Master or any of the officers or crew, Owners shall immediately investigate the complaint jointly with Charterers and if the complaint proves to be well founded, Owners shall, without delay, make a change in the appointments.

30

Infected Area

29. Owners shall be liable for any loss of time in quarantine arising from the Master or any of the officers or crew having communication with the shore at any infected area without the written consent or instructions of Charterers or their agents.

1976.

1st Defendants
Exhibits

Bills of Lading and Indemnities

Exhibit M.H.19

10 30. The Master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel agency or other arrangements. Bills of Lading are to be signed as Charterers or their agents may direct, without prejudice to this Charter, the Master attending as necessary at the offices of Charterers or their agents to do so. Charterers hereby indemnify Owners against all liabilities that may arise:
(1) from any irregularities in papers supplied by Charterers or their agents, and (2) from the signing of Bills of Lading in accordance with the directions of Charterers or their agents to the extent that the terms of such bills of lading impose more onerous liability than those assumed by the Owners under the terms of this Charter.

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

20 Sublet

31. Charterers shall have the option of sub-letting or assigning charter to any individual or company but Charterers shall always remain responsible for the due fulfillment of this charter in all of its terms and conditions.

Exceptions/Liberty

30 32. Save that Clauses 3, 4, 5, 6, 7, 19 and 20 and any provisions for the cessation of hire as provided by this Charter shall be unaffected hereby; (1) the vessel, her Master and Owners shall not, unless otherwise in this charter expressly provided, be responsible for any loss of or damage to the cargo arising or resulting from any act, neglect or default of the Master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers
40 and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; (2) neither the vessel, her Master or Owners, nor Charterers shall, unless

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

otherwise in this Charter expressly provided, be responsible for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, hostilities, seizure under legal process, quarantine restrictions, strikes, lockouts, riots, civil commotions and arrest or restraint of princes, rulers or people;
(3) the vessel shall have liberty to sail with or without pilots, to tow or to go to the assistance of vessels in distress, and to deviate for the purpose of saving life or property, or for any other reasonable purpose.

10

Salvage

33. All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting Master's, Officers' and crew's share and reimbursing the hire of the vessel for time lost and cost of fuel consumed and all other expenses incurred to the party bearing them. Subject as aforesaid, and subject to the provisions of Clause 23 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or her cargo) incurred in saving or attempting to save life and in unsuccessful attempts at salvage shall be borne equally by Owners and Charterers, provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause.

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Change of Ownership

34. Owners' rights and obligations under this Charter are not transferable by sale without Charterers' consent. In the event of the vessel being sold without their consent Charterers may, at their absolute discretion, terminate the Charter, whereupon Owners shall reimburse Charterers with any hire paid in advance and not earned and the cost of fuel in bunkers.

40

1978.

1st Defendants
Exhibits

Requisition

Exhibit M.H.19

10 35. Subject to Clause 36 should the vessel be requisitioned by the Australian Government during the period of this Charter, the vessel shall be deemed to be off-hire during the period of such requisition, and any hire paid by the Australian Government in respect of such requisition period shall be for Owners' account. The period during which the vessel is on requisition to the Australian Government shall count as part of the period provided for in Clause 1 of this Charter.

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

Outbreak of War

20 36. In the event of the outbreak of war or hostilities between any two or more of the following countries "Australia, United Kingdom, France, U.S.A., U.S.S.R., Peoples Republic of China, Republic of Indonesia," Owners and Charterers shall each have the right at any time of cancelling this Charter should such outbreak of war or hostilities preclude the fulfilment of this Charter.

Additional War Expenses

30 37. Any extra expenses which may be incurred by Owners if the vessel has to trade in areas where there is war (de facto or de jure) shall be borne by Charterers, provided that before such expenses are incurred Charterers are given an opportunity to signify their approval.

War Insurance

40 38. War and/or mine risk insurance, if any, shall be for Owners' account, but notwithstanding the provisions of Clause 19 hereof, war risk insurance on hull and machinery on a mutually agreed value in excess of the rate ruling at the date hereof shall be for Charterers' account. Owners to advise hull and machinery valuations for war risk insurance also premium as at the date of delivery.

1st Defendants
Exhibits

1979.

Exhibit M.H.19

War Risks

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

39. (1) The Master shall not be required or bound to sign Bills of Lading for any blockaded port or for any port which the Master or Owners in his or their discretion consider dangerous or impossible to enter or reach.

(2) If (A) any port of loading or of discharge named in this Charter or to which the vessel may properly be ordered pursuant to the terms of the Bills of Lading be blockaded, or (B) owing to any war, hostilities, warlike operations, civil war, civil commotions, revolutions, or the operation of international law (a) entry to any such port of loading or of discharge or the loading or discharge of cargo at any such port be considered by the Master or Owners in his or their discretion dangerous or prohibited or (b) it be considered by the Master or Owners in his or their discretion dangerous or impossible for the vessel to reach any such port of loading or of discharge then Charterers shall have the right to order the cargo or such part of it as may be affected to be loaded or discharged at any other port of loading or of discharge within the range of loading or discharging ports respectively established under the provisions of the Charter (provided such other port is not blockaded or that entry thereto or loading or discharge of cargo thereat is not in the Master's or Owners' discretion dangerous or prohibited). If in respect of a port of discharge no orders be received from Charterers within 48 hours after they or their agents have received from Owners a request for the nomination of a substitute port, Owners shall then be at liberty to discharge the cargo at any safe port which they or the Master may in their or his discretion decide on (whether within the range of discharge ports established under the provisions of the Charter or not) and such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment so far as cargo so discharged is concerned. In the event of the cargo being loaded or discharged at any such other

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1980.

1st Defendants
Exhibits

Exhibit M.H.19

M.T. "Amanda
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31st August
1971
(continued)

10 port within the respective range of loading
or discharging ports established under the
provisions of this Charter, this Charter
shall be read in respect of freight and all
other conditions whatsoever as if the
voyage performed were that originally desig-
nated. However, if the vessel discharges the
cargo at a port outside the range of discharge
ports established under the provisions of
this Charter, freight shall be paid as for the
voyage originally designated and all extra
expenses involved in reaching the actual port
of discharge and/or discharging the cargo
thereat shall be paid by Charterers or Cargo
Owners. In this latter event Owners shall
have a lien on the cargo for all such extra
expenses.

20 (3) The vessel shall have liberty to
comply with any directions or recommendations
as to departure, arrival, routes, ports of
call, stoppages, destinations, zones, waters,
delivery or in any otherwise whatsoever given
by the government of the nation under whose
flag the vessel sails or any other government
or local authority including any de facto
government or local authority or by any
person or body acting or purporting to act
as or with the authority of any such
30 government or authority or by any committee or
person having under the terms of the war
risks insurance on the vessel the right to
give any such directions or recommendations.
If by reason of or in compliance with any
such directions or recommendations, anything
is done or is not done such shall not be
deemed a deviation.

40 If by reason of or in compliance with any
such direction or recommendation the vessel
does not proceed to the port or ports of
discharge originally designated or to which she
may have been ordered pursuant to the
terms of the Bills of Lading, the vessel may
proceed to any safe port of discharge which
the Master or Owners in his or their discre-
tion may decide on and there discharge the
cargo. Such discharge shall be deemed to be
due fulfilment of the contract or contracts

1st Defendants
Exhibits

1981.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

of affreightment and Owners shall be entitled to freight as if discharge had been effected at the port or ports originally designated or to which the vessel may have been ordered pursuant to the terms of the Bills of Lading. All extra expenses involved in reaching and discharging the cargo at any such other port of discharge shall be paid by Charterers and/or Cargo Owners and Owners shall have a lien on the cargo for freight and all such expenses.

10

Both to Blame Collision Clause

40. If the liability for any collision in which the vessel is involved while performing this Charter falls to be determined in accordance with the laws of the United States of America, the following clause shall apply:-

If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners insofar as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.

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The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to the colliding ships or objects are at fault in respect of a collision or contact.

40

1982.

1st Defendants
Exhibits

General Average

Exhibit M.H.19

41. General Average shall be adjusted in Sydney and payable according to the York/Antwerp Rules 1950.

M.T. "Amanda
Miller" Charter
Party

New Jason Clause

31st August
1971
(continued)

10 42. If notwithstanding Clause 41 it is agreed that General Average adjustment be made in accordance with the law and practice of the United States of America, the following clause shall apply:-

20 In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo.

30 If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery.

Bill of Lading Clauses

40 43. All Bills of Lading issued under this Charter shall contain War Risks, Both-to-Blame Collision and New Jason Clauses.

Exhibit M.H.19

Clause Paramount

M.T. "Amanda"
Miller" Charter
Party

31st August
1971
(continued)

44. All Bills of Lading issued under this Charter shall contain a clause Paramount incorporating therein the Hague Rules contained in the International Convention for the Unification of Certain Rules Relating to Bills of Lading, dated Brussels the 25th August, 1924, as enacted in the country of shipment, or if no such enactment is in force in the country of shipment, incorporating the provisions of the said Rules as set out in the Schedule to the Sea Carriage of Goods Act 1924, of the Commonwealth of Australia.

10

45. This Charter shall be construed and the relations between the parties determined in accordance with the law of The Commonwealth of Australia and the State of New South Wales. The Supreme Court of New South Wales shall have exclusive jurisdiction over any dispute which may arise out of this Charter.

20

Escalation Clause

46. At the commencement of the Charter it is estimated that the annual non-voyage costs subject to escalation are:-

Seagoing Wages	A\$	600,000	
Insurance including P and I		200,000	
Victualling		40,000	
Stores		100,000	
Radio Officers salary, AWA hire, Traffic		30,000	30
Other disbursements		50,000	
General repairs and annual overhaul		300,000	
Affiliation fees (CSOA etc)		10,000	
Head Office expenses		35,000	

Escalation will be determined on the following basis:-

- (1) Seagoing wages, overtime, annual and accumulated leave.

40

1984.

1st Defendants
Exhibits

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

10 The base figure of A\$600,000 in the non-voyage costs for wages overtime, annual and accumulated leave shall be increased or reduced to the extent to which there is on and after 1st September, 1971 any respective increase or reduction in the cost of crew wages, overtime, annual and accumulated leave brought about by variations in seagoing awards or agreements with maritime unions or by determination of government authorities or by the Commonwealth Arbitration Court and such variations shall include increases or reductions in costs through variation of the present manning of 36 persons following an order of the Department of Shipping and Transport or by reason of an agreement between Owners and the seagoing unions following a demand which the Owner could not reasonably be expected to resist.

20 A certificate from Owner's auditors to be accepted by Charterers as evidence of such rise or fall in costs. The adjustment will be divided by 330 to determine the variation in daily hire rate as shown in Appendix 1.

(2) Insurance

30 The base figure of A\$200,000 in the non-voyage costs shall be increased or reduced to the extent of any increase or reduction (respectively) in the premium rates charged to Owner by its insurer for the marine insurance on hull and machinery and any contributions payable to the vessel's Protecting and Indemnity Club and total loss. This item to be reviewed annually on Owners' receipt of premium renewal notice from underwriters.

40 A certificate from Owner's auditors and/or receipts for the payment of premia by Owners to be accepted by Charterers as evidence of such rise or fall in costs. The adjustment will be divided by 330 to determine the variation in daily hire rate as shown in Appendix 1.

1st Defendants
Exhibits

1985.

Exhibit M.H.19

(3) Other non-voyage costs.

M.T. "Amanda
Miller" Charter
Party

The base figures in other non-voyage costs, namely:-

31st August 1971 (continued)	Victualling	A\$ 40,000	
	Stores	100,000	
	Radio Officers, salary, AWA hire, Traffic	30,000	
	Other disbursements	50,000	
	General repairs and annual overhaul	300,000	10
	Affiliation fees (CSOA etc.)	10,000	
	Head Office expenses	35,000	

totalling A\$565,000, shall be increased or decreased by the respective upwards or downwards percentage change in the "all groups" weighted average of the consumer price index for six capital cities issued by the Commonwealth Bureau of Census and Statistics. The base consumer price index will be that index published for the quarter ending September, 1971. The first adjustment will be made effective the 1st April, 1972, using the consumer price index published for the quarter ending December, 1971 and shall be the percentage increase or decrease over the September quarter consumer price index applied to the base figure of \$565,000. Subsequent adjustments will be made every 3 months by applying the percentage increase or decrease for the latest available quarterly index over the previous quarter index to the last determined "other non-voyage costs". Adjustments will be made effective 1st July, 1st October, 1st January, 1st April until the expiry of the Charter.

The net adjustment to the "other non-voyage costs" divided by 330 will then apply to the daily hire rate as shown in the attached appendix.

If the consumer price index ceases to be published by the Commonwealth Bureau of Census and Statistics, the parties will agree promptly on a new basis for escalation of "other non-voyage costs".

10

20

30

40

1986.

1st Defendants
Exhibits

Exhibit M.H.19

Oil Pollution Clause

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

47. (a) Owners warrant that for the duration of this Charter Party the vessel is entered in Tonalop, and that all costs so incurred are for Owners' account. Any dues levied by Federal or State Governments in connection with oil pollution to be for Owners' account.

10 (b) The Owner agrees to participate in Charterers' programme covering oil pollution avoidance work in Charterer's own vessels. Such programme prohibits discharge overboard of all oily water, oily ballast or oil in any form of a persistent nature except in extreme circumstances whereby the safety of the vessel, cargo or life at sea would be imperiled.

20 The Master will contain on board the vessel all oily residues from consolidated tank washings, dirty ballast etc., in one compartment after separation of all possible water has taken place.

The oil residues will be pumped ashore at the loading or discharging terminal, either as segregated oil, dirty ballast, commingled with cargo or as is possible for Charterers to arranged with each cargo.

30 If the Charterers require that demulsifiers shall be used for the separation of all water, such demulsifiers shall be supplied by Charterers at Charterers' expense.

The Owner agrees to instruct the Master to furnish Charterer with a report covering oil pollution avoidance for each voyage of the vessel throughout the Charter Party period.

1st Defendants
Exhibits

1987.

Exhibit M.H.19

EXECUTED IN SEPTUPLICATE

M.T. "Amanda
Miller" Charter
Party

R.W. MILLER &)
COMPANY PTY.)
LIMITED)

AMOCO)
AUSTRALIA)
PTY.)
LIMITED)

31st August
1971
(continued)

BP)
AUSTRALIA)
LIMITED)

CALTEX OIL)
(AUSTRALIA))
PTY.)
LIMITED)

10

MOBIL OIL)
AUSTRALIA)
LIMITED)

H.C. SLEIGH)
LIMITED)

TOTAL)
AUSTRALIA)
LIMITED)

20

SCHEDULE

Referred to in Clause 5 of Time Charter Party
dated 31st August 1971

between

R.W. MILLER & COMPANY PTY. LIMITED of Sydney
- Owners

and

AMOCO AUSTRALIA PTY. LIMITED, BP AUSTRALIA
LIMITED, CALTEX OIL (AUSTRALIA) PTY. LIMITED,
MOBIL OIL AUSTRALIA LIMITED, H.C. SLEIGH
LIMITED, and TOTAL AUSTRALIA LIMITED together
with their successors and assigns
- Charterers

30

"AMANDA MILLER"

Owners undertake that at the date of delivery

1988.

1st Defendants
Exhibits

under the attached Charter the vessel shall
be of the following description:-

Exhibit M.H.19

1. Builders: Whyalla Shipbuilding
& Engineering Works
Whyalla S.A.
Year of Build: 1971

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

2. Dimensions

- (a) Length overall 785 feet - ins.
(b) Breadth Extreme 105 feet 9.5 ins.
(c) Draft fully loaded in salt water
on classified Summer Freeboard:
43 feet 2.5 ins.

10

3. Tonnages

- (a) Deadweight on classified
Summer Freeboard: 65,748 tons
(b) Gross Register
Tonnage: 39,058.62 tons
(c) Net Register
Tonnage: 22,789.23 tons
(d) Suez Canal Net
Tonnage: tons
(e) Weight of stores,
spare gear and
lubricating oil on
board 350 tons maximum

20

4. Machinery

- (a) Type of Propelling
Machinery: Sulzer (IHI) 7 RND
90 Diesel Engine
2 Cycle
(b) Maximum rated B.H.P.
20300 metric at 122 R.P.M.
(c) Service 17500 metric
B.H.P. at 116.1 R.P.M.

30

1st Defendants
Exhibits

1989.

Exhibit M.H.19

5. Speed

M.T. "Amanda
Miller" Charter
Party

(a) Speed on fully loaded trial
at Service B.H.P. and R.P.M.
as per 4c knots

31st August
1971
(continued)

(b) Average speed in Service:
16.0 knots
(tolerance 0.3 Knots)

6. Fuel Consumption

(At average speed in service but excluding
ballasting, cargo heating and tank
cleaning)

10

(a) For propulsion
purposes: 65 tons per day Fuel
oil

(b) For ship's use
in boilers
(Excluding c,
d, e and f): NIL tons per day oil

(c) For Diesel or
Steam Genera-
tor (Excluding
emergency
generator)
at 75%
load 4.5 tons per day
Diesel oil
TOTAL 69.5 tons per day
tolerance 3%

20

Owner's Account

(d) For operating water
evaporators for
domestic water
requirements only
(Heat recovery unit)
- tons per day - oil

30

1990.

1st Defendants
Exhibits

(e) For supplying services
to crew: - tons per day - oil

Exhibit M.H.19

(f) For galley:
- tons per month - oil

M.T. "Amanda
Miller" Charter
Party

7. Water Consumption

31st August
1971
(continued)

Water consumption per day

(a) Boilers (assume cargo
heating) 20 tons per day

(b) Domestic 16 tons per day

10 8. Bunker Capacity and Steaming Ranges

(a) Capacity of bunker (98% full)

(1) Diesel Oil 282 tons
(Fresh Water)

(2) Fuel Oil 3900 tons
(Fresh Water)

(b) Steaming range afforded
by capacity of water
tanks (with
evaporator) unlimited days

20 (c) Capacity of water
evaporators (single
unit - heat recovery
type) 40 tons per day

9. Cargo Tanks

(a) Total capacity (98% full)
62389 cubic feet

(b) Number of compartments 15

30 (c) Number of qualities or
descriptions of oil
vessel can carry with
pumproom and/or cofferdam
separation No pump room or
pumproom segregation

1st Defendants
Exhibits

1991.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

(d) Number of qualities or
descriptions of oil
vessel can carry with
master valve
separation: 3
(but 5 grades with line wash etc.)

10. Boilers and Steam Capacity

Main Boilers (Aux.)

- (a) Number: 2
- (b) Type: IHI 2 Drum type steam generator mono-wall construction 10
- (c) Total heating surface (each boiler) 383 sq. meters
- (d) Total service steam capacity (each boiler) 25000 KG per hour
- (e) Estimated steam required for maintaining heat of cargo at 140^oF. whilst discharging, assuming sea temperature is 40^oF. lbs per hour 20
- (f) Estimated maximum steam required for essential auxiliaries and ship's services (from waste heat boiler): 4000 lbs per hour
- (g) Nett steam available for driving cargo pumps (i.e. total steam available less that required for maintaining heat of cargo, driving auxiliaries and ship's services): lbs per hour 30

1992.

1st Defendants
Exhibits

Waste Heat Boilers

Exhibit M.H.19

(a) Number: 1

M.T. "Amanda
Miller" Charter
Party

(b) Type: Forced Circulation
Tube Type - OSAKA
BOILER MANUFACTURERS

31st August
1971

11. Cargo Pumps

(continued)

(a) Number: 3

(b) Type: SHINKO - Horizontal
Centrifugal Turbine
Driven

10

(c) Rated capacity of
each pump in water
tons per hour (sea):
2000 (Metric) tons
per hr at 105 metre/
water back pressure

12. Stripping Pumps

(a) Number: 2

(b) Type: SHINKO - Vertical
Duplex Double Acting
reciprocating

20

(c) Total capacity in sea
water: 200 cu/meter per
hour at 105 metres/
water back pressure

13. Cargo Loading Performance

Maximum rate at which
vessel can load cargo
(exclusive of topping up):

30

8000 water tons
(metric) per hour
(approx.)

1st Defendants Exhibits

1993.

Exhibit M.H.19

M.T. "Amanda Miller" Charter Party

31st August 1971 (continued)

14. Heating Coils

Area of heating surface per 40 cubic feet of cargo space to enable vessel to heat to at a sea temperature of 40°F.

(a) Centre Tanks 0.025 sq.meter/
cubic meter

(b) Side Tanks 0.030 sq.meter/
cu. meter

15. General

10

(a) Type of tank cleaning equipment fitted:
HY-O-TAC fixed system

(b) Cubic capacity of forehold: nil cu.feet

(c) Type of Radio Telephony fitted: marconi OSB/SSB

(d) Type of Galley: electric

(e) Type of winches (Electric, steam, etc.): Steam Driven

20

(f) Lifting capacity of derrick or davit on poop deck: 1 port 1 stbd 3 tons each

(g) Lifting capacity of derricks in way of manifold: 7 tons S.W.L.

(h) Lifting capacity of derrick for handling forehold cargo: nil tons

30

(i) Size of stern discharge line: nil

1994.

1st Defendants
Exhibits

(j) Details of auxiliary
engines: 3 off Daihatsu
8 Cylinder 4 cycle
1500 H.O. (metric)

Exhibit M.H.19
M.T. "Amanda
Miller" Charter
Party

APPENDIX 1 to TIME CHARTER PARTY dated 31st
August 1971

31st August
1971
(continued)

ESCALATION CALCULATION

10 Escalation in accordance with the provision
of the Time Charter Party "AUSTANKTIME 1"
Clause 46, will be determined by the following
formula:-

Adjustment to daily hired rate (€/day)
= $(N-P)/330$

Where N = new rate for wages, insurance
or other non-voyage costs,
€/p.a.

P = last determined rate for
wages, insurance or other
non-voyage costs €/p.a.

20 Calculation to nearest whole €.

EXAMPLE

(1) Wages: Assume new wages = €606,000
= N
Last determined wage
= 600,000 = P

Adjustment = $(606,000 -$
 $600,000)/330$
= + €18/day

1st Defendants
Exhibits

1995.

Exhibit M.H.19

M.T. "Amanda
Miller" Charter
Party

31st August
1971
(continued)

- (2) Insurance: Assume new insurance =
 $\$190,000 = N$
Last determined insurance
 $= \$200,000 = P$
- Adjustment = $(190,000 - 200,000)/330$
 $= -(10,000)/330$
 $= -\$30/\text{day}$

- (3) Other Non-voyage Costs: Initial
Calculation:-

10

Assume September Consumer Price
Index (CPI) = 117.2
Base Cost = $\$565,000$
Assume December Quarter CPI =
118.6

% increase = 1.2

Adjusted non-voyage cost for
December quarter = $101.2 \times 565,000$
 $= \$571,780 = N$

Adjustment to daily hire
 $= (571,780 - 565,000)/330$
 $= \$21/\text{day effective 1 April}$

20

Next Adjustment

Assume March quarter CPI % increase
over December quarter = 1.1%

P = $\$571,800 \text{ p.a.}$

N = Adjustment to March N.V.C.
O.N.V.C. = $101.1 \times 571,780$
 $= 578,070 \$ \text{ p.a.}$

Adjustment to daily hire
 $= (578,070 - 571,780)/330$
 $= + \$19/\text{day effective 1 July.}$

30

1996

Exhibit MH 19
(continued)

Affidavit verifying execution of charge
unsworn (undated)

Exhibit MH 19

Affidavit
verifying
execution of
charge unsworn
(undated)

R. W. MILLER & COMPANY PTY. Limited On the
day of _____ in the year One thousand nine hun-
dred and seventy-one of _____ v Ellis-Jones
of 19 Bridge St., Sydney in the State of New
South Wales being duly sworn makes oath and says
as follows:-

10 1. I am* the Secretary of R.W. Miller &
Company Pty. Limited.

2. I was present and did see the execution
by R.W. Miller & Company Pty. Limited of Deed
of Covenant dated the _____ day of
1971, in favour of Hambros Bank Limited the seal
of the company duly affixed thereto in my pres-
ence on the _____ day of _____ 1971,

20 3. The annexure marked with the letter "A"
has been compared by me with the original instru-
ment creating or evidencing the charge and is a
true copy of that instrument.

Department

SWORN by the Deponent on the day first above-
mentioned at Sydney.

Before me -

Person authorised to administer an
oath

30 Insert description of instrument creating or eviden-
cing the charge, e.g. "a trust deed", " mortgage", "
"a debenture".

The annexure is to be endorsed by the person
before whom the affidavit is sworn as follows:-

"This is the annexure marked "A" referred to
in the affidavit of _____

Sworn on the _____ of _____ 19 _____
before the _____

1997

Exhibit MH 19
(continued)

Exhibit MH 19

Loan Agree-
ment between
R.W. Miller &
Co. Pty. Ltd.
and Hambros
Bank Ltd.

(undated)

Loan Agreement between R.W. Miller & Co.
Pty. Ltd. and Hambros Bank Ltd. undated

THIS DEED OF COVENANT is made the
day of One thousand nine hundred and
seventy-one BETWEEN R.W. MILLER & COMPANY
PTY. LIMITED a company incorporated in the
State of New South Wales in the Commonwealth
of Australia with limited liability having
its registered office at 19 Bridge Street
Sydney 2000 Australia (hereinafter called
"the Owner" which expression shall include
its successors and permitted assigns) of
the one part AND HAMBROS BANK LIMITED
having its registered office at 41 Bishopsgate
London E.C.2 (hereinafter called "the
Mortgagee") of the other part.

10

WHEREAS:

A. The Owner is the absolute and unencum-
bered owner of Sixty-four Sixty-fourth
shares of and in the Ship described in
the Schedule hereto.

20

B. By a letter addressed by the Mortgagee
to the Owner dated the third day of
May One thousand nine hundred and
seventy-one (which letter the terms
of which were accepted by the Owner
subject to certain amendments on the
thirtieth day of July One thousand
nine hundred and seventy-one is herein-
after called "the Commitment Letter")
the Mortgagee has agreed to make to
the Owner a loan to assist the Owner
in financing the cost of the said
Ship upon the terms and conditions
therein set forth.

30

C. Pursuant to the Commitment Letter the
Mortgagee has advanced to the Owner the
sum of eight _____ million three
hundred thousand
United States Dollars (U.S. \$8,300,000
_____) (hereinafter called
"the loan").

40

- 10 D. There has contemporaneously with the execution of this Deed been executed by the Owner in favour of the Mortgagee a statutory mortgage in account current form (hereinafter called "the Mortgage") constituting a first mortgage of sixty-four sixty-fourth shares in the said Ship as security for the Loan and all interest and other moneys payable by the Owner in respect thereof.
- 20 E. There has contemporaneously with the execution of this Deed been executed by R.W. Miller (Holdings) Limited (hereinafter called "the Guarantor") a Guarantee in favour of the Mortgagee (hereinafter called "the Guarantee") whereby the Guarantor has guaranteed the due and punctual payment by the Owner to the Mortgagee of (inter alia) all sums becoming due and payable under the Security Documents (as that expression is hereinafter defined).
- F. This Deed is supplemental to the Commitment Letter and the Mortgage and to the security thereby created.

Exhibit MH 19
Loan Agreement between
R.W. Miller
& Co. Pty. Ltd.
and Hambros
Bank Ltd.
(undated)
(continued)

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED
as follows:-

1. In this Deed unless the context otherwise requires:
- 30 (A) (i) "The Ship" means the vessel described in the Schedule hereto and includes any share or interest therein and her engines machinery boats tackle outfit spare gear fuel consumable or other stores belongings and appurtenances whether on board or ashore.
- 40 (ii) "The Security Documents" means the Commitment Letter this Deed the Mortgage the Guarantee and any other such document as may have been executed to secure the Outstanding Indebtedness as hereinafter defined.
- (iii) "The Security Period" means the period terminating upon discharge of the security created by the Security Documents by payment of all moneys payable thereunder.

Exhibit MH 19
 Loan Agree-
 ment between
 R.W. Miller
 & Co. Pty Ltd.
 and Hambros
 Bank Ltd.
 (undated)
 (continued)

- (iv) "The Principal Sum" means the amount of the Loan or the balance thereof for the time being outstanding.
- (v) "The Outstanding Indebtedness" means the aggregate of all sums of money from time to time owing to the Mortgagee by the Owner under the Security Documents or any of them.
- (vi) "Earnings" includes all freight hire and passage moneys compensation payable to the Owner in event of requisition of the Ship for hire remuneration for salvage and towage services demurrage and detention moneys and any other earnings whatsoever due or to become due to the Owner at any time during the Security period. 10
- (vii) "Requisition Compensation" means all moneys or other compensation payable during the Security Period by reason of requisition for title or other compulsory acquisition of the Ship otherwise than by requisition for hire. 20
- (viii) "The Insurances" includes all policies and contracts of insurance (which expression includes all entries of the Ship in a protection and indemnity or war risks association) which are from time to time taken out or entered into in respect of the Ship and her Earnings or otherwise howsoever in connection with the Ship 30
- (ix) "The Mortgaged Premises" includes:
 - (a) the Ship
 - (b) the Insurances and all benefits thereof (including claims of whatsoever nature and return of premiums) 40
 - (c) the Earnings of the Ship
 - (d) Requisition Compensation

- (x) "Total Loss" means: Exhibit MH 19
- (a) actual or constructive or com- Loan Agree-
promised or arranged total loss ment between
of the Ship. R.W. Miller
- (b) requisition for title or other & Co. Pty Ltd.
compulsory acquisition of the and Hambros
Ship otherwise than by requisiti- Bank Ltd.
tion for hire, (undated)
- (c) capture seizure arrest detention (continued)
or confiscation of the Ship by
any government or by persons
acting or purporting to act
on behalf of any government
unless the Ship be released
from such capture seizure arrest
or detention within One month
after the occurrence thereof.

10

- (xi) "person" includes any body of per-
sons corporate or unincorporate.

20

- (xii) "interest period" means any such
period (not being more than six
calendar months) as the Mortgagee
shall from time to time determine
to be the period in respect of which
interest shall be payable on the
Principal Sum the first interest
period to commence on the date on
which the Loan was advanced by the
Mortgagee and each subsequent interest
period to commence on the expiration
of the previous interest period.

30

(B) In Clause 5(A) hereof:

- (i) "excess risks" means the proportion
of claims for general average and
salvage charges and under the ordi-
nary running-down clause not recover-
able in consequence of the value at
which a vessel is assessed for the pur-
pose of such claims exceeding her
insured value.

40

- (ii) "protection and indemnity risks" means
the usual risks covered by an English
protection and indemnity association

Exhibits MH 19
 Loan Agree-
 ment between
 R.W. Miller
 & Co. Pty. Ltd.
 and Hambros
 Bank Ltd.
 (undated)
 (continued)

including the proportion not recov-
 erable in case of collision under
 the ordinary running-down clause.

(iii) "war risks" includes the risk of
 mines and all risks excluded from
 the standard form of English marine
 policy by the free of capture and
 seizure clause.

(c) This Deed shall be read together with the
 Commitment Letter but in case of any conflict
 between the two instruments the provisions of
 this Deed shall prevail.

10

2. (A) The Owner in consideration of the
 advance by the Mortgagee of the loan in accor-
 dance with the provisions of the Commitment
 Letter (the receipt whereof the Owner hereby
 acknowledges) HEREBY COVENANTS with the
 Mortgagee as follows:-

Interest

(1) To pay to the Mortgagee interest:-

20

(a) upon the Principal Sum in respect
 of each interest period at the
 rate of One and one quarter per cent.
 (1¼%) per annum above the rate certi-
 fied by the Mortgagee to be the
 rate at which deposits of Euro-
 dollars (or such other conver-
 tible European currency in which
 the Principal Sum may for the time
 being by agreement between the
 Owner and the Mortgagee be repayable)
 of an amount nearest to the amount
 of the Principal Sum and for a
 period equivalent to that interest
 period are available to prime banks
 on the London inter-bank market at
 11.00 a.m. two business days prior
 to the commencement of that interest
 period such interest to accrue due
 from day to day on the basis of a
 year consisting of 360 days but to
 be payable in arrears at the expira-
 tion of each interest period

30

40

PROVIDED HOWEVER that the rate of interest payable upon the Principal Sum shall at no time be less than six per cent. (6%) per annum.

Exhibits MH 19
Loan Agreement between
R.W. Miller
& Co. Pty Ltd.
and Hambros
Bank Ltd.

(b) (i) upon any such repayment instalment as is not paid on the due date as prescribed in paragraph (2) of this sub-clause (A) and upon any such payment of interest as is not paid on the due date as prescribed by sub-paragraph (a) of this paragraph (1).

(undated)

(ii) upon the Principal Sum and interest accrued thereon as from the date upon which demand is made by the Mortgagee pursuant to Clause 7 hereof.

(iii) upon any moneys which are by this Deed expressed to be payable on demand and which be not paid within five days of demand being made as from the date of demand (but without prejudice to the right of the Mortgagee to receive interest calculated at the rate herein prescribed from such date prior to demand being made as is provided for by Clauses 5(Q) 6 and 8(G) and (H) hereof in relation to the matters therein referred to

at the rate of One and one quarter per cent. (1 $\frac{1}{4}$ %) per annum over the inter-bank call loan rate in London on a day to day basis from the due date or the date of demand (as the case may be) until the date of payment or judgment.

Payment

(2) To repay the Loan by (i) nine (9) equal instalments each of Four hundred and fifteen thousand United States Dollars

Exhibits MH 19
 Loan Agreement
 between R.W.
 Miller & Co.
 Pty. Ltd.
 and Hambros
 Bank Ltd.
 (undated)
 (continued)

(U.S. \$415,000.00) commencing with a first instalment payment on the day of March One thousand nine hundred and seventy-two and subsequent instalments being payable at six monthly intervals thereafter down to and including the day of March One thousand nine hundred and seventy-six and (ii) one instalment of Four million five hundred and sixty-five thousand United States Dollars (U.S.\$4,565,000.00) on the day September One thousand nine hundred and seventy-six.

10

PROVIDED HOWEVER that:-

(i) the Principal Sum shall become immediately due and payable on demand upon the happening of any of the events specified in Clause 7 hereof.

(ii) the Owner shall have the right at any time to discharge the Principal Sum in whole or in part upon giving to the Mortgagee at least one month's prior notice in writing of its intention so to do expiring on the expiration of any interest period and upon the expiration of such notice the Owner shall be obliged to pay to the Mortgagee the amount of principal specified in such notice (which in the case of a partial prepayment shall unless the Mortgagee otherwise agrees be the equivalent of one of the nine (9) equal repayment instalments referred to in this paragraph (1) or a multiple thereof) together with interest accrued thereon calculated up to the date of such repayment and in the event of a partial prepayment the amount of principal so repaid shall be applied by the Mortgagee in reduction of the Principal Sum in such manner as the Mortgagee deems fit.

20

30

(iii) if the Principal Sum shall for the time being by agreement between the Owner and the Mortgagee be repayable in any convertible European currency other than Eurodollars the relevant repayment instalment or instalments shall be paid by the Owner to the Mortgagee in that currency.

40

(B.) All payments of principal and interest in respect of the Loan shall be made at Hambro American Bank & Trust Company

25 Broad Street New York N.Y. 10004 for the account of the Mortgagee or at such other bank or banks as the Mortgagee may from time to time direct in writing.

Exhibits MH 19

Loan Agreement
between R.W.
Miller & Co.
Pty. Ltd.
and Hambros
Bank Ltd.

(undated)

(continued)

(C) (1) If the Mortgagee so requires the Principal Sum shall at any time and from time to time at the sole discretion of the Mortgagee be converted wholly or in part to an acceptance credit or be made available by bearer notes or partly in one form and partly in the other and in any case the Mortgagee shall be entitled from time to time to re-convert the Principal Sum to its previous form.

10

(2) To the extent that the Principal Sum shall take for the form of an acceptance credit the Owner shall from time to time as and when requested by the Mortgagee draw bills of such tenor as the Mortgagee may require for acceptance by the Mortgagee and the Mortgagee shall upon delivery up to the Mortgagee of such bills endorse in blank accept and discount the same and place the proceeds thereof to the credit of the appropriate account of the Owner with the Mortgagee. The Owner shall subject as hereinafter provided place the Mortgagee in funds to meet pay and discharge all sums covered by such bills before the same respectively become payable and shall also upon the discount of the bills be liable for an all-in rate per annum payable in advance equal to the interest rate specified in sub-clause (A)(1)(a) of this Clause inclusive of acceptance commission and the usual discount charges calculated on the total amount of the bills at the date upon which the bills are discounted Provided Always that subject to the rights of the Mortgagee to require a reconversion of the Principal Sum the Owner shall have the right at the maturity of such bills to discharge the same by calling upon the Mortgagee to accept fresh bills up to a maximum value of the total of such fresh bills up to a maximum value of the total of such sums less the amount of the repayment instalment to be made by the

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Exhibits MH 19
 Loan Agreement
 between R.W.
 Miller & Co.
 Pty. Ltd.
 and Hambros
 Bank Ltd.
 (undated)
 (continued)

Owner hereunder which has or will have become due on or before the date of maturity and such fresh bills may from time to time during the currency of the credit be similarly discharged and so on.

(3) When the Principal Sum is running on an acceptance credit basis any prepayment thereof in accordance with proviso (ii) to sub-clause (A)(2) of this Clause shall only be made upon the next renewal date of such acceptance credits and in such event no further interest shall be payable on such acceptance credits at the time of such prepayment. 10

(4) To the extent that the Principal Sum is by way of bearer notes they shall be for such periods and otherwise as the Mortgagee may require and the Owner will whenever required by the Mortgagee issue and sign bearer notes of such form as the Mortgagee may stipulate. 20

(D) The Mortgagee reserves the right to bring in participants in the Loan to whom the Mortgagee may transfer the whole or any part of its benefit rights and title to and in the said loan and in and to the security therefor constituted by the Security Documents. 30

(E) All payments of principal and interest in respect of the Loan shall be payable gross free and without deduction of any taxes levies imposts charges fees deductions or withholdings of any nature now or hereafter imposed in the State of New South Wales or the Commonwealth of Australia or any other countries affecting the parties to this Deed and in the event of the Owner being compelled by law to make any such deduction the Owner shall pay to the Mortgagee such additional amount as will result in the payment to the Mortgagee of the full amount due in accordance with the provisions of this Deed. 40

Security

Exhibits MH 19

10 3. (a) By way of security for payment of the Outstanding Indebtedness the Owner as beneficial owner hereby mortgages and charges to and in favour of the Mortgagee all its interest present and future in the Mortgaged Premises (which the Owner hereby warrants to be free at the date hereof from any other charge or incumbrance whatsoever) and without prejudice to the generality of the foregoing the Owner hereby assigns and agrees to assign to the Mortgagee the Earnings of the Ship the Insurances and any Requisition Compensation as hereinbefore defined

Loan Agreement between R.W. Miller & Co. Pty. Ltd. and Hambros Bank Ltd.

(undated)

(continued)

PROVIDED HOWEVER that:-

(i) The Earnings of the Ship shall be payable to the Owner until such time as the Mortgagee shall direct to the contrary whereupon

20 (a) the Owner shall and the Mortgagee may forthwith instruct the persons from whom the Earnings are or shall be due to pay the same to the Mortgagee or as it may direct

(b) any sum in respect of Earnings then in the hands of the Owner's brokers or other agents shall be deemed to have been received by them for the use and on behalf of the Mortgagee

30 (ii) Unless and until there shall happen any of the events specified in Clause 7 hereof (whereupon all insurance recoveries shall be receivable by the Mortgagee in accordance with Clause 8(C) hereof) any sums receivable in respect of the Insurances shall be payable as follows:-

40 (a) there shall be paid to the Mortgagee any and every sum receivable in respect of a Total Loss and any and every sum receivable in respect of a major casualty (that is to say any casualty in respect whereof the claim or the aggregate of the claims exceeds Two hundred and fifty thousand United States Dollars (US \$250,000) but so that the

Exhibits MH 19
 Loan Agreement
 between R.W.
 Miller & Co.
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 (undated)
 (continued)

insurance moneys received by the Mortgagee in respect of any such major casualty shall be paid over to the Owner upon the Owner furnishing evidence satisfactory to the Mortgagee that all loss and damage resulting from the casualty has been properly made good and repaired and that all repair accounts and other liabilities whatsoever in connection with the casualty have been fully paid and discharged by the Owner.

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(b) all other sums receivable in respect of the Insurances shall be paid to the Owner and shall be applied by it for the purpose of making good the loss and fully repairing all damage in respect whereof the insurance moneys shall have been received.

(B) If the Mortgagee shall at any time direct that the Earnings of the Ship shall be paid to the Mortgagee or as it may direct in accordance with proviso (i) to sub-clause (A) of this Clause the same shall be paid to the Mortgagee or to Hambro American Bank & Trust Company 25 Broad Street New York N.Y. 10004 (or in the event of the Earnings being payable in Australian Dollars to Bank of New South Wales at 341 George Street, Sydney) or to such other bank or banks as may from time to time be agreed between the Owner and the Mortgagee or failing such agreement as may be directed by the Mortgagee in writing (hereinafter called "the Receiving Bank" which expression shall include the Mortgagee and the said Hambro American Bank & Trust Company and the said Bank of New South Wales as the case may be) and the Mortgagee shall be entitled to retain out of such Earnings received by the Receiving Bank in each calendar month from and after the date of such direction by the Mortgagee the due proportion of the next following repayment instalment of the Principal Sum that has or will have accrued during that calendar month in accordance with Clause 2(a)(2) hereof together with the amount of all interest that has or will have accrued during that calendar

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month in accordance with Clause 2(a)(1) hereof and together also with the whole or any part of any repayment instalment of principal already due and any arrears of interest which have not previously been retained by the Mortgagee in accordance with this sub-clause or paid to the Mortgagee by the Owner in accordance with the provisions of this Deed and shall pay the balance of such Earnings to the Owner.

Exhibits MH 19
Loan Agreement
between R.W.
Miller & Co.
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Bank Ltd.
(undated)

10 PROVIDED HOWEVER that all moneys held by the Receiving Bank at or received by the Receiving Bank after the date on which any of the events specified in Clause 7 hereof shall happen may be retained by the Mortgagee and be applied in the manner specified in Clause 9 hereof.

(continued)

20 4. It is declared and agreed that the security created by this Deed and the other Security Documents shall be held by the Mortgagee as a continuing security for the payment of all moneys which may at any time and from time to time be or become due and payable by the Owner under the Security Documents or any of them and that the security so created shall not be satisfied by any intermediate payment or satisfaction of any part of the amount hereby and thereby secured and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Mortgagee for all or any part of the moneys hereby and thereby secured and that every power and remedy given to the Mortgagee hereunder shall be in addition to and not a limitation of any and every other power or remedy vested in the Mortgagee under any other of the Security Documents and that all the powers so vested in the Mortgagee may be exercised from time to time and as often as the Mortgagee may deem expedient.

40 Owner's Covenants

5. The Owner further covenants with the Mortgagee and undertakes throughout the Security Period:-

Exhibits MH 19

Insurance

Loan Agreement
between R.W.
Miller & Co.
Pty. Ltd.
and Hambros
Bank Ltd.

(undated)

(continued)

- (A) (i) To insure and keep the Ship insured at the expense of the Owner against
(a) fire and usual marine risks
(including excess risks) (b) war risks
(c) protection and indemnity risks.
- (ii) To effect the Insurances aforesaid
(a) in such amounts in United States dollars and upon such terms as shall from time to time be approved in writing by the Mortgagee (b) through such brokers (hereinafter called "the approved brokers") and with such insurance companies underwriters war risks and protection and indemnity associations as shall from time to time be approved in writing by the Mortgagee (such consent not to be unreasonably withheld) (1)
- (iii) To renew all such Insurances at least Fourteen days before the relevant policies or contracts expire and to procure that the approved brokers shall promptly confirm in writing to the Mortgagee as and when each such renewal is effected. 20
- (iv) Punctually to pay all premiums calls contributions or other sums payable in respect of all such Insurances and to produce all relevant receipts when so required by the Mortgagee. 30
- (v) To arrange for the execution of such guarantees as may from time to time be required by any protection and indemnity or war risks association.
- (vi) To procure that the interest of the Mortgagee shall be duly endorsed upon all slips cover notes policies certificates of entry or other instruments of insurance issued or to be issued in connection with the Insurances aforesaid. 40
- (vii) To procure that all such instruments of insurance as are referred to in sub-clause (vi) above shall be

deposited with the approved brokers and that such brokers shall (if so required by the Mortgagee) furnish the Mortgagee with pro forma copies thereof and a letter or letters of undertaking in such form as may be required by the Mortgagee.

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Pty. Ltd.
and Hambros
Bank Ltd.

(viii) To procure that the protection and indemnity and/or war risks associations wherein the Ship is entered shall (if so required by the Mortgagee) furnish the Mortgagee with a letter or letters of undertaking in such forms as may be required by the Mortgagee.

(undated)

(continued)

(ix) Not to employ the Ship or suffer the Ship to be employed otherwise than in conformity with the terms of the instruments of insurance aforesaid (including any warranties express or implied therein) without first obtaining the consent to such employment of the insurers and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

(x) To apply all such sums receivable in respect of the Insurances as are paid to the Owner in accordance with proviso (ii) to Clause 3(A) hereof for the purpose of making good the loss and fully repairing all damage in respect whereof the insurance moneys shall have been received.

Registration

- (B) To keep the Ship registered as a British Ship at a port of registry in the State of New South Wales and to do or suffer to be done nothing whereby such registration may be forfeited or imperilled.

Maintenance

- (C) To keep the Ship in a good and efficient state of repair so as to maintain her present class (namely + 100 A.l. at Lloyd's Register of Shipping) and so as

Exhibits MH 19
Loan Agreement
between R.W.
Miller & Co.
Pty. Ltd.
and Hambros
Bank Ltd.

(undated)

(continued)

to comply with the provisions of the Merchant Shipping Acts, the Navigation Acts of the Commonwealth of Australia and all other regulations and requirements (statutory or otherwise) from time to time applicable to vessels registered at ports in the State of New South Wales and to procure that all repairs to or replacement of any damaged worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Ship.

10

Classification

(D) To submit the Ship regularly to such periodical or other surveys as may be required for classification purposes and if so required to supply to the Mortgagee copies of all surveys reports issued in respect thereof.

Valuations

(E) To permit the Mortgagee by surveyors or other persons appointed by it in that behalf to board the Ship at all reasonable times for the purpose of inspecting her condition or for the purpose of satisfying themselves in regard to proposed or executed repairs and to afford all proper facilities for such inspections.

20

(F) To pay and discharge all debts damages and liabilities whatsoever which have given or may give rise to maritime or possessory liens on or claims enforceable against the Ship and in event of arrest of the Ship pursuant to legal process or in event of her detention in exercise or purported exercise of any such lien as aforesaid to procure the release of the Ship from such arrest or detention forthwith upon receiving notice thereof by providing bail or otherwise as the circumstances may require.

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40m³

(G) Not to employ the Ship or suffer her employment in any trade or business which is forbidden by International law or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever

Exhibit MH 19
 Loan Agreement
 between R.W.
 Miller & Co.
 Pty. Ltd.
 and Hambros
 Bank Ltd.
 (undated)
 (continued)

10 which may render her liable to condemnation in a Prize Court or to destruction seizure or confiscation and in event of hostilities in any part of the world (whether war be declared or not) not to employ the Ship or suffer her employment in carrying any contraband goods or to enter or trade to any zone which is declared a war zone by any Government or by the Ship's War Risks Insurance unless the Mortgagee shall have first given its consent thereto in writing and there shall have been effected by the Owner and at its expense such special insurance cover as the Mortgagee may require.

(H) Promptly to furnish to the Mortgagee all such information as it may from time to time require regarding the Ship her employment position and engagements particulars of all towages and salvages and copies of all charters and other contracts for her employment or otherwise howsoever concerning her.

20 I To notify the Mortgagee forthwith by letter or in case of urgency by telegram of:-

(i) any accident to the Ship involving repairs the cost whereof will or is likely to exceed One hundred thousand United States dollars (U.S. \$100,000) (or the equivalent in any other currency).

(ii) any occurrence in consequence whereof the Ship has become or is likely to become a total loss.

30 (iii) any requirement or recommendation made by any insurer or classification society or by any competent authority which is not immediately complied with.

(iv) any arrest of the Ship or the exercise or purported exercise of any lien on the Ship or her Earnings.

40 (v) any petition or notice of meeting to consider any resolution to wind up or appoint an Official Manager of, or for a Scheme of Arrangement or composition relating to the Owner or the Guarantor.

Exhibit MH 19

Accounts

Loan Agreement^m
between R.W.
Miller & Co.
Pty. Ltd.
and Hambros
Bank Ltd.

(undated)

(continued)

(K) Promptly to pay all tolls dues and other outgoings whatsoever in respect of the Ship and to keep proper books of account in respect of the Ship and her Earnings and as and when the Mortgagee may so require to make such books available for inspection on behalf of the Mortgagee and furnish satisfactory evidence that the wages and allotments and the insurance and pension contributions of the Master and crew are being regularly paid and that all deductions from crew's wages in respect of any tax liability are being properly accounted for and that the Master has no claim for disbursements other than those incurred by him in the ordinary course of trading on the voyage then in progress.

10

(L) Not to mortgage charge or otherwise assign the Ship or other part of the Mortgaged Premises or to suffer the creation of any such mortgage charge or assignment as aforesaid to or in favour of any person other than the Mortgagee.

20

(M) Not without the previous consent in writing of the Mortgagee (and then only subject to such terms as the Mortgagee may impose) to sell agree to sell or otherwise dispose of the Ship or any share therein.

(N) To ensure that at all times the Ship is let on time or consecutive voyage charter to such charterers and upon such terms as shall from time to time be approved by the Mortgagee in writing (such approval not to be unreasonably withheld) and at a basic rate of hire not less than Ten thousand seven hundred and fifty Australian Dollars (A.\$10,750) per day (or its equivalent in United States Dollars) subject to adjustment to cover increases in operating costs (including wages and insurances) arising after the date hereof.

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Exhibit MH 19
 Loan Agreement
 between
 R.W. Miller
 & Co. Ltd.
 and Hambros
 Bank Ltd.

(undated)

(continued)

(O) Not without the previous consent in writing of the Mortgagee to enter into any agreement or arrangement whereby the Earnings of the Ship may be shared with any other person.

20

(P) Not without the previous consent in writing of the Mortgagee to put the Ship into the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed Two hundred and fifty thousand United States dollars (U.S. \$250,000) (or the equivalent in any other currency) unless such person shall first have given to the Mortgagee and in terms satisfactory to it a written undertaking not to exercise any lien on the Ship or her Earnings for the cost of such work or otherwise.

30

(Q) To pay to the Mortgagee on demand all moneys whatsoever which the Mortgagee shall or may expend be put to or become liable for in or about the protection maintenance or enforcement of the security created by this Deed and the other Security Documents or in or about the exercise by the Mortgagee of any of the powers vested in it hereunder or thereunder and to pay interest thereon at the rate provided for in Clause 2(A)(1)(b) hereof from the date whereon such expense or liability was incurred by the Mortgagee until the date of payment or judgment.

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(R) To pay on demand to the Mortgagee (or as it may direct) the amount of all investigation and legal expenses of any kind whatsoever stamp duties (if any) registration fees and any other charges incurred by the Mortgagee in connection with the preparation completion and registration of the Security documents or otherwise in connection with the Outstanding Indebtedness and the security therefor.

Exhibit MH 19
Loan Agreement
between
R.W. Miller
& Co. Pty.
Ltd. and
Hambros Bank
Ltd.

(undated)

(continued)

Appointment Manager

(S) Not without the previous consent in writing of the Mortgagee (and then only on and subject to such terms as the Mortgagee may agree) to appoint a manager of the Ship.

(T) To send to the Mortgagee each year as soon as may be available two copies each of the audited Balance Sheet and Accounts of the Owner and the Guarantor.

10

6. (A) The Mortgagee shall without prejudice to its other rights and powers hereunder be entitled (but not bound) at any time and as often as may be necessary to take any such action as it may in its discretion think fit for the purpose of protecting the security created by this Deed and the other Security Documents and each and every expense or liability so incurred by the Mortgagee in or about the protection of the security shall be repayable to it by the Owner on demand together with interest thereon at the rate provided for in Clause 2(a)(1)(b) hereof from the date whereon such expense or liability was incurred by the Mortgagee until the date of judgment or payment.

20

(B) Without prejudice to the generality of the foregoing:

(i) in event that the Owner does not comply with the provisions of Clause 5(A) hereof or any of them the Mortgagee shall be at liberty to effect and thereafter to maintain all such Insurances upon the Ship as in its discretion it may think fit.

30

(ii) in event that the Owner does not comply with the provisions of Clause 5(C) and/or 5(D) hereof or any of them the Mortgagee

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- (ii) shall be at liberty to arrange for the carrying out of such repairs and/or surveys as it deems expedient or necessary
- (iii) in event that the Owner does not comply with the provisions of Clause 5(F) hereof or any of them the Mortgagee shall be at liberty to pay and discharge all such debts damages and liabilities as are therein mentioned and/or to take any such measures as it deems expedient or necessary for the purpose of securing the release of the Ship.

Exhibit MH 19
Loan Agreement
between
R.W. Miller
& Co. Pty.
Ltd. and
Hambros Bank
Ltd.

(undated)

(continued)

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7. Upon the happening of any of the following events the Principal Sum together with interest accrued in respect thereof shall immediately become payable to the Mortgagee on demand:

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(A) The Owner does not pay any sum of money payable under the Security Documents or any of them on the date therein stipulated for payment of the same or in the case of sums expressed to be payable on demand within Seven days of such demand being made.

(B) The Owner does not observe or perform any of the covenants or obligations contained in the Security Documents.

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(C) A petition is filed or an order is made or an effective resolution is passed for the winding up of the Owner (otherwise than for the purpose of any such reconstruction or amalgamation as shall have been previously approved in writing by the Mortgagee) or for the appointment of an Official Manager of the Owner or a receiver is appointed of the undertaking or property of the Owner or the Owner suspends payment or ceases to carry on its business or makes special arrangements or composition with its creditors or an effective resolution is passed (except with the previous consent in writing of the Mortgagee) for a reduction of the issued

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Exhibit MH 19
Loan. Agreement
between
R.W. Miller
& Co. Pty.
Ltd. and
Hambros Bank
Ltd.

(undated)
(continued)

share capital of the Owner.

(D) Any of the circumstances specified in sub-clause (C) above shall occur (mutatis mutandis) in relation to the Guarantor.

(E) The Ship becomes a Total Loss.

(F) Any Earnings of the Ship are paid otherwise than in accordance with Clause 3(B) hereof at any time after the Mortgagee shall have directed pursuant to proviso (i) to Clause 3(A) hereof that the same shall be no longer receivable by the Owner or any such Earnings which at the time of such direction given were in the hands of the Owner's brokers or agent are not duly accounted for and paid over to the Mortgagee forthwith on demand.

10

(G) It becomes impossible or unlawful for the Owner or the Guarantor to fulfil any of the covenants and obligations contained in the Security Documents or for the Mortgagee to exercise the rights or any of them vested in it under the Security Documents or otherwise.

20

(H) Anything is done or suffered or omitted to be done by the Owner or by the Guarantor which in the reasonable opinion of the Mortgagee may imperil the security created by the Security Documents.

8. Upon the Principal Sum becoming repayable on demand (whether or not such demand shall have been made) under Clause 7 hereof the Mortgagee shall become forthwith entitled as and when it may see fit to put into force and to exercise all the powers possessed by it as mortgagee and chargee of the Mortgaged Premises and in particular:-

30

(A) To take possession of the Ship.

(B) To require that all policies contracts and other records relating to the Insurances (including details of and correspondence concerning outstanding claims) be forthwith

delivered to such brokers as the Mortgagee may nominate.

Exhibit MH 19

Loan Agreement between R.W. Miller & Co. Pty. Ltd. and Hambros Bank Ltd.

(undated)
(continued)

10 (C) To collect recover compromise and give a good discharge for all claims then outstanding or thereafter arising under the Insurances or any of them and to take over or institute (if necessary using the name of the Owner) all such proceedings in connection therewith as the Mortgagee in its absolute discretion thinks fit and to permit the brokers through whom collection or recovery is effected to charge the usual brokerage therefor.

(D) To discharge compound release or compromise claims against the Owner in respect of the Ship which have given or may give rise to any charge or lien on the Ship or which are or may be enforceable by proceedings against the Ship.

20 (E) To sell the Ship or any share therein with or without prior notice to the Owner and with or without the benefit of any charterparty by public auction or private contract at home or abroad and upon such terms as the Mortgagee in its absolute discretion may determine with power to postpone any such sale and without being answerable for any loss occasioned by such sale or resulting from postponement thereof.

30 (F) Pending sale of the Ship to manage insure maintain and repair the Ship and to employ or lay up the Ship in such manner and for such period as the Mortgagee in its absolute discretion deems expedient and for the purposes aforesaid the Mortgagee shall be entitled to do all acts and things incidental or conducive thereto and in particular to enter into such arrangements respecting the Ship her insurance management maintenance repair classification and employment in all respects as if the Mortgagee were the owner of the Ship and without
40 being responsible for any loss thereby incurred.

(G) To recover from the Owner on demand any such losses as may be incurred by the Mortgagee in or about the exercise of the power vested

Exhibit MH 19

Loan Agree-
ment between
R.W. Miller
& Co. Pty.
Ltd. and
Hambros
Bank Ltd.

(undated)

(continued)

in the Mortgagee under sub-clause (F) above with interest thereon at the rate provided for in Clause 2(A)(1)(b) hereof from the date when such losses were incurred by the Mortgagee until the date of payment or judgment.

(H) To recover from the Owner on demand all expenses payments and disbursements incurred by the Mortgagee in or about or incidental to the exercise by it of any of the powers aforesaid together with interest thereon at the rate provided for in Clause 2(A)(1)(b) hereof from the date when such expenses payments or disbursements were incurred by the Mortgagee until the date of payment or judgment.

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PROVIDED ALWAYS that upon any sale of the Ship or any share therein by the Mortgagee pursuant to sub-clause (E) above the purchaser shall not be bound to see or enquire whether the Mortgagee's power of sale has arisen in the manner herein provided and the sale shall be deemed to be within the power of the Mortgagee and the receipt of the Mortgagee for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefor.

20

Application, proceeds, sale etc.

30

9. All moneys received by the Mortgagee in respect of:-

(i) Sale by it of the Ship or any share therein

(ii) Recovery under the Insurances (other than any such sum or sums as may have been received by the Mortgagee in accordance with proviso (ii)(a) to Clause 3(A) hereof in respect of a major casualty as therein defined and been paid over to the Owner as therein provided)

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(iii) Requisition Compensation

Exhibit MH 19

shall be held by it upon trust in the first place to pay or retain all such payments disbursements expenses and losses whatsoever (together with interest thereon as hereinbefore provided for) as may have been incurred by the Mortgagee in or about or incidental to the exercise by the Mortgagee of the powers specified or otherwise referred to in Clause 8 hereof or any of them and the balance shall be applied in manner following:

Loan Agreement between R.W. Miller & Co. Pty Ltd. and Hambros Bank Ltd. (undated) (continued)

10

FIRST in or towards any arrears of interest owing to the Mortgagee in respect of the Loan

SECONDLY in or towards payment of the Principal Sum

THIRDLY in or towards payment of the balance of the Outstanding Indebtedness

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FOURTHLY in or towards reimbursement of the Guarantor in respect of any such amount as the Guarantor shall have paid to the Mortgagee pursuant to demand made by it under the Guarantee

FIFTHLY the surplus (if any) shall be paid to the Owner

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10. No delay or omission of the Mortgagee to exercise any right or power vested in it under the Security Documents or any of them shall impair such right or power or be construed as a waiver of or as acquiescence in any default by the owner and in event of the Mortgagee at any time agreeing to waive any such right or power such waiver shall be revocable by the Mortgagee at any time and the right or power shall thenceforth be again exercisable as though there had been no such waiver.

Location Nominee's

11. The Mortgagee shall be entitled at any time and as often as may be expedient

Exhibit MH 19
 Loan Agree-
 ment between
 R.W. Miller
 & Co. Pty Ltd.
 and Hambros
 Bank Ltd.

(undated)

(continued)

to delegate all or any of the powers and dis-
 cretions vested in it by the Security Docu-
 ments or any of them (including the power
 vested in it by virtue of Clause 13 hereof)
 in such manner upon such terms and to such
 persons as the Mortgagee in its absolute
 discretion may think fit.

12. The Owner hereby agrees and under-
 takes to indemnify the Mortgagee against all
 obligations and liabilities whatsoever and
 whensoever arising which the Mortgagee may
 incur in good faith in respect of in relation
 to or in connection with the Ship or other-
 wise howsoever in relation to or in connection
 with any of the matters dealt with in the
 Security Documents.

10

13. (A) The Owner hereby irrevocably appoints
 the Mortgagee as its attorney for the dura-
 tion of the Security Period for the purpose
 of doing in its name all acts which the
 Owner itself could do in relation to the
 Mortgaged Premises

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PROVIDED HOWEVER that such power shall not be
 exercisable by or on behalf of the Mortgagee
 until the Principal Sum shall have become
 repayable on demand (whether or not such
 demand shall have been made) under Clause 7
 hereof.

(B) The exercise of such power by or on
 behalf of the Mortgagee shall not put any
 person dealing with the Mortgagee upon any
 enquiry as to whether the Principal Sum has
 become repayable on demand nor shall such
 person be in any way affected by notice
 that the Principal Sum has not become so
 repayable and the exercise by the Mortgagee
 of such power shall be conclusive evidence
 of its right to exercise the same.

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14. The Owner hereby further under-
 takes at its own expense to execute sign
 perfect do and (if required) register every
 such further assurance document act or thing
 as in the opinion of the Mortgagee may be

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necessary or desirable for the purpose of more effectually mortgaging and charging the Mortgaged Premises or perfecting the security constituted by the Security Documents.

Exhibit MH 19
Loan Agreement R.W. Miller & Co. Pty. Ltd. and Hambros Bank Ltd.

Notices

10 15. All demands and notices made or given by the Mortgagee to the Owner hereunder shall be made or given in writing addressed to the Owner at its registered office at the address hereinbefore described or at such changed address as may hereafter be notified in writing to the Mortgagee and upon proof of the date of despatch of any such demand or notice by registered airmail post the same shall be deemed to have been received by the Owner on the fifth business day after the posting thereof.

(undated)
(continued)

20 16. This Deed shall be governed by the Law of the State of New South Wales in the Commonwealth of Australia.

IN WITNESS whereof the parties hereto have caused this Deed to be executed under seal the day and year first before written.

THE SCHEDULE HEREINBEFORE REFERRED TO:

The motor tanker "Amanda Miller" registered at the Port of Sydney under official number.

30 THE COMMON SEAL of R.W. MILLER & COMPANY PTY. LIMITED was hereunto affixed in the presence of:

Director

Secretary

THE COMMON SEAL of HAMBROS BANK LIMITED was hereunto affixed in the presence of:

Director

Secretary

2023
1st Defendants Exhibits
Exhibit MH 19 (continued)

Exhibit MH 19
Guarantee by
R.W. Miller
(Holdings) Ltd.
to Hambros
Bank Ltd.
15th September
1971

To: HAMBROS BANK LIMITED

1. In consideration of your making or continuing advances or otherwise giving or continuing to give credit at our request for as long as you may think fit to R.W. MILLER & COMPANY PTY. LIMITED whose registered office is at 19 Bridge Street, Sydney in the State of New South Wales ("the Company"), we R.W. MILLER (HOLDINGS) LIMITED whose registered office is at Suite 705, C.M.L. Building, 31 University Avenue, Canberra in the Australian Capital Territory hereby guarantee on demand in writing being made to us payment of the amount which from time to time may be owing to you from the Company for all sums in which it may become indebted to you on account current, loan, overdraft, acceptance of bills, discount of bills, credits granted or obligations undertaken in respect of guarantees, bills and promissory notes held by you bearing its signature, or in any other manner howsoever, either alone or jointly with any other company or companies, person or persons, together with interest thereon at the rate of 1 $\frac{1}{4}$ per cent. per annum above the inter-bank Eurodollar call loan rate in London on a day to day basis or a rate of 6% per annum whichever shall be the greater from the date of demand until payment or judgment, and all commission, discount and other banker's charges including legal costs occasioned by or incidental to any security held by or offered to you for the same indebtedness or occasioned by or incidental to the enforcement of any such security. We agree that the statement of the Company's accounts in your books shall be good and sufficient evidence of the amount of our liability hereunder.

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2. This Guarantee is to be considered a continuing guarantee for the purpose of securing the general balance due or that may be due from time to time, and at any time to you from the Company, either alone or jointly as aforesaid, on account current, loan, or otherwise howsoever, notwithstanding any payments from time to time made to you, or any settlement of account or any other thing whatsoever.

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3. Without exonerating us you may grant time or other indulgence to the Company or any other company or companies, person or persons (including ourselves) liable to you on or in respect of any bills, notes, guarantees or undertakings, and give up or modify or abstain from perfecting or taking advantage of any securities or contracts, and discharge any party or parties, and accept or make any composition or arrangement, and realise, vary, exchange or release any securities when and in such manner as you may think expedient, and no act or omission on your part with reference to the Company or its account or liability shall in any way diminish the validity of this Guarantee, which shall, notwithstanding any such act or omission, remain binding upon us and as if we were originally liable for the moneys payment whereof is hereby guaranteed.

Exhibit MH 19
Guarantee by
R.W. Miller
(Holdings) Ltd.
to Hambros
Bank Ltd.

15th September
1971

(continued)

4. This Guarantee shall be in addition to and shall not be in any way prejudiced or affected by any collateral or other security now or hereafter held by you for all or any part of the moneys hereby guaranteed nor shall such collateral or other security or any lien to which you may be otherwise entitled or the liability of any person or persons, company or companies, not parties hereto for all or any part of the moneys hereby secured be in any wise prejudiced or affected by this Guarantee.

5. This Guarantee shall extend to all amounts herein mentioned although the same may subsequently wholly or partly cease to be recoverable by legal action from the Company by reason of any legal limitation or for any other cause whatsoever, including (without limitation) the winding-up of the Company or the appointment of a receiver over it, and we agree and undertake to pay as sole or principal debtors all such amounts as aforesaid and to indemnify you and to keep you fully and effectually indemnified against all damages, loss and costs arising from any default of the Company in respect of the amounts herein mentioned.

Exhibit MH 19
 Guarantee by
 R.W. Miller
 (Holdings) Ltd.
 to Hambros
 Bank Ltd.

15th September
 1971

(continued)

6. We hereby declare that we have not received any security from the Company for giving this Guarantee and we agree that we will not until satisfaction of the ultimate balance due to you take any steps to enforce our right or claim against the Company in respect of any moneys paid by us hereunder or take any security from the Company in respect of our liability hereunder without first obtaining your written consent and we agree that in the event of our taking any such security the amount for which we are liable under this Guarantee shall be increased by the amount by which the dividend payable by the Company to you is thereby diminished.

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7. All dividends; compositions and payments received by you from the Company or any other company or companies, person or persons, are to be treated as payments in gross, and we shall not be entitled to rank as creditors in the liquidation or insolvency or bankruptcy of the Company or any other company or person or against his estate in competition with you and we are not to have any right to participate, except to the extent of the surplus remaining after satisfaction of the ultimate balance due to you.

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8. You are not to be concerned to see or enquire into the powers of the Company or its Directors or other officers or employees acting or purporting to act on its behalf and moneys in fact borrowed from you in professed exercise of such powers shall be deemed to form part of the moneys guaranteed, even though the borrowing or obtaining of such moneys be in excess of the powers of the Company or of the Directors or the other officers or employees aforesaid, or shall be in any way irregular or defective or informal.

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9. We agree that this Guarantee shall be enforceable notwithstanding any change in your constitution or in that of your successors or assigns or by your absorption or on your amalgamation with or the acquisition of all or any part of your undertaking by any other Bank or Banks.

10. This Guarantee shall be additional to any other guarantee for the Company signed by us that you may hold at any time.

Exhibit MH 19
Guarantee by
R.W. Miller
(Holdings) Ltd.
to Hambros
Bank Ltd.

11. A demand in writing shall be deemed to have been duly given to us by sending the same by registered airmail post addressed to us at our registered office and shall be effectual notwithstanding any change of residence and such demand shall be deemed to be received by us on the fifth day (not being a Sunday or public holiday) after the posting thereof and in proving such service it shall be sufficient to prove that the letter containing the demand was properly posted and addressed.

15th September
1971
(continued)

12. This Guarantee shall be governed and interpreted in all respects in accordance with the laws of England and we hereby accordingly submit to the jurisdiction of the English Courts but it shall be open to you to enforce this Guarantee in the courts of any other competent jurisdiction.

DATED this fifteenth day of September 1971

For and on behalf of
R.W. MILLER (HOLDINGS) LIMITED

(SGD.)

.....

Director

1st Defendants Exhibits

Exhibit MH 25

Letter Ian H. Platt-Hepworth & Co. to Messrs. W.P. McElhone & Co. enclosing schedules of R.W. Miller (Holdings) Ltd. share prices 14th September, 1972.

Messrs. W.P. McElhone & Co.
44 Martin Place, Sydney N.S.W. 2000

Dear Sirs, Re. R.W. Miller (Holdings) Limited

We attach Schedules (a) of the monthly opening and closing stock market prices of the above shares from 1st April, 1971 to 31st May, 1972.

Exhibit MH 25

Letter Ian H. Platt-Hepworth & Co. to Messrs. W.P. McElhone & Co. enclosing Schedules of R.W. Miller (Holdings) Ltd. share prices

14th September
1972

Exhibit MH 25
 Letter Ian H.
 Platt-Hepworth
 & Co. to Messrs.
 W.P. McElhone
 & Co. enclosing
 schedules to
 R.W. Miller
 (Holdings) Ltd.
 share prices
 14th September
 1972

Schedule (b) sets out the weekly opening
 and closing prices of the shares from 31st
 May, 1972 to 6th July, 1972.

Figures for the opening prices are based
 on the first actual sale of the week or the
 month. The closing price is always the last
 actual sale of the particular period.

Yours faithfully

Ian H. Platt-Hepworth & Co.

M. C. Conrick

Exhibit MH 25

(continued)

Exhibit MH 25
 Schedule A to
 letter Ian H.
 Platt-Hepworth
 & Co. to W.P.
 McElhone & Co.
 14th September
 1972

Schedule to letter Ian H. Platt-
 Hepworth & Co. to W.P. McElhone
 & Co. of 14th September 1972

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Schedule (a) 14th September 1972
 Monthly opening and closing prices of R.W.
 MILLER (HOLDINGS) LTD. shares from 1st April
 1971 to 31st May 1972

1/4/71	£ 1. 30
30/4/71	1. 45
5/5/71	1. 50
31/5/71	1. 30
1/6/71	1. 28
30/6/71	1. 29
1/7/71	1. 29
30/7/71	1. 25
3/8/71	1. 30
31/8/71	1. 24
2/9/71	1. 25
30/9/71	1. 25
1/10/71	1. 25
29/10/71	1. 05
1/11/71	1. 05
30/11/71	1. 21
1/12/71	1. 27
30/12/71	1. 65
4/1/72	1. 57
28/1/72	1. 75
1/2/72	1. 75
29/2/72	1. 85
1/3/72	1. 85
30/3/72	1. 85
4/4/72	1. 85
28/4/72	1. 88
1/5/72	1. 86
31/5/72	2. 25

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Schedule (b)14th September 1972

Weekly opening and closing prices of
R.W. MILLER (HOLDINGS) LTD. shares from
31st May 1972 to 6th July 1972

Exhibit MH 25
Schedule B to
letter Ian H.
Platt-Hepworth
& Co. to
Messrs. W.P.
McElhone & Co.
14th September
1972

	31/5/72	\$2. 25	
	5/6/72	2. 20	
	9/6/72	2. 17	
	13/6/72	2. 19	
	16/6/72	2. 18	
10	(Daily Basis) 19/6/72	2. 19	
	20/6/72	2. 25	
	21/6/72	2. 30	
	22/6/72	2. 60/2. 36 (High/low)	
	23/6/72	2. 62	
	26/6/72	2. 55	
	30/6/72	2. 25	
	3/7/72	2. 25	
20	6/7/72	2. 25	
	7/7/72	Trading suspended	

1st Defendants Exhibits

Exhibit MH 26

Extracts from Minutes No. 155 of
Meetings of Directors of Bulkships Ltd.
7th April 1971

Exhibit MH 26
Extracts from
Minutes of No. 155
Meeting of
Bulkships Ltd.
7th April 1971

PRESENT

Mr. T.L. Webb (Acting Chairman)
Mr. E.H.P. Abeles
Mr. J.R. Cribb
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. K.W. Thomas
Mr. C.J. Waugh

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IN ATTENDANCE

Mr. W.F.J. Foster
Mr. K.D. Stewart

LEAVE OF ABSENCE

Sir Ian Potter
Mr. J.G. Felgate
Sir Daniel McVey

UNION STEAM SHIP CO. OF N.Z. LTD.

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The Secretary's memorandum of 5th April refers. During discussion, Mr. Abeles said that the N.Z. Government had accepted as minimum profit objectives 12½% before tax on shareholders funds rising to 15%. Adelaide Steamship and McIlwraith Directors undertook to decide their attitude to this proposal as soon as possible.

Exhibit MH 26

Extracts from
Minutes of
Meeting No.155 of
Directors of
Bulkships Ltd.

7th April 1971

R.W. Miller (Holdings) Ltd.

Mr. E.H.P. Abeles reported that he had been asked to join the Board of R.W. Miller. The Board concurred with Mr. Abeles accepting the appointment.

Exhibit MH 26

(continued)

Exhibit MH 26

Extracts from
Minutes of
Meeting No.157 of
Directors of
Bulkships Ltd.

9th June 1971

Extracts from Minutes of Meeting No. 157
of Directors of Bulkships Ltd.
9th June 1971

1. PRESENT Sir Ian Potter (Chairman) 10
Mr. J.R. Cribb
Mr. J.G. Felgate
Mr. H.H.Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. K.W. Thomas
Mr. C.J. Waugh
Mr. T.L. Webb

IN ATTENDANCE

Mr. W.F.J. Foster 20
Mr. K.D. Stewart

APOLOGY Mr. E.H.P. Abeles9. R.W. MILLER (HOLDINGS) LTD.

The Chairman raised the question of whether we wish to obtain control of R.W. Miller if this is possible. This is to be further discussed at next Meeting when additional information should be available.

Exhibit MH 26

Extracts from
Minutes of
meeting of
Directors of
Bulkships Ltd.
7th July 1971

Exhibit MH 26

(continued)

Extracts from Minutes of Meeting No. 158
of Directors of Bulkships Ltd.
7th July 1971

1. PRESENT

Sir Ian Potter (Chairman)
Mr. E.H.P. Abeles
Mr. J.R. Cribb
Mr. J.G. Felgate
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. C.J. Waugh
Mr. T.L. Webb

Exhibit MH 26
Extracts from
Minutes of
Meeting No. 158 of
Directors of
Bulkships Ltd.
7th July 1971

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IN ATENDANCE

Mr. W.F.J. Foster
Mr. K.D. Stewart

APOLOGY

Mr. K.W. Thomas

6. UNION STEAM SHIP CO. OF N.Z. LTD.

Mr. Abeles reported on discussions with the N.Z. Government and interested companies. It appears that the purchase of U.S.S. will proceed. Mr. Abeles made suggestions regarding the Directors to be appointed as representing Bulkships Ltd.

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Secretary's memorandum dated 1st July 1971 refers to insurance and "Rangatira".

8. R.W. MILLER (HOLDINGS) LTD.

There is no further progress in this matter.

Exhibit MH 26
(continued)

Extracts from Minutes of Meeting No.159
of Directors of Bulkships Ltd.

11th August 1971

Exhibit MH 26
Extracts from
Minutes of
Meeting No.159 of
Directors of
Bulkships Ltd.
11th August
1971

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1. PRESENT

Sir Ian Potter (Chairman)
Mr. E.H.P. Abeles
Mr. J.R. Cribb
Mr. C.J. Felgate
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Thomas
Mr. C.J. Waugh
Mr. T.L. Webb
Mr. K.W. Russell

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Exhibit MH 26

Extracts from
Minutes of
Meeting No.159 of
Directors of
Bulkships Ltd.

11th August 1971

(continued)

IN ATTENDANCE

Mr. K.D. Stewart

6. UNION STEAM SHIP CO. OF N.Z. LTD.

Mr. Abeles reported that N.Z. Participants had so far committed themselves to \$3.5 million. The N.Z. Government is financing this for 5-7 years at 5½-6% p.a. The Chairman is to progress the possibility of the Australian Government providing us with finance of \$5-6 million.

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7. R.W. MILLER (HOLDINGS) LTD.

Mr. Abeles reported that "Amanda Miller" had been let on time charter for eight years at \$10,750 p.d., plus escalation.

Exhibit MH 26

(continued)

Exhibit MH 26

Extracts from
Minutes of
Meeting No.160 of
Directors of
Bulkships Ltd.

8th September 1971

Extracts from Minutes of Meeting No. 160 of
Directors of Bulkships Ltd.
8th September 1971

1. PRESENT

Mr. J.G. Felgate (Acting Chairman)
Mr. E.H.P. Abeles
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. C.J. Waugh
Mr. T.L. Webb

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IN ATTENDANCE

Mr. W.F.J. Foster
Mr. K.D. Stewart

APOLOGY

Sir Ian Potter (overseas)
Mr. J.R. Cribb
Mr. K.W. Thomas

6. UNION STEAM SHIP CO. OF N.Z. LTD.

Mr. Abeles reported:-

- (a) About 40 New Zealand companies will join in a consortium to be

formed this month. If the full \$6 million is not contributed, the N.Z. Government will make up the difference, but it is unlikely this will be necessary.

Exhibit MH 26
Extracts from
Minutes of
Meeting No. 160 of
Directors of
Bulkships Ltd.

8th September
1971

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- (b) The New Zealand Government will guarantee a borrowing by U.S.S. of \$11.5 million at a fee of 3% fixed, with the shareholders (N.Z. and Bulkships) giving security over their shares.
- (c) The target date for the takeover is 1st January, 1972 and P. & O. have confirmed that this is satisfactory.
- (d) There will be two working committees under the Chairmanship of Mr. McFarlane. -
Operations - Messrs. J.H.H. Paterson,
P.W. Naughton, and
J.R. Cribb: and
Administration - Messrs. K.D. Stewart
F. Golan, and
J. Keegan
- (e) Mr. Abeles will be the Chairman and Chief Executive of the Company for 18 months.
- (f) U.S.S. have increased their freight rates.

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R.W. MILLER (HOLDINGS) LTD.

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There was discussion of the present position of that Company.

Exhibit MH 26
(continued)

Exhibit MH 26
Extracts from
Minutes of
Meeting No.161 of
Directors of
Bulkships Ltd.
6th October 1971

Extracts from Minutes of Meeting No.161 of
Directors of Bulkships Ltd.
6th October 1971

1. PRESENT

Mr. J.G. Felgate (Acting Chairman)
Mr. E.H.P. Abeles
Mr. J.R. Cribb
Mr. H.H. Lloyd
Sir Daniel McVey (as alternate
for Sir Ian Potter) 10
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. K.W. Thomas
Mr. C.J. Waugh
Mr. T.L. Webb

IN ATTENDANCE

Mr. W.F.J. Foster
Mr. K.D. Stewart

APOLOGY

Sir Ian Potter (overseas) 20

6. UNION STEAM SHIP CO. OF N.Z. LIMITED

The Secretary's Memorandum of 1st
October, 1971 refers to the raising of \$5
million and security for this. The Board
agreed to the form of security, subject
to it being discussed with Sir Ian Potter.

Mr. Abeles reported on the current
situation, including:- 30

(a) the N.Z. consortium was anxious
that Bulkships should not compete
against U.S.S., except to the
extent that we do now.

(b) the shareholding in T.N.T.
Shipping Pty. Ltd. would be

Bulkships	51%
T.N.T.	49%

with T.N.T. executing a deed of
trust in favour of Bulkships. 40

- (c) Mr. Stewart is proceeding to London to negotiate new terms for P. & I. cover and hull insurance.

Exhibit MH 26
Extracts from
Minutes of
Meeting No.161 of
Directors of
Bulkships Ltd.

7. R.W. MILLER (HOLDINGS) LTD.

The Managing Director reported on this Company's interests in the tanker agency field.

6th October 1971

(continued)

13. OVERDRAFT

Guarantee for Associated Steamships Pty Ltd.

10 RESOLVED

- 20 (1) That the Declaration of Interestedness of Sir William Ian Potter, James Gordon Felgate, Thomas Langley Webb, Henry Howard Lloyd, Kenneth William Russell, John Hugo Heddle Paterson, Emil Herbert Peter Abeles, John Ross Cribb, Kenneth William Thomas, Charles James Waugh in the proposal for the Company to execute a Guarantee for \$700,000 in favour of Bank of New South Wales to secure the liabilities of ASSOCIATED STEAMSHIPS PROPRIETARY LIMITED inasmuch as they are Directors of both Companies and are therefore interested in the proposal in terms of Section 123 of the Companies Act and the Companies Articles be noted.
- 30 (2) That James Gordon Felgate and Charles James Waugh be and are hereby authorised to execute a Guarantee for and on behalf of the Company in favour of Bank of New South Wales of the payment by ASSOCIATED STEAMSHIPS PROPRIETARY LIMITED to the extent of \$700,000 plus interest and charges as expressed in the said Guarantee, such Guarantee to be in the form usually required by the Bank.
- 40 (3) That a copy of the foregoing Resolution be handed to Bank of New South Wales.

Exhibit MH 26
(continued)

Exhibit MH 26

Extracts from
Minutes of
Meeting No.162 of
Directors of
Bulkships Ltd.

10th November
1971

Extracts from Minutes of Meeting No.162 of
Directors of Bulkships Ltd.

10th November 1971

1. PRESENT

Sir Ian Potter (Chairman)
Mr. J.G. Felgate
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. K.W. Thomas
Mr. C.J. Waugh
Mr. T.L. Webb

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IN ATTENDANCE

Mr. W.F.J. Foster
Sir Daniel McVey
Mr. K.D. Stewart

APOLOGY

Mr. E.H.P. Abeles
Mr. J.R. Cribb

6. UNION STEAM SHIP CO. OF N.Z. LIMITED

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(a) Finance

The Managing Director's Memoranda
of 18th October and 5th November
refer.

The Board agreed that we should ask
Bank of New South Wales to raise \$5
million for this project on the
security of a debenture trust deed
giving a floating charge over the
assets of the Company, such floating
charge to rank behind the charge
under the existing trust deed, which
will be allowed to expire in June,
1973.

30

The amount of \$4 million presently
received by the Bank towards the
E.Z. project will be transferred to
this project.

It was agreed that Tri-Continental Corporation should act for us in the raising of this money and the \$11.5 million to be raised later by U.S.S. on the European market.

Exhibit MH 26
Extracts from
Minutes of
Meeting of
Directors of
Bulkships Ltd.

(b) Insurance, etc.

10th November
1971

The Secretary's Memorandum of 8th November reports on his visit to London. The Board endorsed the action taken in London and agreed that U.S.S. should transfer to the Standard P. & I. Club.

(continued)

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7. R.W. MILLER (HOLDINGS) LIMITED

RESOLVED

That the Common Seal of the Company be affixed to a form of proxy in favour of Mr. E.H.P. Abeles to vote and act for the Company at the Annual General Meeting.

Exhibit MH 26

Exhibit MH 26

Extracts from Minutes of Meeting No.163
of Directors of Bulkships Ltd.
8th December, 1971

Extracts from
Minutes of
Meeting No.163 of
Directors of
Bulkships Ltd.

8th December,
1971

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1. PRESENT

Sir Ian Potter (Chairman)
Mr. J.R. Cribb
Mr. J.G. Felgate
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. K.W. Thomas
Mr. C.J. Waugh
Mr. T.L. Webb

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IN ATTENDANCE

Mr. W.F.J. Foster
Mr. K.D. Stewart
Sir Daniel McVey

APOLOGY

Mr. E.H.P. Abeles

Exhibit MH 26

Extracts from
Minutes of
Meeting of
Durectors of
Bulkships Ltd.

8th December
1971

(continued)

6. UNION STEAM SHIP CO. OF N.Z. LIMITED(a) Finance

The Secretary's Memorandum of 7th December, 1971 refers. The terms of the provision of \$5,000,000 by the Bank of New South Wales were noted.

(b) Share Issue

The Secretary was authorised to send each of The Adelaide Steamship Co. Ltd. McIlwraith McEacharn Limited, and Thomas Nationwide Transport Limited, notice of offer to take up 175,000 shares of \$2 each to be fully paid on 29th December, 1971.

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RESOLVED

That on receipt of applications and application money Shares to be allotted and Share Certificates be issued in accord with applications and the Common Seal of the Company be affixed to the Share Certificates.

(c) T.N.T. Shipping (N.Z.) Ltd.

20

RESOLVED

That the Common Seal of the Company be affixed to:

- (1) Transfer of 5,998 shares of \$1 each fully paid from John Brownlow Horrocks.
- (2) Transfer of 2 shares of \$1 each fully paid from Bruce Nelson Davidson.
- (3) Apppintment of John Brownlow Horrocks or failing him Bruce Nelson Davidson as representative of Bulkships Limited pursuant to Section 143 of the Companies Act 1955 (N.Z.)
- (4) Memorandum of Subscription for Increased Capital of 3,988,000 shares of \$1 each.

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9. DIRECTORS

Exhibit MH 26

Declaration of InterestExtract from
Minutes of
Meeting No.163 of
Directors of
Bulkships Ltd.The Secretary tabled and read the following
additional and deleted declarations of interest:

Mr. E.H.P. Abeles -

8th December
1971Additions

(continued)

Castlereagh Securities Ltd.
Tricontinental Corporation Ltd.
R.W. Miller Limited.

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Mr. K.W. Russell -

AdditionsNorth Australian Cement Ltd.
Bretts Wharves and Stevedoring Pty. Ltd.Deletion

Osmarine (Australia) Pty. Ltd.

Mr. C.J. Waugh -

AdditionsD.R.G. Australia Ltd. (Group)
Tricontinental Corporation Ltd. (Group)

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DeletionsA. Flavell Pty Ltd.
McLaren Industries Ltd. (Group)

Sir Daniel McVey -

Addition

Amalgamated Wireless Valve Co. Pty Ltd.

Deletion

Amalgamated Wireless (A/asia) Ltd.

Extracts from Minutes of Meeting No. 168 of
Directors of Bulkships Ltd. 7th June 1972

Exhibit MH 26
Extracts from
Minutes of
Meeting No.168 of
Directors of
Bulkships Ltd.
7th June 1972

Exhibit MH 26
(continued)

Sir Ian Potter (Chairman)
Sir Peter Abeles
Mr. J.R. Cribb
Mr. L.W. Hancock (as alternate for
Mr. J.G. Felgate)
Mr. H.H. Lloyd
Mr. J.H.H. Paterson
Mr. K.W. Russell
Mr. K.W. Thomas
Mr. C.J. Waugh

10

IN ATTENDANCE

Mr. W.F.J. Foster
Sir Daniel McVey
Mr. K.D. Stewart

APOLOGY

Mr. J.G. Felgate

6. UNION STEAM SHIP COMPANY OF NEW ZEALAND
LIMITED

(a) Trading

20

Sir Peter Abeles reported on the
trading of U.S.S.

(b) T.N.T. Shipping N.Z. Limited

RESOLVED

That the Common Seal of the Company
be affixed to

(1) Transfer of 1,959,999 shares of
\$1 fully paid in the capital
of T.N.T. Shipping N.Z. Limited
from Thomas Nationwide Trans-
port Limited, and

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(2) Letter to Bank of New South
Wales re documents held in
escrow.

7. R.W. MILLER (HOLDINGS) LIMITED

The Managing Director's Memorandum of
24th May, 1972 reports on an announcement made
to the Stock Exchange of Melbourne re offer being
made by Ampol Petroleum Limited.

Exhibit MH 26 (continued)
 Extracts from Minutes of Meeting No. 169 of
 Directors of Bulkships Ltd. 12 July 1972

1. PRESENT Sir Ian Potter (Chairman) Exhibit MH 26
 Mr. J.G. Felgate Extracts from
 Mr. H.H. Lloyd Minutes of
 Mr. J.H.H. Paterson Meeting No. 169 of
 Mr. K.W. Thomas Directors of
 Mr. C.J. Waugh Bulkships Ltd.
 Mr. T.L. Webb 12th July 1972
- IN ATTENDANCE Mr. W.F.J. Foster
 Sir Daniel McVey
 Mr. K.D. Stewart
- APOLOGIES Sir Peter Abeles
 Mr. J.R. Cribb
 Mr. F.P. Golan
 Mr. K.W. Russell

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7. R.W. MILLER (HOLDINGS) LIMITED

Memoranda of 15th, 22nd, 23rd, and 29th
 June, and 10th July, enclosed various communica-
 tions relating to our shareholding.

(a) re Shareholding

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The Chairman reviewed the Company's
 position in relation to its shareholding
 in R.W. Miller, and specifically referred
 to the following communications that have
 been received by us -

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- (1) Letter dated 16th May, 1972 from
 R.W. Miller (Holdings) Limited con-
 firming the text of a telex received
 by us that day asking certain
 questions.
- (2) Telex dated 22/5/72 from R.W.
 Miller (Holdings) Limited advising
 that they had been advised by
 Ampol of "---its intention to
 extend its offer of dollars 2.27
 per share to all holders of
 ordinary shares ---"
- (3) An "Offer by Ampol Petroleum
 Limited to Purchase all of the
 Ordinary Shares in R.W. Miller
 (Holdings) Limited".

Exhibit MH 26
 Extracts from
 Minutes of
 Meeting No.169 of
 Directors of
 Bulkships Ltd.
 12th July 1972
 (continued)

- (4) A circular letter to shareholders dated 14 June, 1972 from R.W. Miller (Holdings) Limited referring to the Ampol offer, and advising shareholders to defer a decision on that offer.
- (5) Telex dated 22/6/72 from R.W. Miller (Holdings) Limited quoting the text of a letter received by them from Howard Smith Limited setting out the terms of an offer to be made to acquire all of the issued shares of R.W. Miller (Holdings) Limited. 10
- (6) Telex dated 23/6/72 from R.W. Miller (Holdings) Limited advising of a decision of their Board of Directors "--- to recommend to shareholders that the take-over offer for their shares at a price of \$2.27 per share by Ampol Petroleum Limited be rejected ---" for certain reasons. 20
- (7) A circular letter to shareholders dated 27 June, 1972 from R.W. Miller (Holdings) Limited advising of the receipt of the Howard Smith offer and recommending rejection of the Ampol offer.
- (8) A letter dated 3 July, 1972 from R.W. Miller (Holdings) Limited referring to press statements and asking certain questions. 30
- (9) A circular letter to shareholders dated 7 July 1972 from R.W. Miller (Holdings) Limited referring to a "--- placement of 4,500,000 shares ---".

and to the following statements that have been issued on behalf of the Company - 40

(10) On 23rd May, 1972

"We have no intention of making a counter bid for the balance of shares of R.W. Miller Limited. The Company will announce its policy in respect of its own holding after the Directors have fully considered their position."

- (11) On 27th June, 1972 (Jointly with Ampol Petroleum Limited)

Exhibit MH 26

Extracts from Minutes of Meeting No.169 of Directors of Bulkships Ltd.

12th July 1972

(continued)

10

The Chairman of the Board of Ampol Petroleum Limited, Mr. W.M. Leonard, and the Chairman of the Board of Bulkships Limited, Sir Ian Potter, announced tonight that following discussions that took place today agreement has been reached for the two companies to act jointly in relation to the future operation of R.W. Miller (Holdings) Limited.

20

Accordingly, they both have decided to reject any offer for their shares whether from Howard Smith Limited or from any other source.

Ampol Petroleum Limited and Bulkships Limited between them, control in excess of 55% of the issued shares of R.W. Miller (Holdings) Limited.

- (12) On 6th July, 1972

30

Sir Ian Potter, Chairman of Bulkships Limited, upon being informed that Ampol Petroleum Limited, intends to institute proceedings seeking to invalidate the issue today by R.W. Miller (Holdings) Limited to Howard Smith Limited of 4,500,000 shares, said, "Bulkships Limited fully supports the proposed action by Ampol Petroleum Limited".

The Board formally confirmed the actions that had been taken in issuing these statements, the Directors who were available having been consulted at the time they were made.

Exhibit MH 26

Extract from
Minutes of
Meeting No. 169 of
Directors of
Bulkships Ltd.
12th July 1972

(continued)

In relation to the letters referred to in items (1) and (8), no replies have been sent to R.W. Miller (Holdings) Limited because the Board considered that we are not obliged to supply the information being sought.

(b) Directors

The Board noted with approval that Sir Ian Potter had been appointed Alternate Director on the R.W. Miller Board to act for Sir Peter Abeles.

1st Defendants Exhibits
Exhibit M.H.31

INTERROGATORIES SET BY THE 13TH DEFENDANT HOWARD SMITH LTD. FOR THE PLAINTIFF AMPOL PETROLEUM LTD. AND THE ANSWERS THERETO - 1st SEPTEMBER 1972.

1st Defendants Exhibits

Exhibit M.H.31

Interrogatories set by the 13th Defendant Howard Smith Ltd. for the Plaintiff Ampol Petroleum Ltd. and the answers thereto 1st September 1972

10 12A. (a) Who was the author of the document mentioned in Part 1 of Schedule 1 of the Plaintiff's List of Documents discovered headed "Notes on Meeting with Ron Fraser McDonald and John Beal Preston of Anglo American, May 25, 1971"?

(b) Who was present at the meeting referred to in the document?

(c) Where did the meeting take place?

(d) To whom was the document distributed?

12B. (a) John Donoghue, personal assistant to W.M. Leonard.

20 (b) John Donoghue, R. Fraser McDonald and J.B. Preston.

(c) 84 Pacific Highway, North Sydney.

(d) No distribution of this document was made.

1st Defendants Exhibits

1st Defendants Exhibits
Exhibit M.H.32

Exhibit M.H.32

Inter office memorandum of Ampol Petroleum Ltd.
26th May 1972.

INTER OFFICE MEMORANDUM OF AMPOL PETROLEUM LTD.
26th MAY 1972 (DISCOVERY DOCUMENT 7)
LETTER BANK OF NEW SOUTH WALES TO AMPOL
PETROLEUM LTD. 24th MAY 1972 AND LETTER CAPEL
COURT CORPORATION LTD. TO AMPOL PETROLEUM LTD.
24th MAY 1972.

AMPOL PETROLEUM LIMITED

INTER-OFFICE MEMO

10

FROM: TREASURER TO: CHAIRMAN
MANAGING DIRECTOR

26th May 1972.

SUBJECT: FINANCE - R.W. MILLER TAKEOVER OFFER

The total cost of the takeover is estimated at -

Romanda & Miller Services	2,681,641 shares	-	£6.087million	
Bulkships	2,257,100 shares	-	£5.120	"
Balance of Capital	4,162,045 shares	-	£9.448	"
			<u>9,000,786 shares</u>	<u>£20.655</u> "
Stamp Duty on Bulkships and Balance				.120 " 20
				<u>£20.775million</u>

- - - - -

Finance has been offered as follows:

1) Bank of New South Wales

(a) Fully Drawn Advance - Interest Rate 8% p.a.

Previously approved January 1972..... £ 4.5m

Repayment - 12 months

Security - Debenture Stock

(b) Fully Drawn Advance - Interest Rate 8% p.a.

Approved in principle May 1972..... £10.4m
(letter attached)

30

Repayment - by 31st March

Security - Debenture Stock

Average Rate 8% p.a.

£14.9m

FINANCE - R.W. MILLER TAKEOVER OFFER

1st Defendants Exhibits

2) Capel Court Corporation Limited - Merchant Banker
(letter attached)

Exhibit M.H.32

Inter Office memorandum of Ampol Petroleum Ltd.
26th May 1972
(continued)

a) All Australian \$ Currency

\$10,000,000 from Capel Court Corporation for months only - Rate 6.75% p.a.
+ .25% Commitment Fee undrawn balance
.....\$10 million

10 Security - Debenture Stock

\$10,000,000 from Australian Syndicate (tentative) months only - Rate 7.25% approx. p.a.
+ .5% Commitment Fee undrawn balance
.....\$10 million

Average Rate 7% p.a. \$20 million

b) Sterling Currency from London

\$20 million - 3 months Interbank Rate 4.75% p.a.
Merchant Bank Margin London..... .75%
" "Commission London..... .25%
Estimated Conversion Costs..... .60%
6.35%

20

Financed by 4-way Consortium

Rate only for 3 months - then fluctuates with London Interbank Rate.

Maturity - 6 months with 3 month Options to a maximum of 12 months

Average Rate - say 6.4%.....\$20 million

c) Mixture of Sterling Currency London & Swiss Francs

30

Cost of Swiss Francs - prime rate... 2.75%
(being 1/8% above the London Interbank rate)
Margins & Commission - approx..... .75%
Estimated Conversion costs..... 1.00%
4.50% PA

Plus Exchange Risk on Conversion - unknown.

(Sgd)

2047.

1st Defendants
Exhibits

Exhibit M.H.32

Letter Bank of
New South Wales
to Ampol
Petroleum Ltd.
24th May 1972

1st Defendants Exhibits
Exhibit M.H.32

LETTER BANK OF NEW SOUTH WALES TO AMPOL PETROLEUM LTD.
24th May, 1972.

BANK OF NEW SOUTH WALES

P.O.Box 63, North Sydney,
N.S.W.2060

24th May 1972

Ref: ASH:Man.

Mr. Neville Malone,
Ampol Petroleum Limited,
84 Pacific Highway,
NORTH SYDNEY. N.S.W.2060

10

Dear Mr. Malone,

Further to our telephoned advices of last week, we are pleased to confirm that the Bank has approved a Fully Drawn Advance of \$10.4m to assist the Company in the proposed purchase of an additional 50% shareholding in R.W.Miller Holdings Ltd.

Approval has been given subject to the following 20
terms and conditions:

1. Advance is to be drawn in the Trading Bank and attract an interest rate of 8% per annum for the present.

2. Repayment in full to be effected from one source or another by 31/3/73 firm.

3. Security to be by way of Debenture Stock for \$10.4m, this being in addition to the Debenture stock presently held and that to be issued in respect to the Fully Drawn Advance of \$4.5m. 30
approved January this year.

4. Written undertaking from the Company to the Bank to provide the Bank with re-liquifiable bills up to the amount drawn if and when required. This condition is applying in view of the substantial amount involved herein and the unknown future conditions that may make it necessary for the Bank to take steps to ease possible liquidity pressures.

5. If advance is not drawn within 3 months (say 31/8/72) a delayed draw down fee 10 cents% per month will become payable.

6. Prepayment ahead of arrangements is to be negotiated on the basis of 3 months notice to the Bank or payment of 3 months penalty interest.

7. Establishment fee amounting to \$5756.50 will apply.

1st Defendants
Exhibits

Exhibit M.H.32
Letter Bank of
New South Wales
to Ampol
Petroleum Ltd.
24th May 1972
(continued)

10 In giving its approval the Bank has also commented that in the event of the current moves being successful, it would not appreciate any approach, at least for the present, for an increase in the existing overdraft facilities to the Miller Group through our Balmain Branch.

We are very pleased to be able to afford this additional facility to your company and would appreciate your formal acceptance in due course of the arrangements if they meet with your approval.

Yours faithfully,

(Sgd) G.J. Parle
Manager.

1st Defendants
Exhibits

1st Defendants Exhibits
Exhibit M.H.32 (continued)

Exhibit M.H.32
Letter Capel
Court
Corporation
Ltd. to Ampol
Petroleum Ltd.
24th May 1972

LETTER CAPEL COURT CORPORATION LTD. TO AMPOL
PETROLEUM LTD. 24th May, 1972.

CAPEL COURT CORPORATION LIMITED

6 Bligh Street,
Sydney 2000

24th May, 1972.

Mr. N.MALONE,
Treasurer,
Ampol Petroleum Limited,
84 Pacific Highway,
North Sydney, N.S.W.2060

10

Dear Sir,

This letter is in response to your request for standby loan facilities of up to \$A20 million to support your public bid to acquire all the issued shares of R.W. Miller (Holdings) Limited.

We understand that you would require the funds from mid August for a period of approximately 12 months and the extent of your requirement would depend upon the degree of success of your bid for the R.W. Miller shares. In an endeavour to provide you with a standby facility at the cheapest available rate, we are proposing at the outset that the funds should be provided from a source outside Australia. Should you prefer to borrow the funds from domestic sources only, we would have to submit to you an alternative proposal. The interest rate for a loan facility from domestic sources would be at a higher rate.

20

30

FOREIGN CURRENCY FACILITY

We have an agreement in principle from Samuel Montagu Ltd. to head a syndicate to provide a standby loan facility in foreign currencies to the value of \$A20 million. The syndicate would have four participants who would provide \$A5 million each. The funds would be provided either in sterling or in swiss francs at the option of Ampol Petroleum Limited.

40

The facility would require the approval of the Reserve Bank of Australia.

STERLING

The sterling facility would be offered at a rate of $3/4$ per cent per annum above the 3 months inter bank rate.

SWISS FRANCS

The facility in swiss francs would be at a rate of $1/2$ per cent above the 3 month inter bank rate.

- 10 As an indication the 3 month inter bank rate in London for these two currencies on Monday, May 22, was 4.75 per cent and 2.25 per cent respectively.

COMMITMENT COMMISSION

A commission of one quarter of one per cent would be payable at the outset to cover the period of the commitment and this fee would be payable regardless of the amount of the facility used.

WITHHOLDING TAX

- 20 It is assumed that no withholding tax would be deducted on interest paid abroad and that in respect of overseas lenders, Ampol would apply for a certificate of exemption from withholding tax. The rates quoted above are on the basis that tax is not withheld.

SECURITY

- 30 This offer is made on the basis that a debenture ranking pari passu with other debentures issued by Ampol is issued to the Lenders to secure the advance and that a deed of defeasance is given in this respect.

DRAWINGS

The facility would be available on a three month revolving basis and at the maturity of each fixed period, the advance may be repaid or renewed at the appropriate margin above the London inter bank rate then current for a further three months; provided that all amounts drawn mature not later

1st Defendants
Exhibits

Exhibit M.H.32

Letter Capel
Court
Corporation
Ltd. to Ampol
Petroleum Ltd.
24th May 1972
(continued)

1st Defendants
Exhibits

Exhibit M.H.32

Letter Capel
Court
Corporation
Ltd. to Ampol
Petroleum Ltd.
24th May 1972
(continued)

than the final repayment date of the facility.
Drawings may be made upon giving four London
working days notice.

Capel Court Corporation would arrange for the
remittance of funds to Australia and conversion
into Australian Dollars on behalf of Ampol
Petroleum Limited.

CONVERSION COSTS

The cost of converting from a foreign currency to
Australian Dollars would be subject to negotiation
with an Australian trading bank at the time the
remittance is made. We would expect that the
total cost would be in the vicinity of .60 per
cent per annum, assuming that the drawing is
made for a period of 12 months and that there is
no change in the value of the currency borrowed in
terms of Australian Dollars throughout the period
of the arrangement.

10

It is emphasised that the facility is offered in
a foreign currency, not in Australian Dollars,
and that any exchange risk therefore is borne by
Ampol Petroleum Limited.

20

DOCUMENTATION

A facility letter would be forwarded to you from
Samual Montagu & Company Limited. Upon your
indication of your acceptance of this facility,
it would be required by the Lenders that you
furnish a certified copy of a Resolution of your
Board of Directors accepting the facility and
your written acceptance of the offer.

30

FACILITY IN AUSTRALIAN DOLLARS

As an alternative to \$A10 million of the above
foreign currency facility, Capel Court Corporation
Limited would undertake to provide \$A10 million
to Ampol Petroleum Limited for a period of 12
months commencing from mid August 1972, provided
that the total amount to be borrowed from the
foreign and the domestic source combined does not
exceed \$A20 million. The funds would be provided
in a manner which would remain at the discretion
of Capel Court Corporation Limited but may include
the discounting of Bills of Exchange accepted by

40

Ampol Petroleum Limited, an advance of loan funds by Capel Court Corporation Limited or the provision of deposits from money market sources other than Capel Court Corporation. Capel Court Corporation Limited would guarantee the availability of these funds throughout the period of the commitment.

1st Defendants
Exhibits

Exhibit M.H.32

Letter Capel
Court
Corporation
Ltd. to Ampol
Petroleum Ltd.
24th May 1972
(continued)

DRAWINGS

10 The initial drawing under this part of the facility must be taken for a period of 6 months and would only be available for draw down within a month after the commencement of the facility. On the due date of the drawing for the first 6 months, Ampol Petroleum could elect either to repay or to renew for a further period of not less than 3 months and for a period which would mature no later than the anniversary date of the commencement of the facility.

20 Capel Court Corporation Limited would require seven days notice of any drawings or renewals under this local currency facility.

INTEREST RATE

Interest rate for the first drawing of 6 months would be 6.75 per cent net inclusive of any stamp duty or brokerage charges which might apply. The interest rate for the second period would be negotiated in the light of market conditions ruling at that time and the rate would be advised 21 days before the renewal date.

30 SECURITY

We would require a debenture to be issued in favour of Capel Court Corporation Limited to support the standby facility, to rank pari passu with other debentures issued and it is understood that a deed of defeasance would be given.

COMMITMENT FEE

40 Capel Court Corporation Limited would charge a fee of .25 per cent on the amount of the facility unused, calculated on a daily basis dating from the commencement date for a period of two calendar months. The fee would be due

2053.

1st Defendants
Exhibits

Exhibit M.H.32

Letter Capel
Court
Corporation
Ltd. to Ampol
Petroleum Ltd.
24th May 1972
(continued)

and payable at the expiry of the two month period.

We would appreciate receiving your response to
this offer by Friday 2nd June 1972.

Yours faithfully,
CAPEL COURT CORPORATION LIMITED

J. MILLS ROBSON
Manager for New South Wales.

2054.

Bulkships Limited Exhibits
Exhibit B.S.1

LETTER R.W. MILLER & CO. PTY. LTD. TO SECURITY
PACIFIC NATIONAL BANK - 20th APRIL 1972

R.W. MILLER & CO. PTY. LTD.

20th April 1972

Bulkships Ltd.
Exhibits

Exhibit B.S.1

Letter R.W. Miller
& Co. Pty. Ltd. to
Security Pacific
National Bank
20th April 1972

10 Mr. R. Williamson,
Vice President,
Security Pacific National Bank,
70 Pitt Street,
Sydney. N.S.W. 2000

Dear Bob,

After speaking with John Chambers this morning,
I understand that you require estimated profit
calculations for the trading of M.T. "Robert Miller"
which are as follows :-

Wages and Salaries	£650,000
Insurance	280,000
20 Non-voyage costs (as per "Amanda Miller")	<u>565,000</u>
	1,495,000
At 330 days	4,530 per day
Capital Charges	<u>7,160</u> " "
	£11,690
Escalation 1/9/71-31/12/71 on £565,000 = 2.3% =	<u>39</u> per day
Charter rate as from 1/1/72	£11,739 per day

The Capital charges shown above amounting to
£7,160 per day are dissected on the following basis:

30 Depreciation	£2,330 per day
Profit	£4,830 per day

As regards profit, and based on 330 operating
days per annum would return to us £1,593,900
before tax, which amounts to 13% on capital investment.

In the letter of Commitment to Charter, of
which you have a copy, you will notice that we
are covered by full escalation of operating costs,
so that the above annual profit should be
maintained throughout the entire Charter period.

40 We trust that this information will be of assistance
to you in your recommendations to Los Angeles.

With kindest regards.
Yours sincerely,
(sgd) L.D.Koch
General Manager

13th Defendants
Exhibits

Exhibit H.S.1

Interrogatories
set by the 13th
Defendant Howard
Smith Ltd. for the
Plaintiff Ampol
Petroleum Ltd.
and the
answers thereto
1st September
1972

13th Defendants Exhibits
Exhibit H.S.1

INTERROGATORIES SET BY THE 13th DEFENDANT
HOWARD SMITH LTD. FOR THE PLAINTIFF AMPOL
PETROLEUM LTD. AND THE ANSWERS THERETO
1st September 1972.

IN THE SUPREME COURT
OF NEW SOUTH WALES
EQUITY DIVISION

No. 1240 of 1972

AMPOL PETROLEUM LIMITED Plaintiff

10

R.W. MILLER (HOLDINGS)
LIMITED & ORS. Defendants

VERIFIED STATEMENT IN ANSWER BY PLAINTIFF TO
INTERROGATORIES OF THIRTEENTH DEFENDANT

The Plaintiff Ampol Petroleum Limited answers the
thirteenth Defendant's Interrogatories specified
in Notice filed on 22nd August, 1972 as follows:

- 1A. (a) Does the plaintiff allege that the eighth
defendant's claims, or any of them have at
any material time been unjustified? 20
- (b) If yes to (a) -
- (i) which of the claims are or have been
unjustified?
- (ii) what are the facts and circumstances
relied upon by the plaintiff for the
assertion that they are or have been
unjustified?
- 1B. The Plaintiff does not know whether or not the
eighth Defendant's (Conway's) claims or any of
them have at any material time been unjustified. 30
- 2A. (a) Does the plaintiff allege that the tenth
defendant's claims, or any of them, have
at any material time been unjustified?
- (b) If yes to (a) -

(i) which of the claims are or have been unjustified?

13th Defendants Exhibits

(ii) what are the facts and circumstances relied upon by the plaintiff for the assertion that they are or have been unjustified?

Exhibit H.S.1.

Interrogatories set by the 13th Defendant Howard Smith Ltd. for the Plaintiff Ampol Petroleum Ltd. and the answers thereto 1st September 1972
(continued)

10 2B. The Plaintiff does not know whether or not the tenth Defendant's (Balhorn's) claims or any of them have at any material time been unjustified.

3A..(a) When did the plaintiff acquire the shares referred to?

(b) How many of the shares were acquired by purchase on a Stock Exchange?

(c) How many of the shares were acquired otherwise than by purchase on a Stock Exchange?

(d) As to any shares acquired otherwise than by purchase on a Stock Exchange -

20 (i) from whom were they acquired?

(ii) if they were acquired in more than one parcel, please specify the various parcels acquired.

3B. The Plaintiff acquired the shares referred to as follows :-

<u>DATE</u>	<u>SOURCE</u>	<u>NO. OF SHARES</u>
26th May 1972	Romanda Pty. Limited under contract dated 12th May 1972	2,144,871
26th May 1972	Miller Services Pty. Limited under contract made 19th May 1972	536,770
19th June 1972	Exchange	2,200
28th June 1972	Exchange	3,200
28th June 1972	Exchange	1,600
28th June 1972	Exchange	500
28th June 1972	Exchange	4,300
28th June 1972	Exchange	2,000
40 28th June 1972	Exchange	4,400
28th June 1972	Exchange	1,600

<u>13th Defendants Exhibits</u>	<u>DATE</u>	<u>SOURCE</u>	<u>NO. OF SHARES</u>
Exhibit H.S.1.	30th June 1972	Exchange	12,400
Interrogatories set by the 13th Defendant Howard Smith Ltd. for the Plaintiff Ampol Petroleum Ltd. and the answers thereto 1st September 1972 (continued)	3rd July 1972	Exchange	100
	4A.	Look at paragraph 18 of the Statement of Claim and say when Bulkships acquired the shares referred to.	
	4B.	The Plaintiff does not know when Bulkships acquired the shares referred to save and except that Bulkships became registered as holder of 2,257,100 shares in Millers on 25th September, 1970.	10
	5A.	Look at paragraph 19 of the Statement of Claim and say:	
	(a)	was the approval of Bulkships express or implied?	
	(b)	if express was it oral or in writing?	
	(c)	if oral,	
	(i)	who gave it?	
	(ii)	to whom was it given?	20
	(iii)	what were its terms	
	(d)	if in writing what was/were the document or documents alleged to comprise the writing and state who signed it or them on the part of Bulkships;	
	(e)	if implied what are the facts and circumstances alleged to give rise to the implication;	
	(f)	was the approval conditional or unconditional;	
	(g)	if it was conditional, what were the conditions?	30
	5B.	(a) Express.	
		(b) Oral	

(c) (i) Sir Ian Potter on behalf of Bulkships.

13th Defendants
Exhibits

(ii) Mr. A.E.Harris on behalf of the
Plaintiff.

Exhibit H.S.1.

(iii) Approval to the public announcement
in paragraph 19 of the Statement of
Claim in the terms therein set out.

Interrogatories
set by the 13th
Defendant Howard
Smith Ltd. for the
Plaintiff Ampol
Petroleum Ltd.
and the
answers thereto
1st September
1972
(continued)

(d) Not applicable.

(e) Not applicable.

(f) Unconditional

10

(g) Not applicable.

6A. Look at paragraph 22 of the Statement of Claim
and give the following particulars:

As to sub-paragraph (a) -

(a) In relation to each of the defendants referred
to, what are the facts and circumstances
relied upon to support the allegation that
his purpose was as alleged?

As to sub-paragraph (b) -

20

(b) In relation to each of the defendants
referred to what are the facts and
circumstances relied upon to support the
allegation that his purpose was as alleged?

As to sub-paragraph (c) -

(c) In relation to each of the defendants
referred to what are the facts and
circumstances relied upon to support the
allegation that his purpose was as alleged.

As to sub-paragraph (d) -

30

(d) What are the facts and circumstances, if
any, in addition to those mentioned in
sub-paragraphs (a), (b) and (c) relied on
to support the allegation that, in the case
of each defendant, he did not vote bona
fide in the interests of Millers as a whole?

13th Defendants
Exhibits

Exhibit H.S.1.

Interrogatories
set by the 13th
Defendant Howard
Smith Ltd. for the
Plaintiff Ampol
Petroleum Ltd.
and the
answers thereto
1st September
1972
(continued)

As to sub-paragraph (e) -

- (e) What are the respect or respects, if any, in addition to those mentioned in sub-paragraphs (a), (b) and (c) in which it is alleged that the said purported allotment was not made bona fide in the interests of Millers as a whole?

As to sub-paragraphs (d) and (e) -

- (f) What precisely does the plaintiff mean by the expression "Millers as a whole"? 10
- (g) Specify any interests of Millers as a whole which the defendants referred to are alleged to have disregarded.
- 6B. (a) The Plaintiff relies upon the following facts and circumstances in relation to each Defendant;
- (i) The facts and matters set out in the whole of the Statement of Claim herein;
- (ii) The fact that as at the 6th July, 1972, the first Defendant had no urgent and immediate need to raise £10,350,000.00 or other similar sum and that indeed its financial position had improved during the preceding 12 months. 20
- (iii) The fact that the predominant motive for the purported allotment and the execution of the Deed of Undertaking with the thirteenth Defendant was not the first Defendant's need to raise finance; 30
- (iv) The haste and speed which accompanied the purported allotment, the execution of the said Deed, the sealing and issue to the thirteenth Defendant of the Share Certificate on the 6th July 1972;
- (v) The secrecy preceding the announcement by Taylor on the 6th July 1972 to the Board of Directors of the first Defendant of the receipt of the letters of application and of proposal of that date and of the said Deed of Undertaking 40

from the thirteenth Defendant, notwithstanding the apparent prior knowledge of the same enjoyed by at least Taylor, Balhorn, Conway, Koch, Nicholl and Anderson.

- 10 (vi) The lack of opportunity of full discussion and debate given to the Board of Directors of the first Defendant on the 6th July 1972 concerning the resolution for the purported allotment and the execution of the said Deed.
- (vii) The refusal of Taylor to adjourn the said meeting to enable Abeles to obtain legal representation.
- 20 (viii) The facts and matters as disclosed by the Minutes of the Meeting of Directors of the first Defendant and the partial transcript of that meeting held on the 6th July, 1972.
- 30 (ix) The departure by the first Defendant from its normal practice in processing a share allotment by utilization of the services of the fourteenth Defendant, in that the share registry entry form relating to the purported allotment was prepared in the offices of the first Defendant, the Share Certificate was so prepared and sealed in such offices and issued forthwith and directly to the thirteenth Defendant and the completed registry entry form was then forthwith delivered by personal courier to the fourteenth Defendant with instructions for the immediate entry into the branch share register kept by the Defendant.
- 40 (x) Letters from the Chairman of Directors of the first Defendant to the Plaintiff, Bulkships and the Stock Exchanges, public announcements made by the first Defendant both before and after the purported allotment etc., discussions

13th Defendants
Exhibits

Exhibit H.S.1.

Interrogatories set by the 13th Defendant Howard Smith Ltd. for the Plaintiff Ampol Petroleum Ltd. and the answers thereto 1st September 1972

(continued)

13th Defendants
Exhibits

Exhibit H.S.1.

Interrogatories
set by the 13th
Defendant Howard
Smith Ltd. for the
Plaintiff Ampol
Petroleum Ltd.
and the
answers thereto
1st September
1972
(continued)

by and between representatives of the first Defendant and the thirteenth Defendant; prior to and on the 6th July 1972; the furnishing of information to the thirteenth Defendant by representatives of the first Defendant.

- (xi) Such other facts and matters as may appear from the answers to interrogatories to be filed and served by all the Defendants interrogated and as may be adduced in evidence at the hearing. 10

(b) See (a) above.

(c) See (a) above.

(d) See (a) above.

(e) See (a) above.

(f) All the shareholders, creditors, officers and staff of Millers.

(g) All the interests of Millers as a whole other than the interests of those Directors who voted in favour of the said resolution for the purposes set out in this paragraph of the Statement of Claim. 20

7A. Look at paragraph 23 of the Statement of Claim and give the following particulars:

(a) Was the statement of Howard Smith referred to oral or in writing?

(b) Who on behalf of Howard Smith made it?

(c) When was it made? 30

(d) Where was it made?

(e) To whom was it made?

(f) If in writing what was/were the document or documents alleged to comprise the writing?

- (g) What are the facts and circumstances relied upon for the allegation, in the case of each defendant referred to, that his reason was as alleged?

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As to sub-paragraph (a)

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10

- (h) In relation to each of the defendants referred to what are the facts and circumstances relied upon to support the allegation that his purpose was as alleged?

As to sub-paragraph (b)

- (i) In relation to each of the defendants referred to what are the facts and circumstances relied upon to support the allegation that his purpose was as alleged?

As to sub-paragraph (c)

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- (j) In relation to each of the defendants referred to what are the facts and circumstances relied upon to support the allegation that his purpose was as alleged?

As to sub-paragraph (d)

- (k) What are the respect or respects, if any, in addition to those mentioned in sub-paragraphs (a), (b) and (c), in which, in the case of each defendant, it is alleged he did not vote bona fide in the interests of Millers as a whole.

As to sub-paragraph (e)

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- (l) What are the respect or respects, if any, in addition to those mentioned in sub-paragraphs (a), (b) and (c) in which it is alleged that the said purported allotment was not made bona fide in the interests of Millers as a whole.

7B. (a) In writing and implied.

- (b) Howard Smith, the Chairman of Directors of the thirteenth Defendant.

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- (c) By letter dated 6th July, 1972
- (d) In the said letter.
- (e) The said letter was addressed to the
Chairman of Directors of the first Defendant.
- (f) See (b), (c), (d) and (e) above.
- (g) See answers in 6B above.

In relation to (a) to (g) above the
Plaintiff also relies upon discussions
between the thirteenth Defendant and
representatives of the first Defendant
prior to and on 6th July, 1972, the mem-
orandum discovered by the thirteenth
Defendant dated 5th July, 1972, the Deed
of Undertaking and such other facts and
matters as may appear from answers to
interrogatories to be filed and served by
all the Defendants interrogated and upon
the evidence that may be adduced at the
hearing.

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- (h) See answers in 6B above.
- (i) See answers in 6B above.
- (j) See answers in 6B above.
- (k) See answers in 6B above.
- (l) See answers in 6B above.

20

8A. Look at paragraph 24 of the Statement of Claim
and say :

- (a) Were the instructions referred to oral
or in writing?
- (b) If oral -
 - (i) when were they given
 - (ii) by whom on the part of Duncan were
they given?
 - (iii) to whom on the part of Balhorn were
they given?
 - (iv) what were their terms?

30

(c) If in writing, what was/were the document or documents alleged to comprise the writing?

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(d) What facts and circumstances are relied upon to support the allegation that Balhorn was not acting independently?

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(e) What facts and circumstances are relied upon to support the allegation that Balhorn failed to use his own independent judgement or fiduciary power?

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8B. (a), (b) and (c). The Plaintiff does not know and is therefore unable to answer these questions at this stage, save and except that the Plaintiff relies upon the matters which appear from the Minutes of the Meeting of Directors of the first Defendant and from the partial transcript of such meeting held on the 6th July, 1972; and further relies upon the answers to interrogatories to be filed and served by all the Defendants interrogated and upon the evidence to be adduced at the hearing.

(continued)

20

(d) The matters set out in the whole of the Statement of Claim; and those matters which appear from the aforesaid Minutes of the Meeting of Directors and from the partial transcript of such meeting held on the 6th July, 1972; the matters set out in 6B above; the answers to interrogatories to be filed and served by the Defendants interrogated, and upon the evidence to be adduced at the hearing.

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(e) See (d) above.

9A. Look at paragraph 25 of the Statement of Claim and say:

(a.) What facts and circumstances are relied upon to support the allegation that the alleged prevention was without any proper justification?

40

(b) In what respects is it said that the alleged prevention was contrary to the Articles of Association of Millers?

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- (c) What did Taylor do to prevent Abeles from doing the things referred to?
- (d) What would Abeles have said had he not been prevented from participating in the discussion referred to as alleged?
- (e) How would Abeles have voted had he not been prevented from voting as alleged?
- 9B. (a) The matters set out in the whole of the Statement of Claim; the Articles of Association of the first Defendant; the matters set out in 6B above; the matters which appear from the aforesaid Minutes of the Meeting of Directors and from the partial transcript of such Meeting held on the 6th July, 1972; the fact that there was no moral or legal justification for such prevention. 10
- (b) The prevention was contrary to Article 97.
- (c) Taylor ruled that Abeles was not entitled to take part in the debate or to vote on the subject; ultimately granted Abeles' claim to have legal representation but stated that he "may seek legal advice elsewhere"; refused Abeles' request to adjourn the meeting whilst he sought legal advice elsewhere; permitted the meeting and the discussions to continue whilst Abeles left the room to seek legal advice; and refused Abeles the right to vote on the resolutions. 20
- (d) The Plaintiff does not know this.
- (e) The plaintiff does not know this.
- 10A Look at paragraph 27 of the Statement of Claim and say:
- (a) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 13 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters? 40

- (iii) How did Howard Smith become aware of such facts and matters?
- (b) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 18 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters?
- 10 (iii) How did Howard Smith become aware of such facts and matters?
- (c) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 19 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters?
- (iii) How did Howard Smith become aware of such facts and matters?
- 20 (d) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 20 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters?
- (iii) How did Howard Smith become aware of such facts and matters?
- 30 (e) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 21 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters?
- (iii) How did Howard Smith become aware of such facts and matters?
- (f) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 22 of the Statement of Claim?

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- (ii) When did Howard Smith become aware of such facts and matters?
- (iii) How did Howard Smith become aware of such facts and matters?
- (g) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 23 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters? 10
- (iii) How did Howard Smith become aware of such facts and matters?
- (h) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 24 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters?
- (iii) How did Howard Smith become aware of such facts and matters? 20
- (i) (i) Who on the part of Howard Smith was aware of the facts and matters alleged in paragraph 25 of the Statement of Claim?
- (ii) When did Howard Smith become aware of such facts and matters?
- (iii) How did Howard Smith become aware of such facts and matters?
- 10B. (a) At this stage the Plaintiff does not know the answers to these interrogatories which are peculiarly within the knowledge of the thirteenth Defendant save and except that the subject matter was one of public knowledge and was widely reported. The plaintiff will rely upon the answers to interrogatories to be filed and served upon it by all the Defendants interrogated and upon the evidence to be adduced at the hearing. 30

- (b) See (a) above.
- (c) The Plaintiff is aware that on the evening of the 27th June, 1972, Sir Ian Potter telephoned Mr. Howard Smith of the thirteenth Defendant and advised him that the Plaintiffs and Bulkships proposed to act jointly in relation to the first Defendant. Save and except for the above, the Plaintiff repeats the answer to (a) above.
- (d) See (a) above.
- (e) See (a) above.
- (f) See (a) above.
- (g) See (a) above.
- (h) See (a) above.
- (i) See (a) above.
- 11A. Look at paragraph 29 of the Statement of Claim and say:
- (a) What particular Listing Requirements are alleged to have been broken?
- (b) What was the value of the plaintiff's shareholding in Millers prior to the allotment?
- (c) What is the value of the plaintiff's shareholding in Millers since the allotment?
- 11B. (a) 3.H.11(a) and (b)
- (b) On the basis of each share being worth \$2.27, the value was \$6,087,325.07.
- (c) This is not known to the Plaintiff but the value would obviously be considerably reduced by virtue of the purported allotment.
- 12A. (a) Who was the author of the document mentioned in Part 1 of Schedule 1 of

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the Plaintiff's List of Documents
discovered headed "Notes on Meeting
with Ron Fraser McDonald and John
Beal Preston of Anglo American, May 25,
1971"?

- (b) Who was present at the meeting referred to in the document?
- (c) Where did the meeting take place?
- (d) To whom was the document distributed?
- 12B. (a) John Donoghue, personal assistant to W.M. Leonard. 10
- (b) John Donoghue, R. Fraser McDonald and J.B. Preston.
- (c) 84 Pacific Highway, North Sydney.
- (d) No distribution of this document was made.
- 13A. (a) Who was the author of the document headed "Proposal for Acquisition of Shares" listed in Part 1 of Schedule 1 of the plaintiff's List of Documents discovered?
- (b) To whom was the document distributed? 20
- (c) When did the "two or three" discussions referred to on page 2 of the document take place
- (d) Who was present at such discussions?
- 13B. (a) Mr. W.M. Leonard.
- (b) The directors and officers of the Plaintiff.
- (c) and (d). (i) Early May, 1971 between W.M. Leonard and Sir Peter Abeles.
- (ii) 9.12.71 between Mr. W.M. Leonard and Sir Peter Abeles. 30
- (iii) 6.1.1972 between Messrs. Leonard, Harris and Sir Peter Abeles.

14A. As to the document headed "Heads of Agreement reached between Ampol Petroleum Limited ("Ampol") and Bulk Ships Pty. Limited ("Bulk Ships") on the _____ day of 1972" produced by the plaintiff on discovery:

- (a) Who on behalf of each of Ampol and Bulkships framed the heads of agreement?
- 10 (b) Were the "Heads of Agreement" ever signed?
- (c) If yes to (b), when were they signed?
- (d) Was there ever any agreement or arrangement between Ampol and Bulkships that the heads of agreement or any of them become operative?
- (e) If yes to (d) -

20 (i) who made the agreement or arrangement on behalf of each party?

(ii) when was it made?

(iii) what were its terms?

(f) Were any steps ever taken by either of Ampol or Bulkships pursuant to any of the heads of agreement?

(g) If yes to (f):

(i) what steps were taken?

(ii) when were they taken?

30 (iii) who took them on behalf of Ampol and Bulkships respectively?

14B. (a) Dawson Waldron on behalf of the Plaintiff framed the said "Heads of Agreement". No-one framed such document on behalf of Bulkships.

(b) No.

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- (c) Not applicable.
- (d) No.
- (e) Not applicable.
- (f) No.
- (g) Not applicable.
- 15A. As to the document headed "Proposal for Acquisition of Shares Addendum" produced by the plaintiff on discovery:
- (a) Who was the author of the document?
- (b) To whom was it distributed? 10
- (c) Were there ever any "further discussions with Sir Peter Abeles" of the kind referred to on page 4 of the document?
- (d) If yes to (c) -
- (i) when did the discussions take place?
- (ii) who attended them?
- (iii) what was the substance of the discussion ?
- 15B. (a) Mr. W.M. Leonard prepared the document. 20
- (b) The directors of the Plaintiff.
- (c) and (d) The Plaintiff does not understand the reference in the question to further discussions "of the kind referred to on page 4" of the document and therefore is unable to answer these parts of the interrogatories.
- 16A. (a) Has there ever been any agreement or arrangement between the plaintiff and Bulkships Limited relating to the takeover by the plaintiff of the first-named defendant? 30

(b) If yes to (a) -

- (i) is or was the agreement or arrangement oral or in writing or partly oral and partly in writing?
- (ii) if in writing in whole or in part please identify the document or documents comprising the writing;
- (iii) when was it made?
- (iv) by whom on the part of the plaintiff with whom on the part of Bulkships Limited was it made?
- (v) what are or were its terms?
- (vi) is it subsisting?
- (vii) if no to (vi) when and how did it come to an end?

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16B. (a) No.

(b) Not applicable.

17A. (a) Has there ever been any agreement or arrangement between the plaintiff and Bulkships Limited relating to the future of the first named defendant's assets or business in the event of the takeover by the plaintiff of the first named defendant?

20

(b) If yes to (a) -

- (i) is or was the agreement or arrangement oral or in writing or partly oral and partly in writing
- (ii) if in writing in whole or in part please identify the document or documents comprising the writing;
- (iii) when was it made?
- (iv) by whom on the part of the plaintiff with whom on the part of Bulkships Limited was it made;

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ON APPEAL
FROM THE SUPREME COURT OF NEW SOUTH WALES
EQUITY DIVISION

B E T W E E N :

HOWARD SMITH LIMITED

Appellant
(13th Defendant)

- and -

AMPOL PETROLEUM LIMITED

Respondent
Plaintiff

R.W. MILLER (HOLDINGS) LIMITED
ARCHIBALD N. TAYLOR
SIR EMIL HERBERT PETER ABELES
ELIZABETH MILLER
ROBERT I. NICHOLL
EVAN DUFF CAMERON
KENNETH B. ANDERSON
WILLIAM A. CONWAY
PETER J. DUNCAN
ALAN V. BALHORN
F.M. MURPHY (a male)
C.J. WATT (a male)
SECURITY SHARE SERVICES PTY.
LIMITED

(1st) Defendant
(2nd) Defendant
(3rd) Defendant
(4th) Defendant
(5th) Defendant
(6th) Defendant
(7th) Defendant
(8th) Defendant
(9th) Defendant
(10th) Defendant
(11th) Defendant
(12th) Defendant

(14th) Defendant

RESPONDENTS

RECORD OF PROCEEDINGS

VOLUME VI

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