

NOTICE TO CREDITORS AND CUSTOMERS

29 December 2020

Dear Sir/Madam

RE: STA Travel Pty Limited (In Liquidation)
ACN 004 801 512
(referred to as 'the Company' or 'STA Travel')

1. Preliminaries

I refer to the appointment of Tim Norman and myself as Joint & Several Administrators and subsequently Joint & Several Liquidators of the Company on 21 August 2020 and 25 September 2020 respectively.

2. Report to Creditors dated 29 December 2020

Section 70-40 of the Insolvency Practice Rules Corporations 2016 (Cth) (IPR) requires the Liquidators to report to creditors within three (3) months after the commencement of the winding up. This Report provides details of the progress of the winding up, further information to customers to assist with their enquiries and claims; details regarding the Company's assets and liabilities and whether creditors and customers will receive a distribution (**Report**).

A copy of this Report is available at www.deloitte.com/au/STATravelAU.

The Report should be read in conjunction with our Report to Creditors pursuant to Section 75-225 of the IPR dated 17 September 2020 and our Notice to Customers – Update 3 dated 28 October 2020 which are also available at www.deloitte.com/au/STATravelAU.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation" serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific
Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte Australia
The Australian partnership of Deloitte Touche Tohmatsu is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, risk advisory, and financial advisory services through approximately 8000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at <https://www2.deloitte.com/au/en.html>.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

3. The business of STA Travel is closed

The business of STA Travel is closed and all staff have been made redundant.

Customers are advised that STA Travel was agent for the respective travel providers, not the supplier of travel services. It is our understanding that in accordance with STA Travel's terms and conditions, flights and other services are provided by the travel provider on the travel providers' respective terms and conditions. As a result, it is considered that travel providers are generally responsible for all aspects of the services booked, including re-bookings, cancellations and delays. Refunds relating to flights are governed by the travel providers' respective terms and conditions and fare rules for the specific fare.

We appreciate that this is a stressful and difficult time for those impacted by the Company's collapse. We also appreciate that thousands of customers are continuing to seek clarity about how they are directly impacted. Unfortunately, the Liquidators are unable to assist customers with their individual enquiries regarding the status of their booking as these are held with third parties. We strongly encourage those with bookings to contact the third party airline and / or tour operator.

COVID-19 continues to significantly impact the leisure, tourism and hospitality sectors with many travel providers operating at a reduced capacity which is causing delays in attending to customer enquiries and the processing of refunds (where applicable).

4. Refunds recovered by the Liquidators as at 30 November 2020

We are presently in control of the Company and are entitled and obligated to take all reasonable steps to recover debts due and payable to STA Travel which arose prior to the appointment. This includes refunds for cancelled travel booked by STA Travel on behalf of its customers.

We have actively sought refunds from travel providers where refunds had been requested by the customer and were being facilitated by STA Travel up to the date of the appointment of the administrators. We have recovered refunds totaling \$1.219m as at 30 November 2020 as outlined in the table below:

Customer refund monies received (subject to the Court Application)	Amount (\$'000)
Funds relating to IATA tickets	1,200
Funds received from other travel providers	19
Total customer refund monies received as at 30 November 2020	1,219

We are currently reconciling these funds which have been received from multiple travel providers. Impacted customers will be notified in the first quarter of 2021 regarding customer refunds received by the Liquidators and any subsequent distribution process which will be subject to an application to the Court seeking directions on this matter (referred to as the 'Court Application'). Please note that this has been a complex and difficult reconciliation process, involving a large number of third parties and involved a substantial amount of work and time.

5. Dividend

From our investigations, as at the date of the Report we consider the Company has insufficient realisable assets to enable payment of a dividend to unsecured priority creditors; unsecured creditors and customers of the Company as outlined in the table below:

Class of creditor	Optimistic dividend	Pessimistic dividend
Unsecured priority creditors (employees)	Nil	Nil
Unsecured creditors (including customers)	Nil	Nil

Please note the above analysis excludes the refunds recovered and referred to at Section 4 (refer above) which will be subject to the Court Application.

6. STA Travel Liquidation webpage

We appreciate your patience as we work through these issues and will continue to update customers and creditors at www.deloitte.com/au/STATravelAU.

If you require a physical copy of the Report to be sent to you, please email us at STATravel@deloitte.com.au.

Yours faithfully



Jason Tracy

Joint and Several Liquidator