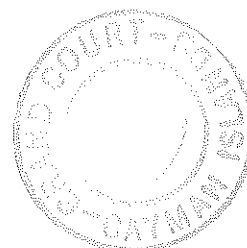


**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**FSD 38 of 2009 (AJJ)**

**IN THE MATTER OF THE COMPANIES LAW  
AND IN THE MATTER OF PALM BEACH OFFSHORE LTD (IN OFFICIAL  
LIQUIDATION)**

**BEFORE THE HONOURABLE MR JUSTICE ANDREW J. JONES QC  
IN CHAMBERS (BY TELEPHONE), 30 JUNE and 13 JULY 2015**



**ORDER**

**UPON** the application by SFR Holdings Limited (the “**Appellant**”) appealing against the rejection of its proof of debt by Geoffrey Varga and Mark Longbottom as joint official liquidators (the “**JOLs**”) of Palm Beach Offshore, Ltd. (in Official Liquidation) (the “**Company**”) by summons dated 15 September 2014 (the “**Summons**”)

**AND UPON** hearing counsel for the JOLs and Leading Counsel for the Appellant

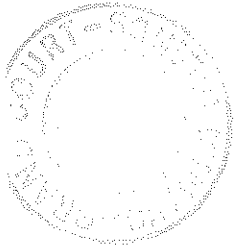
**AND UPON** the JOLs informing the Court that they will not assert that the amount of the Appellant’s claim can be altered pursuant to the procedures in section 112(2) of the Companies Law (2013 Revision) and/or CWR Order 12, rule 2

**IT IS ORDERED AND DIRECTED THAT:**

1. The Summons shall be listed for hearing with a two day time estimate on 15 and 16 October 2015 (the “**Hearing**”).
2. The purpose of the Hearing shall be to determine:
  - 2.1 whether the determination of the Net Asset Value (“**NAV**”) of the Company as at 31 August 2008 was not made in good faith by or on behalf of the directors, such that it would not be binding on the Company and the Appellant pursuant to Articles 12.1 and/or 12.4 of the Company’s Articles of Association (the “**Bad Faith Point**”) and if not, in what sum the Appellant is a creditor; and
  - 2.2 pursuant to the declaration made in the order dated 19 November 2014 that the NAV issued by the Company on 31 August 2008 was only provisional, such that it is open to

the Company acting by the JOLs to make a final determination of the NAV as at 31 August 2008, the amount of the Appellant's claim based on the Company's true NAV as at 31 August 2008 (the "Valuation Point").

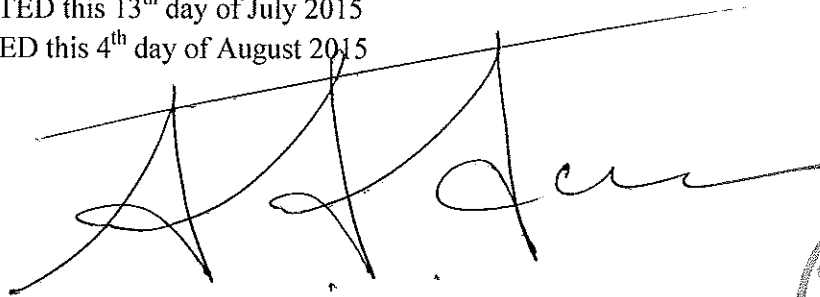
3. Any application for leave to appeal against the order of 19 November 2014 shall not be listed to be heard until after the Court has determined the Bad Faith Point and the Valuation Point.
4. The Appellant shall make arrangements for transcribes to attend and prepare a transcript of the Hearing for the parties and the Court.
5. Andreen Brown shall attend the Hearing by video-link for cross-examination on the Bad Faith Point.
6. Michael Staveley shall attend the Hearing by video-link for cross-examination on the Bad Faith Point if so requested by the JOLs not less than 14 days before the date of the Hearing.
7. Geoffrey Varga shall attend the Hearing for cross-examination on the Bad Faith Point and/or the Valuation Point if so requested by the Appellant not less than 14 days before the date of the Hearing.
8. The schedule for the Hearing shall be as follows:
  - 8.1 Opening submissions by the JOLs on the Bad Faith Point;
  - 8.2 Opening submissions by the Appellant on the Bad Faith Point;
  - 8.3 Cross examination and re-examination of Andreen Brown on the Bad Faith Point;
  - 8.4 Cross examination and re-examination of Geoffrey Varga on the Bad Faith Point (if requested to attend) ;
  - 8.5 Cross examination and re-examination of Michael Staveley on the Bad Faith Point (if requested to attend);
  - 8.6 Closing submissions by the Appellant on the Bad Faith Point;
  - 8.7 Closing submissions by the JOLs on the Bad Faith Point;
  - 8.8 Opening submissions by the Appellant on the Valuation Point;
  - 8.9 Opening submissions by the JOLs on the Valuation Point;
  - 8.10 Cross examination and re-examination of Geoffrey Varga on the Valuation Point (if requested to attend);
  - 8.11 Closing submissions by the JOLs on the Valuation Point; and
  - 8.12 Closing submissions by the Appellant on the Valuation Point.
9. The parties shall agree the index to the hearing bundles by 4 pm on 27 August 2015. Not less than 2 weeks before the date of the hearing Higgs & Johnson shall file the Court's bundles, with each party being responsible for preparing its own hearing bundles.
10. The parties shall file and exchange skeleton arguments by 4pm on 8 October 2015.



11. The parties shall thereafter promptly agree a consolidated authorities bundle index and Higgs & Johnson shall prepare consolidated authorities bundles for the Court and Campbells by 4pm on 9 October 2015.

12. Costs reserved.

DATED this 13<sup>th</sup> day of July 2015  
FILED this 4<sup>th</sup> day of August 2015

A handwritten signature in black ink, appearing to read 'A. J. Jones', written over a horizontal line.

**The Hon Justice Andrew J. Jones, QC**  
**JUDGE OF THE GRAND COURT**

