

IN THE GRAND COURT OF THE CAYMAN ISLANDS

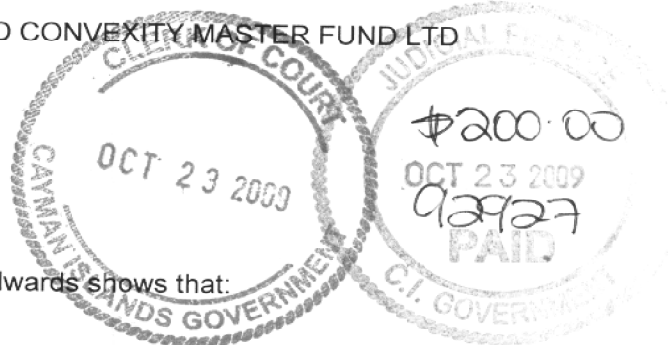
90528
CAUSE NO: OF 2009

IN THE MATTER OF: THE COMPANIES LAW (2007 REVISION) (AS AMENDED)

AND IN THE MATTER OF: TEQUESTA ENHANCED CONVEXITY MASTER FUND LTD



PETITION



TO THE GRAND COURT

The humble petition of David Walker and Lawrence Edwards shows that:

Introduction

1. Tequesta Enhanced Convexity Master Fund Ltd (the "**Company**") is an exempted company with limited liability organised and incorporated pursuant to the Companies Law (2007 Revision) (As Amended) (the "**Law**").
2. The Company was voluntarily wound up on 1 April 2008. David Walker and Lawrence Edwards of PWC Corporate Finance & Recovery (Cayman) Ltd ("**PWC**") were appointed as the Company's joint voluntary liquidators (the "**Joint Voluntary Liquidators**").
3. The Joint Voluntary Liquidators have determined that the Company is or is likely to be insolvent and that its voluntary winding-up should continue under the supervision of the Court.

Background information

4. The Company is part of the Tequesta group of companies ("**Group**"). The Group consists of two master funds, the Company and Tequesta Core Mortgage Fund Ltd ("**Master Funds**"), and four feeder funds, Tequesta Enhanced Convexity Fund Ltd, Tequesta Mortgage Fund Ltd, Tequesta Convexity Fund Ltd and Tequesta Mortgage Fund LP ("**Feeder Funds**").
5. The Joint Voluntary Liquidators are the voluntary liquidators of both Master Funds and each of the Feeder Funds, except Tequesta Mortgage Fund LP, which is a Delaware registered Limited Partnership.

6. The Company's registered office is situated at P.O. Box 258, Strathvale House, George Town, KY1-1104, Grand Cayman, Cayman Islands.
7. The Company's Memorandum and Articles of Association (the "**Articles**") were adopted by special resolution dated 2 May 2007. The objects for which the Company was established are unrestricted.
8. The Company has an authorised share capital of US\$50,000.00 divided into 5,000,000 shares of nominal or par value of US\$0.01. The Company's shareholders have the right to receive notice of, attend, speak and vote at general meetings of the Company.

Commencement of voluntary winding-up

9. On 1 April 2008, each of the Company's registered shareholders resolved, by written resolution, to place the Company into voluntary liquidation. Pursuant to Article 96 of the Articles, a written resolution signed by all shareholders for the time being entitled to receive notice of, attend and vote at general meetings of the Company is valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

The Company's Directors

10. As at 1 April 2008, the Directors of the Company were Ian Ross and Gil Felix Ong Cua.

Company insolvent

11. The Joint Voluntary Liquidators believe that the Company is or is likely to be insolvent, with an estimated net deficit in the value of its assets compared with its liabilities of as much as US\$14,940,399.
12. The Joint Voluntary Liquidators have and are continuing to investigate whether the Company enjoys rights of action against any parties in respect of its losses.

Consent to appointment as Official Liquidators

13. David Walker of PWC is a qualified insolvency practitioner. Mr Walker consents to his appointment as Official Liquidator of the Company.

14. Lawrence Edwards is no longer a Director of PWC. Mr Edwards does not consent to his appointment as Official Liquidator of the Company.
15. Ian Stokoe is a qualified insolvency practitioner and a Director of PWC. Mr Stokoe is willing to act as Official Liquidator of the Company.

Your petitioners therefore humbly pray that:

1. The voluntary winding-up of the Company continue under the supervision of the Court.
2. David Walker and Ian Stokoe of PWC be appointed as Official Liquidators of the Company.
3. David Walker and Ian Stokoe in their capacity as Official Liquidators of the Company have the power to act jointly and severally.
4. The costs of an incidental to this Petition be paid forthwith from the assets of the Company.
5. Such other orders or directions shall be made as the Court thinks fit.

AND your Petitioner will ever pray etc.

DATED the 15th day of September, 2009

Walkers

WALKERS
Attorneys at Law for the Petitioner

This petition is not intended to be served.

This Petition is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, for the Petitioners whose address for service is care of their said Attorneys at Law.