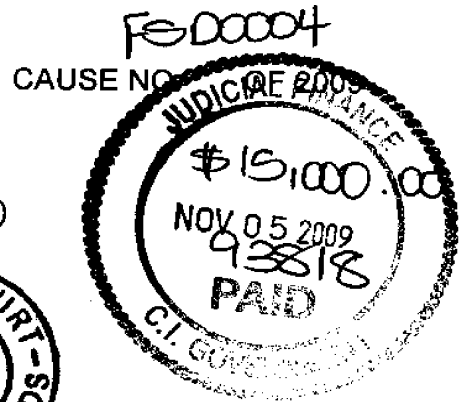
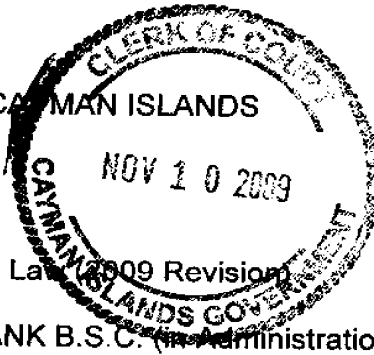


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



IN THE MATTER of the Companies Law (2009 Revision)
AND IN THE MATTER of AWAL BANK B.S.C. (in Administration)

PETITION



To the Grand Court of the Cayman Islands

The Petitioner, Charles Russell LLP ("Charles Russell"), in its capacity as External Administrator and Foreign Representative of Awal Bank B.S.C. ("Awal Bank"), in Administration for recognition of its rights as a Foreign Representative to act in the Cayman Islands on behalf of and in the name of Awal Bank, pursuant to section 241(1)(a) of the *Companies Law (2009 Revision)* ("the Law") and for other associated relief pursuant to section 241(1)(a) through (e) of the Law. The humble Petition of Charles Russell shows that: -

Particulars of Awal Bank's Incorporation and the Nature and Place of Its Business

1. Awal Bank is a foreign banking company incorporated in the Kingdom of Bahrain.
2. Awal Bank's Centre of Main Interest ("COMI") is in Bahrain. Its only offices (where its administration was conducted and where its management teams were based) are in Bahrain, at The Manama Centre, Government Avenue, P.O. Box 1735, Manama, Kingdom of Bahrain. To the best of Charles Russell's knowledge, this office address was the principal point of contact and correspondence address for Awal Bank's clients. In short, that is where Awal could be "found".
3. Awal Bank carries out "Regulated Services" in Bahrain, as that term is defined in Article 39(a) of *Decree Law No. 64 of 2006, the Bahraini Central Bank of Bahrain and Financial Institutions Law* ("CBBFIL"). Awal Bank is licensed by the Central Bank of Bahrain and is subject to the regulation of the Central Bank of Bahrain under the provisions of the CBBFIL.
4. Awal Bank's only banking licences are held in Bahrain. Awal Bank is not authorised to do business in the Cayman Islands. Awal Bank does not maintain and has never maintained any offices, employees or agents in the Cayman Islands. It maintains no telephone number or mailing address in the Cayman Islands, nor does it solicit

business in the Cayman Islands or otherwise advertise or market its services in the Cayman Islands.

5. Awal Bank is not a traditional retail bank. It is principally an investment company whose main business is the investment of assets it holds in Bahrain and elsewhere. In respect of its activities outside Bahrain, it conducts those activities pursuant to an offshore banking licence granted by the Kingdom of Bahrain. Without this licence, Awal Bank could not legitimately have undertaken any business outside Bahrain under Bahraini law.
6. Awal Bank does not have any branches outside Bahrain or any offices or physical presence as such.
7. Awal Bank also provides wholesale banking services in Bahrain, including the acceptance of deposits and the making of loans. Its counterparties and customers are primarily other banks, located mainly in the Middle East and in Europe.
8. Awal Bank has three shareholders: Maan Al Sanea, who previously served as Chairman of the Board of Directors and the Executive Committee; Saad Investments Company Limited ("SICL") (based in the Cayman Islands, where it is currently in liquidation); and Saad Trading, Contracting and Financial Services Company ("STCFSC") (based in Al Khobar, Saudi Arabia). SICL and STCFSC are also owned, directly or indirectly, by Maan Al Sanea. Maan Al Sanea, who is a resident of Saudi Arabia, is the beneficial owner of Awal Bank.
9. Charles Russell is reviewing details of Awal Bank's operations. That process is ongoing. Since Awal Bank was placed into Administration and Charles Russell appointed as Administrator, it has ceased to trade as a going concern.
10. Prior to being placed into Administration, Awal Bank was controlled by the Al-Sanea family, led by Maan Al Sanea. Maan Al Sanea and his family also control a group of companies known as the Saad Group comprising various companies registered in Bahrain, Saudi Arabia, the Cayman Islands and the United Arab Emirates.

The Authority by which Charles Russell was appointed as "External Administrator" / "Foreign Representative"

11. The Central Bank of Bahrain is the government entity responsible for regulating the financial services industry in Bahrain. As stated above, Awal Bank is a Bahrain-based bank that carries out "Regulated Services" in Bahrain, as that term is defined in the CBBFIL. Article 39(a) of the CBBFIL defines "Regulated Services" as "financial services provided by financial institutions". Awal Bank is thus licensed by

the Central Bank of Bahrain and is subject to regulation of the Central Bank of Bahrain pursuant to the CBBFIL.

12. Article 136 of the CBBFIL, entitled "Reasons for Placing a Licensee Under Administration," provides that the Central Bank of Bahrain "may, pursuant to a justified resolution, assume the administration of a Licensee or may appoint another person (the "External Administrator") to conduct the administration of a Licensee on behalf of the Central Bank". As per Article 136(a) of the CBBFIL the grounds recognised for placing a Licensee under administration are:
 - a. If the Licensee becomes insolvent or appears most likely to be insolvent.
 - b. If the license is amended or cancelled . . .
 - c. If the Licensee continued to provide regulated services which resulted in inflicting damages to financial services industry in the Kingdom.
13. As per Article 133 of the CBBFIL, a Licensee is deemed to be insolvent if "his financial position becomes unstable and he stops paying his due debts other than administrative fines and whatever type of tax."
14. Earlier this year, Awal Bank began experiencing a liquidity squeeze, brought on in part by the global economic crisis. By late May 2009, a group of Awal Bank's major creditors agreed to enter into a standstill agreement while Awal Bank attempted to restructure its debt. These creditors, which constituted an informal creditors' committee, include Abu Dhabi Islamic Bank, Calyon (a subsidiary of Credit Agricole), Commerzbank/Dresdner, Gulf International Bank and HSBC. The informal creditors' committee also represents approximately 40 other creditors, nearly all based in the Middle East or Europe.
15. By the summer of 2009, the Central Bank of Bahrain decided to exercise powers granted under Part Seven of the CBBFIL, entitled "Information Gathering, Inspection Visits and Judicial Investigation," to request information and reports from Awal Bank. Awal Bank's officers were summoned to appear before the Central Bank of Bahrain to answer questions about Awal Bank's financial affairs.
16. On July 30, 2009, by way of Resolution No. 38 and acting under authority granted by the CBBFIL, the Governor of the Central Bank of Bahrain placed Awal Bank in administration. Resolution No. 38 stated that the action of the Governor was necessary because:
 - a. Awal Bank had become insolvent, and
 - b. Awal Bank's continuance to provide Regulated Services is expected to cause damage to the financial services industry in the Kingdom of Bahrain.

17. Once the Central Bank of Bahrain assumes administration of a Licensee, it has two choices: it can administer the proceedings itself or it can appoint an External Administrator, as per Article 136(a) of the CBBFIL.
18. On August 6, 2009, by way of Resolution No. 44 and acting under authority granted by the CBBFIL, the Governor of the Central Bank of Bahrain appointed Charles Russell, a British law firm with a Bahrain office, to serve as External Administrator of Awal Bank. The appointment became effective on August 10, 2009.
19. Resolution No. 44 of 2009 appointed Charles Russell as the External Administrator for two reasons:
 - a. The insolvency of Awal Bank, and
 - b. The risk of damage to the financial services industry in the Kingdom of Bahrain, in case of Awal Bank's continuance to provide its regulated services.
20. Resolution No. 38 of 2009 sets out the decision of the Central Bank of Bahrain to commence the "foreign bankruptcy proceeding" [as that term is defined in section 240 of the *Companies Law (2009 Revision)*] with Awal Bank as "debtor" [as that term is defined in section 240 of the *Companies Law (2009 Revision)*].
21. Resolution No. 44 of 2009 sets out the decision of the Central Bank of Bahrain appointing Charles Russell as the "foreign representative" of the foreign bankruptcy proceeding [as that term is defined in section 240 of the *Companies Law (2009 Revision)*].

Powers and Duties of Charles Russell as Foreign Representative under the Law of Bahrain

22. Charles Russell is a top 50 law firm in the United Kingdom with more than 280 professionals in offices in London, Geneva, and Bahrain, among other locations. One of Charles Russell's areas of specialization is insolvency and restructuring, including cross-border insolvencies. Upon appointing Charles Russell to serve as External Administrator, the Central Bank of Bahrain issued a public statement noting that a "leading accountancy firm will be working with" Charles Russell "to ensure that the interests of creditors are upheld."
23. On or about August 6, 2009, the Central Bank of Bahrain selected the international accounting firm Baker Tilly Restructuring and Recovery LLP and Baker Tilly Corporate Finance LLP, also based in England, to assist Charles Russell in carrying

out its Administration duties. The appointment became effective on 10 August 2009.

24. Part 10 of the CBBFIL, entitled "Insolvency of the Licensee, and Placing It Under Administration and Compulsory Liquidation" governs the Administration of Awal Bank.
25. The Central Bank of Bahrain supervises the External Administrator. Article 137(a) of Part 10 of the CBBFIL specifies that "[T]he Central Bank shall specify the terms and conditions pursuant to which the External Administrator shall practice his duties and obligations." Article 137(b) of the CBBFIL stipulates the External Administrator must also "act in accordance with any instructions that the Central Bank may issue from time to time" and must submit periodic reports relevant to the administration to the Central Bank.
26. The External Administrator in turn supervises the affairs of the Licensee (Awal Bank). As per Article 140(a) of the CBBFIL the External Administrator has "all the powers necessary for the management and running the business of the Licensee" including: continuing or suspending the Licensee's operations; suspending or limiting the discharge of financial obligations of the Licensee; concluding agreements and signing documents on behalf of the Licensee; and commencing and defending any legal proceedings in the name of the Licensee.
27. As per Article 140(b) the administrator may carry out the following:
 1. Declare a moratorium in respect of any debts of the Licensee;
 2. Discharge obligations of the Licensee to certain creditors in preference to other creditors, if this is in the advantage of the Licensee;
 3. Dismiss officers and employees of the Licensee, provided that reasons should be given for the dismissal decision;
 4. Appoint officers and employees for the Licensee;
 5. After obtaining the approval of the Competent Court, and without prejudice to market agreements and, where applicable, the rights of the other party to be compensated, the administrator may nullify any agreement entered into by the Licensee before placing the Licensee under administration if such action is in the interest of the Licensee or taken to protect the interests of its customers, or to avoid occurrence of an irrevocable damage.

6. Undertake any necessary actions in the interest of the Licensee and for the protection of the interests of its customers and creditors.
28. Article 134 of the CBBFIL requires the insolvent Licensee to immediately cease to carry out any "Regulated Services" and as such, since Awal Bank was placed into Administration it has ceased to operate as a going concern.
29. The Central Bank of Bahrain has asked that Charles Russell "identify the outstanding claims of creditors and ... develop proposals for satisfying those claims to the extent permitted by the realizable assets of the bank" as per the Central Bank of Bahrain's Press Release dated July 30, 2009
30. Upon assuming the Administration, the External Administrator must publish a notice of its appointment "in the Official Gazette and in one Arabic and one English language newspaper published in the Kingdom", as per Article 138(a) of the CBBFIL. The External Administrator must also, within 30 days of assuming the administration, "make an inventory of the rights, assets and liabilities of the Licensee" and update the inventory "from time to time" in accordance with Articles 141(a) & (b) of the CBBFIL.
31. An Administration may not last for more than two years; after that time, an External Administrator must submit, with approval of the Central Bank of Bahrain, a petition to "the Competent Court" (Bahraini High Civil Court) requesting either: (1) "compulsory liquidation" of the Licensee; or (2) termination of the administration and restoration of the management of the Licensee to the officials of the Licensee. See Article 143 of the CBBFIL.
32. If a petition for liquidation is presented to a Bahraini court, all affected parties (the Central Bank of Bahrain, Awal Bank itself, and creditors) have a right to intervene, as per Article 145(b) of the CBBFIL. Pursuant to Article 145(a) of the CBBFIL the court may take "any measure it considers appropriate," including extending the term of the Administrator. As per Article 145(d) of the CBBFIL the court may order compulsory liquidation if the Licensee is insolvent or if liquidation is just and equitable.
33. If liquidation is ordered, the court appoints a liquidator who takes control of the assets of the bank's estate, reduces them to cash, and makes distributions to creditors. See Articles 145(d) & 149(a) of the CBBFIL. The liquidator is obligated to determine claims on a timetable set by the court and the liquidator's decisions are subject to judicial review in accordance with Article 152 of the CBBFIL. The liquidator must submit a proposal on the "conduct of the liquidation" to the Court,

and creditors, shareholders, and all other interested parties, and these parties have standing to challenge any proposal, pursuant to Article 153 of the CBBFIL.

34. The priority order for any distribution to creditors is mandated by Article 156 of the CBBFIL, as follows:

1. The Administrator's fees and reasonable expenses incurred by the Administrator during the administration period of the Licensee, and the wages and salaries of the officers and employees of the Licensee up to the date on which the petition for compulsory liquidation was filed at the competent court or the date of termination of the relevant contract of employment whichever is earlier;
2. The liquidator's fees and reasonable expenses incurred by the liquidator during the period of liquidation;
3. Fees and taxes due to the Government, its organisations, Agencies and the Central Bank;
4. Deposits and loans taken with the approval of the Central Bank to protect the Licensee from insolvency;
5. Deposits of value not exceeding twenty thousand (20,000) Bahraini Dinars per depositor;
6. Other deposits that exceed the amount stated in the previous item and all other unsecured debts due upon the Licensee.
7. Amounts due to the shareholders in proportion to their respective shares.

35. Article 157 of the CBBFIL requires the liquidator, upon completion of distribution, to submit a final accounting to the court and the Central Bank of Bahrain.

36. To ensure equitable treatment of all creditors who are competing for a licensee's assets, Part 10 of the CBBFIL empowers the Administrator to collect all assets of the Licensee, wherever located, and to determine all liabilities. The Awal Bank Administration thus encompasses all assets of Awal Bank. Likewise, all creditors of Awal Bank, foreign or domestic, are entitled to file their claims in the Bahraini Administration proceeding. The aim of the CBBFIL is to grant the External Administrator full powers to treat all creditors fairly and comprehensively.

37. If the External Administrator fails to consider all creditor claims or to marshal all assets, the purpose of the CBBFIL would be frustrated. A piecemeal or haphazard resolution of claims creates the risk of preferential treatment and inconsistent adjudications.

38. To protect the Administrator's ability to deal with claims and creditors collectively and comprehensively, the CBBFIL provides that a Licensee is entitled to a suspension of all legal proceedings against it. Article 142 of the CBBFIL provides as follows:

During the period of administration, no action may be taken to enforce any security over the property of the Licensee and no legal proceedings or any other measures may be commenced or continued against the Licensee or its property except with the approval of the Administrator or in the course of executing a court judgment or order issued before the date on which the Licensee was placed under administration.

Thus, once Administration begins, all claims and legal proceedings against the Licensee must be stayed and determined as part of the Administration.

Reasons for Seeking the Right of Charles Russell, as Foreign Representative, to Act in the Cayman Islands on Behalf of Awal Bank

39. Charles Russell requests that this Honourable Court make the following orders ancillary to the Awal Bank Administration in Bahrain pursuant to section 241 of the Law:-

- a. recognizing the right of Charles Russell to act in the Cayman Islands on behalf of and in the name of Awal Bank;
- b. enjoining the commencement or staying the continuation of legal proceedings against Awal Bank;
- c. staying the enforcement of any judgment against Awal Bank;
- d. requiring a person in possession of information relating to the business or affairs of Awal Bank to be examined by and produce documents to Charles Russell; and
- e. ordering the turnover to Charles Russell of any property belonging to Awal Bank.

40. By granting the requested Orders under section 241 of the Law, the Court will facilitate the most economic and expeditious administration of Awal Bank's estate,

and will be consistent with the points of guidance set out in section 242 of the Law which read:

- a. the just treatment of all holders of claims against or interests in Awal Bank's estate wherever they may be domiciled;
- b. the protection of claim holders in the Cayman Islands against prejudice and inconvenience in the processing of claims in the foreign bankruptcy proceeding;
- c. the prevention of preferential or fraudulent dispositions of property comprised in Awal Bank's estate;
- d. the distribution of Awal Bank's estate amongst creditors substantially in accordance with the order prescribed by Part V of the Companies Law (2009 Revision) entitled Winding up of Companies and Associations;
- e. the recognition and enforcement of security interests created by Awal Bank;
- f. the non-enforcement of foreign taxes, fines and penalties; and
- g. comity.

41. An order under paragraph 241(1)(a) of the Law is the first step to achieving the goals set out in section 242 of the Law. The administration strategy is that there should be a central insolvency proceeding in Bahrain. That centralized procedure is for the benefit of all creditors, worldwide. It would be contrary to the creditors' interests to have a fragmented administration conducted piecemeal in different jurisdictions.

42. Reliance is also placed on the "comity" factor found in section 242(1)(g) of the Law. Recognition orders have been made both in the English High Court and in New York (in both cases pursuant to the UNCITRAL Model Law on Cross Border Insolvency). Parallel recognition in Cayman would not only promote comity, but would also ensure consistency across the various jurisdictions and a central, uniform point of contact for all creditors.

43. As for other orders under section 241, it should be noted that the UK recognition order provided that:

"to the extent necessary to protect Awal's assets and/or the interests of creditors, the right to transfer, encumber or

otherwise dispose of any of the assets of Awal be suspended....

pursuant to article 21(1) (e) of the Model Law, to the extent necessary to protect Awal's assets and/or the interests of creditors, and subject to the freezing order obtained by Calyon on 24th July 2009 and continued on 7th August 2009 in proceedings 2009 Folio 1012 in the High Court of Justice, Queen's Bench Division Commercial Court, the administration and realisation of any assets of Awal in Great Britain be entrusted to the Applicant".

44. The above ancillary orders to a great extent mirror the Cayman Court's jurisdiction under section 241(1)(e) of the Law. Thus, it is requested that the Court give a direction in similar terms in accordance with that jurisdiction, in the interests of all the creditors and in the interests of comity and consistency.
45. Whilst section 241(1)(b) of the Law gives the Court a discretion to stay proceedings, and although there are no proceedings currently pending against Awal Bank in Cayman, the Court is nonetheless asked to give a direction in general terms for a stay under section 241(1)(b), again in the interests of comity and consistency.
46. An order under section 241(1)(c) would be required, not only to achieve consistency with any stay directed under section 241(1)(b) of the Law, but also to preserve assets for distribution.
47. Geographically, Bahrain is the obvious choice for the core insolvency proceedings. Awal Bank's head office is in Bahrain, as are most of its employees and officers. Moreover, Awal Bank (and its owner, the Al Sanea family) had strong links with neighbouring Saudi Arabia, where significant assets are thought to be located.
48. Awal Bank is the sole shareholder of the following Cayman Island companies ("Awal Subsidiaries"):
 1. Awal Feeder 1 Fund;
 2. Awal Finance Company Limited;
 3. Awal Finance Company (No. 2) Limited;
 4. Awal Finance Company (No. 3) Limited;
 5. Awal Finance Company (No. 4) Limited;
 6. Awal Finance Company (No. 5) Limited; and
 7. Awal Finance Company (No. 6) Limited.

49. The Awal Subsidiaries are the 13th through 19th defendants in Grand Court Cause No. 359 of 2009 and are all wholly owned subsidiaries of Awal Bank. Their assets and liabilities are included in the consolidated balance sheet and accounts of Awal Bank.
50. There are currently applications before the Court requesting orders for Court supervision of the Awal Subsidiaries and orders that Christopher Dorrien Johnson and Russell Smith, of Johnson Smith Associates Ltd., Elizabethan Square, 80 Shedden Road, George Town, Grand Cayman, KY1-1104, Cayman Islands and Geoffrey Lambert Carton-Kelly and Bruce Alexander Mackay of Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London EC4M 7AF ("Joint Liquidators"), be appointed Joint Official Liquidators of the Awal Subsidiaries. Petitions to wind up the Awal Subsidiaries are Grand Court Cause Numbers 475 through 481 of 2009. The Awal Subsidiaries are all currently in voluntary liquidation under the control of the Joint Voluntary Liquidators.
51. Also before this Court is a Winding Up Petition for Awal Master Fund, Cause No. 500 of 2009. The Plaintiff in Cause No. 359 inadvertently failed to add Awal Master Fund as a Defendant and as such the *Ex Parte* Order of Mr. Justice Henderson dated 24 July 2009 made on the application of AHAB without notice freezing the worldwide assets of Maan Al Sanea and 42 defendant companies owned or controlled, directly or indirectly, by Maan Al Sanea granted in that matter does not apply to Awal Master Fund. As the sole owner of the redeemable participating shares and contributory of Awal Master Fund, Awal Feeder 1 Fund as Petitioner, has requested Orders of the Court that winding up of Awal Master Fund be granted on the grounds that it is just and equitable and that the Joint Voluntary Liquidators for the Awal Subsidiaries be appointed as Joint Provisional Liquidators of Awal Master Fund.
52. It is both necessary and appropriate that relief should be granted in the terms of sections 241(a) to (e) of the Law to ensure equitable treatment of all creditors who are competing for Awal Bank's assets and to prevent disruption of this process, as well as to prevent dissipation of assets.

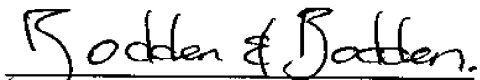
YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The Court recognises the right of Charles Russell, as foreign representative, to act in the Cayman Islands on behalf of and in the name of Awal Bank.
2. The Court enjoins the commencement or stays any continuing legal proceedings against Awal Bank.

3. The Court stays the enforcement of any judgment against Awal Bank.
4. The Court requires a person in possession of information relating to the business or affairs of Awal Bank to be examined by and produce documents to Charles Russell.
5. The Court orders the turnover to Charles Russell of any and all property belonging to Awal Bank.
6. Such further or other orders or directions as are required.

AND your Petitioners will ever pray, etc.

Dated the 5th day of November 2009.



BODDEN & BODDEN
Attorneys for the Petitioners

This Petition is filed by Bodden & Bodden, Attorneys for the Petitioners, whose address for service is that of their said attorneys: Grand Pavilion Commercial Centre, 802, West Bay Road, PO Box 10335, Grand Cayman KY1-1003, Cayman Islands [Tel: +1 345 943-0202 – Ref: 1148-0001/WJH/IL/DD].

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman, on _____ at 10.00am.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.