



IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

FSD CAUSE NO.292 OF 2020 (IKJ)

IN THE MATTER OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF FRONTERA INTERNATIONAL CORPORATION

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WINDING UP PETITION

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TO: THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of Outrider Master Fund, L.P. (the “**Petitioner**”) of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman shows that:

**INTRODUCTION**

1. The Petitioner was established as a Cayman Islands exempted limited partnership on 18 March 2004 and its registered office is situated at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman. The general partner of the Petitioner is Outrider Management LLC (the “**General Partner**”) a limited liability company registered in Delaware.
2. Frontera International Corporation (the “**Company**”) was incorporated in the Cayman Islands on 5 February 1997, registration no. 71338 as an exempted company under the laws of the Cayman Islands. The Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, Cayman Islands.
3. The Company is part of the Frontera group of companies, which engage in oil and gas production and exploration around the world.

4. The Company is a wholly owned subsidiary of Frontera Resources Corporation (“**FRC**”) and owns the entire share capital of Frontera Resources Caucasus Corporation (“**FRCC**”), both entities of which are also incorporated in the Cayman Islands. On 12 September 2019, FRCC was placed into liquidation with David Griffin and Andrew Morrison as the appointed joint official liquidators.
5. FRCC owns the entire share capital of Frontera Resources Georgia Corporation (“**FRGC**”). FRGC is incorporated in the Cayman Islands and is engaged in oil and gas exploration in the Caucasus with its core obligations in Georgia.
6. FRGC entered into a production sharing contract with the government of Georgia and through a subsidiary, it holds a licence over an area known as Block 12 pursuant to which it has exclusive rights to explore and produce gas and oil. These rights are the principal asset of the Frontera group of companies.

## **THE NOTE AGREEMENT**

7. Pursuant to section 1.1 of the Note Agreement dated December 20, 2016 (the “**Note Agreement**”); the Company issued the Petitioner notes with a principal amount of \$22,910,094 (the “**Notes**”).
8. Pursuant to section 1.2 of the Note Agreement, the Notes constituted a senior secured obligation of the Company, secured by a lien on one hundred percent (100%) of the capital stock of FRCC.
9. Pursuant to section 1.3 of the Note Agreement, the Company was due to pay interest quarterly in arrears. Up to the period ending 30 June 2017 interest was payable in cash or at the Company’s discretion by the issuance of additional notes to the Petitioner. From 1 July 2017 forward interest was payable by the Company to the Petitioner solely in cash
10. Pursuant to an amendment of the Note Agreement on 30 March 2018 interest payments were deferred to 30 September 2018 and would be paid either in cash or shares.

11. Pursuant to section 8.1 of the Note Agreement failure by the Company to pay any principal on the Notes when due/and or to pay any interest, fees or expenses or any of its other obligations in respect of the Note Agreement when due and such failure continues for 10 days thereafter shall constitute an Event of Default (“**Event of Default**”).
12. Since 30 September 2018 interest is due in cash by the Company to the Petitioner. The Company has not received a payment of interest and an Event of Default has occurred.
13. In accordance with section 8.1 of the Note Agreement, an amount of \$40,297,602 (the “**Debt**”) is owing to the Petitioner. This is comprised of the principal amount of \$27,090,826 as of the capitalization of interest at 31 December 2017 (from the original principal amount of \$22,910,094) plus interest in the amount of \$13,206,777 accrued from 31 March 2018 to 31 December 2020.

#### **THE COMPANY’S INSOLVENCY**

14. The publically available financial statements for the six months ended 30 June 2018 show a net loss and comprehensive loss of US\$6,978,138 and US\$11,417,966 for the six months ended 30 June 2018 and 30 June 2017 respectively.
15. As at the date of this Petition, the Company has failed to pay the Debt.
16. The Company is therefore insolvent and unable to pay its debts and should be wound up pursuant to section 92(d) of the Companies Law (2020 Revision).

**YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:**

1. The Company be wound up in accordance with the Companies Law (2020 Revision).
2. David Griffin and Andrew Morrison of FTI Consulting of Suite 3212, 53 Market Street, Camana Bay, PO Box 30613, Grand Cayman, KY1-1203 be appointed as Joint Official Liquidators (JOLs) with the power to act jointly and severally.
3. The JOLs shall not be required to give security for their appointment.
4. The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the JOLs and/or their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.
5. In addition to the powers set out in Part II of the Third Schedule to the Companies Law (2020 Revision), the JOLs be authorised to exercise all of the powers set out in paragraphs 1,2,4,7,8,10 and 11 of Part I of the Third Schedule to the Companies Law (2020 Revision) and section 110 (2) thereof, without further sanction of this Honourable Court.
6. The JOLs be authorised to do any acts or things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs in the Cayman Islands and/or elsewhere.
7. Without prejudice to the generality of the foregoing, the JOLs be authorised and be granted leave to take all such actions as may be necessary to:
  - (a) Exercise the rights to which a registered holder of any shares or other securities registered in the name of the Company, or to which an owner of any shares or securities held by or on behalf of the Company (whether as principal or as agent), is entitled including, but without prejudice to the generality of the foregoing power, the right to receive dividends and the benefits of other corporate actions in relation to such shares or other

securities; the right to attend meetings and to exercise any voting power pertaining to such shares or other securities and to direct nominees of the Company in whose names shares or other securities beneficially owned by the Company are registered to exercise all or any such rights as the JOLs shall direct;

- (b) take control of such of the direct and/or indirect subsidiaries ("**Subsidiaries**") of the Company, and/or joint ventures, investment, associated companies, business or other entities (together, the "**Associated Companies**") in which the Company holds an interest (or such shares of such Subsidiaries and/or Associated Companies as are owned directly or indirectly by the Company), in each case wherever located (together, the "**Group**"), as the JOLs shall think fit; and/or to call or cause to be called such meetings of such Subsidiaries and/or Associated Companies and/or to sign such resolutions (in accordance with the provisions of any relevant constitutional or related documentation of such companies) and take such other steps, including applications to appropriate courts and/or regulators, as the JOLs shall consider necessary to appoint or remove directors, legal representatives, officers, and/or managers to or from such Subsidiaries and/or Associated Companies, and in each case take such steps as are necessary to cause the registered agents (or other equivalent corporate administrators) of such Subsidiaries or Associated Companies to give effect to the changes to the boards of directors, legal representatives, officers, and/or managers of such companies or entities, including (without limitation) effecting changes to the company registers of such Subsidiaries or Associated Companies as may be deemed appropriate by the JOLs; and/or to take such other action in relation to all such Subsidiaries or Associated Companies as the JOLs shall think fit for the purpose of protecting the assets of the Company and managing the affairs of the Company (which, for the avoidance of doubt, shall include the assets and affairs of the Subsidiaries and Associated Companies);

- (c) liaise with management of the Group to stabilise and preserve value of the Company and the Group;
  - (d) liaise with management of the Group to stabilise and preserve value in the onshore business of the Company and the Group;
  - (e) take steps to locate, demand and secure cash held by all Group companies in bank accounts in the US, or elsewhere;
  - (f) communicate on the Company's behalf with the regulators as appropriate; and
  - (g) make applications to, and seek the assistance and recognition from, the courts of any foreign jurisdictions as may be necessary in the course of their conduct as JOLs of the Company or for the purposes of carrying out any of the functions provided for herein.
8. The JOLs be at liberty to appoint such counsel, attorneys, professional advisors, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties in accordance with Order 25 of the Companies Winding Up Rules, 2018.
9. No disposition of the property of the Company by or with the authority of the JOLs in carrying out their duties and functions and the exercise of their power under any Order granted pursuant to this Petition shall be voided by virtue of section 99 of the Companies Law.
10. No suit, action or other proceeding may be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
11. The JOLs shall be entitled to receive remuneration for their services by reference to the time properly given by them and their staff in attending to matters arising in the winding up and the hourly rates and the amount of remuneration shall be determined in accordance with the Insolvency Practitioners' Regulations, 2018.

12. The JOLs be at liberty to pay themselves (up to 80% of the JOLs' remuneration pending approval by the Court), their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs, and for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as expenses of the liquidation.
13. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.
14. The JOLs be at liberty to apply generally.
15. The costs of the Petition shall be paid out of the assets of the Company, as an expense of the liquidation, to be taxed if not agreed.
16. Such further or other relief be granted as the Court deems appropriate (including the relief sought above).

**AND** your Petitioner will ever pray etc.

Dated this 25 November 2020

  
Conyers Dill & Pearman  
Conyers Dill & Pearman

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is c/o Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman, KY1-1111 (RLM/711076)

### **Notice of Hearing**

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on \_\_\_\_\_2020 at \_\_\_\_\_am/pm.

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.