



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD OF 2020 (IKJ)

IN THE MATTER OF THE COMPANIES ACT (2020 REVISION)

AND IN THE MATTER OF FRONTERA RESOURCES GEORGIA CORPORATION

PETITION FOR SUPERVISION ORDER

To the Grand Court

The humble petition of David Griffin and Andrew Morrison of FTI Consulting (Cayman) Ltd, Suite 3212, 53 Market Street, Camana Bay, Grand Cayman, PO Box 30613, KY1-1203, Cayman Islands (together, the “JVLs”) shows that:

1. Frontera Resources Georgia Corporation (the “Company”) was incorporated on 17 March 1997 with registration number 72227 as an exempted limited company under the laws of the Cayman Islands. The Company’s registered office is Maples Corporate Services Limited P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands.
2. The JVLs were appointed as joint voluntary liquidators of the Company by written resolution of the sole shareholder of the Company dated 3 December 2020.
3. The Company is a subsidiary company and part of the Frontera group of companies (the “Frontera Group”). The ultimate holding company of the Frontera Group is Frontera Resources Corporation (“FRC”). According to its website, FRC is an international oil and gas exploration and production company whose strategy is to identify opportunities and operate in emerging markets in Eastern Europe around the Black Sea.

4. FRC holds 100% of the shares of Frontera International Corporation (“FIC”), which holds 100% of the shares of Frontera Resources Caucasus Corporation (“FRCC”), which in turn holds 100% of the shares of the Company. On 12 September 2019, FRCC was placed into liquidation with David Griffin and Andrew Morrison as the appointed joint official liquidators (the “FRCC JOLs”).
5. The directors of the Company are Messrs Steven C Nicandros, Zaza Mamulaishvili and Giorgi Zabakhidze. Messrs Nicandros and Mamulaishvili are also directors of the ultimate parent, FRC and of its indirect subsidiary and sole shareholder of the Company FRCC, along with a Mr Luis E Giusti.
6. The Company’s principal asset is an interest in a production sharing contract with JSC Georgian Oil and Gas and the LEPL State Agency of Oil and Gas of Georgia (together, the “Georgian Government”) in respect of an area of land in the Republic of Georgia known as “Block XII”.
7. The JVLs present this petition for a supervision order under section 131 of the Companies Act (2020 Revision) (“Act”) on the ground that the supervision of the Court will facilitate a more effective, economic or expeditious liquidation of the Company in the interests of the contributories and creditors.
8. The JVLs consider that a supervision order would facilitate a more effective, economic and expeditious liquidation of Company in the interests of the contributories and creditors due to:
 - a. the lack of cooperation and assistance received from Messrs Nicandros and Mamulaishvili in the liquidation of FRCC and the likelihood that the JVLs will encounter a similar situation in the case of the Company. The joint official liquidators (“JOLs”) will be assisted in gathering information from relevant persons by the powers afforded to official liquidators under section 103 and 138 of the Act.

- b. the potential need to apply for recognition of a foreign proceeding under Chapter 15 of the US Bankruptcy Code as a precursor to obtaining assistance from the US Bankruptcy Court.
 - c. the potential need to apply for recognition of the liquidation in the Republic of Georgia, the jurisdiction in which the Company's only known assets are based.
9. The JVLs are qualified insolvency practitioners and consent to be appointed as JOLs.

YOUR PETITIONERS THEREFORE HUMBL Y PRAY THAT:

- (1) The Company be wound up in accordance with the Companies Act.
- (2) David Griffin and Andrew Morrison of FTI Consulting (Cayman) Ltd, Suite 3212, 53 Market Street, Camana Bay, Grand Cayman, PO Box 30613, KY1-1203, Cayman Islands be appointed as 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 shall have the power to act jointly and severally in their capacity as liquidators of the Company.
- (5) The JOLs be authorized 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.
- (6) In addition to the powers set out in Part II of the Third Schedule to the Companies Act, the JOLs be authorized 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 Act and section 110(2) thereof, without further sanction of this Honourable Court.
- (7) The JOLs be authorized 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.

- (8) Without prejudice to the generality of the foregoing, the JOLs be authorized 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 branches, joint ventures, investments, associated companies, businesses 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) take steps to locate, demand and secure cash held by all Group companies in bank accounts in the US, Republic of Georgia or elsewhere;
 - (e) communicate on the Company's behalf with the regulators, as appropriate; and
- (9) 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.
- (10) 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 Act.
- (11) 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.
- (12) 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.

- (13) 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.
- (14) 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.
- (15) The JOLs be at liberty to apply generally.
- (16) The costs of and incidental to the Petition be paid forthwith out of the assets of the Company as an expense of the liquidation, such costs to be taxed on an indemnity basis if not agreed.
- (17) Such further or other relief be granted as the Court deems appropriate (including the relief sought above).

AND the JVLs ever pray etc.

DATED this 18th day of December 2020

Conyers Dill & Pearman

Conyers Dill & Pearman
Attorneys at Law for the JVLs

NOTE: This petition is intended to be served on the Company