

IN THE GRAND COURT OF THE CAYMAN ISLANDS



767
CAUSE NO. OF 2002

IN THE MATTER OF THE COMPANIES LAW (2002 REVISION)

AND

IN THE MATTER OF SEAPOWER RESOURCES INTERNATIONAL LIMITED
(PROVISIONAL LIQUIDATORS APPOINTED)



PETITION

To the Grand Court of the Cayman Islands

The Humble Petition of SEAPOWER RESOURCES INTERNATIONAL LIMITED (Provisional Liquidators Appointed) acting by its Joint Provisional Liquidators, Cosimo Borrelli and Fan Wai Kuen, Joseph (the "Applicants") showeth as follows:

1. The object of this Petition is to seek the sanction of the Court for a Scheme of Arrangement pursuant to section 86 of the Companies Law (2002 Revision) (the "Law") between the above named Seapower Resources International Limited (Provisional Liquidators Appointed) (the "Company") and its Scheme Creditors (as defined), a print whereof is annexed to this Petition by way of schedule (the "Scheme"). Save where otherwise defined, capitalized terms in this Petition shall have the same meaning as in the Scheme and its Explanatory Statement.
2. The Company was incorporated in the Cayman Islands on 4th April 1989 as an exempted company limited by shares under the Law. The Company was listed on the Hong Kong stock exchange with stock code #0269.

3. The registered office of the Company is at Caledonian Bank & Trust Company Limited, Caledonian House, George Town, Grand Cayman, Cayman Islands.
4. The nominal capital of the Company is HK\$77,352,000 divided into 1,547,032,829 ordinary shares of HK\$0.05 each. The amount of the capital paid up or credited as paid up is HK\$77,352,000. The objects for which the Company was established as set out in its memorandum of association are unrestricted.
5. Pursuant to a Petition presented by Central Finance Limited seeking, inter alia, the Company's winding up, the Applicants were appointed Joint Provisional Liquidators of the Company on 27th September 2002. Previous to that, the Applicants were appointed provisional liquidators of the Company in Hong Kong by the High Court of Hong Kong on 31st December 2001.
6. The proposed Scheme has, inter alia, the following features:
 - a. HK\$70,000,000 (approximately US\$8.9 million) being the Cash Consideration paid by the Investor pursuant to the Subscription Agreement and any cash held on behalf of or in the name of the Company will become the Scheme Funds to be distributed to holders of Admitted Claims in accordance with the terms of the Scheme.
 - b. Each holder of an Admitted Claim will receive a rateable entitlement to the benefits of the Creditor Share Allocation or the Proceeds of Sale under the terms of the Scheme, being a share of not less than 360,612,679 New Shares in the Company credited as fully paid up.

- c. After the Scheme becomes effective, the Company will pay 50% of the net proceeds on any recoveries or realizations made from the Retained Assets to the Scheme Administrators and such proceeds will become Scheme Funds to be distributed to holders of Admitted Claims in accordance with the terms of the Scheme.
- d. The Company will transfer all of its interest in SDI to the Scheme Administrators who, thereafter, will attempt to sell SDI's assets, being land in Indonesia. The net proceeds received from any sale of the land will become Scheme Funds to be distributed in accordance with the terms of the Scheme.

Subject to the approval of the requisite statutory majority required pursuant to section 86 of the Law:

YOUR PETITIONER THEREFORE HUMBLY PRAYS AS FOLLOWS:

- (1) That the Scheme set out in the Schedule hereto be sanctioned by the Court so as to be binding on the Company and its Scheme Creditors;
- (2) Such other orders as may be made in the premise as this Honourable Court shall deem fit.

DATED this *22nd* day of *October* 2002.

Walkers

WALKERS
Attorneys-at-Law for the Petitioner

Note: It is intended to serve this Petition on the Respondent and the Registrar of Companies.

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the 22nd day of October, 2002 will be heard at the Grand Court of the Cayman Islands on:

DATE: 13 DECEMBER 2002

TIME: 10 A.M.

(or as soon thereafter as the petition can be heard).

THIS PETITION was filed by Walkers, Attorneys-At-Law for the Petitioners, whose address for service is that of its said Attorneys-At-Law, Walker House, PO Box 265GT, Mary Street, George Town, Grand Cayman, Cayman Islands