

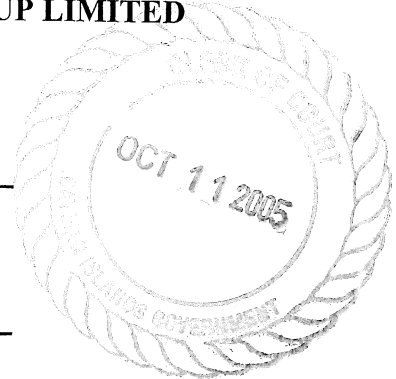
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE No. 460 OF 2005

IN THE MATTER OF THE COMPANIES LAW (2004 R) PART V

AND IN THE MATTER OF THE WATERFRONT GROUP LIMITED

P E T I T I O N



TO: THE GRAND COURT OF THE CAYMAN ISLANDS

The Petition of TREVOR AND SALLY NECKLES shows;

- a) The Waterfront Group Limited (the "Company") was incorporated on 18 October 2002 as an ordinary resident company limited by shares under the Companies Law of the Cayman Islands and bearing Registration Number 120630.
- b) The registered office of the Company is situated at c/o Corpserve Limited, PO Box 2053GT, 40 Linwood Street, George Town, Grand Cayman.
- c) The search report from the Registrar of Companies indicates that the Company's present status within these Islands is "Active".
- d) Since registration as a company in the Cayman Islands and until at least 1 July 2005 the Company was active as a Property Developer in these Islands.

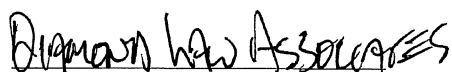
- e) The objects for which the Company was established are not restricted as set out in the Company's Memorandum of Association which permit the carrying on of the business described above.
- f) With effect from 1 July 2005 and by letter of that date addressed to the Petitioners the Company by Peter Hobler (a director thereof) declared and admitted that it was then "...hopelessly insolvent and does not have the assets to meet its obligations."
- g) The Petitioners own a parcel of land described in the Land Register as Prospect, Block 22E, Parcel 287 (the "Land"). By an Agreement made between the Petitioners and the Company on or about 13 March 2003 the Petitioners engaged the Company to construct a residential house development on the Land.
- h) After entering the said agreement the Company commenced works in pursuance of its obligations thereunder but soon fell behind schedule and has since neglected, failed or refused to complete its obligations under the said agreement with the Petitioners according to the terms of the said agreement or at all.
- i) As noted in the affidavit of Trevor Neckles it has come to light that the Company has registered in its name, two parcels of land, described in the Land Register as Prospect, Block 22E, Parcels 288 and 289.
- j) Since this land has been recently advertised for sale the Petitioner has concerns that these monies may not be paid to the creditors in the proper manner.
- k) The Petitioners have obtained advice that in order to protect their interests they should file a petition for winding up the Company in the Cayman Islands, and seek the appointment of joint provisional liquidators and an injunction restraining any and all proceedings against the Company pursuant to the Companies Law s.99.

AND THE PETITIONERS THEREFORE SEEK ORDERS THAT:

1. Christopher Dorrien Johnson and Russell Smith, Chartered Accountants, of Chris Johnson Associates Ltd. of the Cayman Islands (to hold their offices jointly and severally) be appointed Joint Provisional Liquidators of the Company and that the Joint Provisional Liquidators be authorized to exercise all the powers set out in the Companies Law (2004 Revision) s. 109 without further sanction or intervention of this Honourable Court;
2. the Joint Provisional Liquidators file with the Clerk of the Court a report in writing of the position of and the progress made with the winding up of the Company and with the realization of the assets thereof and as to any other matters connected to the winding up of the Company, every six calendar months or as the Court may from time to time direct;
3. the Joint Provisional Liquidators shall be at liberty to employ attorneys, counsel and professional advisors whether in Cayman Islands or elsewhere as they may consider necessary to advise and assist them in performance of their duties and on such terms as they may think fit;
4. the Joint Provisional Liquidators shall not be required to give security for their appointment the Court being advised of the existence of their professional indemnity coverage through their firm;
5. the Joint Provisional Liquidators shall be entitled to receive remuneration for their services by reference to the time properly given by them and their staff to matters arising in the winding up and the hourly rates and amount of remuneration shall be determined in accordance with Rules 4.127-131 of the Insolvency Rules 1986 (as adopted); and
 - (a) that any Order as to the remuneration of the Joint Provisional Liquidators be adjourned pending the issue of an Ordinary Application herein;

- (b) the Joint Provisional Liquidators be at liberty to pay their agents, employees, attorneys, solicitors and whomsoever else they employ or instruct either weekly or monthly or at such other intervals as they consider appropriate; and
- (c) the Joint Provisional Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties;
6. the costs of and incidental to the presentation and hearing of this Petition be paid out of the assets of the Company as an expense of the liquidation;
7. pursuant to the Companies Law s. 99 or alternatively pursuant to the inherent jurisdiction of the Court, all actions, suits or proceedings of any nature whatsoever against the Company be and are hereby restrained until further order of this Court, and no future action, suit or proceeding shall be commenced against the Company without the leave of this Court;
8. during the period of their appointment, any act required or authorized to be done by the Joint Provisional Liquidators may be done by any one of them; and
9. such further and/or other relief be granted as this Honourable Court deems appropriate.

DATED: 11 October 2005


DIAMOND LAW ASSOCIATES
Attorneys for the Petitioners
Trevor & Sally Neckles

NOTE: This Petition is intended to be served on the Company and the Registrar of Companies.

INDORSEMENT

This Petition, having been presented to the Grand Court of the Cayman Islands on 11 October 2005 will be heard at the Grand Court of the Cayman Islands on:

DATE:

TIME:

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

This Petition was filed by DIAMOND LAW ASSOCIATES, Attorneys-at-Law for the Petitioners, Trevor and Sally Neckles, whose address for service is 4th Floor, Cardinal Plaza, Cardinal Avenue, PO Box 2887GT, George Town, Cayman Islands (ref: SND).