

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 173 OF 2009

**IN THE MATTER OF THE COMPANIES LAW (2007 REVISION) (AS AMENDED)
AND IN THE MATTER OF PETROPROD LTD**

WINDING UP PETITION

To: The Grand Court of the Cayman Islands

The humble Petition of Norsk Tillitsmann ASA ("the Petitioner") of Haakon VII gat 10161, Oslo, Norway shows that:

1. PetroProd Ltd (hereinafter referred to as "the Company") is an exempted limited liability company limited by shares, organised and incorporated on or about 1 December 2006 under the Companies Law (as amended) of the Cayman Islands.
2. The registered office of the Company is situated at Maples Corporate Services Limited, P.O. Box 309, Ugland House, KY1-1104, George Town, Grand Cayman, Cayman Islands.
3. The current authorised share capital of the Company is believed to be US\$ US\$2,500,000 divided into 250,000,000 common shares of a par value of US\$0.01 each.
4. It is believed that the Company was formed to carry on the business of a holding company for a group of subsidiaries operating in the (i) conversion of afframax vessels into floating, production, storage and off-loading units and (ii) the construction of a CJ70 "jack-up rig" vessel.

5. The Petitioner is the loan trustee (the "Loan Trustee") on behalf of (i) the bondholders (the "10.85 Bondholders") of a US\$185,000,000 bond issue with ISIN No. 001 036899.6 "10.85 per cent. PetroProd Ltd Secured Callable Bond Issue 2007/2013" (the "10.85 Loan") under the provisions of a loan agreement (the "10.85 Loan Agreement") dated the 22nd May 2007 and (ii) the bondholders (the "FRN Bondholders") of a US\$150,000,000 bond issue with ISIN No. 001 0347735 "FRN PetroProd Ltd Callable Bond Issue 2007/2012" (the "FRN Loan") under the provisions of a loan agreement (the "FRN Loan Agreement") dated 5 January 2007.

The 10.85 Loan

6. Various events of default have arisen under the 10.85 Loan Agreement as a result of (i) the Company's inability to pay its debts and (ii) the Company's failure to raise a minimum amount of US\$45,000,000 by way of new additional equity in the Company.
7. Pursuant to Clause 15.3 of the 10.85 Loan Agreement, upon the occurrence of an event of default which is continuing, the Petitioner as the trustee of the 10.85 Loan is obliged to declare the entire 10.85 Loan (including accrued interest and costs) to be in default and due for payment if the Loan Trustee receives a demand to this effect from the 10.85 Bondholders representing at least 1/5 of the outstanding 10.85 Loan, and a bondholders' meeting (by a vote of the majority of 10.85 Bondholders) has not decided on other solutions. The Petitioner has been requested by approximately 69 per cent of the 10.85 Bondholders to declare the entire 10.85 Loan to be in default and immediately due for payment and has therefore determined that a bondholder meeting would not decide on other solutions. The Petitioner has today, 8 April 2009, declared the entire 10.85 Loan to be in default and immediately due for payment and made demand on the Company for payment.

The FRN Loan

8. Various events of default have arisen under the FRN Loan Agreement as a result of (i) the Company's inability to pay its debts, (ii) the value of the Company's assets being less than its liabilities and (iii) an acceleration of the 10.85 Loan giving rise to a cross default into the FRN Loan.
9. Pursuant to Clause 15.3 of the FRN Loan Agreement, upon the occurrence of an event of default which is continuing, the Petitioner as trustee of the FRN Loan is obliged to declare the entire FRN Loan, including accrued interest and costs to be in default and due for payment if the Loan Trustee receives a demand to this effect from the FRN Bondholders representing at least 1/5 of the outstanding FRN Loan, and a bondholders' meeting (by a vote of the majority of the FRN Bondholders) has not decided on other solutions. The Petitioner has been requested by approximately 71 per cent. of the FRN Bondholders to declare the FRN Loan to be in default and immediately due for payment and has therefore determined that a bondholder meeting would not decide on other solutions. The petitioner has today, 8 April 2009, declared the entire FRN Loan to be in default and immediately due for payment and made demand on the Company for payment.
10. Further, pursuant to Clause 15.3 of the 10.85 Loan Agreement and Clause 15.3 of the FRN Loan Agreement, the Petitioner as trustee to the Loan is required to take every measure necessary on behalf of each of the 10.85 Bondholders and FRN Bondholders respectively to recover each of the 10.85 Loan and FRN Loan. The Petitioner has determined that it is in the best interests of the 10.85 Bondholders and FRN Bondholders that this Petition be presented.
11. The Petitioner is therefore a creditor of the Company in the sum of approximately US\$202,253,305.56 in respect of the 10.85 Loan and US\$135,143,478.75 in respect of the FRN Loan.

12. The Petitioner believes, that the Company does not have sufficient funds to make payment of these amounts, and, accordingly, the Petitioner believes that the Company is insolvent and unable to pay its debts as they fall due.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The Company be wound up in accordance with the Companies Law.
2. Simon Lovell Clayton Whicker of KPMG and Kris Beighton of KPMG be appointed as Joint Official Liquidators of the Company.
3. The costs of and incidental to this Petition be paid forthwith from the assets of the Company.
4. Such other Order may be made as the Court thinks fit.

Dated the 8th day of April 2009



WALKERS

Attorneys-at-law for the Petitioner

NOTE: This petitioner is intended to be served on the Company at its registered office.

This Petition was presented by Walkers, Attorneys-at-Law for the Petitioners, whose address for service is that of its Attorneys-at-Law, Walkers, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands.

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.