

IN THE GRAND COURT OF THE CAYMAN ISLANDS

194
CAUSE NO. OF 2009

IN THE MATTER OF RED BAY ESTATES LIMITED (IN VOLUNTARY
LIQUIDATION) ("THE COMPANY")
AND IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

PETITION FOR COURT SUPERVISION
OF A VOLUNTARY LIQUIDATION

TO THE GRAND COURT

The humble petition of G James Cleaver the "Petitioner") of Zolfo Cooper (Cayman) Ltd ("Zolfo Cooper"), PO Box 1102 GT, 4th Floor, Building 3, Cayman Financial Centre, George Town, Grand Cayman, as the voluntary liquidator Red Bay Estates Ltd (the "Company"), shows that:

1. The Company was incorporated under the Companies Law as a resident company, number 14080, on 27 October 1967.
2. The current registered office of the Company is P.O. Box 1102 GT, Bermuda House, 4th Floor, British American Centre, Grand Cayman.
3. The Company has one shareholder, Walter Holdings Ltd (in liquidation), which was the parent company, owning all of the shares issued by the Company. At the time of the Petitioner's appointment, the directors of the Company were Selkirk Watler Jr., Lynette Watler and Shannon Panton.
4. In compliance with an Order of the Grand Court of the Cayman Islands (the "Grand Court") in Cause Number 59 of 2007, the directors of the Company have resigned and the Petitioner was appointed as the Company's sole director.

5. By written resolution of the shareholder of the Company, dated 18 March 2009, the Company was placed into Voluntary Liquidation and the Petitioner was appointed voluntary liquidator of the Company.

The Company's Business

6. The Company's only business was to hold property. At the commencement of its voluntary liquidation, the Company was the registered proprietor of:

- (i) Registration Section Prospect, Block 22D, Parcel 141 REM11, 299 and 301

The Company's Liabilities

7. Watler Holdings Ltd forms part of the estate of the late Robert Selkirk Watler (the "Estate"), which is being administered by its Joint Executors, Mr. Martin Bould and Mr. Dwight Panton, and is a party to an existing proceeding in the Grand Court in Cause Number 59 of 2007
8. The ultimate beneficiaries of the Estate include Shannon Panton, Lynette Walter, Robert Selkirk Watler III and Watler Holdings Ltd. None of these parties have been able to reach an agreement on the distribution of the Estate's assets for the last 20 years.
9. The Petitioner has advertised for claims in respect of the liabilities of the Company and, to date, and has been informed of the following creditors and the sums claimed:
 - a. Nico Construction Ltd : CI\$135,031.00
 - b. RSTW Property Development Ltd : CI\$29,680.00
 - c. Turner & Roulstone : US\$8,915.23
 - d. Turner & Roulstone Management Ltd : US\$1,630.97
10. The claims bar date is 30 April 2009 and therefore additional claimants may make themselves known to the Petitioner.

The Winding up of the Company

11. The Company has been in voluntary liquidation for approximately one month.
12. The Petitioner is concerned that although the Company holds substantial assets they comprise of relatively illiquid real estate. Consequently, given this illiquidity, the Company may be unable to pay its debts in full (with or without interest) within 12 months from the date of entering the Company into voluntary liquidation.
13. In view of the:
 - a. extent of land required to be transferred to the beneficiaries of the Estate;
 - b. history of the relationship of the respective parties involved in the Estate and the liquidation;
 - c. time that is has taken the parties to reach a potential solution; and
 - d. delay in obtaining property partition maps and reports.

the Petitioner believes that bringing the liquidation of the Company under the supervision of the Court, pursuant to Section 131 of the Companies Law (2007 Revision), would be beneficial to all parties, facilitating a more effective, economic and expeditious liquidation in the interests of creditors and contributories by facilitating cooperation with the liquidator within the Cayman Islands.

14. The Petitioner believes that it is appropriate in all the circumstances set out above that the liquidation of the Company should continue under the supervision of the Grand Court.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

15. The liquidation of the Company be continued under the supervision of the Grand Court.
16. G James Cleaver of Zolfo Cooper, PO Box 1102 GT, 4th Floor, Building 3, Cayman Financial Centre, George Town, Grand Cayman be appointed as official liquidator of the Company.

17. In addition to their powers prescribed in Part II of the Third Schedule to the Companies (Amendment) Law, 2007 which are exercisable without sanction of the Grand Court, the official liquidators are hereby sanctioned:

a. To exercise the powers set out in Part I of the Third Schedule to the Companies (Amendment) Law, 2007 ; and

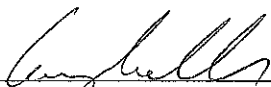
b. to take any such action as may be necessary or desirable to obtain the recognition of their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose,

and for the avoidance of doubt the powers bestowed on the official liquidator may be exercised by them within and outside the Cayman Islands.

18. The voluntary liquidator's costs of this petition shall be paid out of the assets of the Company as an expense of the liquidation, such costs to be taxed if not agreed with the official liquidator.

AND your Petitioners will ever pray, etc.

Dated the 22 day of April 2009.



CAMPBELLS
Attorneys-at-law for the Petitioners

Note: It is intended to serve this Petition on Red Bay Estates Limited (in Voluntary Liquidation) and Frank Sound Estate Limited (in Voluntary Liquidation) at their registered offices.

INDORSEMENT

This Petition having been presented to the Court on March 2009 will be heard at the Law Courts, George Town, Grand Cayman on 22nd May 2009 at a.m./p.m. or as soon as possible 10.00am thereafter as the Petition can be heard.

THIS PEITION was filed by Campbells, Attorneys at Law for the Defendant, whose address for service is 4th Floor, Scotia Centre, George Town, Grand Cayman, Tel: 949 2648/Fax: 949 8613 (Ref: AJW/BJH/)