

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents and the action you should take you are recommended immediately to seek your own advice from a person duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares or other securities.**

Defined terms in this Document have the meanings given on pages 3 and 4, unless the context requires otherwise.

The Directors whose names appear on page 5 of this Document accept responsibility for the information contained in this Document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case) the information contained in this Document for which they are responsible (as above) is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

If you have sold or transferred all of your Existing Ordinary Shares please immediately send this Document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Application will be made for Admission of the New Ordinary Shares and dealings are expected to commence on 7 January 2016. The record date for the capital reorganisation will be 6 January 2016.

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**Frontier Resources International Plc**

*(Registered in England and Wales with company number 06573154)*

**Notice of General Meeting**

**and**

**Proposed subdivision and redesignation of the Existing Ordinary Shares**

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AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this Document.

Notice of the General Meeting to be held at 11 Staple Inn, London WC1V 7QH at 10.00 a.m. on 6 January 2016 is set out at the end of this Document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting which, to be valid, must be completed and returned so as to be received by the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, as soon as possible and in any event not later than 10.00 a.m. on 4 January 2016. Completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

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### **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Latest time and date for receipt of Forms of Proxy	10.00 a.m. 4 January 2016
General Meeting	10.00 a.m. 6 January 2016
Record time and date for the Reorganisation	4.30 p.m. on 6 January 2016
Dealings commence in New Ordinary Shares	8.00 a.m. on 7 January 2016

### **MARKET STATISTICS**

Existing Ordinary Shares	361,999,056
New Ordinary Shares on completion of the Reorganisation	361,999,056

## **DEFINITIONS**

The following definitions apply throughout this Document unless the context otherwise requires:

<b>"Act"</b>	the Companies Act 2006, as amended
<b>"Admission"</b>	admission of the New Ordinary Shares to trading on AIM
<b>"AIM"</b>	AIM, a market operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies issued by the London Stock Exchange from time to time
<b>"CREST"</b>	the relevant system (as defined in the Regulations) for the paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
<b>"Company"</b>	Frontier Resources International Plc, a company registered in England and Wales with registered number 06573154
<b>"Directors" or "Board"</b>	the directors of the Company at the date of this Document
<b>"Document"</b>	this document
<b>"Existing Articles"</b>	the articles of association of the Company as at the date of this Document
<b>"Existing Deferred Shares"</b>	the existing deferred shares of 0.9p each in the capital of the Company as at the date of this Document
<b>"Existing Ordinary Shares"</b>	the 361,999,056 existing issued Ordinary Shares of 0.1p each as at the date of this Document
<b>"Form of Proxy"</b>	the form of proxy to be used by holders of Existing Ordinary Shares in connection with the General Meeting
<b>"General Meeting"</b>	the general meeting of the Company to be held on 6 January 2016 at 10.00 a.m. (or any adjournment thereof), notice of which is set out at the end of this Document
<b>"Group"</b>	the Company and its subsidiary undertakings
<b>"London Stock Exchange" or "Exchange"</b>	London Stock Exchange plc

<b>"New Articles"</b>	the new articles of association of the Company to be adopted under the Reorganisation
<b>"A Deferred Shares"</b>	the new A deferred shares of 0.09p each to be created under the Reorganisation
<b>"New Ordinary Shares"</b>	the new Ordinary Shares of 0.01p each in the capital of the Company as created by the Reorganisation
<b>"Official List"</b>	the official list of the UK Listing Authority
<b>"Ordinary Shares"</b>	the issued ordinary shares in the capital of the Company from time to time
<b>"Regulations"</b>	The Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>"Reorganisation"</b>	the subdivision and redesignation of the Existing Ordinary Shares and the adoption of the New Articles as set out in section 3 of Part 1 of this Document
<b>"Resolutions"</b>	the ordinary and special resolutions set out in the notice of General Meeting at the end of this Document
<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"UK"</b>	the United Kingdom of Great Britain and Northern Ireland

## PART 1

### LETTER FROM THE CHAIRMAN OF THE COMPANY

#### Frontier Resources International Plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06573154)*

*Directors:*

Neil Herbert - *Non-Executive Chairman*  
Michael Jack Keyes - *Chief Executive Officer*  
Barbara Spurrier - *Group Finance Director and Company Secretary*  
John O'Donovan - *Non-Executive Director*

*Registered Office:*

11 Staple Inn  
London  
WC1V 7QH

16 December 2015

To the holders of Existing Ordinary Shares

Dear Shareholder,

#### **Proposed subdivision, redesignation of the Existing Ordinary Shares and adoption of New Articles**

#### **Notice of General Meeting**

##### **1. Introduction**

The purpose of this letter is to provide Shareholders with details of the proposed subdivision and redesignation of the Existing Ordinary Shares, adoption of the New Articles and notice of the General Meeting to be held at 10.00 a.m. on 6 January 2016.

##### **2. Background**

As announced on 16 November 2015, the Company needs to arrange additional funding for its immediate working capital requirements over and above the commitments under its oil exploration licences.

While the potential farm-out process of the Group's 100%-owned Block 38 located in the Rub Al Khali Basin in the southwest of the Sultanate of Oman ("Block 38 EPSA") has been ongoing for some time, and the Company retained the services of a Dallas-based adviser to assist and provide general transaction advice on this process, given the continuing challenging environment for oil and gas projects, there is significant uncertainty as to the outcome of this process. Frontier's request to extend the initial term of the Block 38 EPSA for 24 months (until 25 November 2017) was granted, subject to Frontier providing a bank guarantee for the amount required to conduct the amended work programme, which it must do by no later than 4 February 2016 ("Funding Deadline"). If the Company is unable to raise sufficient funding and/or provide a bank guarantee for Block 38 EPSA before the Funding Deadline, then the Company may have no alternative but to relinquish this licence.

The Directors are therefore considering all available options for the potential ongoing funding and future development of the Company, which could include an issue of new equity, the disposal of part

or all of the Group's existing licence interests and possibly the investment in new projects outside of the oil sector. Discussions are continuing with a number of parties but no definitive agreement has yet been concluded.

Despite completing a share capital reorganisation earlier this year, Frontier's share price has continued to fall and by 14 December 2015, the closing middle-market price of an Existing Ordinary Share was 0.115p. While the Company's share price is currently above the nominal value of the Company's Existing Ordinary Shares which is 0.1p per share, the Directors anticipate that the likely issue price of any future issue of shares would need to be at a significant discount to the nominal value. This would prohibit the Company from issuing further equity capital since, in order to comply with the Act, companies are not permitted to issue shares at a discount to nominal value and therefore any further issue of shares would have to be issued at a price at or above the nominal value of 0.1p per share.

In order to assist the Company with its ongoing discussions with third parties on potential new funding, the Board wishes to have the ability to raise further equity finance as and when required. Accordingly, the Board believes that it is necessary to reorganise the Company's share capital to reduce the nominal value of each share from the present level of 0.1p per Existing Ordinary Share.

The Reorganisation comprises a subdivision of each Existing Ordinary Share into one New Ordinary Share and one A Deferred Share and the adoption of the New Articles. Further details of the Reorganisation are set out in section 3 below.

Immediately following the Reorganisation, each New Ordinary Share held by Shareholders will have a nominal value of 0.01p and the number of New Ordinary Shares held by the Shareholders shall remain the same. Consequently, the market price of a New Ordinary Share immediately after the completion of the Share Capital Reorganisation should be the same as the market price of an Existing Ordinary Share, taking into account normal market movements.

Conditional on approval of the Reorganisation, the Directors intend to proceed as soon as possible thereafter with an issue of New Ordinary Shares, on terms to be finalised, to raise the working capital then required by the Company.

### **3. Reorganisation**

#### Subdivision

The Directors propose that the share capital of the Company should be reorganised by dividing each Existing Ordinary Share into one New Ordinary Share (of 0.01p nominal value) and one A Deferred Share (of 0.09p nominal value).

The New Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares under the Existing Articles, including those relating to voting and entitlement to dividends.

The A Deferred Shares shall have the same rights as the Existing Deferred Shares and accordingly will have no voting or dividend rights and, on a return of capital, the right only to receive the amount paid up thereon after the holders of New Ordinary Shares have received the aggregate amount paid up thereon plus £1,000,000 per New Ordinary Share. Consequently the A Deferred Shares will, effectively, be valueless.

It is proposed that the Company adopts the New Articles, which will contain the rights of the New Ordinary Shares and the A Deferred Shares. Full details of the changes to the Existing Articles in the Company are given in Part 2 of this Document.

The rights of the A Deferred Shares will allow all the A Deferred Shares to be issued to one person who will hold them as the nominee of the beneficial owners. The purpose of this is to facilitate the purchase of such A Deferred Shares by the Company at a later date. Accordingly, all the A Deferred Shares will be issued to the Company Secretary.

No share certificates will be issued in respect of the A Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares. Instead the A Deferred Shares will be held by the Company Secretary as nominee for Shareholders.

Shareholders will, of course, be free at any time on or before 4 January 2016 to purchase or sell such number of Existing Ordinary Shares as the Reorganisation will result in the number of New Ordinary Shares each Shareholder will hold being exactly the same as the number of Existing Ordinary Shares each Shareholder holds. **You must ensure that all transfers are registered with Neville Registrars Limited by 5.00 p.m. on 4 January 2016.**

**If you have any queries about the Reorganisation you should contact the Company's registrars, Neville Registrars Limited, on the following telephone number: 0121 585 1131 or from outside the UK +44 121 585 1131.**

#### **4. General Meeting**

Notice convening the General Meeting is set out at the end of this Document. The General Meeting will be held at the Company's Registered Office at 11 Staple Inn, London WC1V 7QH at 10.00 a.m. on 6 January 2016 when the following special resolution will be proposed:

- (a) to authorise the subdivision of each Existing Ordinary Share into one New Ordinary Share and one New Deferred Share;
- (b) to adopt the New Articles;
- (c) to authorise the Directors to allot new Ordinary Shares up to an aggregate nominal amount of £600,000; and
- (d) to authorise the Directors to allot equity securities as if Sections 570(1) and 573 of the Act did not apply to such allotment.

#### **5. Action to be Taken**

A Form of Proxy is enclosed for use at the General Meeting to be held at the Company's Registered Office at 11 Staple Inn, London WC1V 7QH at 10.00 a.m. on 6 January 2016. You are requested to complete, sign and return the Form of Proxy to the Company's registrars, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen B63 3DA, whether or not you intend to be present at the General Meeting, as soon as possible but in any event so as to arrive not later than 10.00 a.m. on 4 January 2016. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

#### **6. Additional Information**

Your attention is drawn to Part 2 of this Document, which provides additional information on the matters discussed above.

Yours faithfully,

Neil Herbert

**Chairman**

## PART 2

### ADDITIONAL INFORMATION

#### 1. New Articles

The New Articles contain the new provisions below which are not contained in the Existing Articles.

##### 1.1. Share rights

The A Deferred Shares shall have the following rights and be subject to the following restrictions:

- The holders of A Deferred Shares shall not be entitled to receive or participate in any dividend in respect of the A Deferred Shares held by them respectively.
- On a return of capital on a winding-up, each holder of A Deferred Shares shall be entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the sum of £1,000,000 per Ordinary Share has been distributed amongst the holders of the Ordinary Shares and the holders of the A Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.
- The holders of A Deferred Shares shall have no right to receive notice of or attend and shall not be entitled to vote at any general meeting, whether such vote is on a show of hands or on a poll, in respect of the A Deferred Shares held by them respectively.
- The Company shall, subject to the provisions of the Act, be entitled to redeem all the A Deferred Shares at any time. The aggregate amount payable to all the holders of the A Deferred Shares as a class between them on redemption shall be the amount of £1. Payment of the redemption monies shall be despatched to holders entitled thereto as soon as practicable after the date of redemption provided that entitlements of less than 1p per holding may be retained for the benefit of the Company.
- Each holder of the A Deferred Shares shall be deemed irrevocably to have authorised the Company at any time to appoint a Director or Directors (or such other person who may be nominated by the Directors) to execute on behalf of such holder an agreement in respect of the redemption or, transfer of, and a transfer, of the A Deferred Shares (including any fractional entitlements to a New Deferred Share) to such person including without limitation the Company as the Company may designate, and/or to purchase the same itself in accordance with applicable laws in either such case for an aggregate consideration of £1 for all of the A Deferred Shares for the time being in issue without obtaining the further sanction of such holder and upon such terms that any such consideration not exceeding 1p in respect of any holding of A Deferred Shares may be paid to and/or retained for the benefit of the Company, and to execute or sign on behalf of such holders such other documents as may be necessary or appropriate to give effect to the foregoing provisions; and pending such transfer or purchase the Company may refrain from issuing any certificate in respect of such A Deferred Shares.

##### 1.2. Dividends

The A Deferred Shares shall carry no right to a dividend.

##### 1.3. Distribution of assets on liquidation

- On a winding up, any surplus assets will belong to the holders of the Ordinary Shares then in issue according to the numbers of Ordinary Shares held by them. In addition, the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in kind the whole or any part of the assets of the Company. For this purpose the liquidator may set such value as he deems fair upon any class or classes or property and may determine how the division is carried out as between the members or different classes of members. No



contributory shall, however, be compelled to accept any asset in respect of which there is a liability.

- Upon each Shareholder receiving £1,000,000 per Ordinary Share, the holders of the A Deferred Shares will also be entitled to a return of capital up to the nominal amount of the A Deferred Shares.

#### 1.4. Variation of rights

- Subject to the provisions of the Act, all or any of the special rights and privileges attached to any share or class of shares may be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- Subject to the terms upon which any shares may be issued, the rights or privileges attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects with those already issued, or by the purchase or redemption by the Company of its own shares.
- The above provisions do not apply to the A Deferred Shares and the Ordinary Shareholders may alter the rights of the A Deferred Shares at any time with the consent in writing of the holders of not less than three-quarters in nominal value of the Ordinary Shares or with the sanction of a special resolution passed at a separate general meeting of the holders of the Ordinary Shares.

## 2. **Other information**

The Ordinary Shares are in registered form. The New Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The New Ordinary Shares will continue to be admitted to CREST.

## 3. **Documents available for inspection**

Copies of this Document, the Existing Articles and the New Articles will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company at 11 Staple Inn, London WC1V 7QH and shall remain available until 7 January 2016 being the day following the General Meeting and from the Company's website at [www.friplc.com](http://www.friplc.com)

16 December 2015

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the general meeting of Frontier Resources International Plc (the "**Company**") will be held at 11 Staple Inn, London WC1V 7QH on 6 January 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following special resolution.

**SPECIAL RESOLUTION**

That:

- (a) each issued ordinary share of 0.1p in the capital of the Company be and is hereby sub-divided into one ordinary share of 0.01p and one non-voting new deferred share of 0.09p, each having the rights and being subject to the restrictions contained in the new articles of association to be adopted pursuant to this Special Resolution;
- (b) the draft regulations produced to the meeting be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association;
- (c) in accordance with section 551 of the Companies Act 2006 (the "**Act**"), the directors of the Company (the "**Directors**") be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £600,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities; and
- (d) in accordance with section 570 of the Act, the directors of the Company be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall: (i) be limited to the allotment of equity securities up to an aggregate nominal amount of £600,000; and (ii) expire on the conclusion of the next annual general meeting of the Company (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Note:

*A copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association that it is proposed are replaced, will be available for inspection at the General Meeting, on the Company's website, [www.friplc.com](http://www.friplc.com), and at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday and any public holiday excepted) from the date of this notice until the date of the General Meeting.*

**BY ORDER OF THE BOARD**

.....  
Barbara Spurrier, Company Secretary

16 December 2015

Registered office: 11 Staple Inn, London WC1V 7QH

Notes:

1. Shareholders entitled to attend and vote at the General Meeting may appoint a proxy or proxies to attend and speak on their behalf. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a member of the Company. To appoint more than one proxy you may photocopy the proxy form which accompanies this notice. Shareholders who hold their shares through a nominee may wish to attend the General Meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. Shareholders are invited to complete and return the enclosed proxy form. Completion of the proxy form will not prevent a Shareholder from attending and voting at the General Meeting if subsequently he/she finds they are able to do so. To be valid, completed proxy forms must be received at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by not later than 10.00 a.m. on 4 January 2016 (being 48 hours prior to the time fixed for the General Meeting, excluding weekends and public holidays).
2. Representatives of Shareholders which are corporations attending the General Meeting should produce evidence of their appointment signed on behalf of the corporation by a duly authorised officer or agent and in accordance with article 21.6 of the Company's articles of association.
3. In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the General Meeting so that (i) if a corporate Shareholder has appointed the chairman of the General Meeting as its corporate representative to vote on a poll in accordance with the directions of all the other corporate representatives for that Shareholder at the General Meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the General Meeting but the corporate Shareholder has not appointed the chairman of the General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, changes to entries in the register of members after 10.00 a.m. on 4 January 2016 shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
5. The Register of Directors' Interests, together with the Directors' service agreements, will be available for inspection at the Company's registered office during usual business hours on any weekday (weekends and public holidays excluded) at the General Meeting from 9.30am until the conclusion of the General Meeting.