

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) (or, if you are outside the United Kingdom, a person otherwise duly qualified in your jurisdiction) who specialises in advising in connection with shares and other securities.

If you sell or have sold or otherwise transferred all of your ordinary shares in Frontera Resources Corporation (**Company** or **Frontera**), please immediately forward this document to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of ordinary shares, you should retain these documents.

---



## **FRONTERA RESOURCES CORPORATION**

*(Incorporated and registered in the Cayman Islands with company number 256380)*

**Operations Progress Update,  
Upcoming Work Programs,  
Corporate Finance Update,  
Increase of Authorised Share Capital,  
Re-election of Directors,  
Notice of Annual General Meeting to be held on 5 June 2017**

**This is an important shareholder notice and your immediate attention is required**

---

Notice convening the Annual General Meeting of the Company to be held at 9:00 a.m. CST (3:00 p.m. BST) on 5 June 2017 at 3040 Post Oak Blvd, Room 109, Houston TX, 77056, is set out at the end of this document. Holders of ordinary shares in the Company from time to time (**Shareholders**) will also find enclosed with this document a Form of Proxy.

The action to be taken by Shareholders is set out in this Circular. To be valid, the Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Computershare Investor Services (Cayman) Ltd, for and on behalf of the Company Secretary, as soon as possible but in any event not later than 9:00 a.m. CST (3:00 p.m. BST) on 1 June 2017. The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting should they subsequently wish to do so.

**LETTER FROM CHAIRMAN OF THE BOARD OF DIRECTORS  
AND CHIEF EXECUTIVE OFFICER OF  
FRONTERA RESOURCES CORPORATION**

*(Incorporated and registered in the Cayman Islands with company number 256380)*

Steve C. Nicandros (Chairman and CEO)  
Zaza Mamulaishvili (Executive Director, President and CFO)  
Andrew J. Szescila (Non-Executive Director)  
Luis E. Giusti (Non-Executive Director)  
Stephen M. Hope (Non-Executive Director)

*Headquarters:*  
Frontera Resources Corporation  
3040 Post Oak Blvd, Suite 1100  
Houston, Texas 77056 USA

*Registered office:*  
Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

18 May 2017

Dear Shareholder

**Operations Progress Update,  
Upcoming Work Programs,  
Corporate Finance Update,  
Increase of Authorised Share Capital,  
Re-election of Directors,  
Notice of Annual General Meeting to be held on 5 June 2017**

**1. INTRODUCTION**

I am writing to inform you that an annual general meeting of the Company (Annual **General Meeting** or **AGM**) will be held at 9:00 a.m. CST (3:00 p.m. BST) on 5 June 2017 at 3040 Post Oak Blvd, Room 109, Houston, TX 77056. The formal notice of the Annual General Meeting and the resolutions (**Resolutions**) to be proposed are set out at the end of this document. The Directors believe that the passing of the Resolutions is important to the successful outcome of the Company's operations going forward and therefore urge Shareholders to complete and return their Forms of Proxy/Instruction and vote in favor of the Resolutions whether or not they intend to attend the Annual General Meeting in person. The Directors intend to vote in favor of the proposed Resolutions in respect of their own holdings..

**2. BACKGROUND**

Frontera continues to advance and grow its value creation initiatives within its Greater Black Sea strategy in the countries of Georgia, Moldova and Ukraine. Building upon our historical technical success in Georgia, and adding future value creation potential in Moldova and Ukraine, our company is today uniquely positioned to move forward with a portfolio of assets that we have evolved to a scale commensurate with that found in the holdings of a major international oil and gas company.

**Georgia**

In the country of Georgia where the Company is focused on work within its 1.3 million acre Block 12 license area that is situated in the under-explored and under-developed upper Kura Basin, important strategic technical success has been achieved from exploration initiatives to date. Our extensive historical operations and associated investments of approximately US\$420 million have identified the existence of materially significant oil and gas resources throughout our Block 12 portfolio. Specifically, independent analysis from Netherland, Sewell & Associates has estimated more than 1 billion barrels of oil in place and as much as 12.9 TCF of gas in place. This has established the foundation for transformational value creation for our Company and today provides us with the exciting objective to significantly drive up our market capitalisation as a result of commercializing these identified resources.

Significant to achieving our corporate value creation objective from our core assets in Georgia, we recently announced that the Company had achieved an important milestone with the filing of a Notice of Feasibility of Commercial Production (“Notice”) with the Georgian state-owned oil and gas company in accordance with the terms and provisions of the Company’s production sharing agreement. This Notice is primarily associated with operations targeting the substantial oil bearing Eldari Formation and other related geologic targets.

Because our work to date has produced notable results from demonstrated long term cumulative production rates from key wells, associated analysis has now provided the basis for reservoir performance modeling such that we have been able to conclude that commercial production associated with the extensively distributed Eldari Formation is feasible. As previously announced, these results and conclusions have been achieved through successful evolution of completion designs; advancement of integrated technical analysis of associated reservoir performance, and; related geologic, geophysical and petrophysical studies.

As a result of this important progression, the Company is focused on undertaking a work program that will seek to establish commercial exploitation of the Eldari Formation and other related geologic targets associated with its Block 12 licence area. In order to achieve this in an efficient and expedient manner due to the large-scale oil and gas resources that we have successfully identified, the Company is seeking a strategic partner to assist in accelerating its planned work programs. Accordingly, we are currently progressing discussions with potential industry partners regarding a possible transaction involving a farmout or joint operation arrangement within the area of its Block 12 holding in Georgia. In conjunction with this effort, the Company has designed a work program for the next twelve months that includes the planned drilling and advanced stacked-stimulation completion of 2 new Eldari Formation wells as well as continued geological, geophysical, petrophysical and engineering study work.

The combination of introducing a strategic industry partner to our work and accelerating focused exploitation of the Eldari formation is expected to provide the Company with the basis for achieving profitability and value creation for all of our shareholders from this significant portfolio in Georgia.

### **Moldova and Ukraine**

In Moldova and Ukraine, we are focused on advancing exploration initiatives associated with the under-explored and under-developed Dobrudga Basin that is situated in southern Moldova and southwestern Ukraine. We believe that this basin contains oil and gas potential of similar magnitude to that which the Company has identified in our Kura Basin initiative in Georgia. As previously announced, we recently signed a new 3 million acre onshore concession agreement with the government of Moldova earlier this year that will now provide the basis for undertaking exploration work throughout this portion of the Dobrudga Basin. Efforts are currently underway to acquire a similar position in Ukraine’s portion of the basin.

Our plans in Moldova for the next twelve months include commencing exploration efforts that will primarily consist of geologic field work, evaluation of existing wells, as well as associated detailed construction of an extensive geologic, geophysical, petrophysical and engineering database that will permit the Company to commence the process of integrated analysis to identify oil and gas resource potential. In Ukraine, we will continue efforts to acquire an acreage position in this country’s portion of the Dobrudga basin as well conduct continued pre-acquisition technical study.

Overall, the above programs for Georgia, Moldova and Ukraine are anticipated to require approximately US\$12 million of new working capital.

## **3. CORPORATE FINANCE**

### **Elimination of Debt**

In support of the aforementioned work, the Company’s primary objective is to improve its balance sheet in order to enhance shareholder value and make its balance sheet attractive for raising new capital to fund operations. To this end, the Company will restructure and eliminate debt and associated interest expense from its balance sheet. Namely, the Company will do the following:

- (i) loans provided by management totaling approximately US\$26 million will be eliminated by way of conversion into equity;
- (ii) loans provided by YA II PN, Ltd. under previously announced SEDA-Backed Loan Agreement totaling approximately US\$6.2 million will be eliminated by way of conversion into equity; and,

- (iii) large portion of existing vendor debt totaling approximately US\$8 million will be eliminated by way of conversion into equity.

As a result of the above debt elimination, the Company's balance sheet will improve significantly as the overall debt will reduce by approximately US\$40 million. As a consequence, the Company will be able to raise capital much more effectively than it is able to do so now.

#### **4. FURTHER INFORMATION ABOUT PROPOSED TRANSACTIONS**

##### **Elimination of Debt**

###### Elimination of Management Debt

Directors of the Company, Mr. Steve Nicandros (via an entity controlled by him) and Mr. Zaza Mamulaishvili, have entered into note exchange agreements to eliminate approximately US\$26 million of loans by the executives advanced to the Company. These obligations will be settled by way of conversion into ordinary shares of the Company. These loans were previously provided to the Company to support the Company's on-going operational and working capital requirements. Namely, Mr. Nicandros will be converting US\$19 million of loans and Mr. Mamulaishvili will be converting US\$7 million of loans.

The conversion will be made at a fixed conversion price of 1 pence per share and will require making available approximately 2,000,000,000 ordinary shares of the Company at an exchange rate of £1:\$US1.29. In accordance with MAR requirements, the conversion will not occur until after publication of the 2016 full year financials which is expected on/about 30 June 2017.

Pursuant to the terms of the note exchange, there will be a 12-month lock-in period on the sale of the new ordinary shares that Mr. Nicandros and Mr. Mamulaishvili will receive as a result of the conversion.

The transactions described above are classified as related party transactions in accordance with the AIM Rules. Accordingly, with the exception of Mr. Nicandros and Mr. Mamulaishvili, the Company's directors consider, having consulted with its nominated adviser, Cairn Financial Advisers, LLP, that the terms of these transactions are fair and reasonable insofar as its shareholders are concerned.

###### Elimination of SEDA-Backed Debt

The Company has reached an agreement with YA II PN, Ltd (formerly, YA Global Master SPV Ltd, an investment fund managed by Yorkville Advisors LLC), whereby the entire amount of debt, provided to the Company by YA II PN, Ltd. under the previously announced SEDA-Backed Loan Agreement in the total amount of approximately US\$6.2 million will be eliminated by way of conversion into equity. These loans were previously provided to the Company to support the Company's on-going operational and working capital requirements.

This debt will be eliminated by way of conversion into equity via the issuance of 7,200 Series A convertible, preferred, redeemable shares in the Company with par value of US\$0.00004 and with Liquidation Amount of \$1,000 per share (the "Series A Convertible Preferred Shares") which are convertible into a maximum of 1,300,000,000 ordinary shares of the Company using the conversion price which, in respect of each conversion, shall mean the lesser of (i) the Fixed Conversion Price, or (ii) the Variable Conversion Price, where "Fixed Conversion Price" shall mean (a) up to and including December 31, 2017, 1.0 pence per share, and (b) after December 31, 2017, the lower of 1.0 pence per share or the closing bid price per share of the ordinary shares of the Company as of December 31, 2017, and "Variable Conversion Price" shall mean 90% of the lowest daily volume weighted average price of the ordinary shares of the Company (as reported by Bloomberg) over the five consecutive trading days expiring on the trading day immediately prior to the date of delivery of the relevant conversion notice.

Pursuant to the terms of the agreement with YA II PN, Ltd., there is a limitation on number of ordinary shares that YA II PN, Ltd. is entitled to convert each month whereby the value of such number of shares may not exceed US\$400,000 each month. Additionally, there is a limitation of a maximum of 1,300,000,000 ordinary shares that YA II PN, Ltd. is entitled to convert over the 12-month period following the issuance of Series A Convertible Preferred Shares.

Consequent to the conversion, the entire amount of debt owed to YA II PN, Ltd. will be eliminated from the Company's balance sheet.

### Elimination of Vendor Debt

To date indebtedness of the Company for various oil field and supporting services constitutes approximately US\$8 million. The Company has reached conditional agreement with vendors to eliminate this debt by means of conversion into ordinary shares of the Company at a prevailing market price. The Company estimates that this agreement will require making available approximately 1,900,000,000 ordinary shares of the Company in connection with such conversion.

It is not intended that this conversion will take place immediately following the AGM.

### **New Equity Fundraising**

The Company continues its efforts in raising new working capital to be made available to the Company via its existing brokerage and capital sourcing relationships via a placing of equity whereby the Company expects to raise approximately US\$12 million of near term funds. The Company estimates that this arrangement will require making available approximately 2,850,000,000 ordinary shares of the Company.

### **Short Term Financing**

The Company has been progressing its operations in Georgia and Moldova and, in doing so, on 15 May 2017 the Company entered into a convertible loan note in the amount of US \$700,000 with a consortium of financial institutions. The Company has the option to repay the loan in cash by 31 May 2017 or by way of repayment of conversion into ordinary shares of the Company when available which, if converted, will result in the issuance of 323,529,412 ordinary shares to the lender and 25,000,000 warrants at an exercise price of 1 pence per share.

## **5. INCREASE OF AUTHORIZED SHARE CAPITAL AND SERIES A CONVERTIBLE PREFERRED SHARES**

The Company does not currently have sufficient authorised share capital to undertake the transactions described above. Currently, the Company's authorized share capital comprises US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each (**Ordinary Shares**), and the Company's issued share capital comprises 8,842,004,983 ordinary shares. The approximate total number of ordinary shares required to be available to complete the above described transactions is 8,400,000,000.

In order to fully complete the proposed transactions and provide adequate headroom, the Company is proposing, and the Shareholders are being requested, to approve an increase of the Company's authorised share capital from US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 to US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004.

The Board is also requesting shareholder approval for the allotment, issue and redemption of Series A Convertible Preferred Shares on the terms set out in the Series A Convertible Preferred Shares Summary in the form attached to the notice of Annual General Meeting.

The Board notes that the number of authorized and issued shares is excessive and that the share price levels at which the Company's ordinary shares are currently trading means that small movements in the share price represent large percentage movements resulting in share price volatility. In addition, the Board notes that it is desirable to create a greater disparity between the share price and the nominal value of each share, to enable greater flexibility to set issue price levels (as a percentage of market price) in the context of any proposed future share issues. Taking into account the foregoing, the Board will propose consolidating share capital of the Company at a ratio that will give it more flexibility. The Board is considering what consolidation ratio will be most appropriate and intends to propose share consolidation to shareholders at a general meeting to be scheduled shortly after the Annual General Meeting.

## **6. RE-ELECTION OF DIRECTORS**

The Board of Directors of the Company have nominated Mr. Steve C. Nicandros and Mr. Andrew J. Szescila for re-election as class II directors in accordance with the Company's amended and restated articles of association. Summary information regarding Mr. Nicandros and Mr. Szescila is set forth below:

**Mr. Nicandros** is a founder of Frontera Resources Corporation and currently serves as a Chairman of the Board of Directors and Chief Executive Officer.

At Frontera's founding, Mr. Nicandros initially organized the company and directed its initial growth initiatives in Eastern Europe and South America as President while also serving as an executive member of the board of directors. In 1997 he became Chief Executive Officer and, in 2002 was named Chairman of the Board of Directors. Throughout this time, he evolved the company's Greater Black Sea strategy to primarily focus Frontera's activities in the emerging markets of Eastern Europe.

Prior to Frontera's founding in 1996, Mr. Nicandros was employed by Conoco Inc. where he served as President of Conoco Overseas Oil Company and was responsible for Conoco's worldwide development of upstream new business and mergers and acquisitions. Between 1992 and 1994, Mr. Nicandros was Conoco's Manager of Reserve Acquisitions and Asset Management, following which he became Manager of Upstream Commercial Development. He began his career in the oil industry in 1982 with Conoco Inc.

Mr. Nicandros graduated from Southern Methodist University, Dallas, Texas with a Bachelor of Science degree. He currently serves on the International Advisory Board of directors of Washington D.C. based Atlantic Council.

**Mr. Szescila** has been a non-executive director of the Company since February 1998 and is Chairman of the Compensation Committee and a member of the Audit Committee of Frontera's Board. He was formerly the Senior Vice President and Chief Operating Officer of Baker Hughes Inc. until retirement in January 2004, having previously served as President of Baker Hughes Oilfield Operations and Senior Vice President of Baker Hughes Inc. since July 1997. Before 1997, Mr. Szescila was Vice President of Baker Hughes Inc. from 1995 and President of Hughes Christensen Company, B.J. Services International and Baker Service Tools.

Mr. Szescila earned a Bachelor of Science degree from Mississippi State University.

## **7. ANNUAL GENERAL MEETING**

Attached at the end of this document is a formal notice convening the Annual General Meeting, to be held at 9:00 a.m. CST on 5 June 2017 at the Company's Corporate Headquarters location of 3040 Post Oak Blvd, Room 109, Houston, Texas U.S.A. 77056, with the following agenda, to consider, and if thought fit, pass the following Resolutions:

### **Ordinary Business**

Operations Progress Update, Upcoming Work Programs, Corporate Finance Update

Re-election of Steve C. Nicandros as class II director (Resolution 1 – Ordinary Resolution)

Re-election of Andrew J. Szescila as class II director (Resolution 2 – Ordinary Resolution)

### **Special Business**

Series A Convertible Preferred Shares (Resolution 3 – Special Resolution)

That the directors of the Company may allot, issue and redeem Series A Convertible Preferred Shares on the terms set out in the Series A Convertible Preferred Shares Summary in the form attached to the notice of the General Meeting.

Increase of authorised share capital (Resolution 4 – Ordinary Resolution)

Conditional upon the passing of Resolution 5 below, that the authorised share capital of the Company be increased from US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each, to US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each.

Amendment to Articles (Resolution 5 - Special Resolution)

To amend the Company's Memorandum of Association to reflect the increase in authorised share capital.

## 8. ACTIONS TO BE TAKEN

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Annual General Meeting. Whether or not you propose to attend the Annual General Meeting in person, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company's registrars, Computershare Investor Services (Cayman) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, for and on behalf of the Company Secretary, as soon as possible but in any event not later than 9:00 a.m. CST (3:00 p.m. BST) on 1 June 2017 (or 48 hours prior to any adjourned meeting).

If you complete and return a Form of Proxy, you may still attend and vote at the Annual General Meeting in person should you subsequently decide to do so.

Please read the notes to the notice of Annual General Meeting and the accompanying Form of Proxy for detailed instructions. The attention of Shareholders is also drawn to the voting intentions of the Board set out below.

## 9. RECOMMENDATION

The Board considers that the Resolutions to be put to the Annual General Meeting are in the best interests of the Company and its Shareholders as a whole and unanimously recommends Shareholders to vote in favor of the Resolutions. The Board believes that the passing of the Resolutions is important to the successful outcome of the Company's operations going forward and therefore urges all Shareholders to complete and return their Forms of Proxy/Instruction and vote in favour of the Resolutions irrespective of whether or not they intend to attend the Annual General Meeting in person. The Board members intend to vote in favor of the proposed Resolutions in respect of their own aggregate of 303,657,925 shares representing 3.43% of issued share capital.

Yours faithfully

**Steve C. Nicandros**  
***Chairman of the Board of Directors***  
***and Chief Executive Officer***

# FRONTERA RESOURCES CORPORATION (Company)

(Incorporated and registered in the Cayman Islands with company number 256380)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company (**Meeting**) will be held at 3040 Post Oak Blvd, Room 109, Houston, TX 77056 at 9:00 a.m. CST (3:00 p.m. BST) on 5 June 2017 for the purpose of considering the ordinary and special business set out below and, if thought fit, passing and approving the Resolutions 1 to 4 as set out below::

### ORDINARY BUSINESS

1. Operations Progress Update, Upcoming Work Programs, Corporate Finance Update, questions and answers session
2. By way of ordinary resolution, Steve C. Nicandros be re-elected as a class II director with immediate effect, to hold office in accordance with the amended and restated articles of association of the Company.

(Resolution 1 – Ordinary Resolution)

3. By way of ordinary resolution, Andrew J Szescila be re-elected as a class II director with immediate effect, to hold office in accordance with the amended and restated articles of association of the Company.

(Resolution 2 – Ordinary Resolution)

### SPECIAL BUSINESS

4. By way of special resolution, that the directors of the Company may allot, issue and redeem Series A convertible, preferred, redeemable shares of the Company on the terms set out in the Series A Convertible Preferred Shares Summary in the form attached hereto.

(Resolution 3 – Special Resolution)

5. By way of ordinary resolution and conditional upon the passing of Resolution 5 below, that the authorised share capital of the Company be increased from US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each, to US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each.

(Resolution 4 – Ordinary Resolution)

6. By way of special resolution, the Memorandum of Association of the Company be and is hereby amended such that words

*"The authorised share capital of the Company is US\$354,000 divided into into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each"*

be deleted in their entirety and replaced with:

*"The authorised share capital of the Company is US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each"*

(Resolution 5 – Special Resolution).

By Order of the Board  
**Levan Bakhutashvili**  
Corporate Secretary  
DATE: 18 May 2017

*Headquarters:*  
Frontera Resources Corporation  
3040 Post Oak Blvd, Suite 1100  
Houston, Texas 77056 USA

*Registered office:*  
Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands



**Exhibit A**

**SUMMARY OF CERTAIN OF THE PROPOSED TERMS OF  
SERIES A CONVERTIBLE, REDEEMABLE PREFERRED SHARES OF  
FRONTERA RESOURCES CORPORATION**

- 1.1 **Redemptions/Conversions:** Each Series A Convertible Preferred Share shall be convertible (by way of redemption and re-subscription) at the option of the holder into fully paid and non-assessable ordinary shares of the Company (the "**Ordinary Shares**") at the conversion price set out in the paragraph entitled "Elimination of Yorkville SEDA-Backed Loans" of the Circular. The Series A Convertible Preferred Shares also shall be subject to redemption in cash at the option of the Series A Convertible Preferred Shareholders at any time after the occurrence and continuance of certain "triggering events" (including, without limitation, the commencement of insolvency or liquidation proceedings, if the Company is delisted from AIM, if the Company does not issue Ordinary Shares in relation to a conversion of Series A Convertible Preferred Shares, if the Company and if the Company has breached certain covenants granted to the holders of the Series A Convertible Preferred Shares).
- 1.2 **Liquidation:** Upon any liquidation, dissolution or winding up of the Company, including the merger, consolidation or reorganization of the Company into or with another entity through one or a series of related transactions, or the sale, transfer or lease of all or substantially all of the assets of the Company, whether voluntary or involuntary (collectively, a "**Liquidation**"):
- (a) the holders of Series A Convertible Preferred Shares shall be entitled to receive an aggregate amount equal to US\$1,000 per issued and outstanding Series A Convertible Preferred Share held by them (the "**Liquidation Amount**") in preference to holders of Ordinary Shares; and
  - (b) if, upon any Liquidation, the assets of the Company shall be insufficient to pay the Liquidation Amount in full to all holders of Series A Convertible Preferred Shares, then the entire net assets of the Company shall be distributed among the holders of the Series A Convertible Preferred Shares, in preference to holders of Ordinary Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled and such distributions may be made in cash or in property taken at its fair value (as determined in good faith by the Board), or both, at the determination of the Board.
- 1.3 **Ranking:** Series A Convertible Preferred Shares shall rank senior to all classes of Ordinary Shares.
- 1.4 **Dividends:** The holders of the Series A Convertible Preferred Shares will not have any rights to receive dividends [in preference to the holders of Ordinary Shares]. Certain holders of the Series A Convertible Preferred Stock shall be entitled to a proportionate share of any dividend or distribution paid in relation to the Ordinary Shares as though they were the holders of the number of Ordinary Shares into which their Series A Convertible Preferred Shares is convertible.
- 1.5 **Voting:** The Series A Convertible Preferred Shares will not confer on the holders any right to receive notice of, attend at or vote as a shareholder at any general meeting, save that the consent of Series A Convertible Preferred Shareholders will be required with respect to any matters that might alter or change the powers, preferences, or special rights attaching to any of the Series A Convertible Preferred Shares or otherwise adversely affect the rights and preferences attaching to the Series A Convertible Preferred Shares, in accordance with Article 11 of the amended and restated articles of association of the Company.

## **Notes to the Notice of Annual General Meeting:**

1. The Company has specified that only those members entered on the register of members at close of business on 2 June 2017 (or in the event that this meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the Meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after close of business on 2 June 2017 shall be disregarded in determining the rights of any person to attend, speak and vote at the Meeting.

### ***Appointment of proxies***

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend and vote at the Meeting. A proxy need not be a Shareholder. A Shareholder holding two or more shares may appoint more than one proxy in relation to the Meeting. Please contact the Registrar if you wish to appoint multiple proxies.
3. A Form of Proxy is enclosed for use by Shareholders holding shares in certificated form. The completion and return of a Form of Proxy whether in hard copy form or by eProxy or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so. Holders of Depository Interests in CREST who wish to attend the meeting and/or vote at the meeting must notify the Depository in writing.
4. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Computershare Investor Services (Cayman) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, for and on behalf of the Company Secretary, by hand, or sent by post, so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be), weekends and bank holidays excluded.

### ***CREST Voting Instructions for Depository Interest Holders***

5. Holders of Depository Interests in CREST may transmit voting instructions by either completing and returning the Form of Instruction to the office of the Depository, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by hand, or sent by post, so as to be received not less than 72 business hours before the time fixed for the holding of the meeting, or utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf. In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).
6. To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 9:00 a.m. CST (3:00 p.m. BST) on 31 May 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

### ***Issued shares and total voting rights***

7. As at close of business on 17 May 2017 (being the latest practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital comprised 8,842,004,983 Ordinary Shares with a nominal par value of US\$0.00004 each fully paid. On a poll, each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business on 17 May 2017 are 8,842,004,983.

**All Correspondence to:**  
 The office of the Depositary  
 Computershare Investor Services PLC  
 The Pavilions, Bridgwater Road,  
 Bristol, BS99 6ZY

MR A SAMPLE  
 < DESIGNATION >  
 SAMPLE STREET  
 SAMPLE TOWN  
 SAMPLE CITY  
 SAMPLE COUNTY  
 AA11 1AA



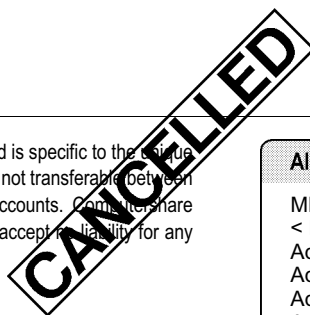
## Form of Instruction - Annual General Meeting to be held on 5 June 2017

To be effective, all forms of instruction must be lodged at the office of the Depositary at:  
 Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 31 May 2017 at 3.00 pm (BST).

### Explanatory Notes:

1. Please indicate, by placing "X" in the appropriate space overleaf, how you wish your votes to be cast in respect of each of the Resolutions. If this form is duly signed and returned, but without specific direction as to how you wish your votes to be cast, the form will be rejected.
2. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular Resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.
3. To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 72 business hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. Any alterations made in this form should be initialled.
5. The completion and return of this form will not preclude a holder from attending the meeting and voting in person. Should the holder, or a representative of that holder wish to attend the meeting and/or vote at the meeting, they must notify the Depositary in writing or email UKALLDITeam2@computershare.co.uk.
6. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Depositary Interest Register at close of business on the day which is three days before the day of the meeting. Changes to entries on the Depositary Interest Register after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

**Kindly Note:** This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. Computershare Investor Services PLC (the "Depositary") and the Custodian accept no liability for any instruction that does not comply with these conditions.



#### All Named Holders

MR A SAMPLE  
 < Designation >  
 Additional Holder 1  
 Additional Holder 2  
 Additional Holder 3  
 Additional Holder 4



# Form of Instruction



Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



C0000000000

I/We hereby instruct the Custodian "Computershare Company Nominees Limited" to vote on my/our behalf at the Annual General Meeting of Frontera Resources Corporation to be held at **3040 Post Oak Blvd, Room 109, Houston, TX 77056**, on **5 June 2017** at **9.00 am CST, (3.00 pm BST)** and at any adjournment thereof.

**CANCELLED**

## Ordinary Business

- |   | For                      | Against                  | Vote Withheld            |
|---|--------------------------|--------------------------|--------------------------|
| 1. By way of ordinary resolution, Steve C. Nicandros be re-elected as a class II director with immediate effect, to hold office in accordance with the amended and restated articles of association of the Company. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. By way of ordinary resolution, Andrew J Szescila be re-elected as a class II director with immediate effect, to hold office in accordance with the amended and restated articles of association of the Company.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Special Business

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 3. By way of special resolution, that the directors of the Company may allot, issue and redeem Series A convertible, preferred, redeemable shares of the Company on the terms set out in the Series A Convertible Preferred Shares Summary.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. By way of ordinary resolution and conditional upon the passing of Resolution 5 below, that the authorised share capital of the Company be increased from US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each, to US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. By way of special resolution, the Memorandum of Association of the Company be and is hereby amended such that words:<br><i>"The authorised share capital of the Company is US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each"</i><br>be deleted in their entirety and replaced with:<br><i>"The authorised share capital of the Company is US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each"</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signature

Date

**CANCELLED**  
MM / YY

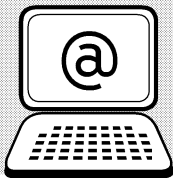
In the case of joint holders, only one holder need sign. In the case of a corporation, the Form of Instruction should be signed by a duly authorised official whose capacity should be stated, or by an attorney.



MR A SAMPLE  
 < DESIGNATION >  
 SAMPLE STREET  
 SAMPLE TOWN  
 SAMPLE CITY  
 SAMPLE COUNTY  
 AA11 1AA



**Form of Proxy - General Meeting to be held on 5 June 2017**



**Cast your Proxy online...It's fast, easy and secure!**  
**[www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy)**

You will be asked to enter the Control Number, Shareholder Reference Number (SRN) and PIN shown opposite and agree to certain terms and conditions.

**Control Number:** 914455  
**SRN:** C0000000000  
**PIN:** 1245

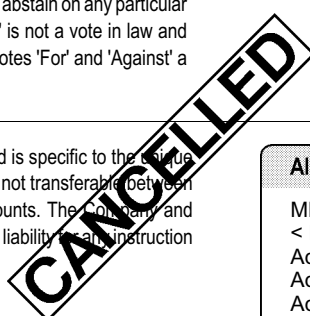


Register at **[www.investorcentre.co.uk](http://www.investorcentre.co.uk)** - elect for electronic communications & manage your shareholding online!

**To be effective, all proxy appointments must be lodged with the Company's Registrars at:  
 c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 1 June 2017 at 3.00 pm (BST).**

**Explanatory Notes:**

- Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
- To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 4040 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
- Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0370 707 4040 to request a change of address form or go to [www.investorcentre.co.uk](http://www.investorcentre.co.uk) to use the online Investor Centre service.
- Any alterations made to this form should be initialled.
- The completion and return of this form will not preclude a member from attending the meeting and voting in person.



**Kindly Note:** This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services (Cayman) Limited accept no liability if an instruction that does not comply with these conditions.

**All Named Holders**

MR A SAMPLE  
 < Designation >  
 Additional Holder 1  
 Additional Holder 2  
 Additional Holder 3  
 Additional Holder 4



# Form of Proxy

Please complete this box only if you wish to appoint a third party proxy other than the Chairman. Please leave this box blank if you want to select the Chairman. Do not insert your own name(s).



C0000000000

\_\_\_\_\_\*

I/We hereby appoint the Chairman of the Meeting OR the person indicated in the box above as my/our proxy to attend, speak and vote in respect of my/our full voting entitlement\* on my/our behalf at the General Meeting of Frontera Resources Corporation to be held at **3040 Post Oak Blvd, Room 109, Houston TX, 77056** on **5 June 2017 at 9.00 am CST, (3.00 pm BST)**, and at any adjourned meeting.

\* For the appointment of more than one proxy, please refer to Explanatory Note 2 (see front).

Please mark here to indicate that this proxy appointment is one of multiple appointments being made.

Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



**CANCELLED**

## Ordinary Business

- |   | For                      | Against                  | Vote<br>Withheld         |
|---|--------------------------|--------------------------|--------------------------|
| 1. By way of ordinary resolution, Steve C. Nicandros be re-elected as a class II director with immediate effect, to hold office in accordance with the amended and restated articles of association of the Company. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. By way of ordinary resolution, Andrew J Szescila be re-elected as a class II director with immediate effect, to hold office in accordance with the amended and restated articles of association of the Company.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## Special Business

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 3. By way of special resolution, that the directors of the Company may allot, issue and redeem Series A convertible, preferred, redeemable shares of the Company on the terms set out in the Series A Convertible Preferred Shares Summary.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. By way of ordinary resolution and conditional upon the passing of Resolution 5 below, that the authorised share capital of the Company be increased from US\$354,000 divided into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each, to US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. By way of special resolution, the Memorandum of Association of the Company be and is hereby amended such that words: <i>"The authorised share capital of the Company is US\$354,000 divided into into 8,850,000,000 shares of a nominal or par value of US\$0.00004 each"</i> be deleted in their entirety and replaced with: <i>"The authorised share capital of the Company is US\$690,000 divided into 17,250,000,000 shares of a nominal or par value of US\$0.00004 each"</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

I/We instruct my/our proxy as indicated on this form. Unless otherwise instructed, the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

## Signature

\_\_\_\_\_

Date

**CANCELLED**  
\_\_\_\_/\_\_\_\_/\_\_\_\_

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).

