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Conyers Dill & Pearman

27th September 2011

By Hand

Matter No.: 954175
Doc Ref: DJS/tmd/191187
1(284) 852 1121
dawn.smith@conyersdill.com

Ascom Oil Company Ltd.
c/o Mossack Fonseca & Co (BVI) Ltd.
Akara Building
24 De Castro Street
Road Town, Tortola
British Virgin Islands

Dear Sirs:

Re: BVIHC (COM) [] of 2011 – Atlas Global Asset Holdings LP et al v Ascom Oil Company Ltd et al

We enclose, by way of service on Ascom Oil Company Ltd, the First Defendant/Respondent in the above captioned matter, the following documents:

1. Freezing Order granted on 26 September, 2011;
2. Claim Form filed on 27 September, 2011
3. Commercial Court Certificate filed on 27 September, 2011
4. Notice of Application (Freezing Order) filed on 27 September, 2011;
5. First Affidavit of James Nicholas Popperwell sworn on 26 September, 2011 and Exhibit "JNP-1"
6. Third Affidavit of James Nicholas Popperwell with Exhibit "JNP-3" sworn on 26 September, 2011
7. Affidavit of Nicholas Petronko signed on 26 September, 2011.
8. Draft Order (Freezing Order) lodged on 27 September, 2011;
9. Certificate of Urgency filed on 27 September, 2011;
10. Skeleton Submissions;
11. Letter to Registrar dated 27 September, 2011
12. Notice of Application for Continuation of Freezing Order filed on 27 September, 2011.

A transcript of the hearing is being prepared and will be served as soon as practicable.

Please acknowledge receipt of the above documents by signing the attached copy of this letter and returning it to us.

Yours faithfully,


Conyers Dill & Pearman

Encl.

PENAL NOTICE:

IF YOU, ANATOLIE STATI, FAIL TO COMPLY WITH THE TERMS OF THIS ORDER, PROCEEDINGS MAY BE COMMENCED AGAINST YOU FOR CONTEMPT OF COURT AND YOU MAY BE LIABLE TO BE IMPRISONED;

IF YOU, ASCOM OIL COMPANY LIMITED, FAIL TO COMPLY WITH THE TERMS OF THIS ORDER, PROCEEDINGS MAY BE COMMENCED AGAINST YOU FOR CONTEMPT OF COURT AND YOUR DIRECTORS AND OFFICERS MAY BE LIABLE TO BE IMPRISONED OR TO HAVE AN ORDER FOR SEQUESTRATION MADE IN RESPECT OF THEIR PROPERTY.

ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS OR PERMITS ANY RESPONDENT TO BREACH THE TERMS OF THIS ORDER MAY ALSO BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE IMPRISONED, FINED OR HAVE THEIR ASSETS SEIZED.

The Eastern Caribbean Supreme Court
In the High Court of Justice
Virgin Islands
Commercial Division



Claim No. BVIHC (COM)0111 of 2011

BETWEEN:-

- (1) ATLAS GLOBAL ASSET HOLDINGS LP
- (2) RENAISSANCE SECURITIES (CYPRUS) LIMITED
- (3) STICHTING SECURITY TRUSTEE (ST) 7



Applicants/Claimant

and

- (1) ASCOM OIL COMPANY LTD
First Defendant/Respondent
- (2) MR. ANATOLIE STATI
Second Defendant/Respondent
- (3) LAREN HOLDINGS LTD
Third Defendant

FREEZING ORDER

Before: HIS LORDSHIP MR JUSTICE BANNISTER, QC (Ag.) (In Chambers)
Dated: 26th September, 2011
Entered: 27th September, 2011

UPON READING the Draft Notice of Application handed up, the First Affidavit of James Nicholas Popperwell with Exhibit "JNP-1" sworn on the 26 September 2011, the Second Affidavit of James Nicholas Popperwell sworn on the 26 September 2011, the Third Affidavit of James Nicholas Popperwell with Exhibit "JNP-3", unsworn Affidavit of Nicholas Petronko dated 26 September, 2011 and the Certificate of Urgency.

AND UPON the Court accepting the undertakings set out in Schedule B hereto.

AND UPON HEARING Lord Goldsmith QC and Mr Mark Forte of Counsel for the Claimants/Applicants *ex parte*.

THIS ORDER

1. This is a Freezing Injunction made against the First and Second Defendants/Respondents ("the Respondents") on 26th September, 2011 on the application of the above-named Applicants ("the Applicants"). The Judge read the Affidavits listed in Schedule A and accepted the undertakings set out in Schedule B at the end of this Order
2. This order was made at a hearing without notice to the Respondents. The Respondents have a right to apply to the Court to vary or discharge the order – see paragraph 15 below, and rule 11.16 of the Eastern Caribbean Supreme Court Civil Procedure Rules.
3. There will be a further hearing in respect of this order on Monday 17th October, 2011 at 10:00 am ("the Return Date").

SEALING OF COURT FILE

4. Until the Return Date or further order of the Court, the Court's file with respect to these proceedings is sealed and will not be accessible by any party other than those named in these proceedings until further order of the Court.

FREEZING INJUNCTION

5. Until the Return Date or further order of the Court, the Respondents must not except with the prior written consent of the Applicant's legal practitioners:

(1) remove from the British Virgin Islands any of their assets which are in the British Virgin Islands up to the value of US\$90,000,000.00;

(2) in any way dispose of, deal with or diminish the value of any of their assets whether they are in or outside the British Virgin Islands, up to the same value;

(3) deal, charge, or otherwise cause or procure the disposal or diminution in value of the Second Respondent's shares in the First Respondent, or the First Respondent's shares in in Komet Group SA;

(4) take any steps whether directly or indirectly to deal with or dispose of any of the proceeds of the sale of the 60% participating interest held by Komet Group S.A in Barda Rash PSC to Afren plc (the "Afren Transaction"), whether the proceeds are held in or outside the British Virgin Islands.

6. Paragraph 4 applies to all of the Respondents' assets whether or not they are in their own name, whether they are solely or jointly owned and whether the Respondents are interested in them legally, beneficially or otherwise. For the purpose of this order the Respondents' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if their own. The Respondents are to be regarded as having such power if a third party holds or controls the asset in accordance with either of their direct or indirect instructions.

7. The prohibition in paragraph 5 includes in particular but is not limited to:

- i. any shares held, whether directly or indirectly, by the Second Respondent in the First Respondent, as well as by the First Respondent in Komet Group SA;
 - ii. any assets held, whether directly or indirectly, by the First or Second Respondent on behalf of each other.

8. If the total unencumbered value of the Respondents' assets in the British Virgin Islands does not exceed US\$90,000,000, the Respondents must not remove any of those assets from the British Virgin Islands and must not dispose of or deal with any of them. If the Respondents has other assets outside the British Virgin Islands, they may dispose of or deal with those assets outside the British Virgin Islands so long as the total unencumbered value of all his assets whether in or outside the British Virgin Islands remains above US\$90,000,000.00.

PROVISION OF INFORMATION

9. (1) Unless sub-paragraph 8(2) applies, the First Respondents must by close of business on 13 October 2011 and the Second Respondent must within ten (10) days after service of this Order to the best of their ability after making reasonable enquiries:
 - a. inform the Applicants' legal representatives in writing of all of their assets worldwide (provided that this information need not be provided about any particular asset with a value of less than USD\$ 100,000) whether such assets are in their own name or not and whether solely or jointly owned and whether or not they assert a beneficial interest in them, giving the value, location and details of all such assets;
 - b. supply to the Applicants' legal representatives copies of all documents in their control (which for these purposes shall mean documents which are or were in their physical possession and/or to which they

have a right to possession and/or to which they have a right to inspect or take a copy) which evidence the matters set out in (a) above.

(2) If the provision of any of this information is likely to incriminate the Respondents, they may be entitled to refuse to provide it, but they are recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information is contempt of Court and may render the Respondents liable to be fined or committed or in the case of the First Respondent, have its assets sequestrated.

(3) The First Respondents must by close of business on 13 October 2011 and the Second Respondent must within ten (10) days after service of this Order swear and serve on the Applicants' legal representatives an affidavit verifying the above information.

10. Unless paragraph 9(2) applies the First Respondent must by 4:00 pm on Friday 30th September, 2011, and the Second Respondent must within 48 hours of service of this Order to the best of their ability after making reasonable enquiries, provide details of the Afren Transaction as to:

- (a) what payments have been or are expected to be received from Afren;
- (b) details of the method and beneficiary of payments already made and future payments;
- (c) the location of any payments already received and the contemplated location of any future payments including the name of any beneficiary banks receiving such payments, their addresses and the accounts into which the payment is to, or has been received.

DOCUMENTS AND EVIDENCE

11. Until further order, the Respondents shall not dispose of or destroy, overwrite, delete, amend, change or alter in any way any document or copy of any document including any information recorded electronically (no

matter what the format and including, but not limited to, any documents or information stored on the hard disc of a computer or on a floppy disc or on any form of removable disc or drive or tape) which concern or relate in any way to (a) any dealings between the Respondents and the Applicants or anyone acting or purporting to act on behalf of the Applicants whether as officer or former officer thereof including any document or copy of any document which concerns or relates to the various loan agreements and guarantees, and (b) the sale of the 60% participating interest in Barda Rash PSC, but shall keep the same in exactly the same format as they are in as at the time that this order was served upon him.

EXCEPTIONS TO THIS ORDER

12. (1) This order does not prohibit the Second Respondent from spending US\$5,000.00 a week towards his ordinary living expenses and the Respondents from (i) spending a reasonable sum on legal advice and representation, and (ii) from dealing with or disposing of any of their assets in the ordinary and proper course of business, but before doing so the Respondents must give seven (7) days written notice to the Applicants' legal representatives of any dealing or disposal.

(2) The Respondents may agree with the Applicant's legal representatives that the above spending limits should be increased or that this order should be varied in any other respect, but any agreement must be in writing.

(3) The order will cease to have effect if the Respondents, or any of them-

(a) provides security by paying the sum of US\$90,000,000.00 into Court, to be held to the order of the Court; or

(b) makes provision for security in that sum by another method agreed with the Applicants' legal representatives.

TRANSLATION OF DOCUMENTS FOR SERVICE

13. The Claimants be given permission to dispense with translation of the documents for service on the Second Respondent provided that if it is proved to the satisfaction of the Court that the Second Respondent cannot read and write English with reasonable fluency, that will be taken into account in considering the Second Defendants compliance with this order.

COSTS

14. The costs of this application are reserved to the judge hearing the application on the Return Date.

VARIATION OR DISCHARGE OF THIS ORDER

15. Anyone served with or notified of this order may apply to the Court at any time to vary or discharge this order (or so much of it as affects that person), but they must first inform the Applicants' legal representatives. If any evidence is to be relied upon in support of the application, the substance of it must be communicated in writing to the Applicants' legal representatives in advance.

INTERPRETATION OF THIS ORDER

16. A Respondent who is an individual who is ordered not to do something must not do it himself or in any other way. He must not do it through others acting on his behalf or on his instructions or with his encouragement.
17. A Respondent which is not an individual which is ordered not to do something must not do it itself or by its directors, officers, partners, employees or agents or in any other way.

PARTIES OTHER THAN THE APPLICANTS AND RESPONDENTS

18. **Effect of this order**

It is a contempt of Court for any person notified of this order knowingly to assist in or permit a breach of this order. Any person doing so may be imprisoned, fined or have their assets seized.

19. Set off by banks

This injunction does not prevent any bank from exercising any right of set off it may have in respect of any facility which it gave to the Respondents before it was notified of this order.

20. Withdrawals by the Respondents

No bank need enquire as to the application or proposed application of any money withdrawn by the Respondents if the withdrawal appears to be permitted by this order.

21. Persons outside the British Virgin Islands

(1) Except as provided in paragraph (2) below, the terms of this order do not affect or concern anyone outside the jurisdiction of this Court.

(2) The terms of this order will affect the following persons in a country or state outside the jurisdiction of this court-

(a) the Respondent(s) or their officers or agents appointed by power of attorney;

(b) any person who-

(i) is subject to the jurisdiction of this Court;

(ii) has been given written notice of this order at their residence or place of business within the jurisdiction of this Court; and

(iii) is able to prevent acts or omissions outside the jurisdiction of this Court which constitute or assist in a breach of the terms of this order; and

(c) any other person, only to the extent that this order is declared enforceable by or is enforced by a Court in that country or state.


22. Assets located outside the British Virgin Islands

Nothing in this order shall, in respect of assets located outside the British Virgin Islands, prevent any third party from complying with-

(1) what it reasonably believes to be its obligations, contractual or otherwise, under the laws and obligations of the country or state in which those assets are situated or under the proper law of any contract between itself and the Respondent; and

(2) any orders of the courts of that country or state, provided that reasonable notice of any application for such an order is given to the Applicants' legal representatives.

By the Court


.....
Registrar

COMMUNICATIONS WITH THE COURT

All communications to the Court about this order should be sent to the Commercial Court, Road Town, Tortola, British Virgin Islands, telephone number + 1 284 494 3492

The offices are open between 9:00 a.m. and 4.30 p.m. Monday to Friday

SCHEDULE A

AFFIDAVITS

The Applicants relied on the following affidavits-

- a) The First Affidavit of James Nicholas Popperwell with Exhibit "JNP-1" sworn on 26 September, 2011,
- b) The Third Affidavit of James Nicholas Popperwell with Exhibit "JNP-3" sworn on 26 September, 2011; and
- c) The Affidavit of Nicholas Petronko , signed on 26 September, 2011 on behalf of the Applicant.

SCHEDULE B

UNDERTAKINGS GIVEN TO THE COURT BY THE APPLICANTS

- (1) The Applicants will file the following documents in these proceedings relied on in support of this application for a freezing order as soon as practicable:
 - (a) Claim Form
 - (b) Notice of Application seeking injunctive relief dated 26 September 2011
 - (c) Notice of Application for permission to serve the Claim Form out of the jurisdiction
 - (d) First Affidavit of James Nicholas Popperwell sworn on 26 September, 2011 and Exhibit "JNP-1"
 - (e) Second Affidavit of James Nicholas Popperwell sworn on 26 September, 2011
 - (f) Third Affidavit of James Nicholas Popperwell with Exhibits "JNP-3" sworn on 26 September, 2011
 - (g) Affidavit of Nicholas Petronko signed on 26 September, 2011.
- (2) The Applicants will ensure that the Affidavit of Nicholas Petronko signed on 26 September, 2011 is sworn as soon as practicable.
- (3) The Applicants will file the Statement of Claim in these proceedings no later than 4:00 pm on Monday 3rd October, 2011 and serve a copy on the Respondents as soon as practicable after it is filed.
- (4) If the Court later finds that this order has caused loss to the Respondents, and decides that the said Respondents should be compensated for that loss, the Applicants will comply with any order the Court may make.
- (5) The Applicants will on or before Monday 3 October 2011 cause the sum of US\$500,000.00 to be paid into Court in the High Court Registry, Road Town, Tortola in respect of any order the Court may make pursuant to paragraph (1) above.
- (6) The Applicants will serve upon the Respondents together with this Order:-
 - (i) copies of the affidavits and exhibits containing the evidence relied upon by the Applicants, and any other documents provided to the court on the making of the application, save to the extent that such documents have already been served on those parties
 - (ii) the claim form;
 - (iv) an application notice for continuation of the order;

- (7) The Applicant will use its best endeavours to obtain a transcript or prepare a note of the hearing at which this order was made as soon as practicable and serve a copy of such note or transcript on the Respondent
- (8) Anyone notified of this order will be given a copy of it by the Applicants' legal representatives.
- (9) The Applicants will pay the reasonable costs of anyone other than the Respondents which have been incurred as a result of this order including the costs of finding out whether that person holds any of the Respondent's assets and if the court later finds that this order has caused such person loss, and decides that such person should be compensated for that loss, the Applicants will comply with any order the court may make.
- (10) If this order ceases to have effect (for example, if the Respondents provide security or the Applicants do not make a payment into Court as provided for above) the Applicants will immediately take all reasonable steps to inform in writing anyone to whom he has given notice of this order, or who he has reasonable grounds for supposing may act upon this order, that it has ceased to have effect.
- (11) The Applicants will not without the permission of the Court use any information obtained as a result of this order for the purpose of any civil or criminal proceedings, either in the British Virgin Islands or in any other jurisdiction.
- (12) The Applicants will not without the permission of the Court seek to enforce this order in any country outside the British Virgin Islands or seek an order of a similar nature including orders conferring a charge or other security against the Respondent or the Respondent's assets.

NAME AND ADDRESS OF APPLICANTS' LEGAL REPRESENTATIVES

The Applicants' legal practitioners are:

Conyers Dill & Pearman
Commerce House
Wickhams Cay 1
Road Town
Tortola
British Virgin Islands
Ref: Mark Forté
Tel: +1 284 852 1113
Fax: +1 284 852 1001
Email: mark.forte@conyersdill.com
dawn.smith@conyersdill.com
tameka.davis@conyersdill.com

FEE STAMPS ON ORIGINAL
\$ 1,500.00

The Eastern Caribbean Supreme Court
In the High Court of Justice
Virgin Islands
Commercial Division



Claim No. BVIHC (COM) 0111 of 2011

BETWEEN:

ATLAS GLOBAL ASSET HOLDINGS LP	First Claimant
RENAISSANCE SECURITIES (CYPRUS) LIMITED	Second Claimant
STICHTING SECURITY TRUSTEE (ST) 7	Third Claimant

AND

ASCOM OIL COMPANY LTD	First Defendant
ANATOLIE STATI	Second Defendant
LAREN HOLDINGS LTD	Third Defendant

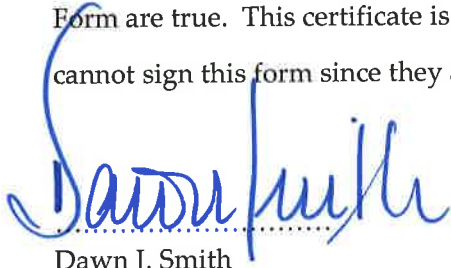
CLAIM FORM

The Claimants, (1) ATLAS GLOBAL ASSET HOLDINGS LP of Walkers Corporate Services Limited, 87 Mary Street, George Town, Grand Cayman, KY1-9005, Cayman Islands, (2) RENAISSANCE SECURITIES (CYPRUS) LIMITED of 27 Pindarou Street, Alpha Business Center, 8th Floor, CY-1060 Nicosia and (3) STICHTING SECURITY TRUSTEE (ST) 7 of Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands, claims against the Defendants, (1) ASCOM OIL COMPANY LTD of P.O. Box 3136, Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and (2) MR. ANATOLIE STATI of 20 Dragomirna Street, Chisinau MD2800 Republic of Moldova and (3) LAREN HOLDINGS LTD of P.O. Box 71, Craigmur Chambers, Road Town, Tortola, British Virgin Islands for:

1. US\$93,698,324.61 being the principal indebtedness of the Third Defendant, and the indebtedness of the First and Second Defendants under the terms of their guarantees;
2. Interest
3. Such further or other relief as the Court considers just.
4. Costs.

Certificate of Truth

I, Dawn J. Smith, certify that the Claimants believe that the facts stated in this Claim Form are true. This certificate is given on the Claimants' instructions. The Claimants cannot sign this form since they are currently outside the jurisdiction.



Dawn J. Smith
Conyers Dill & Pearman
Legal Practitioners for the Claimants

Notice to the Defendants – See the notes served with the Claim Form

This Claim Form must contain or have served with it either a statement of claim or a copy of a court order entitling the claimant to serve the claim form without a statement of claim.

If you do not complete the form of acknowledgement of service served on you with this Claim Form and deliver it or send it to the court office (address below) so that they receive it within 28/48 days of service of this Claim Form on you, the claimant will be entitled to apply to have judgement entered against you. The form of acknowledgement of service may be completed by you or a legal practitioner acting for you.

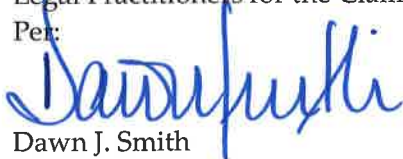
You should consider obtaining legal advice with regard to this claim.

This claim form has no validity if it is not served within 12 months of the date below unless it is accompanied by an order extending that time.

Dated this 26th day of September, 2011

Conyers Dill & Pearman
Legal Practitioners for the Claimants

Per:



Dawn J. Smith

This court office is at Main Street Road Town, Tortola, British Virgin Islands telephone number (284) 494-3492, Fax (284) 494-6664. The office is open between 9.00 a.m. and 4.30 p.m Monday to Friday except public holidays.

The Claimant's address for service is Conyers Dill & Pearman, Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands

The Eastern Caribbean Supreme Court
In the High Court of Justice
Virgin Islands
Commercial Division



Claim No. BVIHC (COM) 0111 of 2011

BETWEEN:

ATLAS GLOBAL ASSET HOLDINGS LP	First Claimant
RENAISSANCE SECURITIES (CYPRUS) LIMITED	Second Claimant
STICHTING SECURITY TRUSTEE (ST) 7	Third Claimant

AND

ASCOM OIL COMPANY LTD	First Defendant
ANATOLIE STATI	Second Defendant
LAREN HOLDINGS LTD	Third Defendant

CERTIFICATE FOR COMMERCIAL COURT

I, **DAWN J. SMITH** of Conyers Dill & Pearman, Romasco Place, Wickhams Cay 1, Tortola, British Virgin Islands, Legal Practitioners for the Applicant, hereby certify that this claim is appropriate to be treated as a commercial claim within the meaning of rule 69A.1(2)(a) and (3) of the Eastern Caribbean Supreme Court Civil Procedure Rules (Application to the Virgin Islands) (Amendment) Order, 2009 as the claim is, *inter alia*, for the sum of US\$93,698,324.61 being the principal indebtedness of the Third Defendant, and the indebtedness of the First and Second Defendants under the terms of their guarantees.

Dated this 27th day of September, 2011.

Conyers Dill & Pearman
Legal Practitioners for the Applicant
Per:


Dawn J. Smith

The court office is at Road Town, Tortola, Virgin Islands. telephone number 284-468-0039, Fax 284-494-6664. The office is open between 9:00a.m. and 3:30p.m. Monday to Friday except public holidays.

The Applicant's address for service is c/o Conyers Dill & Pearman, Commerce House, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands Tel: 284-852-1000, Fax: 284-852-1001



The Eastern Caribbean Supreme Court
In the High Court of Justice
Virgin Islands
Commercial Division



Claim No. BVIHC (COM) 0111 of 2011

BETWEEN:-

- (1) ATLAS GLOBAL ASSET HOLDINGS LP
- (2) RENAISSANCE SECURITIES (CYPRUS) LIMITED
- (3) STICHTING SECURITY TRUSTEE (ST) 7

Applicants/Claimant

and

- (1) ASCOM OIL COMPANY LTD
- (2) MR. ANATOLI STATI

Respondents/Defendants

- (3) LAREN HOLDINGS LTD

Defendant

NOTICE OF APPLICATION
SEEKING FREEZING ORDER

The Claimants/Applicants (the "Applicants") (1) ATLAS GLOBAL ASSET HOLDINGS LP of Walkers Corporate Services Limited, 87 Mary Street, George Town, Grand Cayman, KY1-9005, Cayman Islands, (2) RENAISSANCE SECURITIES (CYPRUS) LIMITED of 27 Pindarou Street, Alpha Business Center, 8th Floor, CY-1060 Nicosia and (3) STICHTING SECURITY TRUSTEE (ST) 7 of Teleport boulevard 140, 1043 EJ Amsterdam, The Netherlands apply to this Honourable Court against the Defendants/Respondents (the "Respondents"), (1) ASCOM OIL COMPANY LTD of P.O. Box 3136, Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and (2) MR. ANATOLI STATI of 20 Dragomirna Street, Chisinau MD2800 Republic of Moldova and, pursuant to section 24(1) of the West Indies Associated States Supreme Court (Virgin Islands) Act, CPR 17.1(1) and/or the inherent jurisdiction of the Court for Orders that:

- (1) the Respondents shall be restrained from removing from the Virgin Islands any of their assets which are in the Virgin Islands up to the value of US\$93,698,324.61, and in any way disposing of, dealing with or diminishing the value of any of their assets, whether they are in or outside the Virgin Islands, up to the same value, whether by their own action or those directly or indirectly under their control, more particularly set out in the Draft Order attached hereto;
- (2) the Respondents must inform the Applicants' solicitors of all their assets worldwide exceeding US\$93,698,324.61, in value, giving the value, location and details of all such assets, including details of the proceeds of the recent or proposed transaction in respect of the sale of 60% of Barda Rash PSC to Afren plc ("the Transaction"); and
- (3) the Respondents shall not dispose of, destroy or alter in any way any document or copy of any document which concerns or relates to the Transaction
- (4) The costs of this Application be provided for.
- (5) Such further and/or other relief as the Court shall consider appropriate.

A draft order of the order sought is attached.

The grounds of the application are as follows:

1. The Applicants have (at least) a good arguable case that, inter alia, there the Respondents are indebted to the Applicant in the amount of US\$93,698,324.61.
2. The Applicant believes that the evidence demonstrates that by, inter alia, the recent conduct of the Second Respondent, an individual, there is a risk of dissipation of assets before trial.
3. The application for injunctive relief (the "Application") is necessarily ex parte because of the urgent need to act swiftly and fear that if the fact of the Application is revealed the Second Respondent and/or the First Respondent will take steps calculated to place assets further beyond the reach of the Applicants.

4. The wide disclosure orders sought as against the Respondents are appropriate in order to give effect to the freezing orders sought given the clear inference that the common intention of the Respondents is to deprive the Applicants of a fair value of its interest in the Company.
5. The necessary undertaking as to damages is provided for in the Affidavit of James Nicholas Popperwell filed in support of the Application.
6. By virtue of the foregoing, it is therefore just and convenient that the Respondents be restrained from removing from the Virgin Islands any of their assets which are in the Virgin Islands up to the value of US\$93,698,324.61, and in any way disposing of, dealing with or diminishing the value of any of their assets, whether they are in or outside the Virgin Islands, up to the same value, whether by their own action or those directly or indirectly under their control pending the determination of the Applicants claims or further directions from this Court

The Applicants will rely upon the following evidence in support of the Application

- (i) the First Affidavit of James Nicholas Popperwell with exhibits, and
- (ii) the Affidavit of Nicholas Petronko

Dated this 26 day of September, 2011



Mark Forte
Conyers Dill & Pearman
Legal Practitioners for the Claimant/Applicant

Filed by Conyers Dill and Pearman, Solicitors for the Applicant herein of Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, British Virgin Islands VG1110, Tel: 1 (284) 852 1000 Fax: 1 (284) 1001. Email Mark.Forte@conyersdill.com

NOTICE:

This Application will be heard by a Judge of the High Court on the [26th] day of [September] 2011 at 10:00 o'clock in the fore-noon at [].

If you do not attend this hearing an Order may be made in your absence.

OR

The Judge will deal with this application by:-

NB This notice of application must be served as quickly as possible on the Respondent to the application.

The court office is at Main Street, Road Town, Tortola, British Virgin Islands; telephone number 284 468-0039; facsimile number 284 494-6664. The office is open between 9:00a.m. and 4:30p.m. Monday to Friday except public holidays.

Filed by Conyers Dill and Pearman, Solicitors for the Applicant herein of Commerce House,
Wickhams Cay 1, P.O. Box 3140, Road Town, British Virgin Islands VG1110, Tel: 1 (284) 852 1000
Fax: 1 (284) 1001. Email Mark.Forte@conyersdill.com.



Applicants
J. N. Popperwell
1st affidavit
JNP1
26 September 2011

The Eastern Caribbean Supreme Court
In the High Court of Justice
Virgin Islands
Commercial Division

Claim No. BVIHC (COM) ⁰¹¹¹ of 2011

BETWEEN:-

- (1) ATLAS GLOBAL ASSET HOLDINGS LP
- (2) RENAISSANCE SECURITIES (CYPRUS) LIMITED
- (3) STICHTING SECURITY TRUSTEE (ST) 7

Applicants/Claimant

and

- (1) ASCOM OIL COMPANY LTD
- (2) MR. ANATOLI STATI

Respondents/Defendants

- (3) LAREN HOLDINGS LTD

Defendant

FIRST AFFIDAVIT OF JAMES NICHOLAS POPPERWELL

I, James Nicholas Popperwell, of Debevoise & Plimpton LLP, Tower 42, 25 Old Broad Street, London, EC2N 1HQ, STATE ON OATH AS FOLLOWS:-

1. I am a solicitor of the Senior Courts of England & Wales and a senior associate at the firm Debevoise & Plimpton LLP, which acts for the Applicants. Under the supervision of partners of the firm, I have day to day conduct of this matter on behalf of the Applicants and I am duly authorised to make this affidavit on their behalf.
2. The facts and matters referred to in this affidavit are known to me from information provided to me by Nicholas Petronko and Oren Bass of the First Applicant and Eduard Kelenchuk and Chris Baxter of the Second Applicant, and from the

documents exhibited hereto, and they are true to the best of my knowledge, information and belief.

3. This affidavit is given in support of the Applicant's application for a Freezing Injunction dated 26 September 2011 against the Respondents (the "Application").
4. There is now produced and shown to me a paginated bundle of copy documents, marked JNP1 (the "Exhibit"), to which I refer below. References to page numbers made in this affidavit are to page numbers in the Exhibit.

The Parties

5. The First Applicant ("Atlas") is an investment fund incorporated under the laws of the Cayman Islands. Its registered office is at Walkers Corporate Services Limited, 87 Mary Street, George Town, Grand Cayman, KY1-9005, Cayman Islands. Atlas is the transferee of loans originally made to the Third Respondent by GLG Atlas Value & Recovery Fund ("GLG AVR") and GLG Atlas Macro Fund ("GLG Macro"). The loans made by GLG Macro were transferred to GLG AVR on 21 December 2010. The loans made by GLG AVR (which had by then changed its name to Atlas Investment Fund), including those transferred to it by GLG Macro, were transferred to Atlas on 1 July 2011. Both sets of transfers were executed in accordance with Clause 22 of the Facility Agreement as Amended, as defined below. Where in this affidavit I refer to the interests of Atlas, it is deemed to incorporate the interests that previously belonged to GLG AVR and GLG Macro.
6. The Second Applicant ("Renaissance") is a licensed investment firm incorporated in Cyprus with its registered office at 27 Pindarou Street, Alpha Business Center, 8th Floor, CY-1060 Nicosia.

7. The Third Applicant ("Stichting") is a foundation established under the laws of the Netherlands having its registered seat at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands, and which is represented by its sole board member Orangefield Trust (Netherlands) B.V., a private limited company incorporated in the Netherlands with its registered office at Teleportboulevard 140, 1043 EJ Amsterdam. Atlas and Renaissance have authorised Stichting to act on their behalf in this proceeding.
8. The First Respondent ("Ascom Oil") is a company incorporated in the British Virgin Islands with its registered office at P.O. Box 3136, Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. Ascom Oil is a guarantor of certain loans made by Atlas, Renaissance and other lenders to the Third Respondent as more particularly described below.
9. The Second Respondent ("Mr. Stati") is a businessman with interests in oil and gas. Amongst his many businesses, Mr. Stati owns 100% of the shares of and is the ultimate controller of Ascom Oil. Mr. Stati gave personal guarantees in respect of loans made by Atlas, Renaissance and other lenders to the Third Respondent.
10. The Third Respondent ("Laren") is a company incorporated in the British Virgin Islands with its registered office at P.O. Box 71, Cragmur Chambers, Road Town, Tortola, British Virgin Islands. Laren is the recipient of a US\$60.2 million loan facility made available by Atlas, Renaissance and other lenders as more particularly described below.

Background to this Application

11. Mr. Stati is a businessman and the owner and controller of numerous companies in various jurisdictions involved in the oil and gas sector. One of his principal companies

is Ascom Group S.A. (“Ascom Group”), a private company incorporated in Moldova, of which Mr. Stati is president. An extract from the Ascom Group website describing the business under the heading “President’s message” appears at **pages 1 to 4**.

12. Ascom Group has been operating in oil and gas in Kazakhstan since 1999, when its subsidiary Kazpolmunay LLP (“KPM”) acquired an interest in the Borankol oil field from a private Kazakh company. At the same time, Tolknynneftegaz LLP (“TNG”), a 100% subsidiary of Terra Raf Trans Trading Limited, another company wholly owned by Mr. Stati, acquired an interest in the Tolknyn field in Kazakhstan. These companies, which I will refer to together as the “Operating Companies”, are both ultimately owned and controlled by Mr. Stati and are central to the story behind this Application.
13. The Operating Companies are financed by Mr. Stati through their parent companies and Tristan Oil Limited (“Tristan”). Tristan is also wholly owned and controlled by Mr. Stati (see excerpt from the 2009 financial statements of Tristan at **page 5**). Tristan was incorporated on 24 October 2006 in the British Virgin Islands in order to acquire a majority interest in the Operating Companies and then to sell bonds to international institutional investors in connection with the underlying assets. According to Tristan’s website, it invested US\$989.6 million in the Operating Companies between 1999 and 2010, with US\$531 million coming from the proceeds of bond issues by Tristan (see page 2 of the extract from Tristan’s website confirming this at **page 7**).

The Original Facility Agreement

14. In December 2008 and February 2009, the Operating Companies were placed under investigation by Kazakh authorities. After the Operating Companies were unable to meet a 15 April 2009 deadline to pay excess profit taxes, government authorities

seized their bank accounts (see the excerpt from Tristan's financial statements for the period ending 30 June 2009 at pages 9-11).

15. On 15 May 2009, the Kazakh government informed the Operating Companies that it was also seizing their assets. As explained in another extract from Tristan's financial statements for the period ending 30 June 2009, at page 11, the effect of this seizure was that the Operating Companies had to refrain from selling and/or transferring their assets and equity interest to third parties but they could use their assets in the course of normal business operations.
16. As a result of these events and the global financial crisis, Tristan and the Operating Companies experienced significant financial pressures during the first half of 2009. In addition to being unable to pay the excess profit taxes to the Kazakh authorities, Tristan was faced with the possibility of not being able to pay interest to its bondholders in July 2009.
17. At a meeting in spring 2009 in Paris between Mr. Stati, the owner of Tristan, and Adel Kamar, the CEO for Central Asia of Renaissance Capital Limited, Mr. Stati asked Mr. Kamar if Renaissance would be willing to consider extending finance to Tristan. Renaissance set about arranging a pool of interested investors and instructed its then solicitors, Linklaters (who also acted on behalf of Atlas), to structure and document the transaction. The intended transaction would allow the Operating Companies to obtain a much needed infusion of cash to provide funding both for the payment of interest due on the bonds issued by Tristan and the payment of taxes assessed by the Kazakh authorities.
18. The new lenders entered into a credit facility with a special purpose vehicle located in the British Virgin Islands, Laren, which had the effect of pooling the

various lenders' interests into one block. Laren was incorporated by Harneys Corporate Services Limited on 10 June 2009 (see the certificate of incorporation of Laren at page 12). The sole shareholder of Laren is Harneys Trustees Limited and the sole director of Laren is Westlaw Limited (see certificate of incumbency dated 11 June 2009 at page 13).

19. The intention was that Laren would use the loan facility for two purposes:
 - (1) To make a loan of approximately US\$27 million to Montvale Invest Ltd ("Montvale"), the Operating Companies' oil and condensate trader. The intention was that Montvale would transfer substantially all of these funds to other entities affiliated with Tristan and the Operating Companies to enable the Operating Companies to pay off their excess profit taxes owed to the Kazakh authorities.
 - (2) Laren would pay US\$30 million to Stichting to allow Stichting to purchase from Tristan new bonds at a price of approximately 27% of the stated principal value of existing bonds. Once payment had been made to Tristan, Laren would then transfer ownership of the new bonds to the lenders and Tristan would issue new bonds to the lenders.
20. The sole purposes for which Laren was incorporated (including the two main purposes above and purposes ancillary to those) are confirmed by clause 5 of the Memorandum and Articles of Association of Laren, which appears at page 18.
21. The loan facility was put into effect by an agreement dated 11 June 2009, pursuant to which a pool of lenders comprising Renaissance, Atlas (whose interests at that time were held in the names of GLG Atlas Macro Fund and GLG Atlas Value & Recovery

Fund), Avelade Holdings Ltd, Sputnik Group Ltd and Vision Advisors Ltd (together, the "Finance Parties") made available to Laren a total facility of US\$60m (the "Facility") in two tranches, Tranche A and Tranche B (the "Original Facility Agreement"). Stichting acted as agent and security agent of the Finance Parties, as well as joint and several creditor of Laren and its guarantors, who were also parties to the agreement (Laren, together with the guarantors, being the "Obligors"). A copy of the Original Facility Agreement appears at pages 39 to 177. This copy is a "Conformed Copy" produced by Renaissance and Atlas' former counsel, Linklaters. It is common practice in the United Kingdom for lawyers working on a transaction to prepare and rely on conformed copies of transaction documents where the actual signatures are replaced by printed names of the signatories after the transaction closes.

22. Under clause 6 of the Original Facility Agreement, the loans were to be repaid by Laren in stages, with repayments of US\$15 million, US\$15 million and US\$30 million, plus interest, due in the fourth, fifth and six months after the loans were utilised. By clause 8, Laren was required to pay interest on each loan at a rate of 35% per annum. Default interest was payable at 37% per annum.
23. The Facility was subject to a number of security arrangements. When security for the Facility was being negotiated with Mr. Stati in the weeks prior to 11 June 2009, he disclosed various of his business interests to Atlas and Renaissance, all of which he said had a connection with Moldova or Kazakhstan, and offered to stand them as security. Mr. Stati was asked about all of his assets worldwide, but he made no mention of assets or security with connections to jurisdictions other than Moldova or Kazakhstan (save for bank accounts in Latvia). Thus, the following entities, listed in Part I of Schedule I to the Original Facility Agreement, acted as guarantors of Laren's

payment obligations: CASCo LLP (Kazakhstan); Casco Petroleum Middle East Limited (British Virgin Islands); East West International S.A. (Grand Duchy of Luxembourg); General Affinity Limited (England and Wales); Montvale Invest Ltd (British Virgin Islands); Stadoil Limited (Scotland); Tristan Energy Capital Ltd (British Virgin Islands). By clause 17 of the Original Facility Agreement, each guarantor agreed, amongst other things, to pay immediately on demand any amount that Laren did not pay as though they were the principal debtor.

Promissory Note and Personal Guarantees of Mr. Stati

24. By a Promissory Note dated 11 June 2009 (the "Promissory Note"), Laren unconditionally promised to pay to Stichting:
- (1) US\$5,483,333.33 on 11 September 2009;
 - (2) US\$16,633,333.33 on 11 October 2009;
 - (3) US\$16,356,250.00 on 11 November 2009; and
 - (4) US\$30,933,333.33 on 11 December 2009.
25. A copy of the Promissory Note signed by Stichting and Laren appears at pages 178 to 179.
26. By two separate agreements dated 11 June 2009, Mr. Stati gave two personal guarantees, in which he undertook under clause 2.1 of each agreement to pay immediately on demand to Stichting any amount due under the Promissory Note that Laren failed to pay. Mr. Stati gave the first of these two personal guarantees in his capacity as a Romanian national (Personal Guarantee No. 1) and the second personal guarantee in his capacity as a Romanian and Moldovan National (Personal Guarantee

No. 2). At the time he gave Personal Guarantee No.2, Mr. Stati was living in exile in Romania, although I understand he has now returned to Moldova. A copy of Personal Guarantee No. 1 appears at **pages 180 to 195**. A copy of Personal Guarantee No. 2 appears at **pages 196 to 211**.

27. Following execution on 11 June 2009 of the Original Facility Agreement, the Promissory Note and the two Personal Guarantees (as well as many other security related documents which are not relevant to the Application), Tranche A of the Facility, comprising US\$48 million, was drawn by Laren on 15 June 2009. Tranche B of the Facility, the remaining US\$12 million, was drawn by Laren on or around 28 June 2009.

Subsequent Amendments to the Original Facility Agreement

28. The Original Facility Agreement was amended by written agreement on 27 July 2009 (the "27 July Amendment Agreement") and then amended again and restated on 31 July 2009. I will refer to the amended and restated agreement of 31 July 2009 as the "Facility Agreement as Amended". Although many changes were made over the course of these two amendment agreements, the only pertinent changes for the purpose of the Application are that by 31 July 2009, Alder Shipping Ltd had been added as a new lender and thus became an additional "Finance Party", and a new Tranche C commitment of US\$216,000 was added to increase the aggregate total of the facility to US\$60,216,000. Copies of the 27 July Amendment Agreement and the Facility Agreement as Amended appear at **pages 212 to 254** and **pages 255 to 405** respectively.
29. Laren failed to make repayments of Tranche A and Tranche B in accordance with the terms of the Facility Agreement as Amended. This led to discussions between the

Finance Parties and the Obligors (including Mr. Stati), which culminated in an oral agreement being reached on 15 October 2009 between Nicholas Petronko of Atlas and Mr. Stati at a meeting in Moldova. As an adjunct to these discussions, Mr. Stati revealed information to Atlas that allowed it to discover for the first time that he had assets or interests in assets outside of Kazakhstan and Moldova, specifically a valuable interest in an oil field in North West Kurdistan, the Barda Rash PSC, through Ascom Oil's 51% shareholding in Komet.

30. The verbal agreement of 15 October 2009 between Mr. Stati and Mr. Petronko contained the following key terms:
 - (1) That the Tranche A and Tranche B Loans would be repaid by Laren in one instalment on 14 December 2009;
 - (2) Interest payments would be restructured;
 - (3) That Ascom Oil would be added as a guarantor of Laren's obligations;
 - (4) That Ascom Oil would give share security over its 51% shareholding in Komet, a company incorporated in the British Virgin Islands which owned an interest in the Barda Rash PSC;
 - (5) That Ascom Oil would be released as a guarantor and from any share security it had given over Komet if Laren made voluntary prepayments of not less than US\$5 million on or before 30 October 2009 and a further US\$5 million on or before 18 November 2009.

31. Atlas and Renaissance instructed Linklaters to document these and other amendments to the Facility Agreement as Amended, which Linklaters duly did in a Deed that I will

refer to as the "November Amendment Agreement". A copy of the November Amendment Agreement appears at **pages 406 to 435**.

32. The November Amendment Agreement reflected the terms described in paragraph 29 above and the fact that it was intended to record the verbal agreement reached on 15 October 2009 is recorded in recital (B). Other material terms relevant to the Application are:
- (1) By clause 5, Ascom Oil acceded as a guarantor to the terms of the Facility Agreement as Amended and agreed to be bound by its terms;
 - (2) By clause 2.2(a) and paragraph 1 of Part II of Schedule 1, it was a condition subsequent that Laren deliver to Stichting evidence that: Ascom Oil holds 51% of the shareholding in Komet; Komet owns certain oil and gas assets in Kurdistan; and Ascom Oil had granted a first ranking British Virgin Islands law share charge over its shareholding in Komet.
33. In order to give effect to Ascom's pledge of its 51% shareholding in Komet, Linklaters instructed local counsel in the British Virgin Islands, Maples & Calder, to prepare the necessary documentation. Maples & Calder have confirmed to me that they prepared and sent to Linklaters a share pledge on 2 November 2009 that had been agreed with Salans LLP, counsel acting for Ascom Oil, and was therefore in final form (the "Share Pledge"). At **pages 482 to 508** is a copy of the Share Pledge. However, execution of the Share Pledge was not pursued by Atlas or Renaissance. Of course they wanted to have it executed, but it fell by the wayside for commercial reasons: there was at that time a real possibility of a transaction occurring in which the Operating Companies would be sold to a third party and the proceeds of the sale

would be used to repay the Finance Parties. It was not therefore at that time a priority to follow up on the Share Pledge.

Repayment

34. Laren repaid the Tranche C loan of US\$216,000 plus interest on 24 August 2009. Following the 15 October 2009 verbal agreement referred to in paragraph 29 above and as provided for in the November Amendment Agreement, Laren made the first voluntary prepayment of US\$5 million before 30 October 2009 but it did not make all of the second payment of US\$5 million before 18 November 2009, which would have reduced the principal sum outstanding to US\$50 million and would have had the effect of releasing the Ascom Oil guarantee (as well as the Share Pledge, had it been executed). As at 18 November 2009, US\$51,832,639 plus interest remained outstanding, as confirmed by an email of 5 January 2010 from Adrian Golomoz, a senior finance analyst at Ascom Group, to recipients at Renaissance and Atlas (see page 436). The due date for payment of Tranches A and B in one instalment – 14 December 2009 – passed by with no further payments being made and no payments of any kind have subsequently been made.

35. Attempts to procure payment on behalf of the Finance Parties have been led by Renaissance and Atlas as they are “Majority Lenders” under the Facility Agreement as Amended, meaning that their combined participation amounts to more than 50.1% of the loans outstanding under the Facility. By clause 24.9(b) of the Facility Agreement as Amended, instructions given by the Majority Lenders are binding on the other Finance Parties, unless the contrary appears in any of the relevant finance documents.

36. Renaissance has since December 2009 and until recently remained in contact with Mr. Stati. Mr. Stati has repeatedly told Renaissance's contact with Mr. Stati, Bogdan Ciobotaru, that the guarantors will honour their repayment obligations once they have the funds to do so, and they would have done so already but for the actions taken by the Kazakh government against the Operating Companies. Mr. Petronko even had discussions with Mr. Stati about the sale of the Operating Companies to the Finance Parties in February 2010 in settlement of the debts owed, as Mr. Petronko has explained more fully in his affidavit.
37. According to the Tristan website, Ascom Group announced in September 2010 that it had commenced arbitration proceedings against the Government of Kazakhstan in Stockholm following the illegal expropriation of its investments in Kazakhstan in contravention of the Energy Charter Treaty (see pages 6 to 8). Mr Stati has told Mr. Ciobotaru on a number of occasions to let justice take its course and assured him that Renaissance and the other Finance Parties will be paid out of the proceeds of that claim if it succeeds.

The Afren Transaction

38. Afren plc ("Afren") is a leading independent exploration and production company listed on the main board of the London Stock Exchange.
39. On 27 July 2011, Afren announced the proposed acquisition of a 60% participating interest in the Barda Rash PSC from Komet and a non-operated 20% participating interest in the Ain Sifni PSC from the Kurdistan Regional Government (together, the "Afren Transaction"). A copy of the announcement of the Afren Transaction appears at pages 437 to 444.

40. According to the announcement:
- (1) the total consideration payable for the acquisition is US\$588.25 million, of which US\$388.25 million will be due on closing (i.e. 66% of the total acquisition cost) and US\$200 million (the remaining 34%) will be paid within 6 months of closing;
 - (2) of the total consideration, approximately US\$418.75 million is in respect of the acquisition of the interest in the Barda Rash PSC from Komet (i.e. 71% of the total acquisition cost will be paid to Komet);
 - (3) the US\$200 million payable within 6 months of closing will be paid entirely to Komet;
 - (4) the consideration will be paid in cash by Afren.
41. Therefore, Komet should receive US\$218.75 million in cash when the Afren Transaction closes.
42. It is not known precisely when closing of the Afren Transaction will occur. According to Afren's published half-yearly results for 2011, it is "expected to complete in September [2011]" (see extract at page 445). As at the date of this affidavit, there have been no further announcements by Afren so it is assumed that closing has not yet taken place.
43. Details of the Afren Transaction first came to the attention of Atlas and Renaissance on Thursday 18 August 2011 from publicly available information. Before then, Mr. Stati had not mentioned it, including only 4 weeks before when he had dinner with Mr Baxter, the CEO of Renaissance Partners with responsibility for the Renaissance

Group's principal investing business, on 21 July 2011 at Zafferano restaurant in London. Previously the only context in which Mr. Stati had raised Komet in his talks with Renaissance was to say that he was badly in need of finance to invest in it.

44. On 25 August 2011, Bogdan Ciobotaru called Mr. Stati to discuss the Afren Transaction and how it might affect the ability of Laren and its guarantors, including Ascom Oil and Mr. Stati himself, to fulfil their payment obligations. Renaissance's knowledge of the Afren transaction caught Mr. Stati off guard: although he spoke to Mr. Ciobotaru I am told he was generally reluctant to discuss the Afren Transaction and instead insisted that the Finance Parties should await the outcome of the Stockholm arbitration. Mr. Ciobotaru offered to set up a meeting between Mr. Stati and Renaissance to discuss the Afren Transaction and what it meant but he was told by Mr. Stati that he did not want that.
45. Since the call between Mr. Ciobotaru and Mr. Stati on 25 August 2011, I am told that the usual routes of contact to Mr. Stati have closed down: he has not made himself available for meetings with anyone at Renaissance or Atlas and has not returned telephone calls from Mr. Ciobotaru.
46. Prior to the announcement of the Afren Transaction, as explained above Mr. Stati had a dialogue with Mr. Ciobotaru of Renaissance and on each occasion, he would point out his lack of funds and the need to wait for his expropriation claim to be determined. At no point did Mr. Stati ever volunteer to Renaissance or Atlas any information about the Afren Transaction or the possibility that any of the companies he owns or controls might come into a substantial amount of money. Since Mr. Ciobotaru informed Mr. Stati of the Finance Parties' knowledge of the Afren Transaction, there has been a marked change in Mr. Stati's behaviour: he can no

longer say that he has no funds because through his control of Ascom Oil, he holds a majority shareholding in Komet and will most likely have access to and/or the ability to control or direct a portion of the funds that should be due to Komet from the Afren Transaction. So instead he refuses to engage at all. Indeed, there is evidence, which I will discuss below, that Mr. Stati has in recent days taken affirmative steps to make himself impossible to reach under the proper channels provided for in the Facility Agreement as Amended and the Personal Guarantees he gave.

47. In the absence of any communications from Mr. Stati since 25 August 2011, Atlas and Renaissance instructed my firm to write letters to Mr. Stati and his companies in so far as they had given security in relation to the Facility and were connected in some way to the Afren Transaction. Accordingly, on 20 September 2011, my firm sent a letter by fax and by courier to the addresses and fax numbers provided in the relevant transaction document to:

- (1) Laren demanding repayment of outstanding principal and interest under the Facility in the sum of US\$93,698,324.61 by no later than 5.00pm on Tuesday 27 September 2011. A copy of this letter and the successful fax transmission sheet appears at **pages 446 to 451**.
- (2) Ascom Oil demanding it honour its guarantee given under the November Amendment Agreement and repay outstanding principal and interest under the Facility in the sum of US\$93,698,324.61 by no later than 5.00pm on Tuesday 27 September 2011. A copy of this letter and the successful fax transmission sheet appears at **pages 452 to 456**.
- (3) Mr. Stati, using the Moldovan fax number he provided on each of the two Personal Guarantees, informing him of our clients' concerns about payment

and requesting an undertaking by no later than 5.00pm on Wednesday 21 September 2011 in the following terms:

"I undertake that all proceeds from the Afren Transaction up to a value of US\$93,698,324.61, or such other sum as is outstanding from time to time from Laren under the Facility Agreement as Amended or the [Promissory] Note (such information to be provided on request), to which Ascom Oil is entitled and which are either received by Ascom Oil or which are under my control or the control of Ascom Oil, whether directly or indirectly, will be held in or transferred to a bank account in the name of Ascom Oil and will not be disbursed or used for any other purpose by me, Ascom Oil or any other party under my control or the control of Ascom Oil, other than for discharging in full or in part:

- (a) my obligations owed to Stichting Security Trustee (ST) 7 to guarantee the performance of Laren under a Promissory Note dated 11 June 2009;
- (b) any liability of Laren to the [Finance Parties] under the Facility Agreement as Amended;
- (c) any liability of Ascom Oil Company Limited to the [Finance Parties] under the Facility Agreement as Amended.

In addition, I undertake to inform you in writing of the receipt of any proceeds from the Afren Transaction by Komet and Ascom Oil within 24 hours of those sums being received."

48. A copy of the letter seeking the undertaking and the successful fax transmission sheet appear at **pages 457 to 462.**
49. As at the date of this affidavit, no response to any of these letters has been received from any of the addressees or anyone on their behalf.
50. On 22 September 2011, two further letters were sent by fax and courier to Mr. Stati. By these two letters, Stichting made demands for Mr. Stati to honour his obligations under Personal Guarantee No. 1 and Personal Guarantee No.2 and to make proposals for repayment of principal and interest by no later than 5.00pm B.S.T. on Tuesday 27 September 2011. Copies of the two letters from Stichting appear at **pages 463 to 465 and pages 466 to 469.**
51. However, when Stichting attempted to fax the letters to the fax number they had for Mr. Stati, being the number given in both Personal Guarantees as the number to which faxes should be sent, the number did not work; Stichting received fax return sheets stating that the sending attempt had been unsuccessful (see fax confirmations sheets behind the letters at **pages 465 and 468** respectively).
52. Stichting had noticed that one fax attempt appeared to have been answered by a human voice, so Renata Kirchner of Stichting then telephoned the number. She reached a male Russian speaker, who told her that the fax number she had used was not correct. He said he had nothing to do with Ascom, but would be meeting someone from Ascom soon. Shortly thereafter, Ms. Kirchner received a call from a woman called Alexandra who said she was calling from Ascom, and told her that faxes for Mr. Stati should be sent to a different Moldovan number: +373 22 839 203. According to the website of Ascom Group, this is a fax number for Ascom Group, as seen on the extract from the website at **page 470.** Stichting then successfully faxed the

letter relating to Personal Guarantee No. 2 to the fax number of Ascom Group, as can be seen by the second fax transmission sheet behind the letter in page 469. Stichting also couriered additional copies of both letters to Mr. Stati at the address of Ascom Group.

53. In the meantime, Stichting had continued to try the fax number provided by Mr. Stati, with the same result, until Ms. Kirschner received another call from Alexandra requesting that Stichting stop using that number as the documents were getting to the wrong persons, which was making some unnamed people upset.
54. The fact that Mr. Stati's stated fax number was not working as of September 22 is significant for two reasons. First, it had been in good working order two days previously, when my firm had faxed him the request for an undertaking. Second, this fax number was listed not just that as that of Mr. Stati, but also as the main contact detail for many of the guarantors signing the Facility Agreement as Amended and also for Montvale Invest Ltd in its capacity as agent acting on behalf of all Obligors (see clause 29.3(d) of the Facility Agreement as Amended at page 347). Further, the Facility Agreement as Amended provided that any changes to the notice provisions were to be advised to Stichting in writing and I understand from Stichting that no such information has been provided by any of the Obligors.
55. As at the date of this affidavit, no response to the Stichting letters has been received from any of the addressees or anyone on their behalf.

Good Arguable Case

56. The Applicants intend to commence substantive proceedings against Laren, Ascom Oil and Mr. Stati to recover US\$93,698,324.61, together with continuing interest and costs. A draft claim form accompanies this application.
57. The Applicants consider that the intended defendants do not have a viable defence to the intended proceedings:
- (1) Laren is in default of its payment obligations under the Facility Agreement as Amended as particularised in paragraph 22 above and has been since December 2009 at the latest. There is no dispute that the loans were drawn by Laren and that they are and have been since December 2009 due and payable by Laren, together with continuing interest. There is a clear breach of the repayment terms of the Facility Agreement as Amended by Laren and I do not know of any defence available to Laren in respect of this claim.
 - (2) Laren is also in breach of the repayment terms of the Promissory Note, as referred to in paragraph 24 above, and therefore liable in breach of contract to Stichting. I do not know of any defence available to Laren in respect of this claim.
 - (3) Ascom Oil is in default of its payment obligations under the November Amendment Agreement and has been since December 2009. Ascom Oil has never suggested otherwise and in fact, I am informed by my clients that Mr. Stati repeatedly admitted to Nicholas Petronko that payments were due from him or companies owned or controlled by him and he assured them that payment would be made once he or those entities had the funds to do so.

(4) Mr. Stati is in breach of his payment obligations under Personal Guarantee No. 1 and Personal Guarantee No. 2 as more particularly described in paragraph 26 above and has been since December 2009. Mr. Stati has never sought to deny that he was in breach of these obligations and it is implicit he made from the admissions to Mr. Petronko that these were due and payable.

58. Whilst there is every reason to believe that the Applicants' claim will succeed for the reasons set out above, the Applicants are concerned that there is a real risk that any judgment will go unsatisfied if the asset base of the Respondents, which is about to be substantially increased, is not protected by the interim remedy sought by the Application.

Urgency – Risk of Dissipation

59. When security for the Original Facility Agreement was being negotiated in Spring/Summer 2009, Mr. Stati did not to reveal to Renaissance or Atlas the existence of his or his company's interest in Barda Rash PSC. It was only under the extreme financial pressure caused by the actions of the Kazakh government in respect of the Operating Companies, the global credit crisis and the risk of acceleration of the loans under the Facility that Mr. Stati revealed Ascom Oil's interest in Komet and Komet's interest in Barda Rash PSC. Even then, during the negotiations for the November Amendment Agreement, he successfully negotiated that the security offered by Ascom Oil as a guarantor and the Share Pledge in Komet would be subject to a quick release mechanism involving US\$10 million of voluntary prepayments if made in the short term. Those voluntary prepayments were not made, but the Share Pledge was never executed, largely in part to Renaissance and Atlas' belief based on Mr. Stati's representations that a sale of the Operating Companies was impending and that would

release sufficient funds to repay the Facility. That sale never materialised but a new prospect has arisen in the form of the Afren Transaction and yet again, Mr. Stati has attempted to keep the details of the transaction private. He would have succeeded had Afren plc not been obliged to make announcements under the listing rules of the London Stock Exchange. Even when Renaissance and Atlas let Mr. Stati know what they had independently discovered about his intentions, he gave no indication that the proceeds of the Afren Transaction would be used to honour his or Ascom Oil's guarantee and said instead that Atlas and Renaissance should wait for the uncertain outcome of what will no doubt be a protracted and complicated investment arbitration process with no guarantee that any award will be successfully enforced against the Kazakh state. So it is fair to say that Mr. Stati has tried to keep Renaissance and Atlas away from his interest in Barda Rash PSC, notwithstanding the guarantees that he and Ascom Oil have given in respect of Laren's obligations to the Finance Parties and Stichting.

60. The imminent closing of the Afren Transaction (which could happen at any moment given the end of September is approaching fast), combined with Mr. Stati's refusal now to communicate with Renaissance and Atlas at all, his refusal to provide the undertaking requested by my firm or even to respond in any way to letters from my firm or Stichting, all point to an intention not to honour his personal obligations to guarantee Laren's debt or to procure that similar obligations are not fulfilled by companies that he owns and/or controls. In such circumstances, Atlas and Renaissance have resolved to bring a claim and they will do so. However, the risk is that if an order is not granted now to prevent dealing with the shares in Ascom and Komet or diminishing their value in particular by the proceeds of the Afren Transaction being disbursed or diverted by Mr Stati through the exercise of his

controlling interest in Komet through his ownership of Ascom Oil, then the ability of Renaissance, Atlas and Stichting to realise the proceeds of that claim – a claim in which liability to pay is beyond any dispute – will be frustrated. It is therefore in the interests of justice that an order in the form attached should be granted.

61. This application is made without notice for two important reasons:
- (1) First, because if the Respondents are put on notice, the time that would afford them might allow them to restructure the payment mechanism of the Afren Transaction or the internal affairs of Komet in a way that would forever put the proceeds of the Afren Transaction beyond the reach of the Applicants.
 - (2) Second, because the Applicants are extremely concerned not to prejudice the closing and subsequent performance of the Afren Transaction in any way. The Applicants have no interest in preventing the Afren Transaction; indeed, it is the very thing that will increase the probability of their substantive claim resulting in payment of what is due.

Full and Frank Disclosure

62. I understand from Nicholas Petronko that all the signature pages to the November Amendment Agreement were collected by Linklaters (as evidenced by the signatures on the document at **pages 418 to 435**) and sent at least to Atlas. It is not known whether they were sent to the Obligors by Linklaters. Linklaters said to my firm that they were instructed by Renaissance not to release the signatures to the other parties but as the person who it is said instructed Linklaters is no longer at Renaissance and Renaissance has been unable to confirm why Linklaters said this, Renaissance cannot confirm this. Investigations are continuing. However, the fact of the matter is that the

November Amendment Agreement was signed by all of the parties to it. Further, there is no question that the underlying oral agreement from 15 October 2009 that that document sought to record was agreed. Nicholas Petronko has confirmed to me that he received all the signature pages from all the parties. And Laren and the Obligors conducted themselves in accordance with the November Amendment Agreement until their financial situation deteriorated. Renaissance's share of the loans at this time was only a minority (being approximately 4.5%), so its actions taken alone would not affect the position of the other Finance Parties. In any event, the pertinent part of the November Amendment Agreement upon which the Applicants' substantive claim would be based and the Application is based is the agreement by Ascom Oil at clause 5 (as referred to in paragraph 32 above) to accede as a guarantor to Laren's payment obligations under the Facility Agreement as Amended and to agree to be bound by the terms of the Facility Agreement as Amended as though it was originally a party to that document. Ascom Oil signed the November Amendment Agreement as evidenced by its signature on the second Execution Page 1 in **page 419**. The enforceability of that guarantee, which is governed by English law, will be determined by section 4 of the Statute of Frauds Act 1677, which provides that in order to be enforceable under English law a guarantee must be in writing and signed by the guarantor or his representative. There is no requirement that the party receiving the benefit of the guarantee also needs to sign the guarantee. Chitty on Contracts (see extract at **pages 471 to 473**) states:

“The note or memorandum of the guarantee must be ‘signed by the party to be charged’ or by his agent. It is not necessary that it should be signed by the other party to the transaction.” [30th Edition, at paragraph 44-052].

63. Ascom Oil has signed the guarantee and thus complied with the requirements of s4 of the Statute of Frauds 1677. Renaissance and Atlas cannot at present locate the exact email under which the signature pages of Ascom Oil were sent to Linklaters but earlier emails from Salans indicate clearly that the November Amendment Agreement was agreed and there is nothing to suggest the effectiveness of the document was conditional upon anything other than the signatures. In this regard I refer to the emails to Linklaters from Salans at pages 474 to 481.
64. Mr. Stati gave two personal guarantees as at the time he had dual Romanian and Moldovan nationality. By clause 6.5 of both Personal Guarantees (see page 188 and page 204), Mr. Stati represented that all authorisations required to enable him lawfully to enter into the Personal Guarantees had been obtained and were in full force and effect. Under Moldovan law, in order for Personal Guarantee No 2 to be valid, binding and enforceable, Mr. Stati would need to obtain approval of the National Bank of Moldova. There was no similar requirement for national bank approval in relation to Personal Guarantee No 1. I understand that Mr. Stati did apply for such approval and it was not given. It is therefore possible that Mr. Stati may contend that Personal Guarantee No. 2 is not a valid and enforceable document. However, Personal Guarantee No. 2 is not governed by Moldovan law, it is governed by English law. It is contended that the failure of Mr. Stati to obtain national bank approval would not affect the validity of Personal Guarantee No. 2 under English law, which would be governed by the Statute of Frauds Act 1677.
65. As stated in paragraph 19(2) above, Laren was obliged, under clause 3.1(b) of the Facility Arrangement as Amended, to transfer ownership of bonds in Tristan to the Finance Parties. This transfer was to be done in accordance with a Note Transfer

Agreement dated 15 June 2009 between Laren and the Finance Parties, which appears at pages 511 to 527. Had Laren fulfilled its repayment obligations – which it did not – it would have been entitled, under clause 6.2(a) of the Note Transfer Agreement, to 55% of the sum of proceeds from bonds already sold plus the value of bonds still retained by each Finance Party. If Laren defaulted – as it has – the Finance Parties were entitled, under clause 6.3 of the Note Transfer Agreement, to retain the entire amount of the bonds and any sale proceeds of those bonds. On 15 June 2009, Laren transferred to Renaissance bonds with a face value of US\$15,370,000 and to Atlas bonds with a face value of US\$48,148,000, some of which have since been sold. The bonds are still trading, though at a discount to their face value. Renaissance and Atlas received interest payments on the bonds in January and July 2010, but Tristan has missed the last two interest payments (January and July 2011).

66. The Court should be aware that there have been court proceedings in the United States of America in relation to the issuance of the bonds to the Finance Parties. More particularly, proceedings were commenced in the District Court of Minnesota by the holders of certain existing bonds to prevent the newly issued bonds – which were issued at a 73% discount from par value – from being merged with existing bonds and rendered indistinguishable. The plaintiffs argued that Laren was an affiliated party to Tristan and that the newly issued bonds were issued in breach of the terms of the indenture, under which Tristan had issued previous bonds and which prohibited Tristan or its affiliates from incurring further indebtedness. The trustee of the bonds then applied to the Probate Court for instructions as to whether it was authorised to merge the bonds. The Probate Court ruled that the plaintiffs' arguments did not constitute sufficient reason to prevent the trustee from merging the new bonds with the existing bonds and so the bonds were merged.

Jurisdiction

67. The Court has jurisdiction to hear this application for the following reason. The Applicants' claims are all inter-connected. The primary debtor under the Facility Agreement as Amended and the Promissory Note is Laren, a British Virgin Islands company. As the primary debtor under both these instruments, Laren is the anchor respondent in this application. The claims under the guarantees given by Ascom Oil and Mr. Stati are by definition derivative claims in that they both derive from and are contingent on the liability of the Laren as a primary debtor. Without Laren's liability, claims against Ascom Oil and Mr. Stati would not exist. It is therefore a necessary feature of any proceedings in whatever jurisdiction to evidence first of all the liability of Laren. It is therefore entirely proper that the Applicants should pursue their relief in the British Virgin Islands as the seat of Laren.
68. The Court also has jurisdiction over Ascom Oil as that company is incorporated in and maintains a registered office in the British Virgin Islands.
69. I understand that Mr. Stati is resident and domiciled in Moldova. However, he is a necessary and proper person to these claims as the claims against him under Personal Guarantee No.1 and Personal Guarantee No. 2 are contingent on the existence of Laren's default under the Promissory Note.
70. It is in the interest of justice that the Applicants should be allowed to bring their claim against the Respondents in one place: it would be unreasonable and prejudicial to the Applicants if they were forced to bring their claims in multiple jurisdictions.

Evidence Of Assets in the Jurisdiction of the British Virgin Islands

71. The announcement of the Afren Transaction (pages 437 to 444) refers to Afren plc acquiring an interest in Barda Rash PSC from Komet. Komet is owned 51% by Mr. Stati through his ownership of Ascom Oil, and the remaining 49% shareholding in Komet is understood to be owned by Natural Resources Ltd, another British Virgin Islands incorporated company. According to information given to Atlas and Renaissance by Mr. Stati, Natural Resources Ltd is a third party with no connection to Mr. Stati.
72. With the two shareholders of Komet both being incorporated and registered in the British Virgin Islands, and the Afren announcement referring to Komet as the counterparty to the transaction, it is reasonable to assume that the proceeds of the Transaction will come to Komet in the British Virgin Islands at least initially. This is particularly so as Afren plc is listed on the London Stock Exchange and it will need to satisfy itself in accordance with its regulatory requirements that any funds it pays will be paid to the proper party with whom it is transacting.
73. Mr. Stati is known to have had problems opening bank accounts in Europe and he is known to use Rietmu Banka in Riga, Latvia, but nothing is known about any British Virgin Islands bank accounts that he or his companies may use.

Cross Undertaking In Damages

74. The Applicants are prepared to give the cross undertaking in damages as more particularly set out in the draft Order accompanying this transaction.

75. In the circumstances, the court is respectfully asked to grant the relief sought by the Applicants.

SWORN at [level 33 Tower 42 London
This [29/09/2011]

Small 26/09/11

Before me [NAME] *Kathleen McCluskey*

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