

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

Cause NO. FSD 27 OF 2013 - AJJ

The Hon Mr Justice Andrew J. Jones QC
In Chambers, 27 February 2013

**IN THE MATTER OF THE COMPANIES LAW (2012 REVISION)
AND IN THE MATTER OF HERALD FUND SPC**



ORDER FOR DIRECTIONS

UPON hearing Counsel for Primeo Fund (In Official Liquidation) (the "Petitioner") and Counsel for Herald Fund SPC (the "Company") upon the Petitioner's summons for directions in respect of the winding up petition presented against the Company on 14 February 2013 (the "Petition")

IT IS ORDERED AND DIRECTED that :

1. The Company is properly able to participate in the proceedings and shall be treated as the respondent to the Petition.
2. The Company shall instruct its administrator, HSBC Securities Services (Luxembourg) S.A. (the "Administrator"), to send copies of the following documents to each of the Company's participating shareholders (each, a "Shareholder") by e-mail (where available) and by post no later than 6 March 2013 :-
 - (a) the Petition;
 - (b) Mr MacRae's First Affidavit sworn on 14 February 2013 in support of the Petition without its exhibit;

- (c) Mr MacRae's Second Affidavit sworn on 14 February 2013 with its exhibit; and
- (d) this Order.



3. The Petition shall not be advertised.
4. The Company shall (if so advised) serve upon the Petitioner any affidavit (or affidavits) containing the evidence intended to be relied upon in opposition to the Petition, to which shall be exhibited all of the documents intended to be used in evidence, no later than 24 April 2013.
5. The Petitioner shall serve -
 - (a) affidavit evidence in reply (if so advised) by no later than 23 May 2013; and
 - (b) a written submission or skeleton argument by no later than 23 May 2013.
6. The Company shall serve a written submission or skeleton argument in reply no later than 13 June 2013.
7. A Case Management Conference will be held (by telephone) on 17 June 2013 at a time to be fixed.
8. Any Shareholder wishing to be heard on the Petition shall give notice of his intention to the Petitioner and the Company and serve a written submission no later than 9 July 2013.
9. The trial of the Petition shall take place at 10.00am on 16 July 2013.
10. The Company shall instruct the Administrator to provide electronic and/or hard copies of any or all of the affidavits, exhibits and written submissions which have been filed or served in accordance with this Order to any Shareholder upon request.
11. The Company shall arrange for copies of all the affidavits, exhibits and written submissions which have been filed or served in accordance with this Order to be posted on its secure investor website (www.heraldfundprogress.com) (the "Website") and for

Shareholders to be given notice of the posting of the documents as soon as reasonably practicable.

12. Liberty to apply for further or other directions.
13. Costs in the cause.



AND IT IS FURTHER ORDERED AND DIRECTED BY CONSENT that:

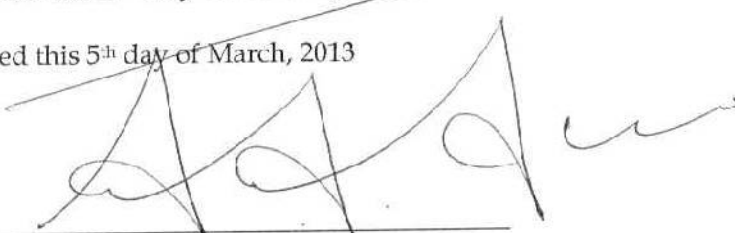
14. By 6 March 2013 the Company shall: (i) provide contact details for the relevant person at the Administrator to the Petitioner and instruct the Administrator to send copies of any communications received from the Petitioner to each Shareholder by email (where available) and by post as soon as reasonably practicable upon receipt of such communications and, (ii) post such communications on the Website.
15. By 6 March 2013 the Company shall instruct the Administrator to send each Shareholder by email (where available) and by post a copy of a notice notifying shareholders that an informal vote will be taken at the end of the Stakeholder Meeting arranged for 20 March 2013 (the "Stakeholder Meeting") on the questions of (1) whether the Company should defend the Petition and (2) in the event a winding up Order is ultimately made, whether (a) Mr Gordon MacRae and Ms Eleanor Fisher should be appointed as liquidators together with a conflict liquidator or (b) Russell Smith and Niall Goodsir-Cullen should be appointed as liquidators.
16. At the Stakeholder Meeting, the Company shall ensure that, in relation to any time spent dealing with the Petition or related matters, that the Petitioner (and its legal advisors) are given a reasonable opportunity to address the stakeholders and to respond to any issues they may raise.
17. The Company shall instruct the Administrator to collate and count all informal votes cast at the end of the Stakeholder Meeting and record, for each voting Shareholder:
 - (a) the name of the Shareholder; and

(b) the Shareholder's shareholding in the Company, as a percentage of issued participating shares.

18. The Company shall instruct the Administrator to notify all Shareholders of the result of the vote by 27 March 2013. The Administrator shall specify the results by both value of shareholding and number of shareholders (but shall not disclose the identity of any Shareholder to the other Shareholders without that Shareholder's consent).

Dated this 27th day of February, 2013

Filed this 5th day of March, 2013


The Hon. Mr. Justice Andrew Jones, QC
JUDGE OF THE GRAND COURT

