

For immediate release

16 December 2015

**Frontier Resources International Plc**  
**(“Frontier” or the “Company”)**  
**Notice of General Meeting**  
**Proposed capital reorganisation**

The Board of Frontier announces that Notice of a General Meeting (the “Notice”) is being sent to shareholders today, containing details of a proposed capital reorganisation. The General Meeting will be held at 11 Staple Inn, London WC1V 7QH on 6 January 2016 at 10.00 a.m. Copies of the Notice will be available on the Company's website [www.friplc.com](http://www.friplc.com).

The Notice includes a resolution pertaining to proposals for the subdivision and redesignation of the existing ordinary shares (“Existing Ordinary Shares”) and the adoption of new articles of association (the “Reorganisation”).

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

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

The Directors are therefore considering all available options for the potential ongoing funding and future development of the Company, which could include an issue of new equity, the disposal of part or all of the Group's existing licence interests and possibly the investment in new projects outside of the oil sector. Discussions are continuing with a number of parties but no definitive agreement has yet been concluded.

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

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

The Reorganisation comprises a subdivision of each Existing Ordinary Share into one New Ordinary Share and one A Deferred Share and the adoption of the New Articles.

The New Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares under the existing articles of association, including those relating to voting and entitlement to dividends. No new share certificates will be issued to existing shareholders, and their existing share certificates for the same quantity of shares will remain as valid cover.

The Reorganisation is subject to the approval of shareholders at the General Meeting. If the resolution is passed, the Reorganisation will become effective immediately following close of business on that date. Immediately following the Reorganisation, each New Ordinary Share held by Shareholders will have a nominal value of 0.01p and the number of New Ordinary Shares held by the Shareholders shall remain the same. Consequently, the market price of a New Ordinary Share immediately after the completion of the Share Capital Reorganisation should be the same as the market price of an Existing Ordinary Share, taking into account normal market movements. In the event that the resolution in respect of the Reorganisation is passed at the General Meeting, there will be 361,999,056 New Ordinary Shares in issue following completion of the Reorganisation.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and, it is expected that admission will become effective at 8.00 a.m. on 7 January 2016.

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

The expected timetable of principal events is set out below. The dates and times are indicative only and subject to change. Any changes to the indicative timetable will be notified by a regulatory announcement.

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

Further details of the Reorganisation are set out in the Notice.

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A copy of this announcement is available from the Company's website [www.friplc.com](http://www.friplc.com)

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