

Frontera Resources Corporation

Questions and Answers Concerning Legend Removal and Deposit of Shares Into DTC or CREST

Why Should I Submit My Certificate for Legend Removal?

Purpose of the Restrictive Legends. All of Frontera's common stock was issued in transactions that were not registered under the U.S. Securities Act of 1933. Therefore, each share of our common stock bears a legend stating that the common stock may not be sold in the United States except pursuant to a registration statement that has been declared effective under the Securities Act, or pursuant to an exemption from registration.

Certain shares of our common stock are now eligible for resale pursuant to an exemption from registration. Therefore, certificates representing those shares are eligible to have the restrictive legends removed.

Benefits of Legend Removal. Selling shares without a restrictive legend is easier than selling shares with a restrictive legend.

Stockholders with stock certificates bearing restrictive legends who want to sell their shares will encounter procedural difficulties that will not be encountered by stockholders who have unlegended certificates. For instance, before a broker could effect a trade for a stockholder with a legended stock certificate, the broker would have to obtain a representation letter from the stockholder concerning the eligibility of the shares for resale, along with a related opinion of counsel. Similar representation letters and opinions would have to be delivered to the Company's transfer agent. A stockholder selling shares without a restrictive legend would not encounter these difficulties.

In addition, once the restrictive legends are removed from eligible stock certificates, the underlying shares can be deposited into DTC or CREST, which are electronic settlement systems that should make settlement of trades easier.

Which Stockholders Are Eligible to Have the Legends Removed from Their Stock Certificates?

Non-affiliates of the Company. If you are not an affiliate of the Company you may submit your certificate for legend removal if:

- You are the registered owner of the certificate or you hold a certificate and have a properly completed stock power from the registered holder; and
- The shares represented by your certificate were issued more than two years ago or the shares represented by your certificate were issued more than one year ago, but less than two years ago, and you own less than 1% of the Company's issued and outstanding common stock.

The number of shares equal to 1% of the Company's issued and outstanding common stock is 520,793.

The date that your shares were originally issued (rather than the date your certificate was issued) is the date from which the holding periods are calculated. For instance, if you purchased your shares in the open market rather than from the Company or an affiliate of the Company, you get credit for the time periods all previous holders owned the shares. Therefore, if your certificate is dated more recently than the holding periods described above and you purchased your shares in the open market rather than directly from the Company, you should contact the Company to determine whether your certificate is eligible for legend removal.

Affiliates. Sales of common stock by affiliates of the Company are subject to restrictions not applicable to non-affiliates. Therefore, the removal of legends from certificates held by affiliates will be made on a case-by-case basis.

For purposes of legend removal, an affiliate of the Company is any officer, director or holder of more than 10% of the Company's issued and outstanding common stock.

How Do I Submit My Shares for Legend Removal?

To submit your share certificates for legend removal, complete the enclosed Letter of Transmittal, and send it, along with your stock certificate, to the Company's transfer agent at the address set forth in the Letter of Transmittal.

What Are DTC and CREST?

DTC and CREST are electronic settlement systems that allow shareholders to deposit shares into a brokerage account rather than holding a physical certificate. Once the shares are deposited, shareholders can sell them by placing a sell order with their brokers. Electronic settlement of trades is effected in the United States through the

Depository Trust Company, which is commonly referred to as the DTC. Electronic settlement of trades is effected in the UK through the CREST system.

What are the Benefits of Depositing My Shares into DTC or CREST?

Trading shares held in a brokerage account may be more convenient for you than trading a physical certificate because you will be able to sell them simply by placing a sell order with your broker rather than by delivering a physical certificate.

In addition, holding shares in a brokerage account may be safer than holding a physical certificate. Physical stock certificates can be lost, stolen or destroyed. The procedure for replacing a lost, stolen or destroyed certificate is cumbersome and expensive. A shareholder with a lost, stolen or destroyed certificate may be required to pay the costs of the issuance of replacement certificate(s). Those costs could include the posting of a bond to protect the Company against multiple claims to the ownership of the same certificate. In addition, the time necessary to replace a lost, stolen or destroyed certificate would result in a delay in the ability to transfer the shares.

What Shares Are Eligible to Be Deposited into DTC or CREST?

All shares that have had the restrictive legend removed are eligible to be deposited into DTC or CREST.

Is DTC or is CREST Most Appropriate for Me?

The primary market upon which the Company's common stock is traded is the London Stock Exchange's Alternate Investment Market, commonly referred to as the AIM. Shares can be traded on AIM and settled electronically by depositing them into the UK's CREST system. If you deposit your shares into CREST, the shares will be settled electronically in the UK through your UK brokerage firm.

The Company's common stock also is eligible for trading on the Pink Sheets in the United States. Shares can be traded on the Pink Sheets and settled electronically by depositing them in the DTC. If you deposit your shares into DTC, the shares will be settled electronically in the United States through your United States brokerage firm.

The Company makes no recommendation concerning whether you should deposit your shares into the DTC system or the CREST system, and encourages you to consult your broker with respect to that decision.

If I Deposit My Shares into DTC, Will I be Able to Trade My Shares in the UK, and if I Deposit My Shares into CREST, will I be Able to trade My Shares in the United States?

Yes. Simply contact your broker, and he will assist you in executing the best trade possible.

How Do I Deposit My Shares into DTC or CREST?

If you would like to deposit the shares into DTC or CREST, please fill out the appropriate portions of the Letter of Transmittal giving the Company and its transfer agent appropriate instructions as to the brokerage account into which your shares should be deposited. **Note that you will have to open a brokerage account in order to deposit your shares into DTC or CREST.**

What if I Elect to Receive a Physical Certificate, and I Later Want to Deposit My Shares Into DTC or CREST?

You may deposit a physical certificate into DTC or CREST at any time by delivering the certificate to your broker and asking him to make that deposit.