

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take, you are recommended immediately to seek advice from your legal, tax and other professional advisers.

If you have sold or otherwise transferred all of your shares in Advance Frontier Markets Fund Limited, please forward this document, together with the accompanying form of proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

ADVANCE FRONTIER MARKETS FUND LIMITED

(incorporated and registered in Guernsey under the Companies (Guernsey) Laws, 1994 to 1996, as amended, with registered number 46809)

CIRCULAR TO SHAREHOLDERS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

DISAPPLICATION OF PRE-EMPTION RIGHTS

A letter from the Chairman of the Company is set out on pages 2 to 3 of this document.

Notice of an Extraordinary General Meeting (“EGM”) of the Company to be held at 2.30 p.m. on 5 June 2008 at 1 Le Marchant Street, St. Peter Port, Guernsey GY1 4HP Channel Islands is set out at page 4 of this document. A form of proxy for use at the meeting accompanies this document and, to be valid must be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach the UK office of the Company’s registrar, Capita Registrars (Guernsey) Limited, at Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the EGM.

ADVANCE FRONTIER MARKETS FUND LIMITED

Directors:

Aly Mahmoud El-Tahry (*Chairman*)
Helen Foster Green
(James) Grant Wilson
Richard Dunmore Napier Hotchkis
(*all non-executive*)

Registered Office:

1 Le Marchant Street
St. Peter Port
Guernsey
GY1 4HP
Channel Islands

21 May 2008

To all holders of ordinary shares of no par value ("Ordinary Shares") ("Shareholders") and for information only to holders of warrants

Dear Shareholder

Introduction

On 29 April 2008 the Company announced that it proposed to raise between US\$50 million and US\$100 million from the placing of Ordinary Shares (the "Placing") with various institutional investors (the "Placees"). The placing price per Ordinary Share will be determined by reference to the diluted net asset value per Ordinary Share as at 2 June 2008 plus the costs of the issue. The costs of the issue will consist of commission payable to the Company's broker, Fairfax, at the rate of 2 per cent. of the gross Placing proceeds and US\$200,000 to cover other costs of the issue to be apportioned *pro-rata* amongst the new shares issued. The Company will announce the final number of placing shares to be issued to Placees (the "Placing Shares") and the applicable placing price per Ordinary Share in due course.

A copy of the Company's announcement (and the other documents mentioned in the announcement) can be viewed at the Company's web-site at www.frontiermarketsfund.com.

As detailed in the announcement published by the Company, the Placing is conditional on the passing of resolution 1 set out in the Notice of Extraordinary General Meeting attached to this document. The new Ordinary Shares are expected to be admitted to trading on AIM and the Channel Islands Stock Exchange LBG ("CISX") on 9 June 2008.

The net proceeds of the Placing will be invested by the Company in accordance with its investment objective as set out in its AIM admission document (and CISX listing document) dated 12 June 2007.

Disapplication of Pre-emption Rights

Under article 3.12 of the Company's articles of association ("Articles"), unless otherwise approved by Shareholders by way of ordinary resolution, new Ordinary Shares may only be allotted for cash on a *pro-rata* pre-emptive basis, save in certain limited circumstances (the "Pre-emption Rights").

Under article 3.13.2 the Pre-emption Rights were specifically disappplied in respect of the allotment following admission to AIM ("Admission") of such number of Ordinary Shares as represented 20 per cent. of the enlarged issued share capital of the Company following Admission. However, due to the size of the Placing the Company currently has insufficient authority to allot the Placing Shares on a non-pre-emptive basis to the Placees.

Consequently, it is proposed to seek Shareholder approval for a specific disapplication of the Pre-emption Rights in relation to the allotment of the Placing Shares and also to seek a further general disapplication of the Pre-emption Rights in respect of the allotment of such number of Ordinary Shares as represents 20 per cent. of the enlarged issued share capital of the Company following completion of the Placing.

Shareholder resolutions to approve the above disapplications of the Pre-emption Rights will be proposed at the Company's EGM to be held at 2.30 p.m. on 5 June 2008 at 1 Le Marchant Street, St. Peter Port, Guernsey GY1 4HP, Channel Islands.

Action to be taken

Whether or not you intend to attend the EGM Shareholders are requested to complete and return the enclosed form of proxy which accompanies this document in accordance with the instructions printed thereon as soon as possible and in any event so as to be received at the UK office of the Company's registrar, Capita Registrars (Guernsey) Limited, at Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the meeting. The completion and return of a form of proxy will not prevent a Shareholder from attending the EGM and voting in person if he/she wishes to do so.

The quorum for the EGM is two Shareholders present in person or by proxy. In the event that a quorum is not achieved the EGM will be adjourned until the same time on 12 June 2008, and the adjourned EGM will be held at the same place as the original meeting.

Recommendation

The Directors, whose beneficial or controlled holdings collectively total 20,000 Ordinary Shares, will be voting in favour of the resolutions at the EGM. The Directors consider that these proposals are in the best interests of the Company and recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM.

Yours sincerely

Aly El-Tahry
Chairman

ADVANCE FRONTIER MARKETS FUND LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 1 Le Marchant Street, St. Peter Port, Guernsey GY1 4HP, Channel Islands at 2.30 p.m. on 5 June 2008 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. THAT the Directors of the Company be and they are hereby empowered pursuant to article 3.12 of the articles of association of the Company (the “Articles”) to allot ordinary shares of no par value each (“Ordinary Shares”) for cash as if article 3.12 of the Articles did not apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares to Places pursuant to the Placing (as such terms are defined in the circular to shareholders dated 21 May 2008 (the “Circular”)).
2. THAT, in addition to the authority granted pursuant to, and conditionally upon the passing of, resolution 1 above, the Directors of the Company be and they are hereby empowered pursuant to article 3.12 of the Articles to allot Ordinary Shares for cash as if article 3.12 of the Articles did not apply to any such allotment, provided that this power shall be limited to the allotment:
 - (a) of Ordinary Shares in connection with an offer of such securities by way of rights to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - (b) otherwise than pursuant to sub-paragraph (a) above, of such number of Ordinary Shares as in aggregate equals 20 per cent. of the enlarged issued share capital of the Company immediately following admission of the Placing Shares (as such term is defined in the Circular) to trading on the AIM market of the London Stock exchange plc. and the Channel Islands Stock Exchange LBG.

Dated: 21 May 2008

Registered Office:
1 Le Marchant Street
St. Peter Port
Guernsey
GY1 4HP
Channel Islands

By Order of the Board
Legis Corporate Services Limited
Administrator

Notes:

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy accompanies this notice. Completion and return of the form of proxy will not preclude members from attending or voting at the meeting, if they so wish.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited at the UK office of the Company’s Registrar, Capita Registrars (Guernsey) Limited, at Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time for holding the Meeting.
3. A holder of Ordinary Shares must first have his or her name entered on the register of members not later than 2.30 p.m. on 3 June 2008. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting.