

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO FSD: 0079 OF 2011

IN THE MATTER OF SECTION 46 OF THE COMPANIES LAW (2010 REVISION)
AND IN THE MATTER OF THE GRAND COURT RULES 1995, ORDER 102(2)(1)(b)

BETWEEN:

ISRAEL OIL & GAS CORPORATION

AND

(1) ISRAEL PETROLEUM COMPANY LIMITED

First Defendant

(2) INTERNATIONAL THREE CROWN PETROLEUM LLC

Second Defendant



ORIGINATING SUMMONS

LET THE FIRST DEFENDANT, Israel Petroleum Company Limited c/o Citco Trustees (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman PO Box 31106; and

LET THE SECOND DEFENDANT, International Three Crown Petroleum LLC, of PO Box 774327, Steamboat Springs, Colorado 80477, USA attend before the Judge in Chambers, at the Law Courts, George Town, Grand Cayman on the day of 2011, at o'clock on the hearing of an application by the Plaintiff of 47 Avenue Road, Suite 200, Toronto ON M5R 2G3 for the following Orders and Declarations:

(1) A declaration that the Second Defendant has unreasonably withheld its consent pursuant to the terms of Clause 5 of the Stockholders Agreement, entered into

between the parties on or about 14 November 2009, by refusing to register two share transfer requests made by the Plaintiff on or about 8 March 2011; alternatively, a declaration that in exercising its discretion under Article 9 of the First Defendant's Articles of Association, the Second Defendant failed to exercise its discretion in the best interests of the Company and in refusing to register the two share transfer requests made by the Plaintiff on or about 8 March 2011 the Second Defendant's refusal was unreasonable.

- (2) An order that pursuant to section 46 of the Companies Law (2010 Revision) the Register of Members of the First Defendant be rectified by reducing the total number of shares held by the Plaintiff from 7679 to 6179 (held pursuant to share certificate number 009) and by entering Bontan Corporation Inc and 1843343 Ontario Inc as members of the First Defendant, each holding 750 of such shares.
- (3) An order that the Second Defendant shall cause the First Defendant to issue share certificates to Bontan Corporation Inc and 1843343 Ontario Inc reflecting the share transfer set out in paragraph (2) above, within 14 days of the said share transfer having been entered on the Register of Members of the First Defendant.
- (4) The costs of this Summons be paid by the First and Second Defendants to the Plaintiff.

AND TAKE FURTHER NOTICE that the grounds of this application are:

1. The First Defendant (the "Company") was incorporated on or about 12 November 2009. The founding members of the Company were the Second Defendant ("ITC"), Israel Oil & Gas Corporation (formerly known as Bontan Oil and Gas Corporation, hereinafter referred to as the Plaintiff) and Allied Ventures Incorporated ("Allied"). At all material times, the Plaintiff held 7679 of the Company's voting shares.
2. On or about 14 November 2009, the Company, ITC, the Plaintiff, Allied and Bontan Corporation Inc (the parent company of the Plaintiff) entered into a stockholders agreement ("Stockholder Agreement") concerning, among other things, the management of the Company. The Stockholders Agreement is

governed by the laws of Delaware. Pursuant to the terms of the Stockholders Agreement ITC is named as the sole director of the Company.

3. A dispute has arisen between the ITC and the Plaintiff, which is currently being litigated in the Tel Aviv District Court, Israel, under Civil File No: 6304-1-11. The Plaintiff wishes to exercise its rights under the Cayman Islands Companies Law (2010 Revision) for the legitimate business purpose of calling a meeting of the Company pursuant to Section 61 of the Companies Law (2010 Revision) to consider the management of the Company (which remains under the sole control of ITC) and other related administrative matters relating to the day-to-day running of the Company, for example the manner in which the Company will audit its accounts pursuant to Article 70 of the Company's Articles of Association.
4. On or about 8 March 2011, the Plaintiff requested, in writing, that ITC consent to the transfer of 750 of the Plaintiff's shares in the Company to Bontan Corporation Inc and to consent to the transfer of 750 of the Plaintiff's shares in the Company to 1843343 Ontario Inc.
5. On or about 11 March 2011, ITC requested further information concerning the share transfer. On or about 25 April 2011, the Plaintiff provided ITC with its reasons for requesting the transfer. Despite having been provided with cogent reasons for the transfer of shares from the Plaintiff to Bontan Corporation Inc and 1843343 Ontario Inc, ITC has refused to transfer the shares and amend the Register of Members accordingly.
6. Clause 5 of the Stockholders Agreement provides that ITC may not unreasonably withhold its consent to a share transfer. On or about 26 April 2011, ITC refused to give its consent to the Plaintiff's share transfer request (made on 8 March 2011, as set out in paragraph 4 above) due to the fact that there are on-going proceedings between the parties in Israel concerning, among other things, breaches of the Second Defendant's fiduciary duties in its capacity as director of the Company.
7. Article 9 of the Company's Articles of Association provides that ITC may "in its absolute discretion" decline to register any transfer without giving any reason for

its decision. It is contended that in exercising this power ITC must act bona fide, and in the best interests of the Company.

8. The purpose for seeking a share transfer is to enable the Company's shareholders to exercise their statutory right to call a meeting in order to discuss, among other things, the management of the Company. Irrespective of whether the refusal was based upon ITC's powers under the Stockholders Agreement or the Company's Articles of Association, the refusal to consent to the transfer was, in all the circumstances, unreasonably withheld and/or not in the best interests of the Company. Accordingly, the Plaintiff is entitled to the relief sought, namely that 750 of the Plaintiff's shares be transferred to Bontan Corporation Inc and 750 of the Plaintiff's shares be transferred to 1843343 Ontario Inc and that both entities accordingly be entered on the Company's Register of Members as a members of the Company.

AND LET THE DEFENDANTS within 14 days after service of this summons on them counting the day of service, return the accompanying Acknowledgement of Service to the Courts office.

Dated 28th day of April 2011



Ogier

Attorneys for the Plaintiff

TIME ESTIMATE: The estimated length of the hearing of this summons is 3 hours.

NOTES:-

- (1) This Summons may not be served later 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with above date unless renewed by order of the Court.
- (2) If a defendant does not attend personally or by his attorney at the time and place above-mentioned such order will be made as the Court may think just and expedient.

IMPORTANT

Directions for Acknowledgement of Service are given with the accompanying form.

This Originating Summons was issued by Ogier, Attorneys-at-Law for the Plaintiff, whose address for service is 89 Nexus Way, Camana Bay, P.O. Box KY1-9007, Cayman Islands (Ref: LIT/CRU/TZA/423426.00001).

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE OF ORIGINATING SUMMONS

The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person. After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495GT, George Town, Grand Cayman.

Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. If you wish to defend claims made in the Originating Summons, or intend to attend the proceedings and to participate in them so far as necessary (although not necessarily in an adversarial manner) you should tick the "Yes" box in paragraph 2 of the Acknowledgment of Service.
3. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
4. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Originating Summons)".
5. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (_____)" after his name.
6. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (_____)" after his name.
7. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
8. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
9. A Defendant acting in person may obtain help in completing the form at the Courts Office.

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BETWEEN:

ISRAEL OIL & GAS CORPORATION

PLAINTIFF

AND

(1) ISRAEL PETROLEUM COMPANY LIMITED

First Defendant

(2) INTERNATIONAL THREE CROWN PETROLEUM LLC

Second Defendant

ACKNOWLEDGMENT OF SERVICE
OF ORIGINATING SUMMONS

If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important: Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

1. State the full name of the Defendant by whom or on whose behalf the service of the Originating Summons is being acknowledged.

2. State whether the Defendant intends to contest or otherwise participate in the proceedings (tick appropriate box).

yes

no

Service of the Originating Summons is acknowledged accordingly.

(signed) _____

[Attorney] for

[Defendant in person]

Address for service:

Notes on address for service:

Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

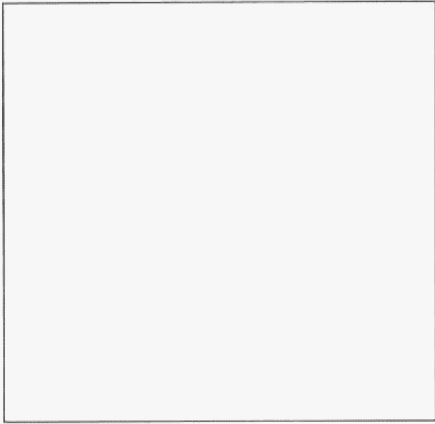
Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered principal office.

Indorsement by Plaintiff's Attorney (or by Plaintiff is suing in person) of his name, address and reference, if any, in the box below.

OGIER
Attorneys-at-Law
89 Nexus Way
Cayman Bay
Grand Cayman KY1-9007
CAYMAN ISLANDS

Ref:LIT/CRU/TZA/423426.00001
T: 1 (345).949.9876
F: 1 (345).949.1987

Indorsement by Defendant's Attorney (or by Defendant is suing in person) of his name, address and reference, if any, in the box below.

A large, empty rectangular box with a thin black border, intended for the indorsement by the Defendant's Attorney or the Defendant.