

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 678 OF 1997

BETWEEN:

GRIEG LEKARZ OFFSHORE BASED ALLIANCES (GLOBAL)

Plaintiff

AND:

- (1) GRIEG HOLDINGS AS
- (2) JOACHIM GRIEG & CO. AS
- (3) PER GRIEG, JR.
- (4) HANS CHRISTIAN BORRESEN

Defendants

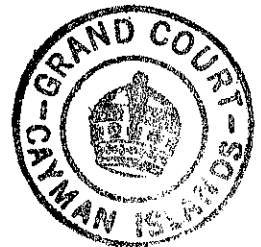
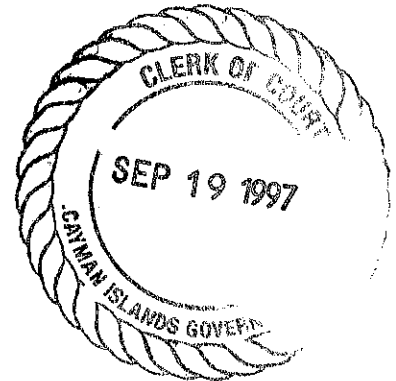
WRIT OF SUMMONS

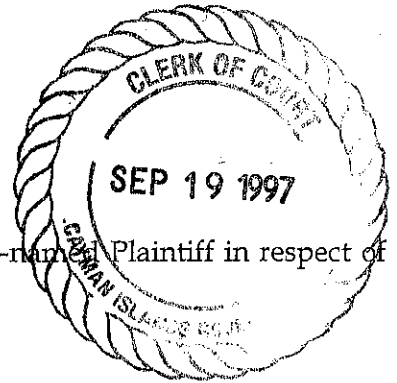
TO: GRIEG HOLDINGS AS
C. Sundts gate 17/19
5004 BERGEN
NORWAY

AND TO: JOACHIM GRIEG & CO. AS
C. Sundts gate 17/19
5004 BERGEN
NORWAY

AND TO: PER GRIEG, JR.
Ulriksdal 47
5009 BERGAN
NORWAY

AND TO: HANS CHRISTIAN BORRESEN
Bygdoylund 45
0286 OSLO
NORWAY





THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within twenty-eight days [28] after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495G, George Town, Grand Cayman, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.



If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 19th day of September, 1997.

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

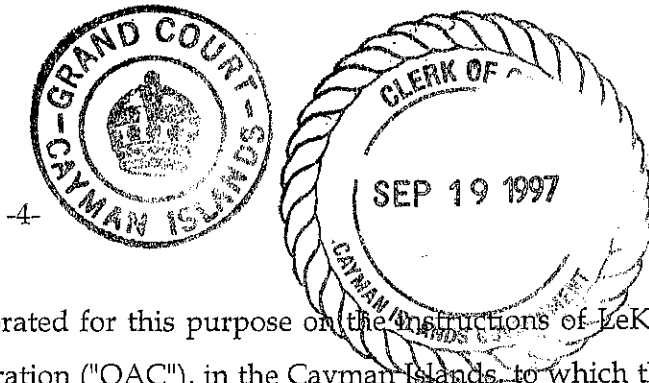
Directions for Acknowledgment of Service are given with the accompanying form.

STATEMENT OF CLAIM



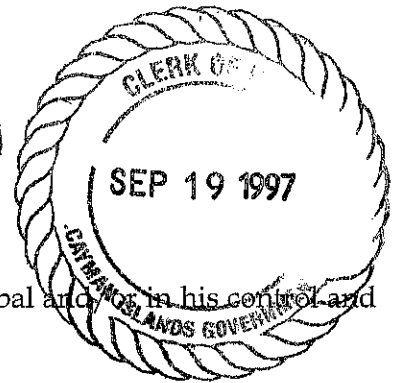
The Plaintiff claims against the Defendants:-

1. The Plaintiff ("Global") is a company incorporated in the Cayman Islands. The First and Second Defendants ("GH" and "JGC" respectively) are companies incorporated in Norway, the latter being a subsidiary of and/or wholly controlled by GH. The Third Defendant (Ber Grieg Jr.) is and was at the material times a director of both GH and JGC. The Fourth Defendant ("Borresen") is and/or was at the material times also a director of GH and JGC. Where the context requires, the Defendants are referred to hereafter collectively as "the Grieg interests".
2. During the period preceding the signing of the Memorandum of Agreement referred to in paragraph 4 below, Ronald E. LeKarz ("LeKarz") (for about 5 years) and Hans Eirik Olav ("Olav") (for about 3 years) had identified and pursued for their joint benefit a variety of business opportunities in Indonesia. These included what is known as the Bontang Water Project, which relates to the construction of an 80km. (approximately) water pipeline from the City of Samarinda on the Mahakam River for the supply of water to the Bontang Industrial Estate in the Provincial Government of the East Kalimantan, on Indonesia.
3. During this period and in connection with the identification and pursuit of these projects, and the resultant creation of personal goodwill, LeKarz and Olav expended sums totalling approximately US\$2.5 million. These activities are referred to hereafter, where the context requires, as "the LNO interests".
4. On 11 January 1996 a written Memorandum of Agreement ("the MOA"), to which Global will refer, was signed by GH, representing the Grieg interests, and a company to be nominated by LeKarz and Olav, to which the LNO interests (comprising existing and future projects) were to be transferred.

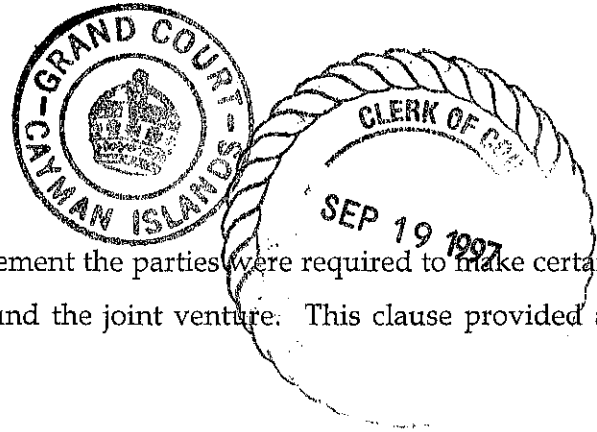


-4-

5. The company subsequently incorporated for this purpose on the instructions of LeKarz and Olav was Offshore Alliances Corporation ("OAC"), in the Cayman Islands, to which the LNO interests were transferred and which thus became party to the MOA (as amended by the Addendum hereafter referred to).
6. By the MOA, the Grieg and LNO interests agreed a company structure and outline shareholders' agreement for the establishment and pursuit of a joint venture (inter alia) to pursue the LNO interests and related future projects in Indonesia.
7. A written Addendum to the MOA was signed by GH and OAC on 15 March 1996 ("the Addendum"). These agreements are referred to hereafter collectively as "the Agreement".
8. Pursuant to the Agreement, Global was incorporated in the Cayman Islands on 17 April 1996. The LNO interests were represented on its board by LeKarz and the Grieg interests were represented by Per Grieg Jr. Moreover, an Executive Committee was appointed for Global, the Grieg interests being represented by Per Grieg, Jr., Borresen and Knut Istad and the LNO interests being represented by LeKarz, Olav and Ari Kiswanto.
9. In accordance with the agreed basis of the joint venture, the respective Grieg and LNO interests each beneficially owned and controlled 50% of Global's issued share capital. More specifically, the LNO interests (with Ari Kiswanto) acting by OAC acquired 50% of its issued share capital and GH and JGC each subscribed for 25% of the remaining issued shares.
10. As a director of Global, Per Grieg Jr. owes and at all material times owed it the following fiduciary duties:



- (a) to act honestly and in good faith in his dealings with Global and in his control and stewardship of its business and other assets; and/or
 - (b) not to pursue personally (either directly or indirectly) Global's business opportunities; and/or
 - (c) not to divert Global's corporate opportunities away from it, whether for his own benefit or for that of any third party interests; and/or
 - (d) not to misapply or be a party to the misapplication of any of Global's assets.
11. Furthermore, it was an express and/or implied term of the Agreement (by virtue of paragraph 8 of the Addendum) that GH and JGC and/or Per Grieg Jr. would not start up or engage in any activities in Indonesia which would compete with any of the activities and projects pursued or to be pursued by Global.
12. Further or alternatively, it was an implied term of the agreement, necessary to give the same legal and commercial efficacy, that none of the shareholders would directly or indirectly engage in any activities which would in any way undermine or compete with any of the activities and projects pursued or to be pursued by Global in Indonesia or otherwise interfere with its business activities.
13. Global will contend that such terms were also for the benefit of and were intended to be enforceable by Global (as well as by the other parties to the Agreement).



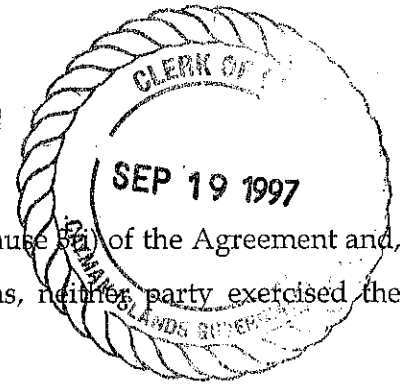
14. By Clause 3 of the MOA and thus of the Agreement the parties were required to make certain capital contributions to Global, in order to fund the joint venture. This clause provided as follows:

"All existing and future projects developed by LNO/RL/HEO with relationship to Indonesia, will be transferred to the new company as the capital contribution by LNO for obtaining 50% ownership in the JV [i.e. joint venture]. This gives the JV exclusive rights to all commissions, carried interest and participation in any of the projects developed as brokers by any of the shareholders.

For its 50% share in the JV Co., Grieg will commit funding as follows:

- (i) The operating costs for 1 year of operation, estimated to be about US\$ 400,000, - (ref. preliminary budget from LNO)
- (ii) After six (6) months of operation, and if no income has been generated, either party has the option to terminate the JV
- (iii) Should additional funding be necessary after one (1) year of operation, both parties will decide either to close down the company or provide additional working capital."

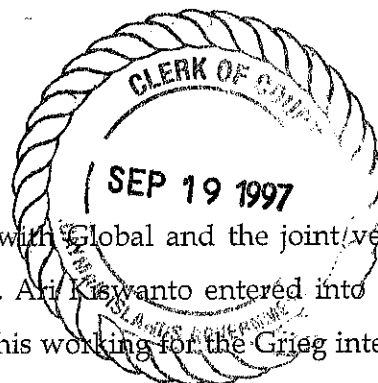
15. Pursuant to Clause 3 of the Agreement and in furtherance of the joint venture, OAC transferred its existing and new Indonesian projects to Global, including the Bontang Water Project, which was at an advanced stage.



16. GH complied with its funding obligations for Global under Clause 3(a) of the Agreement and, although no income was generated within the first 6 months, neither party exercised the option to terminate the joint venture under Clause 3(ii).
17. Neither GH nor the other Grieg interests provided or agreed to provide additional funding to Global after the first year of operation. However, no decision has been taken by both the parties to the Agreement (GH and OAC) with regard to Global's future operations or as to the provision of additional working capital for it, as was required by Clause 3(iii).
18. In breach of each of his fiduciary duties to Global referred to in paragraph 10 above, and without Global's consent, Per Grieg Jr., with the connivance and assistance of GH, JGC and Borresen, has diverted or caused the Bontang Water Project and its other business opportunities, as well as the whole of its other assets, business undertaking and goodwill, to be diverted from Global to Pt. Grieg Arudji Indonesia, an Indonesian company controlled by the Grieg interests of which Ari Kiswanto, a former associate of LeKarz and Olav, is a shareholder or partner.

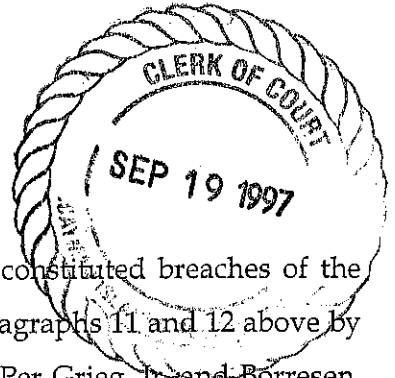
PARTICULARS

- (a) The LNO and Grieg interests had agreed that Global should establish an Indonesian company as a wholly owned subsidiary, to be called Pt. Grieg LeKarz Indonesia, through which such project would be undertaken. The Grieg interests have wrongfully prevented the incorporation of such company, but, instead, utilising and taking the benefit of all preparatory work carried out in relation to such proposed company and taking advantage of all expenditure incurred in connection therewith, the Grieg interests have wrongfully caused Pt. Grieg Arudji Indonesia to be incorporated instead, for the purpose of taking over the whole of Global's business and undertaking in Indonesia.



- (b) In about November 1996, whilst his employment with Global and the joint venture between the LNO and Grieg interests was current, Ari Kiswanto entered into secret discussions with Per Grieg Jr. and Borresen about his working for the Grieg interests, and he was subsequently persuaded to terminate his relationship with Global and the LNO interests, which he duly did in early 1997. However, his employment contract with Global has never been formally terminated.
- (c) From early 1997 both LeKarz and Olav have been excluded from Global's office at Menara Mulia, Suite No. 2103, Jl. Jend. Gatot Subvoto Kav. 9- 11, Jakarta 12930, Indonesia, and the tenancy of such office premises was wrongfully transferred from Global to Pt. Grieg Arudji Indonesia, which now occupies the same.
- (d) All Global's other staff (in addition to Mr. Ari Kiswanto) and including Frithjoff Foss who was also recruited by Per Grieg, Jr. to work for Pt. Grieg Arudji, Indonesia. However, Frithjoff Foss' employment contract with Global has never been formally terminated.
- (e) All the local operations, projects, business undertaking and goodwill of Global were wrongfully assumed by Pt. Grieg Arudji Indonesia, which has represented itself as "Global" and which falsely represents itself as being lawfully entitled to carry on the entirety of Global's former business.

Global reserves the right to add to these particulars after discovery and/or the administration of interrogatories.

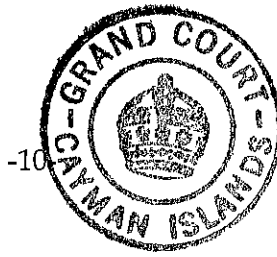


19. Furthermore, the matters complained of in paragraph 18 above constituted breaches of the express and/or implied terms of the Agreement referred to in paragraphs 11 and 12 above by GH, which were also wrongfully induced and procured by JGC, Per Grieg, Jr. and Borresen, who were instrumental in and arranged for the wrongful diversion of the whole of Global's business to Pt. Grieg Arudji, Indonesia.
20. By reason of those matters set out in paragraphs 18 and 19 above, Global has suffered and will continue to suffer loss and damage.

PARTICULARS OF LOSS AND DAMAGE

A. Bontang Water Project

1. (a) The potential gross profit for the projected operating period of 25 years is US\$1,882,331,820
- (b) This project was intended to be an equal joint venture between Global and Pt. Gading Mandala Utama, so that Global's share of the profit would have been US\$941,165,910
The estimated net present value of Global's 50% profit share, applying a discount rate of 8% p.a., would, at the present time (September 1997) amount to approximately US\$296,000,000
2. (c) Loss of Global's project fee US\$ 7,500,000

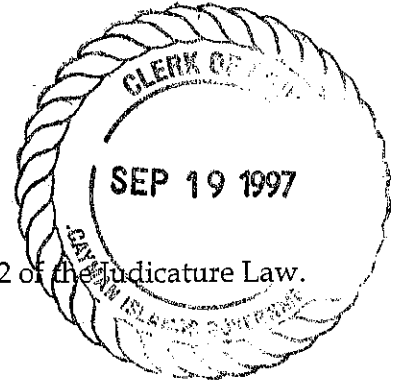


B. Other projects

1. These projects principally comprised oil and energy related projects, shipping (e.g. LNG and coal transportations/COA's) and insurance.
2. Particulars of Global's estimated losses cannot be provided at this time, as all Global's relevant business records have been wrongfully converted by the Grieg interests and Pt. Grieg Arudji Indonesia to their own use.
3. Particulars will be served separately after discovery and/or the administration of interrogatories, unless these become available in the meantime.

AND THE PLAINTIFF CLAIMS against the Defendants and each of them:

- (1) Under paragraphs 18 and 20: an order that the Defendants compensate the Plaintiff and/or
- (2) Under paragraphs 19 and 20: damages.
- (3) An account of all profits made by them either directly or indirectly as a result of the misappropriation and wrongful exploitation of the Bontang Water Project and/or of any other projects in Indonesia which are (or were) the assets of Global, and payment of the same to the Plaintiff.



- (4) Equitable interest and/or interest pursuant to Section 62 of the Judicature Law.
- (5) Costs.
- (6) Such further or other relief as the Court deems fit.

Dated this 19th day of September, 1997

Settled,
Antonio Bueno, Q.C.
Quin & Hampson

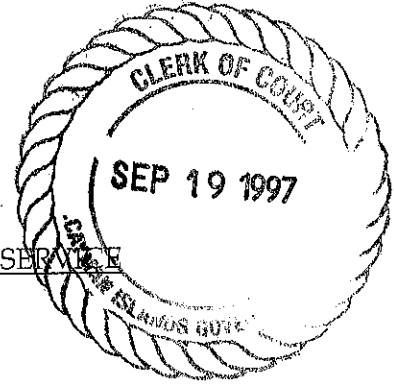
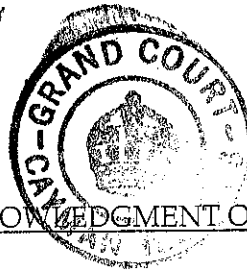
A handwritten signature in cursive script, appearing to read "Quin & Hampson".

QUIN & HAMPSON
Attorneys-at-Law for the Plaintiff

- To: The Clerk of the Court
- And to: Grieg Holdings AS
- And to: Joachim Grieg & Co. AS
- And to: Per Grieg, Jr.
- And to: Hans Christian Borresen

THIS WRIT is filed by Quin & Hampson, attorneys-at-law for and on behalf of the Plaintiff herein whose address for service is Harbour Centre, Third Floor, P.O. Box 1348, George Town, Grand Cayman

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS



1. 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 495G, George Town, Grand Cayman

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings *must also serve a defence* on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

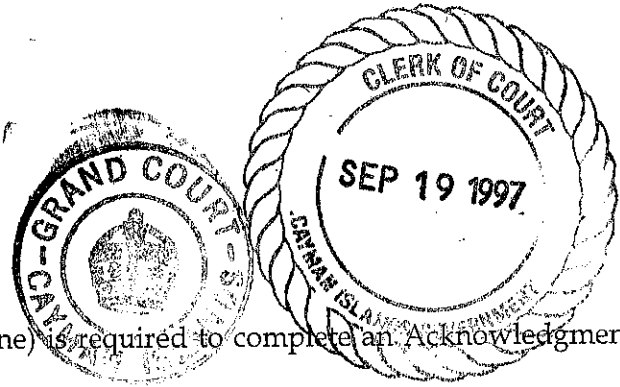
If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A *Stay of Execution* against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, *issue a Summons* for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by installments or otherwise.

See over for notes for guidance



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. 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.
3. 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 Writ of Summons*)".
4. 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.
5. 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.
6. Where the Defendant is a **LIMITED COMPANY** the form must be completed by an Attorney or by someone authroised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on his behalf.
7. Where the Defendant is a **MINOR** or a **MENTAL PATIENT**, the form must be completed by an Attorney acting for a guardian *ad litem*.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.



IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. _____ 1997

BETWEEN: GRIEG LEKARZ OFFSHORE BASED ALLIANCES (GLOBAL)

Plaintiff

AND:

- (1) GRIEG HOLDINGS AS
- (2) JOACHIM GRIEG & CO. AS
- (3) PER GRIEG, JR.
- (4) HANS CHRISTIAN BORRESEN

Defendants

ACKNOWLEDGMENT OF SERVICE
OF WRIT OF 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.**

Delay may result in judgment being entered against the Defendants whereby they may have to pay the costs of applying to set it aside.

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

2. State whether the Defendant intends to contest the proceedings (*tick appropriate box*)
 yes no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (*tick box*).
 yes

Service of the Writ is acknowledged accordingly

(Signed)

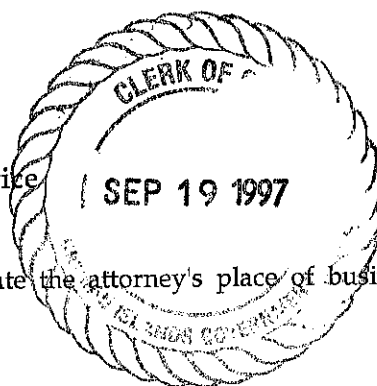
[Attorney] for

[Defendant in person]

Address for service:

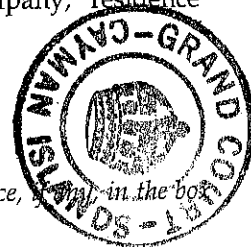
Please complete overleaf

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 or principal office.



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

Messrs. Quin & Hampson
Attorneys-at-Law
Third Floor, Harbour Centre
P.O. Box 1348
George Town,
GRAND CAYMAN



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

[Empty rectangular box for defendant's attorney indorsement]