

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 783 OF 1998

BETWEEN: (1) JEFFREY WATEROUS

PLAINTIFF

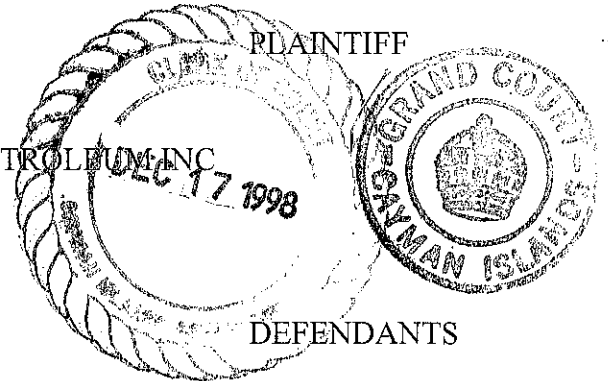
AND: (1) MERCANTILE INTERNATIONAL PETROLEUM INC

(2) JOHN ARTHUR BRAY

(3) ROGER M. WIDMANN

(4) CAMERON O. SMITH

DEFENDANTS



WRIT OF SUMMONS

TO: (1) Mercantile International Petroleum Inc. whose registered office is c/o Maricorp Services Ltd, 4th Floor, West Wind Building, P.O. Box 2075, George Town, Cayman Islands; (2) John Arthur Bray of One Paddington Place #9, Grand Cayman, Cayman Islands, P.O. Box 11335APO; (3) Roger M. Widmann of Tanner and Company, 650 Madison Avenue, New York, New York 10022 and (4) Cameron O. Smith of CROSCO Capital Management, 67 Park Avenue, Suite 530, New York, New York 10016.

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 14 days 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 17th day of December, 1998

IMPORTANT

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

The Plaintiff's claim is for:

1. An Order that the Defendants forthwith produce or cause to be produced to the Plaintiff the Register of Members of Mercantile International Petroleum Inc ("the Company") kept in accordance with s.40 of the Companies Law (1998 Revision).
2. An Order that the Defendants allow the Plaintiff access to the Company's Register of Members, on an ongoing basis, to include a supplemental list of members showing changes to the Register of Members on each subsequent business day.
3. The appointment of a Receiver and Manager over the undertaking and assets of the Company until a general meeting of the Company has been held or until further Order of this Honourable Court.
4. An Order that the Receiver and Manager do forthwith upon his appointment convene a general meeting of the Company.
5. Further or alternatively an injunction to prevent the Defendants and each of them from disposing of or otherwise dealing, whether by themselves or by their servants or agents or otherwise howsoever, with the assets of the Company until a general meeting of the Company has been held or until further Order of this Honourable Court.

W. S. Walker & Company
W. S. WALKER & COMPANY
Attorneys-at-Law for the Plaintiff

THIS WRIT was issued by W. S. Walker & Company, P. O. Box 265, Caledonian House, George Town, Grand Cayman, Attorneys-at-Law for the Plaintiff whose address for service is care of their said Attorneys-at-Law.

BETWEEN: (1) JEFFREY WATEROUS PLAINTIFF

AND: (1) MERCANTILE INTERNATIONAL PETROLEUM INC
(2) JOHN ARTHUR BRAY
(3) ROGER M. WIDMANN
(4) CAMERON O. SMITH 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 a Defendant whereby he may have to pay the costs of applying to set it aside.

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

2. State whether the Defendant intends to contest the proceedings (tick where appropriate)

checkbox

yes

checkbox

no

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

checkbox

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 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 if suing in person) of his name, address and reference, if any, in the box below.

W. S. Walker & Company P.O. Box 265 Caledonian House Mary Street Grand Cayman Ref: SRA/M552-20482
--

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

--

**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 28 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 instalments or otherwise.

See over for notes for guidance

Please complete overleaf

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 Court's office.
2. For the purpose of calculating the period of 28 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 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.
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 Court's office.