

BONTAN CORPORATION INC.

February 5, 2010

SYMBOL: BNTNF (OTCBB)
INDUSTRY: OIL AND GAS EXPLORATION
52 W RANGE: US\$ 0.13 – 0.36
RECENT PRICE: US\$0.34

SNAPSHOT

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Shares Issued and Outstanding:

common shares: 64,376,762
fully diluted: 128,986,240
warrants: 64,609,478 (Exercise price range US\$0.10 to US\$4, remaining period between 03/2014 & 02/2015, proceeds = \$101,992,337)

options: 4,825,000 (Exercise price US\$0.15, remaining period 03/2014, proceeds = \$723,750)

Corporate Documents:
www.sedar.com
www.sec.gov

We have reporting obligations to Ontario Securities Commission and Securities and Exchange Commission.

We are in good standing with both the authorities.

Disclaimer: This publication is not to be considered as investment advice. It is recommended that investors carefully consider investment choices prior to investing in any type of security and speak with an independent registered investment advisor or counsellor prior to investing in any of the securities mentioned in this publication.

Executive Summary

We are a Canadian corporation incorporated under the laws of the Province of Ontario. Since April 2003, we have been a diversified natural resource company that invests in exploration, development and exploitation projects worldwide through our wholly-owned subsidiaries by acquiring joint venture, indirect and direct participation interests and working interests in those projects. During the fiscal year 2006,

We were originally incorporated under the Business Corporation Act (Ontario) in 1973 under the name Kamlo Gold Mines Limited and went through multiple name changes and five major changes in our business activities including a marine propulsion business, a snack food business, and an emerging technology investments business. Details of these changes are provided in our Registration Statement on Form 20-F dated June 12, 2000 and a summary is provided in our Annual Report on Form 20-F dated August 28, 2008. On April 21, 2003, we changed our name to "Bontan Corporation Inc." when we adopted our business strategy to focus on the natural resource sector.

In November 2009, we acquired through its wholly owned subsidiary, Bontan Oil and Gas Corporation, an indirect 71.63% working interest in two drilling licenses and one exploration permit in the Levantine Basin, 40 kilometers off the West coast of Israel in the eastern Mediterranean ("Project Assets"). Petroleum License 347 ("Mira") and Petroleum License 348 ("Sarah") cover approximately 198,000 acres (803 sq. kilometers), and Petroleum Preliminary Permit 199 ("Benjamin"), covers approximately 461,000 acres (1,865 sq kilometers). Bontan's interest is held by its 75% equity interest in Israel Petroleum Company, LTD. (IPC). IPC has acquired an undivided 95.5% working interest in the Project Assets from a private company.

The Project Assets are located in the Levantine Basin near the recent Tamar 1, Tamar 2, and the Dalit natural gas discoveries. The three wells were drilled by Noble Energy Inc. (NBL.NYSE), who partnered with Delek Energy Systems (DEOL.TA), Isramco (ISRA.TA), and Avner Oil and Gas LP (AVNR.TA). The wells have a reported 6.8 TCF (1.02 BBOE) of estimated proved, probable and possible reserves in the licensed area, making this the second largest gas discovery in the world since January 2008. South of the Project Assets is the existing Mari-B field, also drilled by Noble, Delek, and Avner, which contains a reported 1 TCF (150 MBOE) of estimated proved, probable and possible reserves.

The required 3-D seismic for the license area is in the process of being completed. The required 2-D seismic work for the permit has been completed and application has been made to convert the permit to a license.

Gross prospective resources covered by the two permits is 5.71 TCF, best estimate provided by an independent Geologist in the report prepared in accordance with National Instrument 51-101, Section 5.9 standards for review and assessment of prospective resources

International Three Crown Petroleum LLC (ITC), managed by Howard Cooper, owns a 22.5% equity interest in IPC and will operate the Project Assets. Mr. Cooper has been involved in the international oil and gas business for thirty years, having successfully developed projects in the United States, Russia, and Kazakhstan.