

NEWS RELEASE

BONTAN PROVIDES UPDATE ON LETTER OF INTENT WITH PORTAGE PHARMA LTD.

Toronto, Ontario, May 13, 2013 - Bontan Corporation Inc. ("the Company") (OTCBB: BNTNF) ("Bontan") provides the following update:

Pursuant to our press release of March 26, 2013, we are pleased to announce that the bilateral due diligence process has now been completed by Portage Pharma Ltd. ("Portage") and Bontan, and the closing documents are being reviewed by both lawyers. For the closing, Bontan has commenced the process of continuance of its jurisdiction to British Virgin Islands ("BVI") from Ontario. This process and timing is governed by regulatory processes in BVI and Ontario.

To facilitate an earlier closing, Bontan has incorporated Portage Acquisition Inc. in the British Virgin Islands, a wholly owned subsidiary which will acquire Portage Pharma Ltd for shares of Bontan. The resulting merged company will become a subsidiary of Bontan.

About Bontan Corporation Inc:

Bontan Corporation Inc. concluded a settlement on its indirect oil and gas interest in Israel and has recently signed a letter of intent with Portage Pharma Ltd to acquire Portage through a share exchange.

Portage currently holds a master licence to the Antennapedia platform for all pathologies (except oncology). The Company, upon closing of the Portage acquisition, will be engaged in researching and developing products through to proof of concept with an early focus on unmet clinical needs and orphan drugs. Following proof of concept, the Company will look to sell or licence the products to Big Pharma.

For further information, contact Kam Shah, Chief Executive Officer of Bontan, at [\(416\) 929-1806](tel:4169291806).

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of the U.S. federal and Canadian securities laws. Any such statements reflect Bontan's current views and assumptions about future events and financial performance. Bontan cannot assure that future events or performance will occur. Important risks and factors that could cause actual results or events to differ materially from those indicated in our forward-looking statements.

Bontan assumes no obligation and expressly disclaims any duty to update the information in this News Release.