BLUMONT
博诺有限公司

BLUMONT GROUP LTD.

(Company Registration No. 199302554G)
(Incorporated in the Republic of Singapore)

18 July 2014

Dear Merlin Shareholder

Blumont extends the offer period for its Merlin Diamonds Limited takeover bid until 30 September 2014

Blumont Group Ltd. (**Blumont**) is pleased to announce that it has extended the Offer Period under its recommended off-market takeover bid for all the ordinary shares in Merlin Diamonds Limited (**Merlin**).

The Offer is now scheduled to close at 7.00 pm Sydney time on 30 September 2014 (unless further extended or withdrawn).

We continue to believe our Offer is highly attractive. The Merlin Directors have, in the absence of a Superior Proposal, unanimously recommended that Merlin Shareholders accept Blumont's Offer of 5 Blumont Shares for every Merlin Share.

A formal notice of variation required by the *Corporations Act 2001* (Cth) and which implements the extension of the Offer Period is enclosed.

If you have already accepted Blumont's Offer, you need not take any action. If you have not, we encourage you to accept the Offer for the reasons set out in our Bidder's Statement dated 24 April 2014.

If you have any questions in relation to how to accept the Offer or any other matters relating to the Offer, please contact Blumont's Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside Australia).

Terms that are defined in this letter have the meaning given to them in Blumont's Bidder's Statement.

Blumont looks forward to receiving your acceptance of our Offer and welcoming you as a Blumont Shareholder.

Yours faithfully



Mr Ng Kim Huatt
Director
Blumont Limited

Blumont Group Ltd.

Takeover bid for Merlin Diamonds Limited

Notice of variation – Extension of offer period

To:

- the Australian Securities and Investments Commission (**ASIC**);
- the Australian Securities Exchange (**ASX**);
- Merlin Diamonds Limited (**Merlin**); and
- each person to whom an offer was made under the bidder's statement dated 24 April 2014 (**Bidder's Statement**) issued by Blumont Group Ltd. (**Blumont**), in respect of Blumont's takeover offer (**Offer**) for all the ordinary shares in Merlin.

Terms defined in the Bidder's Statement have the same meaning in this notice.

A copy of this notice was lodged with ASIC on 18 July 2014, which is the date of this notice. ASIC takes no responsibility for the contents of this notice.

Extension of the Offer Period

Blumont gives notice under section 650D(1) of the *Corporations Act 2001* (Cth) that:

- it varies the Offer by extending the Offer Period so that the Offer will remain open for acceptance until 7:00 pm (Sydney time) on 30 September 2014; and
- accordingly, the Offer is varied by:
  - replacing "31 July 2014" with "30 September 2014" in Section 11.3 of the Bidder's Statement (and in every other place that it appears in the Bidder's Statement other than in Section 4.6(e));
  - replacing "23 July 2014" with "22 September 2014" in Section 11.8 of the Bidder's Statement; and
  - replacing "31 July 2014" with "30 September 2014" in each place in which it appears on the Acceptance Forms.

New date for giving notice under section 630(2)

Blumont hereby gives notice under section 630(2)(b) of the Corporations Act that as a result of the extension of the Offer Period, the new date for giving notice on the status of the Conditions is 22 September 2014, subject to variation in accordance with section 630(2) of the Corporations Act.

As at the date of this notice:

(a) so far as Blumont is aware, none of the Conditions in Section 11.5 of the Bidder's Statement have been fulfilled (other than the Condition in Section 11.5(o)(i) which has been waived by Blumont as detailed in Section 4 of Blumont's First Supplementary Bidder's Statement dated 2 May 2014); and

(b) the Offer has not been freed from and remains subject to the Conditions.

Withdrawal rights

In this section, words defined in the ASX Settlement Operating Rules have the same meaning unless the context requires otherwise.

In accordance with section 650E of the Corporations Act, as the extension of the Offer Period postpones for more than one month the time when Blumont has to meet its obligations under the Offer, those Merlin Shareholders who have accepted the Offer on or before the date of this notice may withdraw their acceptance by giving written notice to Blumont (**Withdrawal Notice**) within one month beginning on the day after they receive this notice (**Withdrawal Period**).

A Withdrawal Notice by a Merlin Shareholder withdrawing their acceptance under section 650E of the Corporations Act must:

- if the Merlin Shareholder's shares are in a CHESS Holding:
    - be in the form of a Valid Originating Message Transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding in accordance with Rule 14.16.1 of the ASX Settlement Operating Rules and specifies the number of Merlin Shares to be released from the Subposition; or
    - be in the form of a notice in writing to Blumont setting out the information that Blumont requires to enable it to transmit a Valid Message to ASX Settlement on behalf of the Merlin Shareholder in accordance with Rule 14.6.5 of the ASX Settlement Operating Rules; and
- in any other case, be in writing to Blumont.

A Withdrawal Notice that is in writing to Blumont must be sent to:

Link Market Services Limited
Merlin Diamonds Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

In order to assist with the processing of withdrawals, the Withdrawal Notice should identify the full name of the withdrawing Merlin Shareholder, provide the Merlin Shareholder's SRN or HIN (as applicable) as well as the other information specified above.

If a Merlin Shareholder is legally entitled to give, and does give, a Withdrawal Notice within the Withdrawal Period, then within 14 days after the day on which the Merlin Shareholder gives the Withdrawal Notice, Blumont will:

- return to the Merlin Shareholder any documents that were sent by the Merlin Shareholder to Blumont with the acceptance of the Offer; and
- if the Merlin Shareholder's shares are in a CHESS Holding, transmit a Valid Message that authorises the release of the relevant shares from the Offer Accepted Subpositions in which the shares have been reserved in accordance with Rule 14.16.3 or 14.16.5 of the ASX Settlement Operating Rules (as appropriate).

If you would like to exercise your right to withdraw your acceptance and you would like further information, please contact your legal, financial or other professional adviser or telephone the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside Australia).