BLUMONT GROUP LTD.
(Company Registration No.: 199302554G)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF SHARES IN COKAL LIMITED

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1. INTRODUCTION

The board of directors (the "**Board**") of Blumont Group Ltd. (博诺有限公司) (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company intends to dispose of its 60,057,034 shares (the "**Cokal Shares**") in Cokal Limited ("**Cokal**") (the "**Proposed Disposal**").

The Cokal Shares constitute the Company's entire shareholding in Cokal and represent approximately 12.74% of Cokal's total issued share capital as at the date of this announcement. The Cokal Shares were issued and allotted by Cokal to the Company in five tranches, the last of which was completed on 20 November 2013. The Company acquired the Cokal Shares at A$0.16 per Cokal Share, for an aggregate consideration of approximately A$9.61 million (approximately S$11.35 million).

The Proposed Disposal will take place by way of either (i) open market sales on the Australian Securities Exchange ("**ASX**") or (ii) acceptance of the all-cash consideration offer under the Proposed Cokal Takeover (as defined below).

2. BACKGROUND ON COKAL

(*Information relating to Cokal has been extracted from publicly available sources.*)

2.1. Corporate Information

Cokal is a company incorporated in Australia whose shares are listed and quoted for trading on the ASX (ASX Code: CKA). The current directors of Cokal are Peter Lynch (Chairman and CEO), Patrick Hanna (Executive Director), Domenic Martino (Non-Executive Director) and Retired General Agus Widjojo (Non-Executive Director). Cokal has its registered office at Level 34, Riverside Centre, 123 Eagle Street, Brisbane, QLD, Australia, 4000.

As at the date of this announcement, Cokal has a total issued share capital of 471,564,926 listed ordinary shares.

2.2. Mineral and Resources Portfolio

The principal activity of Cokal is coal exploration. It has interests in coal exploration tenements predominantly in Indonesia and also has a joint venture agreement with Tanzoz Resources Co Ltd to explore for coal in Tanzania and a cooperation agreement in Mozambique with the Mozambique Government Mining Corporation, ENEM, to explore for coking coal in the emerging coal province of Mozambique. A list of its key exploration and production projects is set out in the table below.

Project	Interest of Cokal (%)	Area (Hectares)	Location
Bumi Barito Mineral ("**BBM**") Project	60.0	14,980	Central Kalimantan, Indonesia
Borneo Bara Prima ("**BBP**") Project	60.0	13,050	
Tambang Benua Alam Raya ("**TBAR**") Project	75.0(1)	18,850	

Note:

(1) Cokal has entered into an agreement to acquire 75% of the shares in the company PT Tambang Benua Alam Raya which owns the TBAR exploration licence.

(i) BBM Project

The planned drilling and detailed engineering plans for Cokal's 60% owned flagship BBM Project located at Upper Barito Coal Basin, Regency of Murung Raya, Central Kalimantan, Indonesia, is currently in the exploration and project planning stage. As at 30 April 2013, Cokal upgraded its exploration mining permit for the BBM Project into a production mining permit.

An updated coal resource statement compliant with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("**JORC Code**") released for the eastern portion of the BMM Project was announced by Cokal on 30 April 2015.[1] It indicates a JORC total coal resource of 266.6Mt comprising 19.5Mt Measured, 23.1Mt Indicated and 224Mt Inferred coal resources.

(ii) BBP Project

BBP is 60% held by Cokal. The project is located in the North Barito Basin and covers 13,000 ha. Exploration activities to date have comprised an initial reconnaissance mapping programme which has identified the presence of multiple coal seams from outcrops. Initial laboratory results indicate that coal from the southern part of the BBP Project is suitable for the pulverised coal injection (PCI) and anthracite markets and is a bright coal with a low in-situ ash, low sulphur content, ultra-low phosphorous and high energy.

(iii) TBAR Project

Cokal has also entered into an agreement to acquire 75% of the TBAR Project, which covers an area of 18,850 hectares, and is in the midst of applying for the Exploration Forestry Permit. The TBAR Project is listed on the government's "Clean and Clear" list and adjoins the southern and eastern boundaries of the BBM Project. As at 31 December 2013, geological mapping of the TBAR Project delineated 70 coal outcrops and the laboratory results of all coal outcrop channel samples confirmed a low ash, medium volatile matter, low sulphur, ultra-low phosphorus and a high swelling coke index, indicating a potential coking coal product of premium export quality.

[1] The statement was compiled by Patrick Hanna (an Executive Director of Cokal) who is a fellow of the Australasian Institute of Mining and Metallurgy and is a consultant (through Hanna Consulting Services) to Cokal. Mr Hanna is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as a Competent Person (as defined in the 2012 Edition of the JORC Code).

2.3. Financial Information

A summary of the latest audited consolidated financial statements of Cokal for its financial years ended 30 June 2014 ("**FY2014**") and 30 June 2013 ("**FY2013**") are as follows:

	FY2014 (A$)	FY2013 (A$)
Consolidated Statement of Comprehensive Income		
Revenue and other income	79,811	2,175,773
Pre-tenure exploration expenses	-	(138,417)
Employee benefits expenses	(3,310,768)	(3,622,621)
Depreciation expenses	(256,807)	(184,125)
Finance costs	(633,062)	(86)
Legal expenses	(106,390)	(152,520)
Administration and consulting expenses	(1,843,556)	(3,714,495)
Other expenses	(393,401)	(1,085,248)
Loss before income tax expense	**(6,464,173)**	**(6,721,739)**
Income tax expense	-	-
Net loss for the year	**(6,464,173)**	**(6,721,739)**
Other comprehensive income	-	-
	(6,464,173)	**(6,721,739)**
Consolidated Statement of Financial Position		
Total current assets	4,972,781	3,034,526
Total non-current assets	63,992,179	56,950,468
Total assets	**68,964,960**	**59,984,994**
Total current liabilities	4,606,497	2,151,569
Total non-current liabilities	3,450,347	230,625
Total liabilities	**8,056,844**	**2,382,194**
Net Assets	**60,908,116**	**57,602,800**

The book value, net tangible asset ("**NTA**") value and latest available open market value of the Cokal Shares are as follows:

	Cokal Shares (S$)
Book value [(1)]	5,653,769
NTA value [(1)]	5,653,769
Latest available open market value [(2)]	5,408,965

Notes:

(1) Based on the latest announced consolidated financial statements of the Group for the three months ended 31 March 2015.

(2) Based on the volume weighted average price ("**VWAP**") of each Cokal share of A$0.085865 on 25 May 2015.

Additional information on Cokal can be found at its website at www.cokal.com.au.

3. THE PROPOSED COKAL TAKEOVER

3.1. Bid implementation agreement

As announced by Cokal on 29 April 2015, Cokal has entered into a bid implementation agreement (the "**Implementation Agreement**") with PT Cakra Mineral Tbk ("**CKRA**") under which CKRA will make a conditional off-market takeover bid for all of the shares in Cokal (the "**Proposed Cokal Takeover**").

3.2. Consideration

Under the terms of the Implementation Agreement, Cokal shareholders will be given the choice of (i) share-based consideration of 10.327 CKRA shares for every 1 Cokal share; or (ii) all-cash consideration of A$0.16 per Cokal share.

The cash consideration values Cokal at approximately A$75.45 million and represents (i) a 81.8% premium to the last traded price of Cokal shares on the ASX on 28 Apr 2015 of A$0.088; and (ii) 68.4% premium to the last traded price of Cokal shares on the ASX on 26 Feb 2015 (being the last date on which Cokal shares were traded on the ASX before announcement of the indicative proposal) of A$0.095.

3.3. Conditions

Conditions to the Proposed Cokal Takeover include the following:

- a 90% minimum acceptance level;
- satisfaction of requirements in relation to CKRA's proposed rights issue including securing an underwriting agreement and obtaining CKRA shareholder approval and Indonesian regulatory approvals;
- no Cokal prescribed occurrences;
- no adverse action affecting the Proposed Cokal Takeover by any public authority;
- approvals by Indonesian and other public authorities to permit the Proposed Cokal Takeover;
- no material acquisitions, disposals or material corporate actions by Cokal;
- no force majeure event materially affecting Cokal or material adverse change affecting Cokal; and
- all Cokal options being cancelled before the end of the offer period.

3.4. Indicative timeline

An indicative timetable showing the key events of the Proposed Cokal Takeover is as follows.

Announcement date	29 Apr 2015
CKRA obtains underwriting for rights issue	27 May 2015
Bidder's statement despatched and offer opens	27 Jun 2015
CKRA obtains regulatory approvals for rights issue to proceed	15 Jul 2015
CKRA obtains registration from regulatory authority – rights issue approvals process complete	30 Jul 2015
Offer closes (unless extended)	15 Aug 2015

4. CONSIDERATION FOR THE PROPOSED DISPOSAL

The Company intends to undertake the disposal of the Cokal Shares by way of either (i) open market sales on the ASX based on the prevailing market price of the ordinary shares of Cokal or (ii) acceptance of the all-cash consideration offer (the "**Offer**") under the Proposed Cokal Takeover. No valuation report was procured for the Cokal Shares.

(i) Open market sales on the ASX

In the case where the Cokal Shares are disposed by way of open market sales on the ASX, based on the VWAP per Cokal Share on 25 May 2015 of A$0.085865, the aggregate consideration the Company will receive is approximately A$5.16 million (approximately S$5.41 million).

The net book value of the Cokal Shares as stated in the unaudited consolidated financial statements of the Group as at 31 March 2015 is S$5,653,769. The Proposed Disposal will result in a loss on disposal of S$(244,805).

(ii) Acceptance of the Offer under the Proposed Cokal Takeover

In the case where the Cokal Shares are disposed by way of acceptance of the Offer under the Proposed Cokal Takeover, the aggregate consideration the Company will receive is approximately A$9.61 million (approximately S$10.08 million).

The net book value of the Cokal Shares as stated in the unaudited consolidated financial statements of the Group as at 31 March 2015 is S$5,653,769. The Proposed Disposal will result in a gain on disposal of S$4,425,242.

5. RATIONALE AND USE OF PROCEEDS

Proceeds from the Proposed Disposal will be applied towards partial repayment of the amounts owing by the Company to Wintercrest Advisors LLC ("**Wintercrest**"). The Company has a loan facility from Wintercrest (the "**Wintercrest Facility**"), from which US$21.5 million in principal amount has been drawn down. All amounts due under the Wintercrest Facility are repayable on or before 15 March 2016.

As announced by the Company on 13 March 2015, Wintercrest had agreed to an extension of the repayment date from 15 March 2015 to 15 March 2016 in consideration of, amongst others, an undertaking from the Company to dispose of certain of the Company's financial assets, which include the Cokal Shares, and apply the proceeds received towards repayment of the amounts owing under the Wintercrest Facility.

6. RELATIVE BASES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual Part A: Mainboard Rules of the SGX-ST (the "**Listing Manual"**) are set out below.

	Bases	Percentage (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value [(1)]	165.16
(b)	Net profits/(losses) attributable to the assets acquired or disposed of, compared with the Group's net losses [(2)]	0.00
(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	Open market sales: 14.19[(3)] / Proposed Cokal Takeover: 26.44[(4)]
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) In a disposal of listed shares, the value will be assessed by reference to the market value represented by such shares. Based on the VWAP per Cokal Share of A$0.085865 as at 25 May 2015, the market value of the Cokal Shares, is approximately A$5.16 million (approximately S$5.41 million). The Group's unaudited net asset value for the three-month period ended 31 March 2015 was approximately S$3.28 million.

(2) Based on the latest announced unaudited financial statements of the Group for the three-month period ended 31 March 2015, the net loss attributable to all the Cokal Shares was nil. The Group's unaudited net loss before income tax, minority interests and extraordinary items for the three-month period ended 31 March 2015 was S$10.04 million.

(3) Assuming that the Cokal Shares are disposed of at A$0.085865 per Cokal Share, being the VWAP of the Cokal Shares traded on the ASX on 25 May 2015, the aggregate value of the consideration is A$5.16 million (approximately S$5.41 million). The market capitalisation of the Company as at 25 May 2015 was S$38.12 million, determined by multiplying the number of fully paid ordinary shares in the capital of the Company ("**Shares**") as at 25 May 2015, being 2,866,149,999 Shares, by the VWAP of S$0.0133 per Share on 25 May 2015.

(4) Based on the Offer price of A$0.16 per Cokal Share, the aggregate value of the consideration is A$9.61 million (approximately S$10.08 million). The market capitalisation of the Company as at 25 May 2015 was S$38.12 million, determined by multiplying the number of Shares as at 25 May 2015, being 2,866,149,999 Shares, by the VWAP of S$0.0133 per Share on 25 May 2015.

As the relative figures computed on the bases set out in Rules 1006(a) and 1006(c) of the Listing Manual exceed 20% as at the date of this announcement, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is conditional upon the approval of the Shareholders at a general meeting.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The *pro forma* financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not reflect the future financial results or position of the enlarged group after the completion of the Disposal.

The objective of presenting the *pro forma* financial effects of the Proposed Disposal as shown below is to illustrate what the historical financial information might have been had the Disposal been completed at an earlier date. However, such financial information is not necessarily indicative of the results of the operations or the related effects in the financial position that would have been attained had the Disposal been completed at the earlier date.

The financial effects in this section are based on the audited accounts of the Company for the 12 months ended 31 December 2014. The *pro forma* financial effects of the Disposal have been prepared based on the following assumptions:

(a) the Disposal was completed on 1 January 2014 for the purpose of computing the *pro forma* financial effects on the earnings per Share ("**EPS**") of the Company; and

(b) the Disposal was completed on 31 December 2014 for the purpose of computing the *pro forma* financial effects on the net tangible assets ("**NTA**") per Share of the Company.

7.1. Effect on EPS

For illustrative purposes only, and assuming the Proposed Disposal was completed at the beginning of the financial year ended 31 December 2014, the *pro forma* financial effects of the Disposal on the EPS of the Company are as follows:

	Before the Disposal	**After the Disposal**	
Loss for the year (S$)	(66,855,787)	Open market sales: (67,100,592)[(1)]	Proposed Cokal Takeover: (62,430,545)[(2)]
Weighted average number of Shares	2,592,330,558	2,592,330,558	
EPS (cents)	(2.58)	Open market sales: (2.59)[(1)]	Proposed Cokal Takeover: (2.41)[(2)]

Note:

(1) The figure is derived by adding the loss on disposal of the Cokal Shares of approximately S$(0.24) million, assuming that the Cokal Shares are disposed of at A$0.085865 per Cokal Share, being the VWAP of the Cokal Shares traded on the ASX on 25 May 2015, and the net loss of the Company of approximately S$66.86 million.

(2) The figures is derived by adding the gain on disposal of the Cokal Shares of approximately S$4.43 million, based on the Offer price of A$0.16 per Cokal Share, and the net loss of the Company of approximately S$66.86 million.

7.2. Effect on NTA

For illustrative purposes only, and assuming the Proposed Disposal was completed at the end of the financial year ended 31 December 2014, the *pro forma* effects of the Disposal on the NTA per Share are as follows:

	Before the Disposal	After the Disposal
NTA value (S$)	8,697,778	3,044,009[(1)]
Weighted average number of Shares	2,592,330,558	2,592,330,558
NTA per Share (cents)	0.34	0.12

Note:

(1) The figure is derived by adding the book value of the Cokal Shares attributable to the Group's NTA of approximately S$5.65 million and the NTA of the Company of S$8.70 million.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Company (the "**Directors**" and each, a "**Director**") (other than in his capacity as a Director or Shareholder) or controlling shareholders of the Company (other than in its capacity as a Shareholder) has any interest, direct or indirect, in the Proposed Disposal.

9. CIRCULAR TO SHAREHOLDERS

The Company will convene an extraordinary general meeting ("**EGM**") to seek the approval of Shareholders for the Proposed Disposal and a circular to Shareholders setting out further information on the Proposed Disposal, together with the notice of EGM to be convened, will be despatched to Shareholders in due course.

10. UPDATES

The Company will disclose any updates or further information on the Proposed Disposal when it is appropriate to do so.

BY ORDER OF THE BOARD
Blumont Group Ltd.

Ng Kim Huatt
Executive Director
25 May 2015