BLUMONT
博诺有限公司

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

PROPOSED INVESTMENT IN CELSIUS COAL LIMITED
- UPDATE ON CONVERTIBLE NOTE DEED

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1. INTRODUCTION

The board of directors (the "**Board**") of Blumont Group Ltd. (博诺有限公司) (the "**Company**") wishes to announce that the Company has, on 16 May 2014, entered into a deed of variation (the "**Deed of Variation**") with Celsius Coal Limited ("**CLA**") to amend and vary the convertible note deed dated 6 February 2013 between the Company and CLA (the "**Convertible Note Deed**").

2. VARIATION OF CONVERTIBLE NOTE DEED

Under the Convertible Note Deed, the Company was to make available to CLA a convertible note facility (the "**Convertible Note Facility**") for the sum of up to A$5.0 million, convertible into new shares in CLA ("**Conversion Shares**") at a conversion price of the average of the 20 trading day volume weighted average share prices of ordinary shares in CLA traded on the Australian Securities Exchange, subject to a floor price of A$0.025 per share and a cap of A$0.03 per share (the "**Conversion Price**"). The maturity period is 10 years from the first drawdown under the Convertible Note Facility (which occurred on 26 September 2013) and the interest rate is 12.5% per annum. CLA may, at any time after 27 February 2015, and the Company may, at any time prior to the maturity date, elect to convert any or a portion of the amounts outstanding under the Convertible Note Facility into Conversion Shares at the Conversion Price, save that the Company will not be entitled to convert any amounts into Conversion Shares to the extent that the voting power (as defined in section 610 of the Corporations Act 2001 (Cth) of Australia) of the Company in CLA would exceed 20% following the issue of any Conversion Shares.

As at the date of this announcement, the Company has advanced an aggregate amount of A$3.5 million to CLA under the Convertible Note Facility.

Pursuant to the Deed of Variation, the Company and CLA have now agreed to reduce the facility limit from A$5.0 million to the amount which is the aggregate of A$3.5 million and US$750,000, subject to the Company advancing US$750,000 (the "**Final Advance**") to CLA under the Convertible Note Facility by 5pm (Western Australia time) on 21 May 2014. The Company and CLA have also agreed to fully waive, release and discharge the other from any defaults that occurred in relation to the Convertible Note Deed prior to the date that CLA receives the Final Advance.

Other than as varied by the Deed of Variation, the terms of the Convertible Note Deed remain in full force and effect.

By Order of the Board
Blumont Group Ltd.

James Hong Gee Ho
Director
16 May 2014