BLUMONT
博诺有限公司

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

TAKEOVER BID FOR MERLIN DIAMONDS LIMITED – LODGEMENT OF SEVENTH SUPPLEMENTARY COMPANY'S STATEMENT

I. INTRODUCTION

The board of directors (the "**Board**") of Blumont Group Ltd. (博诺有限公司) (the "**Company**") refers to its previous announcements dated 28 February 2014, 6 March 2014, 23 April 2014, 24 April 2014, 30 April 2014, 2 May 2014, 6 June 2014, 18 July 2014, 23 July 2014, 18 August 2014, 17 September 2014, 29 October 2014 and 23 December 2014 (the "**Previous Announcements**") in relation to the Company's proposed off-market takeover bid to acquire all the ordinary shares in Merlin Diamonds Limited ("**MED**"). Unless otherwise defined, all capitalised terms used in this announcement have the same meanings as ascribed to them in the Previous Announcements.

II. LODGEMENT OF SEVENTH SUPPLEMENTARY COMPANY'S STATEMENT

The Board wishes to announce that the Company has lodged a seventh supplementary bidder's stated dated [6] January 2015 (the "**Seventh Supplementary Company's Statement**") with the Australian Securities and Investments Commission ("**ASIC**") and the Australian Securities Exchange ("**ASX**") on [6] January 2015, to provide certain updates on the Takeover Bid.

A copy of the Seventh Supplementary Company's Statement is appended to this announcement and is also available on MED's announcements page on the ASX website. The Seventh Supplementary Company's Statement supplements and should be read together with the Company's Statement dated 24 April 2014, the First Supplementary Company's Statement dated 2 May 2014, the Second Supplementary Company's Statement dated 6 June 2014, the Third Supplementary Company's Statement dated 23 July 2014, the Fourth Supplementary Company's Statement dated 18 August 2014, the Fifth Supplementary Company's Statement dated 29 October 2014 and the Sixth Supplementary Company's Statement dated 23 December 2014.

III. INTENTION TO ALLOW TAKEOVER BID TO LAPSE AND APPLICATION TO WITHDRAW TAKEOVER BID

As announced on 27 November 2014, MED has terminated the Implementation Deed.

Further, the Company notes that MED has on 27 November 2014 announced an issue of 44 million new ordinary shares and 22 million new options (**Additional MED Securities**), and on 29 December 2014 announced an issue of an additional 78,584,615 shares (**Further New MED Shares**).

As noted in the Sixth Supplementary Company's Statement, the issue of the Additional MED Securities triggered a breach of the defeating condition set out in Section 11.5(c) of the Company's Statement. The issue of the Further New MED Shares has triggered a further breach of this defeating condition.

In light of the issue by MED of the Additional MED Securities and the Further New MED Shares and the termination by MED of the Implementation Deed, the Company now confirms that it intends to rely on the trigger of the defeating condition of the Takeover Bid set out in Section 11.5(c) of the Company's Statement to allow the Takeover Bid to lapse.

In addition, the Company has on 5 January 2015 made an application to ASIC to obtain ASIC's consent to enable the Company to withdraw the Takeover Bid (before the end of the Offer Period) in accordance with section 652B of the Corporations Act. The Company will keep Shareholders updated of the status of this application.

Irrespective of whether ASIC consents to enable the Company to withdraw the Takeover Bid, the Takeover Bid will lapse on the close of the Offer, being 13 February 2015. Accordingly, no Shares will be issued to any shareholder of MED under the Takeover Bid.

IV. UPDATES

The Company will disclose any updates or further information on the Takeover Bid (including if ASIC grants consent to the withdrawal of the Takeover Bid) when it is appropriate to do so.

BY ORDER OF THE BOARD
Blumont Group Ltd.

Ng Kim Huatt
Executive Director
6 January 2015