BLUMONT
博诺有限公司

BLUMONT GROUP LTD.

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

Seventh Supplementary Bidder's Statement

1. Introduction

This document is the seventh supplementary bidder's statement (**Seventh Supplementary Bidder's Statement**) to the bidder's statement dated 24 April 2014 (**Bidder's Statement**) issued by Blumont Group Ltd. (**Blumont**) in relation to its off-market takeover bid for all the ordinary shares in Merlin Diamonds Limited (**Merlin**). This Seventh Supplementary Bidder's Statement is dated 6 January 2015.

This Seventh Supplementary Bidder's Statement supplements and should be read together with the Bidder's Statement, as well as the first supplementary bidder's statement by Blumont dated 2 May 2014, the second supplementary bidder's statement by Blumont dated 6 June 2014, the third supplementary bidder's statement by Blumont dated 23 July 2014, the fourth supplementary bidder's statement by Blumont dated 18 August 2014, the fifth supplementary bidder's statement dated 29 October 2014 and the sixth supplementary bidder's statement dated 23 December 2014 (**Sixth Supplementary Bidder's Statement**).

A copy of this Seventh Supplementary Bidder's Statement has been lodged with ASIC and the ASX on 6 January 2015. Neither ASIC, the ASX nor any of their officers, take any responsibility for the contents of this Seventh Supplementary Bidder's Statement. A copy of this Seventh Supplementary Bidder's Statement will also be released by Blumont on SGXNET in Singapore. The SGX assumes no responsibility for the correctness of any of the statements, reports contained/referred to or opinions expressed in this Seventh Supplementary Bidder's Statement.

Capitalised terms in this Seventh Supplementary Bidder's Statement have the same meaning as that in the Bidder's Statement unless the context requires otherwise.

2. Intention to allow Takeover Bid to lapse and application to withdraw Takeover Bid

Blumont refers to the Sixth Supplementary Bidder's Statement regarding the issue of the Additional Merlin Securities (as defined in the Sixth Supplementary Bidder's Statement). Blumont notes that, pursuant to resolutions passed at Merlin's Annual General Meeting on 27 November 2014, Merlin announced on 29 December 2014 that it had subsequently issued an additional 78,584,615 shares (**Further New Merlin Shares**). As noted in the Sixth Supplementary Bidder's Statement, the issue of the Additional Merlin Securities triggered a breach of the defeating condition set out in Section 11.5(c) of the Bidder's Statement. The issue of the Further New Merlin Shares has triggered a further breach of this defeating condition.

As noted in the Sixth Supplementary Bidder's Statement, on 27 November 2014, Merlin also announced to the ASX that it terminated the Bid Implementation Deed dated 28 February 2014, which was the agreement that Merlin and Blumont entered into prior to the announcement of the Takeover Bid.

In light of the issue by Merlin of the Additional Merlin Securities and the Further New Merlin Shares and the termination by Merlin of the Bid Implementation Deed, Blumont 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 Bidder's Statement to allow the Takeover Bid to lapse.

In addition, Blumont notes that it has on 5 January 2015 made an application to ASIC to obtain ASIC's consent to enable Blumont to withdraw the Takeover Bid (before the Closing Date) in accordance with section 652B of the Corporations Act. Blumont will keep Merlin Shareholders updated of the status of this application and, in particular, will provide the appropriate notifications if ASIC grants consent to the withdrawal of the Takeover Bid.

Irrespective of whether ASIC consents to enable Blumont to withdraw the Takeover Bid, the Takeover Bid will lapse on the Closing Date, being 13 February 2015. Accordingly, no Blumont Shares will be issued to any Merlin

Shareholder under the Offer and, accordingly, all Merlin Shareholders will retain their Merlin Shares (following the Closing Date or, if consent is granted by ASIC, the withdrawal of the Takeover Bid).

3. Enquiries

Please contact the Blumont Offer Information Line on 1800 677 648 (for callers within Australia) or +61 1800 677 648 (for callers outside of Australia) if you have any questions in relation to our Offer or this Seventh Supplementary Bidder's Statement.

APPROVAL OF SEVENTH SUPPLEMENTARY BIDDER'S STATEMENT

This Seventh Supplementary Bidder's Statement has been approved by a unanimous resolution passed of the directors of Blumont.

Signed for and on behalf of Blumont by Mr. Ng Kim Huatt, being a director of Blumont, who is authorised to sign by a resolution of the directors of Blumont.



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Mr Ng Kim Huatt
Director

Dated: 6 January 2015