

16 January 2015

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Special Counsel Michael MacMahon
Direct Line (02) 8083 0451
Email michael.macmahon@holdingredlich.com
Partner Darren Pereira
Our Ref MBM:14670004

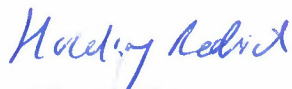
Dear Sir / Madam

**Takeover Bid by Blumont Group Ltd. for Merlin Diamonds Limited
Notice of withdrawal**

We act for Blumont Group Ltd. (**Blumont**) in relation to its off-market takeover bid for all the ordinary shares in Merlin Diamonds Limited (**Merlin**).

On behalf of Blumont, we **enclose** a formal notice of withdrawal in respect of the takeover bid, as well as a letter which will be sent to Merlin Shareholders, which was lodged with the Australian Securities and Investments Commission and will shortly be despatched to Merlin shareholders.

Yours sincerely



Holding Redlich

Enclosures: 2

Sydney . Melbourne . Brisbane

Level 65 MLC Centre 19 Martin Place Sydney NSW 2000 DX 529 Sydney
GPO Box 4118 Sydney NSW 2001 T +61 2 8083 0388 www.holdingredlich.com

ABN 15 364 527 724

BLUMONT GROUP LTD.

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

16 January 2015

Dear Merlin Shareholder

Blumont withdraws its takeover bid for Merlin Diamonds Limited

Blumont Group Ltd. (**Blumont**) made an off-market takeover bid for the ordinary shares then on issue in Merlin Diamonds Limited (**Merlin**) under a bidder's stated dated 24 April 2014 (**Bidder's Statement**).

As announced by Blumont to the ASX on 6 January 2015 under its Seventh Supplementary Bidder's Statement, Merlin announced on 29 December 2014 that it had subsequently issued an additional 78,584,615 shares (**Further New Merlin Shares**). The issue of the Further New Merlin Shares triggered a breach of a defeating condition set out in Section 11.5(c) of the Bidder's Statement.

Blumont wishes to advise that it has obtained consent from ASIC to withdraw its Offer pursuant to section 652B of the Corporations Act. Accordingly, Blumont hereby encloses a formal notice under which it withdraws its Offers pursuant to section 652B of the Corporations Act effective as at 5pm Sydney time on 16 January 2015.

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

Yours faithfully



Mr Ng Kim Huatt
Director
Blumont Group Ltd

Blumont Group Ltd.

Takeover bid for Merlin Diamonds Limited

Notice of withdrawal of takeover bid

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.

Pursuant to a bidder's statement dated 24 April 2014, Blumont made a takeover bid for the ordinary shares then on issue in Merlin.

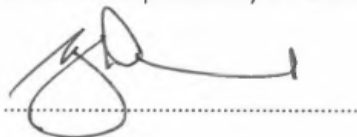
Blumont advises that it has obtained consent from ASIC to withdraw its Offer pursuant to section 652B of the Corporations Act. ASIC's consent is conditional on Blumont preparing this notice and giving it to Merlin, ASIC and ASX before 5pm on Monday, 19 January 2015 and sending a copy of this notice to each of the persons specified in section 650D(1)(c)(ii) of the Corporations Act (as modified by Class Order 13/521) no later than Wednesday, 21 January 2015.

Accordingly, Blumont hereby gives notice pursuant to section 652B of the Corporations Act that it withdraws its Offers effective as at 5pm Sydney time on 16 January 2015.

The effect of the withdrawal of the Offer is that no acceptances will be processed by Blumont and no Blumont Shares will be issued to any Merlin Shareholders in connection with the Offer. Accordingly, all Merlin Shareholders that have accepted the Offer will be free to deal with their shares in Merlin as they see fit moving forward.

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

A copy of this notice was lodged with ASIC on 16 January 2015, which is the date of this notice. ASIC takes no responsibility for the contents of this notice.



Mr Ng Kim Huatt
Director
Blumont Group Ltd