



ACN: 162 884 068

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5 December 2013

WEALTH MINING ANNOUNCES OFFER TO ACQUIRE 100% OF CARABELLA RESOURCES LIMITED

Wealth Mining Pty Ltd ("Wealth Mining"), a wholly owned subsidiary of China Kingho Energy Group ("Kingho"), one of China's largest privately held mining and energy companies, today announced an off-market all-cash takeover Offer ("Offer") to acquire all of the outstanding ordinary shares of Carabella Resources Limited (ASX: CLR, "Carabella") that Wealth Mining does not already own or is not already entitled to at A\$0.42 per share.

Wealth Mining currently has a relevant interest in 11.06% of Carabella ordinary shares on issue.

Announcing the Offer, Kingho Chairman and founder Mr Qinghua Huo said: **"We are pleased to announce this very attractive all-cash Offer for 100% of the shares in Carabella."**

"We wish to acquire Carabella as an important first step in Kingho's strategy to develop an Australian headquarters for our global resources and development businesses outside of China."

"We believe that our Offer provides compelling and certain value for Carabella shareholders at a time when there is significant illiquidity in Carabella's shares and uncertainty over the funding and development pathway for Carabella's assets." Mr Huo said.

Wealth Mining submitted a confidential, non-binding proposal on similar terms to this Offer to the Carabella Chairman on 3 December 2013 and has initiated various discussions and written correspondence with Carabella since then. However, the Carabella Board has not provided any **satisfactory written response to Wealth Mining's requests for genuine engagement within an acceptable timeframe.**

Australian based Deputy Chairman of Wealth Mining, Mr Ian Hutchinson, said: **"As Wealth Mining has been unable to progress discussions with the Carabella Board regarding our proposal in a timely manner, we have respectfully decided to submit our Offer direct to shareholders for their consideration."**

"Wealth Mining still desires a constructive dialogue with the Carabella Board and remains open to seeking a pathway to a recommended transaction." Mr Hutchinson said.

Wealth Mining's Offer is currently scheduled to open on or about 19 December 2013 and will close, unless extended or withdrawn, on or about 20 January 2014.

Attractive premium and certainty of value offered

Wealth Mining's cash Offer of A\$0.42 per Carabella share represents:

- a premium of 110% to the closing price for Carabella shares on 3 December 2013 (being the last full trading day before Carabella entered into a trading halt);
- a premium of 81% to the three month VWAP of Carabella shares up to 3 December 2013; and
- a premium of 89% to the six month VWAP of Carabella shares up to 3 December 2013.

Why Carabella shareholders should accept Wealth Mining's Offer

Key reasons why Carabella shareholders should accept Wealth Mining's Offer include the following:

- **The Offer represents a substantial premium to Carabella's recent trading price and an attractive exit opportunity for Carabella shareholders**
- **The Offer provides the certainty of cash value to Carabella shareholders**
- **Carabella shareholders who accept the Offer will cease to have exposure to the risks and uncertainties facing Carabella. In particular, project funding, and operating and development**



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risks for Carabella's key projects as well as market and liquidity risks associated with maintaining a shareholding in Carabella.

Strong shareholder support for the Offer price

As at the time of this announcement Wealth Mining has acquired a relevant interest in Carabella of 11.06% at the Offer price of A\$0.42 per Carabella Share indicating strong shareholder support for the Offer price.

Funding

The cash required to fund the Offer will be sourced from available cash reserves currently held by Wealth Mining in Australia and capital support from Kingho.

Regulatory Approvals

Wealth Mining has received approval for this transaction from the National Development and Reform Commission of the People's Republic of China ("NDRC"). Wealth Mining has also received confirmation from **the Foreign Investment Review Board ("FIRB") that the Offer is exempt in relation to Australia's** foreign investment policy and as such FIRB approval is not required.

Wealth Mining requires approval from the Chinese Ministry of Commerce ("MOFCOM") and the Chinese State Administration of Foreign Exchange ("SAFE"). No issues are anticipated in receiving these respective approvals.

Limited Conditions

Wealth Mining's Offer is subject to minimal conditions. These include a 57.0% minimum acceptance condition, and various other standard Offer protections. Full details of the conditions of the Offer are set out in the appendix to this announcement.

Wealth Mining may waive any or all of the conditions of the Offer during the Offer period (other than those pertaining to required regulatory approvals).

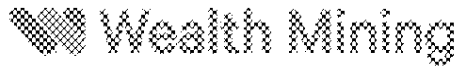
Bidder's Statement

Wealth Mining expects to shortly submit the Bidder's Statement that sets out detailed information about the Offer with the Australian Securities Exchange, Australian Securities and Investments Commission and Carabella.

Wealth Mining has engaged Deutsche Bank AG as financial advisor and Gilbert + Tobin as legal advisor.

For further information:

Deutsche Bank AG Richard Gannon Managing Director Telephone: +61 3 9270 4201 E-mail: richard.gannon@db.com	Cosway Australia John Frey Founding Partner Telephone: +61 411 361361 E-mail: JohnF@coswaypr.com.au
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About China Kingho Energy Group and Wealth Mining

China **Kingho Energy Group** was established in 1996 and is one of China's largest privately-owned energy companies with over 19,000 employees. Wealth Mining is an entity that is ultimately 100% owned and controlled by China Kingho Energy Group.

China Kingho Energy Group has developed significant expertise in the coal mining industry. China Kingho Energy Group's **operations, which primarily consist of coal product, had annual production capacity of 15 million tonnes per annum (mtpa) in 2012.**

While possessing significant experience in coal mining, China Kingho Energy Group has also been **developing cleaner energy technology, and now holds a leading position in China's coal gasification and comprehensive coal utilisation sectors**, whereby raw coal is efficiently processed with minimum energy loss and transferred to multiple high value-added products, including gas, methanol, and oil.

Over the last three years, China Kingho Energy Group has advanced its business development ventures globally, including the development of iron ore and coal resources in countries outside of China, and is now focused on establishing a global headquarters for its non-China business activities in Australia.

China Kingho Energy Group has a strong balance sheet and, as at 31 December 2012, held assets including:

- 8 coal mines with 3 billion tonnes of resources, 930 million tonnes (mt) of reserves and production capacity of approximately 15mtpa;
- 4 coal industrial parks, located in Inner Mongolia, Ningxia and Qinghai, capable of producing 7.6mtpa clean coal, 5mtpa coke, 0.4mtpa methanol and a 5.5bcmtpa coal gasification project in Xinjiang; and
- 3 iron ore mines with 736mt of mineable reserves and production capacity of approximately 3.85mtpa.

As at 31 December 2012, China Kingho Energy Group had total assets of approximately A\$6.95billion, and revenue for 2012 of approximately A\$1.94billion. As at 30 September 2013, China Kingho Energy Group held cash and cash equivalents of approximately A\$662million.



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APPENDIX – OFFER CONDITIONS

(a) Minimum Acceptance

During, or at the end of, the Offer Period, Wealth Mining and its associates have relevant interests in more than 57% (by number) of Carabella Resources Shares then on issue.

(b) No Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) no event, matter or thing occurs, and Carabella Resources does not disclose information concerning any event, matter or thing, which has, will or is reasonably likely to have a material adverse effect on the assets (including, without limitation, the licences or tenements or associated reserves), liabilities, business, financial or trading position, performance, profitability or prospects of the Carabella Resources Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); and
- (ii) no event, matter or thing, as described in sub-paragraph (i), which occurred on or before the Announcement Date but was not apparent from publicly available information before then, becomes known.

(c) Regulatory approvals

Before the end of the Offer Period Wealth Mining receives all remaining Chinese regulatory approvals necessary, specifically that prior to the end of the Offer Period:

- (i) (MOFCOM) the Chinese Ministry of Commerce approves **Wealth Mining's acquisition of Carabella Resources Shares** under the Offer; and
- (ii) (SAFE) the Chinese State Administration of Foreign Exchange approves China Kingho Energy Group or any of its related bodies corporate paying the aggregate price for the Carabella Resources Shares to be acquired under the Offer and transferring funds in \$A or another approved currency out of China to Australia for that purpose.

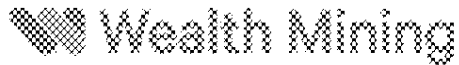
(d) No regulatory actions

During the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Governmental Agency; and
- (iii) no application is made to any Governmental Agency (other than by Wealth Mining),

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act), which:

- (iv) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
 - (A) the making of the Offers or the completion of any transaction contemplated by the Offer; or
 - (B) the rights of Wealth Mining (or any Wealth Mining subsidiary) in respect of Carabella Resources or the Carabella Resources Shares; or



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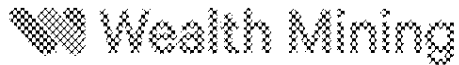
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- (v) requires the divestiture by Wealth Mining (or any Wealth Mining subsidiary) of any Carabella Resources Shares or the divestiture of any assets of the Carabella Resources Group.

(e) No prescribed occurrence

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occur:

- (i) Carabella Resources converts all or any of its shares into a larger or smaller number of shares;
- (ii) any member of the Carabella Resources Group resolves to reduce its share capital in any way;
- (iii) any member of the Carabella Resources Group:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (iv) any member of the Carabella Resources Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) any member of the Carabella Resources Group issues, or agrees to issue, convertible notes;
- (vi) any member of the Carabella Resources Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) any member of the Carabella Resources Group grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (viii) any member of the Carabella Resources Group resolves to be wound up;
- (ix) a liquidator or provisional liquidator of any member of the Carabella Resources Group is appointed;
- (x) a court makes an order for the winding up of any member of the Carabella Resources Group;
- (xi) an administrator of any member of the Carabella Resources Group is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) any member of the Carabella Resources Group executes a deed of company arrangement;
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Carabella Resources Group; or
- (xiv) any member of the Carabella Resources Group:
 - (A) issues, grants or amends the terms of, any securities, options or rights to, or accelerates the rights of, any of the directors or employees of the Carabella Resources Group to compensation or benefits of any kind (including under any employee or director share, option or incentive plan and including by vesting any outstanding rights under any rights plan) otherwise than in the ordinary course of business and consistent with past practices and except for any vesting of rights on the Offer becoming unconditional; or
 - (B) waives or forgives any loans made by any member of the Carabella Resources Group in respect of Carabella Resources Shares issued under any employee or director share, option or incentive plan, or in respect of rights under any rights plan, the rights are cancelled for consideration higher than the net benefit to the director or employee had the rights been exercised and the Offer accepted.



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(f) No additional capital expenditure, material acquisitions or disposals

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Carabella Resources nor any of its subsidiaries incurs or commits to incur a capital expenditure, acquires or disposes, offers to acquire or dispose or enters into or announces any agreement to acquire or dispose one or more companies, businesses or assets (including, for the avoidance of doubt, any such transaction relating to the Bluff Project or the Grosvenor West Project) (or any interest in one or more companies, businesses or assets) or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (i) the manner in which Carabella Resources conducts its business;
- (ii) the nature, extent or value of the assets held by Carabella Resources (including, for the avoidance of doubt, by entering into any offtake arrangements in relation to assets relating to the Bluff Project or the Grosvenor West Project or any other arrangement that would impact Carabella Resources' exposure to those assets); or
- (iii) the nature, extent or value of the liabilities of Carabella Resources.

(g) Material contracts

Between the Announcement Date and the end of the Offer Period (each inclusive), no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Carabella Resources or any member of the Carabella Resources Group is a party, or by or to which Carabella Resources or any member of the Carabella Resources Group or any of its assets may be bound or subject, and which is material to Carabella Resources (being any agreement or instrument with a value of at least \$3 million or with a term of longer than three years) which has or will or is likely to result in:

- (i) any monies borrowed by Carabella Resources or any member of the Carabella Resources Group being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or instrument;
- (ii) any asset of Carabella Resources or any member of the Carabella Resources Group being or becoming the subject of a call option, transfer obligation or otherwise being the subject of a disposal right in favour of a third party;
- (iii) any such agreement or other instrument being terminated or modified or any action being taken or claim arising thereunder; or
- (iv) the business of Carabella Resources or any member of the Carabella Resources Group with any other person being adversely affected,

as a result (directly or indirectly) of the acquisition or proposed acquisition of Carabella Resources Shares by Wealth Mining.

(h) Index Out

Between the Announcement Date and the end of the Offer Period (each inclusive), the S&P/ASX 200 does not close below 4730 for 3 or more consecutive trading days.