

BLUESTONE GLOBAL LIMITED

ACN 009 296 324

OFFER DOCUMENT

For a non renounceable pro-rata offer to Eligible Shareholders on the basis of 1 New Share for every Share held as at the Record Date at an Issue Price of 0.8 cents (**Offer**).

IMPORTANT NOTICE

This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on Monday, 19 May 2014 and closes at 5:00pm (AEST) on Wednesday, 28 May 2014 (unless extended). Valid acceptances must be received before that time.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

1. Offer document

This Offer Document has been prepared by Bluestone Global Limited ACN 009 296 324 (**Bluestone** or the **Company**) and is dated 8 May 2014. This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer contained in this Offer Document is being made without disclosure in accordance with section 708AA of the Corporations Act, as modified by ASIC Class Order 08/35.

2. This is an important document

The information contained in this Offer Document does not constitute investment advice and has been prepared without taking into account each Eligible Shareholder's investment objectives or financial circumstances. You should seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks. The Offer Document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

3. Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. To the extent permitted by law, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

4. Future performance and forward looking statements

Neither the Company nor any other person warrants, represents or guarantees (expressly or by implication) the future performance of the New Shares or any particular rate of return on any investment made pursuant to Offer, or any particular tax treatment.

This Offer Document contains certain "forward looking statements". Forward-looking statements, opinions and estimates provided in the information in this Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

No representation or warranty (express or implied) is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Offer Document.

While due care and attention have been used in the preparation of forward-looking statements, you are cautioned not to place undue reliance on such statements. Forward-looking statements only speak as to the date of this Offer Document. To the maximum extent permitted by law, the Company disclaims any obligation or undertaking to release any updates or revisions to such information to reflect any change in expectations or assumptions.

An investment in the Company is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Document.

5. Past performance

Investors should note that the past share price performance of Shares provides no guarantee or guidance as to future share price performance. Past performance information given in this Offer Document is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

6. Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

7. Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document. No action has been taken to permit a public offering of the New Shares under the Offer in any jurisdiction outside of Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of any other overseas jurisdictions other than Australia and New Zealand having regard to the number of overseas Shareholders, the number and value of the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

The New Shares have not been and will not be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand. Shareholders outside Australia and New Zealand (**Ineligible Foreign Shareholders**) should refer to Section 1.12 for details of how their Entitlement will be dealt with.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

8. Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities

brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

KEY OFFER DETAILS

Key details of the Offer	
Offer to Eligible Shareholders	1 New Share for every Share held at the Record Date
Issue Price per New Share	0.8 cents
Maximum number of New Shares under the Offer	498,784,683 New Shares
Proceeds from the Offer (excluding costs associated with the Offer)	\$3,990,277
Maximum number of Shares on issue following the Offer (refer to Section 2 below)	997,569,366 Shares

IMPORTANT DATES

Event	Date
Announcement of the Offer	Thursday, 8 May 2014
Cleansing Notice, Appendix 3B and Offer Document lodged with ASX	
"Ex" date for the Offer (being the date that Shares start trading without the Entitlements to participate in the Offer)	Monday, 12 May, 2014
Record Date to determine Entitlements under the Offer	Wednesday, 14 May 2014
Opening Date of Offer	Monday, 19 May 2014
Despatch of the Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	
General meeting to consider the issue of the options as detailed in the Notice of Meeting	Friday, 23 May 2014
Closing Date for acceptances under the Offer	Wednesday, 28 May 2014
New Shares quoted on a deferred settlement basis	Thursday, 29 May 2014
ASX notified of under-subscriptions under the Offer	Friday, 30 May 2014
Issue date of the New Shares and deferred settlement trading of the New Shares ends	Tuesday, 3 June 2014
Trading of New Shares expected to commence	Wednesday, 4 June 2014
Despatch of holding statements for New Shares	Wednesday, 4 June 2014

The above dates are indicative only. The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date or to withdraw the Offer at any time without prior notice, in which case all Application Monies will be refunded (without interest) as soon as practicable.

LETTER FROM THE CHAIRMAN

8 May 2014

Dear Shareholder

On behalf of the Board of Bluestone Global Limited (**Bluestone or the Company**), I am pleased to invite you to participate in the Company's non-renounceable pro-rata entitlement offer of 1 New Share for every Share held at the Record Date of 5.00pm (AEST) on Wednesday, 14 May 2014, at an Issue Price of 0.8 cents per Share (**Offer**).

The Offer of approximately 498 million New Shares is intended to raise approximately \$4 million before the costs of the Offer and is not underwritten.

As announced on 17 December 2013, the Company outlined the financial and operational restructure that was being undertaken by the Company. As part of the restructure, the Company has a new shareholder, Valdez, who took up a 15% placement in the Company. We are also pleased to have secured Mr Stephen Sasse as CEO and executive director of Bluestone.

The restructure has made a significant impact on the balance sheet in relation to the Company's debt to the ATO, its liability in relation to the sale of the Guildford Receivable to Gleneagle Nominees, as well as the operational cost base and the back office infrastructure. Further details on the progress of the restructure were outlined to the market on 14 April 2014 with an investor presentation being made available.

The proceeds of the Offer will be applied as general working capital and for general corporate purposes.

Each of the Directors with Shares intends to fully participate in the Offer.

On behalf of my fellow Directors, I would like to express my appreciation for your ongoing support of the Company and I strongly encourage you to participate in the Offer.

Yours sincerely

Andrew Plympton
Chairman

1. DETAILS OF THE OFFER

1.1 The Offer

The Company is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every Share held at 5:00pm (AEST) on Wednesday, 14 May 2014 at an Issue Price of 0.8 cents per New Share.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, that will be rounded up to the nearest whole New Share.

Your Entitlement under the Offer is shown on the accompanying Entitlement and Acceptance Form. Details on how to accept the Offer are set out in Section 3.

1.2 Size of the Offer

As at 2 May 2014, the Company has on issue:

- (a) 498,784,683 Shares; and
- (b) 49,500,000 Options (which carry no entitlement to participate in the Offer without the Options first being exercised).

On the basis that no Options are exercised prior to the Record Date, approximately 498,784,683 New Shares will be offered under the Offer to raise approximately \$3,990,277 before the expenses of the Offer are taken into account.

1.3 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$4 million (before the payment of costs associated with the Offer).

It is currently proposed to use the funds raised under the Offer for general working capital purposes.

The funds raised are intended to be allocated as follows:

Description	Total (maximum)
General working capital	\$3,250,277
Costs of the Offer	\$540,000
Maximum funds raised under the Offer	\$3,990,277

1.4 Opening and Closing Date

The Offer will open for receipt of acceptances on Monday, 19 May 2014. The Closing Date for acceptance of your Entitlement is 5.00 pm (AEST) on Wednesday, 28 May 2014.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for receipt of the Entitlement and Acceptance Form, or to delay or withdraw the Offer at any time without prior notice, in which case all Application Monies will be refunded (without interest) as soon as practicable.

1.5 Entitlements under the Offer

The Offer is non-renounceable, and therefore the Entitlements are not transferable and cannot be traded on the ASX or any other exchange, or privately transferred. Shareholders will not receive any value if they do not take up their Entitlements. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company diluted.

Any New Shares not taken up by an Eligible Shareholder by the Closing Date will form part of the Shortfall. The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any further Shortfall (other than to Directors and related parties of the Company) at their discretion within 3 months after the close of the Offer (at a price not less than the Issue Price of 0.8 cents per New Share).

1.6 Offer not underwritten

The Company had been in discussions to underwrite the Offer, however, these were unsuccessful and the Offer is not underwritten. While the Company had previously disclosed that Valdez and Tiga would partially sub-underwrite the Offer and subscribe for their full Entitlements subject to shareholder approval being received during the General Meeting, this underwriting will now not occur. The Company is able to confirm as at the date of the Offer, on 8 May 2014, that Valdez will subscribe its full Entitlements.

1.7 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

1.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been received.

1.9 Issue and despatch

The New Shares will be quoted on a deferred settlement basis from Thursday, 29 May 2014.

The issue of New Shares offered by this Offer Document is expected to occur on Tuesday, 3 June 2014. On that date, the deferred settlement trading of the New Shares will end.

The Company will dispatch holding statement confirming the number of the New Shares issued on Wednesday, 4 June 2014.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares without making such determination do so at their own risk.

1.10 ASX listing

The Company has made an application for official quotation by ASX of the New Shares offered under this Offer Document. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies received (without interest) will be refunded in full to the Applicants. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.11 CHESS

The Company will apply to ASX to participate in CHESS for those Shareholders who have, or wish to have, a sponsoring stockbroker. Shareholders who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, Shareholders will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.12 Ineligible Foreign Shareholders

This Offer Document and Entitlement and Acceptance Form are only being sent to Eligible Shareholders with registered addresses in Australia and New Zealand on the Record Date of Wednesday, 14 May 2014.

The Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand. In accordance with the Listing Rules and the Corporations Act, the Company is of the view that it is unreasonable to make the Offer to Ineligible Foreign Shareholders, having regard to:

- (a) the number of Ineligible Foreign Shareholders;
- (b) the number and value of New Shares to be offered to those Ineligible Foreign Shareholders; and
- (c) the cost of complying with overseas legal requirements in those jurisdictions.

Accordingly, no Entitlement and Acceptance Forms will be sent, and no offer will be made, to Ineligible Foreign Shareholders. This Offer Document will be sent to them for information purposes only.

The Offer contained in this Offer Document to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with applicable foreign laws.

The Company reserves the right to reject any Application that it believes come from a person who is not an Eligible Shareholder.

1.13 No overseas offering

This Offer Document does not, and is not intended to, constitute an offer or invitation in the United States, to any US person, to any person acting for the account or benefit of a

person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Offer Document in jurisdictions outside of Australia or New Zealand may be restricted by law and persons who come into possession of this offer should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand. Eligible Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.

1.14 Rights and liability attaching to New Shares

The New Shares issued under the Offer will be on a fully paid basis and will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours. You may also contact the Company Secretary by telephone on +61 (0)3 9286 7500 for a copy of the Company's constitution.

2. EFFECT OF THE OFFER

2.1 Effect of the Offer on the capital structure of the Company

The total number of New Shares to be issued under the Offer will be approximately 498,784,683 (the exact number depends on the rounding up of individual holdings).

The table below sets out, for illustrative purposes only, the existing capital structure (before the Offer) together with the impact of the issue of the New Shares under the Offer. It assumes that no Options are exercised prior to the Record Date and that all New Shares are issued under the Offer or placed after the Offer.

Shares	Number
Existing Shares as at 2 May 2014	498,784,683
Maximum number of New Shares issued pursuant to the Offer	498,784,683
Total issued Shares following completion of the Offer	997,589,366

If the Offer is fully subscribed, the effect of the Offer will be to increase the number of Shares on issue in the Company and increase the cash held by the Company by up to \$3,990,277 (before taking into account the expenses of the Offer). Expenses of the Offer are expected to be approximately \$540,000.

2.2 Options

No Options will be granted under the Offer. The Company currently has the following Options on issue.

Options	Number
Unlisted Options expiring 30 June 2017 exercisable at \$0.05	21,000,000
Unlisted Options expiring 31 July 2017 exercisable at \$0.08	12,500,000
Unlisted Options expiring 8 August 2017 exercisable at \$0.08	8,500,000
Unlisted Options expiring 20 December 2017 exercisable at \$0.045	2,500,000
Unlisted Options expiring 20 December 2017 exercisable at \$0.08	2,500,000
Unlisted Options expiring 20 December 2017 exercisable at \$0.10	2,500,000

The Company is also currently seeking Shareholder approval for the issue of 500,000,000 Options which each option having an exercise price of \$0.012 and will expire 2 years from the date of issue of these Options. Holders of these Options, if they are not currently Eligible Shareholders, will not be entitled to participate in the Offer.

Optionholders are not entitled to participate in the Offer without first exercising their Options (in accordance with the terms and conditions of their Options) and being registered as a Shareholder on the Record Date.

In accordance with the Listing Rules and the terms of offer of the relevant Options, the

exercise price of some of the Options may change as a result of the Offer.

2.3 Pro-Forma Balance Sheet

The following pro-forma consolidated balance sheet illustrates the effect of the Offer on the Company. It has been prepared based on the audit reviewed financial statements as at 31 December 2013, key structural transactions including the impact of the resolutions considered in the General Meeting in relation to the issue of Options being passed to Loan Noteholders and 100,000,000 Options to Gleneagle Nominees as part of the termination of the Gleneagle Put Option. It is not intended to represent the financial position of the Company upon completion of the Offer. It is provided as an illustration of the effect of the Offer. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

The pro-forma balance sheet as at 31 December 2013 below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position as noted below. They have been prepared on the assumption that all New Shares are issued. As the Offer is currently not underwritten, there is a risk that all New Shares will not be issued.

The pro-forma balance sheet has been prepared to provide Shareholders with information on the pro-forma assets and liabilities of the Company. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Proforma Statement of Financial Position	31/12/2013 Reviewed	Placement	Issuance of the Loan Notes	ATO Payment (1st Installment)	Pre EGM	Termination of Put Option	Option Issue Cost	Post EGM	Rights Issue	Post Restructure
A\$'000										
ASSETS										
Current assets										
Cash at bank	1,575	490	4,000	(1,500)	4,565			4,565	3,450	8,015
Trade and other receivables	29,891				29,891			29,891		29,891
Inventories	980				980			980		980
Prepayments and other current assets	2,132				2,132			2,132		2,132
Total current assets	34,579	490	4,000	(1,500)	37,569	0	0	37,569	3,450	41,019
Non-current assets										
Property, plant and equipment	6,481				6,481			6,481		6,481
Other financial assets	249				249			249		249
Intangible assets	10,565				10,565			10,565		10,565
Other assets	18				18			18		18
Total non-current assets	17,313	0	0	0	17,313	0	0	17,313	0	17,313
Total assets	51,892	490	4,000	(1,500)	54,882	0	0	54,882	3,450	58,332
LIABILITIES										
Current liabilities										
Trade and other payables	21,429			(1,500)	19,929			19,929		19,929
Interest bearing liabilities	20,070				20,070			20,070		20,070
Provisions	2,826				2,826			2,826		2,826
Other financial liabilities	9,000				9,000	(9,000)		0		0
Total current liabilities	53,325	0	0	(1,500)	51,825	(9,000)	0	42,825	0	42,825
Non-current liabilities										
Interest bearing liabilities	416		4,000		4,416			4,416		4,416
Provisions	828				828			828		828
Other liabilities	12				12			12		12
Total non-current liabilities	1,256	0	4,000	0	5,256	0	0	5,256	0	5,256
Total liabilities	54,581	0	4,000	(1,500)	57,081	(9,000)	0	48,081	0	48,081
NET ASSETS	(2,689)	490	0	0	(2,199)	9,000	0	6,801	3,450	10,251
EQUITY										
Contributed equity	91,584	490			92,074			92,074	3,450	95,524
Reserves	1,657				1,657		3,100	4,757		4,757
Accumulated Losses	(95,930)				(95,930)	9,000	(3,100)	(90,030)		(90,030)
Total equity	(2,689)	490	0	0	(2,199)	9,000	0	6,801	3,450	10,251

Notes to the pro-forma statement of financial position:

(a) Placement

On 23 January 2014, Valdez subscribed for 69,145,935 Shares at a price of \$0.008 for each Share. Costs of approximately \$30,000 were incurred in relation to the placement.

(b) Issuance of the Loan Notes

Valdez and other Loan Noteholders have provided the Company with a secured Loan facility of \$4,000,000.

As previously announced, under a note deed between the Company and the Loan Noteholders (**Note Deed**), Bluestone was obliged to use \$2 million of the proceeds of the Offer to repay amounts owing to Loan Noteholders. Bluestone has now secured the required waivers under the terms of the Note Deed from this obligation.

(c) ATO Payment

Under the deed of compromise with the ATO, the Company paid \$1,500,000 to the ATO on 16 January 2014. Further instalments totalling \$4,500,000 are due by 16 December 2014.

(d) Termination of Put Option

The Company, together with its wholly owned subsidiary, ResCo, have entered into a deed of termination with Gleneagle Nominees which terminates the put option in relation to the Guildford Receivable which details are set out in the Notice of Meeting dispatched by the Company to Shareholders on 14 April 2014.

(e) Option Issue Cost

An estimate of the costs of the issue of the Gleneagle Nominee Options and the Loan Options has been undertaken using market based factors within the Black Scholes valuation model.

(f) Rights Issue

The Offer may result in approximately 498,784,683 Shares being issued at \$0.008 for each Share. The Company is expecting to incur costs of approximately \$540,000 for implementing the Rights Issue.

2.4 Potential effect on control of the Company

The potential effect of the Offer on the control of the Company is as follows:

- (a) If all Eligible Shareholders take up their Entitlements under the Offer, then the Offer will have no significant effect on the control of the Company.
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.
- (c) The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Offer.
- (d) All eligible Directors intend to fully take up their Entitlements under the Offer and may increase their interests beyond their Entitlements if no other Eligible Shareholders participate in the Offer and the Directors do not issue any of the Shortfall.
- (e) If no Eligible Shareholders other than the eligible Directors take up their Entitlements under the Rights Issue and the Company issues the Shortfall, this may potentially result in a new investor having a substantial interest in the Company.

The above calculations assume that 498,784,683 New Shares are issued under the Offer.

However, the exact number of New Shares to be issued pursuant to the Offer cannot be calculated until entitlements have been determined following the Record Date.

3. ACTION REQUIRED BY SHAREHOLDERS

3.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted (refer to Section 2.4).

As an Eligible Shareholder you may:

- (a) take up all or part of your Entitlement (refer to Section 3.2 below); or
- (b) allow all of your Entitlement to lapse (refer to Section 3.3 below).

As detailed in Section 1.12, Ineligible Foreign Shareholders cannot take any of the steps set out in Sections 3.2 and 3.3.

3.2 Applying for New Shares

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching payment to reach Security Transfer Registrars Pty. Limited (**Share Registry**) by no later than 5:00pm (AEST) on the Closing Date or by paying by BPay®.

The Issue Price for each New Share accepted under your Entitlement is payable on application. You have the following payment options:

- (a) By attaching to your completed Entitlement and Acceptance Form, a cheque, bank or money order in Australian currency for the amount of your application money to “**Bluestone Global Ltd**” and crossed “**Not Negotiable**”.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

- (b) If paying via BPay®:
 - (i) Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPay® by the date and time mentioned above;
 - (ii) you must follow the instructions for BPay® set out in the Entitlement and Acceptance Form;
 - (iii) you do not need to return the Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form; and
 - (iv) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of

such whole number of New Shares which is covered in full by your Application Monies.

3.3 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you currently hold and the entitlement attaching to those Shares will not be affected should you choose not to accept any part of your Entitlement.

3.4 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3.5 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will be deemed to have represented to the Company that you are an Eligible Shareholder and that you:

- (a) acknowledge that you have read and understand this Offer Document and your Entitlement and Acceptance Form in its entirety;
- (b) agree to be bound by the terms of the Offer, the provisions of this Offer Document and the Company's constitution;
- (c) authorise the Company to register you as the holder of New Shares allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of application monies via BPAY, you may not withdraw your Application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY, at the Issue Price per New Share;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this Offer Document and your Entitlement and Acceptance Form is not investment advice nor a recommendation

that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;

- (k) acknowledge that investments in the Company are speculative and involve risks;
- (l) acknowledge that neither the Company nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (m) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and of your holding of Shares on the Record Date;
- (n) authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (o) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Offer;
- (p) you understand and acknowledge that neither the Offer nor the New Shares have been, or will be, registered under the U.S. Securities Act or any US state or other securities laws in any jurisdiction, and may not be offered, sold or
- (q) otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- (r) you are not in the United States of America and are not acting for the account or benefit of a person in the United States; and
- (s) you have not sent and will not send this letter of offer, the Entitlement and Acceptance Form or any other material relating to the Offer to any person in the United States of America.

3.6 Brokerage

No brokerage is payable by Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

3.7 Queries concerning your Entitlement

If you have any queries concerning your Entitlement please contact the Share Registry on 1300 556 161.

4. ADDITIONAL INFORMATION REGARDING THE OFFER

4.1 Reliance on Offer Document

The Offer is made pursuant to section 708AA of the Corporations Act without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. This Offer Document is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been lodged with ASIC.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company has lodged a cleansing notice in respect of the Offer with ASX on Thursday, 8 May 2014.

4.2 Announcements

Eligible Shareholders intending to participate in the Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: BUE), and the Company's website, www.bglcorporate.com. Copies of the announcements will also be available from the Company Secretary.

4.3 Risks

An investment in New Shares should be regarded as speculative and involves many risks.

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares.

The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares.

The information in the Offer Document does not constitute a recommendation to subscribe for New Shares and this Offer Document does not purport to contain all the information that you may require to evaluate a possible application for New Shares. You should make your assessment of what information is relevant to your decision to participate in the Offer.

4.4 Taxation implications

Eligible Shareholders should be aware that there may be taxation implications associated with participating in the Offer. The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

4.5 Governing law

This Offer Document and the contracts which arise on the acceptance of the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each Eligible Shareholder submits to the non-exclusive jurisdiction of the courts of New South Wales.

4.6 Enquiries concerning this Offer Document

Enquiries relating to this Offer Document should be directed to the Company Secretary by telephone on +61 3 9286 7500.

5. DEFINED TERMS

\$ or AUD means Australian dollar.

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

Application Monies means monies payable by Applicants in respect of their Applications.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as appropriate.

ATO means the Australian Taxation Office.

Board means the board of Directors.

Closing Date means the closing date of the Offer being 5.00pm (AEST) on Wednesday, 28 May 2014 (subject to the Corporations Act, Listing Rules and the right of the Company to vary the date without notice).

Company or Bluestone means Bluestone Global Limited (ACN 009 296 324).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for 1 New Share for every Share held by an Eligible Shareholder on the Record Date and as set out in the Entitlement and Acceptance Form and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

General Meeting means the general meeting convened by the Company which will be held on 16 May 2014.

Gleneagle Nominee Options means the 100,000,000 Options to be issued to Gleneagle Nominees which are subject to Shareholder approval to be obtained during the General Meeting.

Gleneagle Nominees means Gleneagle Securities Nominees Pty Ltd (ACN 150 259 877) in the capacity as the trustee for The Gleneagle Nominees Investment Unit Trust A.

Guildford Receivable means the \$9,000,000 contingent receivable being part of the consideration to be received from Guildford Coal Ltd for the sale by ResCo of its interest in Springsure with such consideration being sold to Gleneagle Nominees.

Ineligible Foreign Shareholder means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand.

Issue Price means 0.8 cents per New Share.

Listing Rules means the listing rules of the ASX.

Loan means the loan of \$4 million provided by Loan Noteholders to the Company.

Loan Noteholders means the parties who provided the Loan to the Company.

Loan Options means the 400,000,000 Options to be issued to the Loan Noteholders which are subject to Shareholder approval to be obtained during the General Meeting.

New Shares means the Shares proposed to be issued pursuant to this Offer.

Notice of Meeting means the notice convening the General Meeting.

Offer means non-renounceable pro rata offer of New Shares on the basis of 1 New Share for every Share held on the Record Date at the Issue Price pursuant to this Offer Document.

Offer Document means this Offer Document dated 8 May 2014.

Opening Date means the opening date of the Offer being Monday, 19 May 2014 (subject to the Corporations Act, the Listing Rules and the right of the Company to vary the date without notice).

Option means an unlisted option to subscribe for Shares.

Put Option means the option held by Gleneagle Nominees to sell the Guildford Receivable back to the Company with further details set out in the Notice of Meeting.

ResCo means ResCo Projects Pty Ltd (ACN 138 362 884).

Record Date means 5.00pm (AEST) on Wednesday, 14 May 2014.

Section means a section of this Offer Document.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Security Transfer Registrars Pty. Limited (ACN 008 894 488).

Shortfall and **Shortfall Shares** means those New Shares under the Offer not applied for by Shareholders pursuant to the Offer Document by the Closing Date.

Shareholder means a holder of Shares.

Tiga means Tiga Trading Pty Limited (ACN 118 961 210).

Valdez means Valdez Group Pty Limited (ACN 164 282 455) as trustee of the VC Unit Trust.

6. CORPORATE DIRECTORY

DIRECTORS

Mr Andrew Plympton (*Chairman*)

Mr Tony Leibowitz (*Non-Executive Director*)

Mr Stephen Sasse (*CEO and Executive Director*)

Mr Alan Fisher (*Non-Executive Director*)

COMPANY SECRETARY

Ms Sophie Karzis

REGISTERED OFFICE

Level 2, 420 St Kilda Road
Melbourne Victoria Australia 3004

Head Office Telephone: +61 3 9685 4400

Head Office Fax: +61 3 9696 5451

WEBSITE

<http://www.bglcorporate.com>

SHARE REGISTRY

Security Transfer Registrars Pty. Limited
770 Canning Highway
Applecross, Western Australia, Australia, 6153

Telephone: +61 8 9315 2333