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ASX Announcement

23 January 2014

CARABELLA
RESOURCES LIMITED

TAKEOVER BID BY WEALTH MINING PTY LTD FOR CARABELLA RESOURCES LIMITED

FIRST SUPPLEMENTARY TARGET'S STATEMENT

We enclose, by way of service pursuant to paragraph 647(3)(b) of the Corporations Act 2001 (Cth), Carabella Resources Limited's first supplementary target's statement dated 23 January 2014 in relation to the off market takeover bid by Wealth Mining Pty Ltd for all the ordinary shares in Carabella.

Yours sincerely



Kylie Anderson
Company Secretary

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Carabella Resources Limited

ACN 143 355 471

First Supplementary Target's Statement

1 Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Carabella Resources Limited ACN 143 355 471 (**Carabella**) in relation to the off-market takeover bid for all the ordinary shares in Carabella by Wealth Mining Pty Ltd ACN 162 884 068 (a wholly owned subsidiary of China Kingho Energy Group) (**Wealth Mining**).

This First Supplementary Target's Statement supplements, and should be read together with, Carabella's target's statement dated 3 January 2014 (**Original Target's Statement**).

2 Change of Control and reconstitution of Carabella board

As announced by Carabella on 21 January 2014, Wealth Mining (pursuant to its announcement on 20 January 2014) has achieved a relevant interest of greater than 50% in Carabella (**Change of Control**).

As set out in that same announcement, in light of the Change of Control and Wealth Mining's now substantial holding in the Company:

- each of Messrs Amer, Addison, Fidock, Kidston and Quin tendered their resignations as directors on 21 January 2014;
- Mr. Quin will remain as Chief Executive Officer of Carabella; and
- as agreed by Carabella and Wealth Mining under the terms of the takeover bid implementation agreement dated 24 December 2013, the appointment of the nominees of Wealth Mining, being Messrs Hutchinson, Shen, and Cheong, as directors of Carabella was approved and became effective at the time of the aforementioned resignations.

3 Wealth Mining loan to Carabella

As discussed in section 10.3 of the Original Target's Statement, in addition to the board changes set out in section 2 above, the Change of Control triggered a payment obligation under Definitive Documents. Specifically, Mr Christopher Wallin was entitled to be paid approximately $8 million pursuant to the Definitive Documents.

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As announced by Carabella on 21 January 2014, on request by Carabella, Wealth Mining agreed to loan Carabella approximately $8 million in order that Carabella could meet its obligations under the Definitive Documents. Wealth Mining advanced the required amount to the Carabella on 21 January 2014 in order to facilitate Carabella making of this payment.

The loan from Wealth Mining to Carabella was provided on the basis that it may only be used to pay the amount due under the Definitive Documents and is repayable within 30 days of written demand by the Wealth Mining (subject to Wealth Mining not being able to give such a payment demand notice if to do so would result in Carabella becoming insolvent as a consequence of that demand being made).

4 Timetable and process

The takeover offer by Wealth Mining is scheduled to close at 7.00om (Sydney time) on 29 January 2014 (unless extended).

Carabella Shareholders who have any questions in relation to the takeover bid, or who would like another acceptance form, should call the shareholder information line on 1300 309 589 (for callers within Australia) or +61 2 8022 7902 (for callers outside Australia).

5 Other notices

Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning as in this First Supplementary Target's Statement.

This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of Carabella Resources Limited following a resolution of the directors of Carabella Resources Limited.

Yours sincerely



Kylie Anderson

Company Secretary

Date: 23 January 2014