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Case Fact:

The facts of this case are inspired from a real case. The names of the parties involved, company names, countries, and all other related information in this case are fictitious and used solely for the purpose of the arbitration moot competition. If any of the related information in this case exists in reality, it has no connection with the current case.

For the purpose of the arbitration moot competition, the following facts of the case are agreed upon by both parties.

1. Redania is a country with abundant mineral resources. Since the 21st century, the Redania government has enacted mining laws and regulations to promote its economic development meanwhile attract foreign investment in the country's mining industry.

2. In 2005, the Mining Law was officially promulgated, according to the law, both domestic and foreign companies can apply for exploration licenses to the Redanian mining authority for mining blocks that have been made available for exploration by the government. Once the corresponding license was obtained, the company can carry out the related mineral exploration in the corresponding mining block.

3. On November 19th, 2008, a Redania citizen named Darn Rowa registered a company named Desmond Energy Ltd. in Redania, which engaged in coal mining industry in the country. On December 10th of the same year, Desmond Energy Ltd. obtained exploration licenses for 11 coal mining blocks, identified as EPC 001-011, in a coal mining auction held in Redania. Due to the shareholding structure of Desmond

Energy Ltd., both GES company and CBS company, which were shareholders of Desmond Energy Ltd., were the ultimate beneficiaries of the 11 mining rights.

4. Coal mining requires a significant amount of capital investment and the corresponding exploration technology to determine the coal reserves in the mining area. In early 2011, Desmond Energy Ltd. globally promoted these 11 coal mining blocks and sought cooperation with large enterprises that had comprehensive capabilities in exploration, resource evaluation, financing, and market development to jointly explore and develop these resources. *(The excerpt of promotion materials distributed by Desmond Energy Ltd is annexed hereto and marked as Exhibit I).*

5. Attracted by the excellent mineability and enormous economic value of the mining blocks promoted by Desmond Energy Ltd., Mine Hunting Ltd. and Coal Investment Ltd., both large private mining companies from Temeria, began negotiations with Desmond Energy Ltd. to explore feasible ways to explore such mining blocks.

6. At the same time, in order to ensure the mineability and economic value of the investment mining blocks, Mine Hunting Ltd. and Coal Investment Ltd. entrusted SKP Consulting Ltd. to conduct a very preliminary exploration of the related 11 mining blocks before making a formal investment. The exploration results recorded that the total coal reserves in the target mining blocks were approximately 12.16 billion tons. Mine Hunting Ltd. and Coal Investment Ltd. were very satisfied with the results and decided to proceed with the mineral development cooperation with Desmond Energy Ltd.

7. On **March 9th, 2011**, Mine Hunting Ltd. and Coal Investment Ltd. entered into a **Framework** Agreement with Desmond Energy Ltd. According to the Framework Agreement, Mine Hunting Ltd. and Coal Investment Ltd. will establish a joint venture company as buyer to purchase shares of Desmond Energy Ltd and

further restructure the shares of Desmond Energy Ltd. through cash increase. All mining blocks will be explored by the restructured Desmond Energy Ltd. (*The excerpt of the Framework Agreement is annexed hereto and marked as Exhibit II*).

8. On October 15th, 2011, Mine Hunting Ltd., Coal Investment Ltd., Desmond Energy Ltd., and Darn Rowa entered into an Investment Agreement, which stipulated that Desmond Energy Ltd. would transfer the exploration licenses for the 11 coal mining blocks it owned to the joint venture company established by Mine Hunting Ltd. and Coal Investment Ltd. (*The excerpt of the Investment Agreement is annexed hereto and marked as Exhibit III*).

9. Specifically, in this investment, the joint venture company established by Mine Hunting Ltd. and Coal Investment Ltd. acted as the buyer to acquire the shares of Desmond Energy Ltd. held by Darn Rowa for a price of 11 million U.S. dollars. In addition, the joint venture company agreed to subscribe for the shares that Desmond Energy Ltd. should issue to the buyer for a price of 55 million U.S. dollars, with payment of the subscription price divided into three installments of 40%, 40%, and 20%. After the acquisition and closing were completed, the buyer will ultimately hold 60% of the shares of the Desmond Energy Ltd.

10. Clause 2.3 of the Investment Agreement also contained the "price adjustment" clause, which uses the "anticipated coal resources" in the appendix to the agreement as the base and refers to the actual exploration results to make specific price adjustments. During the negotiation of this clause, there was a dispute between the parties regarding how the statistics of the "anticipated coal resources" in the appendix to the agreement should be obtained.

11. Mine Hunting Ltd. and Coal Investment Ltd. proposed to include the mineral reserve exploration results provided by SKP Consulting Ltd., which was entrusted by

the companies before the investment, as the anticipated coal resources in the appendix of the agreement, in order to save coal exploration costs and time.

12. Desmond Energy Ltd. expressed its doubts about the exploration process and results provided by SKP Consulting Ltd. and requested that Mine Hunting Ltd. and Coal Investment Ltd. provide more reference materials on the process of compiling these results. However, Mine Hunting Ltd. and Coal Investment Ltd. were unable to provide detailed reference materials to Desmond Energy Ltd., claiming that the report was compiled more than a year ago and some of the data was lost.

13. After several rounds of negotiations with Mine Hunting Ltd. and Coal Investment Ltd., and also based on the confidence in the coal reserves of the 11 mining blocks, Desmond Energy Ltd. ultimately agreed to include the mineral reserve exploration results provided by SKP Consulting Ltd., as the anticipated coal resources in the appendix of the agreement.

14. On April 2nd, 2012, Mine Hunting Ltd. and Coal Investment Ltd. established a joint venture company named Joint Exploration Ltd. in Redania, with a capital contribution ratio of 6:4. This joint venture company acted as the buyer under the Investment Agreement.

15. Due to the shareholding structure of Desmond Energy Ltd., GES company and CBS company were the ultimate beneficiaries of the 11 mining rights under the Investment Agreement. **On April 12th, 2012, Desmond Energy Ltd. acquired the rights of GES company and CBS company through a share acquisition.**

16. To further confirm the ultimate ownership of the mining rights, Mine Hunting Ltd., Coal Investment Ltd., Desmond Energy Ltd., and Darn Rowa entered into an Amendment Agreement on April 20th, 2012, which modified the share acquisition under the original Investment Agreement. Pursuant to the

Amendment Agreement, Darn Rowa is bound to transfer all of its shares in Desmond Energy Ltd. to Joint Exploration Ltd for 1 million U.S. dollars, while GES company and CBS company will transfer their shares in Desmond Energy Ltd. to Joint Exploration Ltd for 5 million U.S. dollars respectively. And the 55 million subscription price owed to Desmond Energy Ltd by the joint venture company remains unchanged.

17. After completion of the closing, Joint Exploration Ltd. will ultimately hold 60% of the shares of Desmond Energy Ltd., while GES company and CBS company will respectively hold 20% of the shares of Desmond Energy Ltd. *(The excerpt of the Revised Agreement is annexed hereto and marked as **Exhibit IV**)*

18. On **April 20th, 2012**, Mine Hunting Ltd., Coal Investment Ltd., Desmond Energy Ltd., Darn Rowa, Joint Exploration Ltd., GES, and CBS entered into a Supplementary Agreement regarding the above matters. *(The excerpt of the Supplementary Agreement is annexed hereto and marked as **Exhibit V**)*.

19. On the same day, Joint Exploration Ltd. **paid** the subscription price of 11 million U.S. dollars to GES, CBS, and Darn Rowan for the shares of the Desmond Energy Ltd. they held. At the same time, Joint Exploration Ltd. paid 40% of the first installment of the subscription price, which is 22 million U.S. dollars, to Desmond Energy Ltd., and the remaining two installments of the subscription price have not been paid yet. The "closing" stipulated in Clause 2.4 of the Investment Agreement has been completed.

20. After a period of exploration and actual investigation, Mine Hunting Ltd., Coal Investment Ltd., and Joint Exploration Ltd. discovered significant discrepancies between the coal reserves explored in each block and the reserves stated in the Investment Agreement. Such issue has not been properly resolved despite multiple negotiations with Desmond Energy Ltd.

21. On December 5th, 2014, Joint Exploration Ltd. entrusted its lawyer to send a notice of resource adjustment to Desmond Energy Ltd., GES, CBS, and Darn Rowa, requesting a resolution to the problem of insufficient reserves. However, no appropriate response was received.

22. On November 20th, 2015, Joint Exploration Ltd. once again entrusted its lawyer to send a notice of price adjustment to Desmond Energy Ltd., GES, CBS, and Darn Rowan, requesting the board of directors of Desmond Energy Ltd. to conduct a geological resource assessment in accordance with the clause **2.3(c)** of the Investment Agreement and make price adjustment accordingly on the basis of the clause 2.3(a).

23. On June 30th, 2016, the board of directors of Desmond Energy Ltd. passed a resolution to entrust a third-party geological exploration institution selected by the Evaluation Center to prepare a survey report on the 11 EPC mining block and later to review the geological survey report.

24. Due to the vast area and extremely complex geological structure of the 11 EPC blocks, the cost of geological exploration far exceeded the initial estimates of Desmond Energy Ltd. Furthermore, Joint Exploration Ltd. only paid the first installment of 40%, which is 22 million U.S. dollars of the subscription price, such price was used for mineral exploration expenses according to clause 2.3.2 of the Framework Agreement, the geological exploration project was faced with the risk of suspension due to insufficient funds.

25. To control the required funds for mineral exploration and to quickly determine the mineral reserves in the 11 blocks, the board of directors of Desmond Energy Ltd. (three of the five directors were appointed by Joint Exploration Ltd.) decided to adjust the originally planned comprehensive exploration program to a

preliminary and rough exploration plan, and to prepare a geological exploration report as soon as possible.

26. On November 11th, 2016, the third-party geological exploration institution prepared a preliminary survey report on the 11 EPC block, the report stated that after preliminary exploration, the coal resource reserves in the 11 EPC mining areas were estimated to be 6.28 billion tons. This figure is much lower than the expected coal reserve resources of approximately 12.16 billion tons for the 11 blocks shown in the Investment Agreement appendix.

27. Some shareholders of Desmond Energy Ltd. expressed doubts in accepting the exploration results. They stated that after the conclusion of the Investment Agreement, Mine Hunting Ltd. and Coal Investment Ltd. failed to urge Joint Exploration Ltd. to pay the full amount of subscription price for the additional investment, and continued to obstruct the exploration work in the relevant mining areas, which resulted in the insufficient exploration in the mining areas. Considering the difficulty and lengthy duration of mineral exploration, the price adjustment mechanism may only be triggered after Joint Exploration Ltd. has fully paid the subscription price and conducted sufficient and thorough exploration work.

28. Mine Hunting Ltd. and Coal Investment Ltd. reckoned that the full payment of the subscription fee is not directly related to the final evaluation of the resource reserve of the 11 EPC block, and that the price adjustment condition has already been satisfied. Therefore, Desmond Energy Ltd. should pay the corresponding price adjustment fee.

29. In addition, based on the exploration results provided by the third-party geological exploration institution, Mine Hunting Ltd. and Coal Investment Ltd. claimed that Desmond Energy Ltd. made false statements during the agreement negotiation and performance. The coal reserve of the 11 mining areas promoted by

Desmond Energy Ltd. was seriously inconsistent with the actual exploration results, which constituted contractual fraud.

30. Mine Hunting Ltd. and Coal Investment Ltd. insisted that Desmond Energy Ltd.'s false statements and guarantees regarding the coal resources, as well as their refusal to carry out price adjustments according to the Investment Agreement, have resulted in the fundamental breach of the Investment Agreement, rendering the contract purpose unable to be achieved for Mine Hunting Ltd. and Coal Investment Ltd.

31. Desmond Energy Ltd. maintained that coal mining investment itself is a high-risk investment that inherently carries significant commercial risks. Desmond Energy Ltd. never mentioned or guaranteed the specific mineral reserves contained in the mining blocks during the promotion process. On the contrary, the expected coal resources stated in the Investment Agreement appendix were entirely provided by Mine Hunting Ltd. and Coal Investment Ltd., and Desmond Energy Ltd. had expressed doubts about such reserves.

32. Desmond Energy Ltd. held that it never made any false statements, and the triggering conditions of the price adjustment clause in the Investment Agreement have not been met. In this regard, Mine Hunting Ltd. and Coal Investment Ltd. should continue to pay their second and third installment of equity subscription funds to support the full and comprehensive exploration of the mineral blocks.

33. On December 12th, 2017, due to the serious delay in entering the mining stage and the significant amount of funds expended on initial mineral exploration, Desmond Energy Ltd.'s continued operation has faced practical difficulties. GES and CBS filed a lawsuit with the Supreme Court of Redania, requesting that Desmond Energy Ltd. enter into bankruptcy proceedings.

34. On May 8th, 2018, the Supreme Court of Redania issued an order to dissolve Desmond Energy Ltd. and appointed a liquidator. Desmond Energy Ltd. appealed this decision but on April 3rd, 2019, the appeal was rejected, Desmond Energy Ltd. officially entered into the liquidation proceedings.

35. On December 20th, 2019, Mine Hunting Ltd. and Coal Investment Ltd., as the first and second claimant, filed an arbitration application with China Chongqing Liangjiang International Arbitration Center (CCLIAC) against Desmond Energy Ltd. as the respondent, based on the dispute resolution clause stipulated in the Investment Agreement.

36. On December 25th, 2019, Mine Hunting Ltd. and Coal Investment Ltd. requested the joinder of Joint Exploration Ltd. as the third claimant to the arbitration proceedings with CCLIAC, based on Article 35 of the CCLIAC Rules.

37. Mine Hunting Ltd. and Coal Investment Ltd. claimed that in this transaction, the Framework Agreement, Investment Agreement, Amended Agreement, and Supplementary Agreement together constitute the complete agreement of the transaction. Joint Exploration Ltd., as the purchaser of shares of Desmond Energy Ltd. in the Framework Agreement, Investment Agreement and Amendment Agreement, and thus the major shareholder of Desmond Energy Ltd., has *de facto* become a contract party who is bound by the Investment Agreement by signing the Supplementary Agreement and, according to the Investment Agreement, Desmond Energy Ltd. has a monetary return obligation to Joint Exploration Ltd.

38. Desmond Energy Ltd. opposed the joinder of Joint Exploration Ltd. Desmond Energy Ltd. submitted that Joint Exploration Ltd. is not a signatory of the Investment Agreement, and that the Supplementary Agreement is essentially independent of the other agreements. Therefore, there is no legal basis for Joint Exploration Ltd. to join the current arbitration proceedings.

39. On February 6th, 2020, the liquidator of Desmond Energy Ltd. issued a notice indicating that the 11 blocks under the company's name were being publicly sold.

40. Considering the slow progress of arbitration proceedings and the uncertain financial status of Desmond Energy Ltd due to its operation plight. Mine Hunting Ltd. and Coal Investment Ltd. formally applied to the arbitral tribunal for preservation measures and interim measures, for ensuring the enforceability of any potential favorable arbitral award and costs in relation to the arbitration, pursuant to Article 21 and 23 of the CCLIAC Rules. Corresponding demand letter has also been sent to Desmond Energy Ltd. *(A copy of the Demand Letter is annexed hereto and marked as **Exhibit VI**).*

41. Desmond Energy Ltd. held that the 11 mineral blocks it owns have significant economic value, that Mine Hunting Ltd. and Coal Investment Ltd. have no chance of prevailing in the arbitration proceedings. Therefore, Desmond Energy Ltd. submitted that Mine Hunting Ltd. and Coal Investment Ltd.'s application for preservation measures and interim measures has no factual and legal basis. The corresponding demand letter was sent to Mine Hunting Ltd. and Coal Investment Ltd. *(A copy of the Demand Letter is annexed hereto and marked as **Exhibit VII**).*

42. On July 11th, 2020, the arbitral tribunal held its first hearing on the case at the China Chongqing Liangjiang International Arbitration Center.

As claimant

1. Procedural Issues

A. Mine Hunting Ltd. and Coal Investment Ltd. respectfully request the arbitration tribunal to permit Joint Exploration Ltd. to join in the arbitration as the third claimant to the arbitration.

B. Mine Hunting Ltd. and Coal Investment Ltd. respectfully request the arbitration tribunal to permit the application for preservation measures and interim measures.

2. Substantive Issues

C. Mine Hunting Ltd. and Coal Investment Ltd. respectfully request the arbitration tribunal to support their claim that the conditions stipulated in the Price Adjustment Clause in the Investment Agreement have been satisfied.

D. Mine Hunting Ltd. and Coal Investment Ltd. respectfully request the arbitration tribunal to support their claim that the behavior of respondent in this case constitutes false statement and contractual fraud and further results in the fundamental breach of the contract.

As respondent

1. Procedural Issues

A. Desmond Energy Ltd. respectfully request the arbitration tribunal to reject Joint Exploration Ltd. to join in the arbitration as the third claimant to the arbitration.

B. Desmond Energy Ltd. respectfully request the arbitration tribunal to reject the claimant's application for preservation measures and interim measures.

2. Substantive Issues

C. Desmond Energy Ltd. respectfully request the arbitration tribunal to support its claim that the conditions stipulated in the Price Adjustment Clause in the Investment Agreement have not been satisfied.

D. Desmond Energy Ltd. respectfully request the arbitration tribunal to support its claim that its behavior in this case constitutes no false statement and contractual fraud.

Note to Contestants

(1) Country Redania is an underdeveloped member of ASEAN, and Country Temeria, the world's largest developing country, requires large imports of energy and minerals with its rapid economic and social development. Both Redania and Temeria are member states of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (“New York Convention”). With respect to the legal system and laws of Country Temeria, candidates can refer to the People's Republic of China just for the purpose of this moot arbitration competition.

(2) Contestants are expected to do the legal writing and advocacy relying mainly on statutes. They may use cases, judgments, law reports, or academic theories to prepare their positions or arguments.

EXHIBIT I

Desmond Energy Ltd Mining Blocks Global Promotion

The high-quality mining areas within Redania with abundant reserves, excellent extractability, and enormous economic value.

The Gaberli Basin (where the EPC01-EPC05 mining areas are mainly located) is the world's largest undeveloped coal basin. The existence of coal resources has been discovered in this area. The Baowen Basin (where the EPC06-EPC011 mining areas are mainly located) is a world-renowned primary coking coal area with all mature and sufficient geological and exploration data.

Desmond Energy Ltd is in progress to collaborate with the large enterprises that have comprehensive capabilities in exploration, resource assessment, financing, and market development to jointly explore and develop these resources.

The coal seam thickness in the EPC01 area reaches 50 meters, indicating predicted reserves with more than 4.5 billion tons. The predicted coking coal resources in EPC02 are over 180 million tons, and EPC03 indicates over 700 million tons of resources. The EPC04 area, with a predicted reserves with over 300 million tons, is located approximately 12 kilometers from the existing coal railway line and less than 250 kilometers from the port. Seismic data confirms the existence of the Langge coal series in the northern section of the EPC05 project. The EPC06 project is located in the northwest of the Baowen Basin and covers an area of approximately 31 square kilometers, containing the COLLINSVILLE coal series strata. Geological mapping indicates that the coal series strata are gently inclined to the east and have potential for open-pit mining. Three seismic profile lines in the EPC07, 08, and 09 project areas confirm the existence of the Langge coal series with predicted reserves with no less than 20 billion tons. The target coal seam in the EPC10 project is the Langge coal series, and the target coal seam in the EPC11 project is the German Gully coal series. Geological, seismic, and drilling data have been collected in some of the mining areas or in the surrounding areas.

The EPC01-EPC11 mining areas are among the few high-quality coal mining areas in Redania that have not yet been developed. Desmond Energy Ltd. is confident in the estimated coal resources of EPC01-EPC011 mining areas, and that if developed, it will bring lucrative returns to investors. Desmond Energy Ltd. sincerely invites large enterprises from around the world with the ability and willingness to conduct on-site inspections of the mining areas in Redania, and explore feasible development cooperation plans with Desmond Energy Ltd, in order to expedite mining operations in the mining areas.

EXHIBIT II

Redania Desmond Energy Ltd Coal Resources Framework Agreement for Exploration and Development Cooperation

Mine Hunting Ltd.

Coal Investment Ltd.

Desmond Energy Ltd.

WHEREAS:

1. Desmond Energy Ltd is a private limited liability company engaged in lawful coal resource exploration and development in Redania. The company is registered in Redania and its vision is to conduct standardized exploration of the coal resources within its mining rights areas by introducing partners, and then cooperate with them to establish a large-scale coal production and supply base in Redania.

2. Mine Hunting Ltd. is a limited liability company lawfully established in Temeria with strong capabilities in coal resource exploration.

3. Coal Investment Ltd. is a limited liability company lawfully established in Temeria with strong professional capabilities in coal mining and a complete industrial system for coal development and comprehensive utilization

Mine Hunting Ltd. and Coal Investment Ltd. intend to jointly establish a new company (hereinafter referred to as the "Joint Company") to cooperate with Desmond Energy Ltd on the exploration and development of coal resources in the said area.

On the basis of equality and voluntariness, the three parties have reached the following agreement through consultation:

A. Target Company Overview

[.....]

B. Cooperation Methods

(1) The cooperation is divided into two parts

2.1.1 Mine Hunting Ltd. and Coal Investment Ltd. will jointly establish a new company, which will then cooperate with Desmond Energy Ltd on resource and risk exploration. The proposed registered capital of the Joint Company is USD 300 million, of which Mine Hunting Ltd. will contribute USD 180 million, accounting for 60% of the registered capital, and Coal Investment Ltd. will contribute USD 120 million in cash, accounting for 40% of the registered capital.

2.1.2 The Joint Company will restructure Desmond Energy Ltd by purchasing shares from its shareholders and making cash injections to increase its share capital, thereby expanding its ownership. After the restructuring, the Joint Company will hold 60% of the equity in Desmond Energy Ltd, while the original shareholders of Desmond Energy Ltd will hold 40% of the equity. All mining rights will be explored and developed by the restructured Desmond Energy Ltd.

C. Cooperation Plan with Desmond Energy Ltd

2.3.1 The Joint Company will restructure Desmond Energy Ltd by purchasing a portion of its equity and making additional capital contributions to expand its share capital. The Joint Company will make a cash contribution and the original shareholders of Desmond Energy Ltd will contribute their mining rights valued at USD 55 million. After the restructuring, the total estimated value of Desmond Energy Ltd will be approximately USD 110 million, with the Joint Company contributing USD 66 million and owning 60% of the equity, and the original shareholders of Desmond Energy Ltd realizing USD 11 million and retaining 40% of the equity in the restructured Desmond Energy Ltd after the capital increase.

2.3.2 After obtaining the relevant permit from Temeria, the Joint Company will transfer the first phase of capital contribution (40% of the total capital, approximately USD 22 million) to the account of Desmond Energy Ltd. At the same time, the Joint Company will transfer USD 11 million to the designated account of the original shareholders of Desmond Energy Ltd to acquire 20% of their equity. Within 10 working days of receiving these two payments, the legal registration of the shareholders of Desmond Energy Ltd will be changed to 60% owned by the Joint Company and 40% owned by the original shareholders of Desmond Energy Ltd.

The second phase of capital contribution (40% of the total capital, approximately USD 22 million) will be transferred to the account of Desmond Energy Ltd within 12 months after the shareholder change is completed in Desmond Energy Ltd.

The third phase of capital contribution (20% of the total capital, approximately USD 11 million) will be transferred to the account of Desmond Energy Ltd within 24 months after the shareholder change is completed in Desmond Energy Ltd.

2.3.3 Commitment The capital contribution will be used as exploration expenses for Class I and Class II mining rights. The Joint Company promises to advance the exploration expenses if such expenses are insufficient, and these will be treated as liabilities of Desmond Energy Ltd to the Joint Company. During the exploration phase, regardless of the amount of investment, the proportion of share ownership of all shareholders will remain unchanged.

Desmond Energy Ltd promises that all mining rights under this agreement will be transferred to its name in accordance with the procedures.

Desmond Energy Ltd promises that its board of directors will pass a resolution approving the transfer of equity by shareholder vote before signing the detailed contract text. If the shareholder vote fails to pass, it will be considered a breach of contract by Desmond Energy Ltd.

2.3.4 Corporate Governance Structure Desmond Energy Ltd has a board of directors and a supervisory board. The board of directors is composed of five members, with the Joint Company nominating three directors. The supervisory board is composed of three members, with the Joint Company nominating two members. The chairman of the board of directors is selected from the nominees proposed by the Joint Company, while the chairman of the supervisory board is

selected by the original shareholders of Desmond Energy Ltd from among their nominated members.

The company's management team consists of a CEO, a COO, a CFO, and so on. The CEO is recommended by the Joint Company, the COO is recommended by the original shareholders of Desmond Energy Ltd, and the CFO is recommended by the Joint Company. All members of the management team must be appointed by the board of directors.

The rights, obligations, and rules of procedure of the board of directors, supervisory board, and CEO shall be determined through negotiation between the parties and shall be clearly stated in the updated company bylaws after the capital increase.

[.....]

3.2 In addition, a tripartite bank joint account will be established, and each party will deposit USD 10 million as a guarantee for the cooperation.

3.3 Starting from the effective date of this agreement, on the first day of the fourth month, Desmond Energy Ltd can withdraw USD 5 million from its guarantee deposit and invest it in the exploration of Class I and Class II mining rights projects. On the first day of the seventh month, Desmond Energy Ltd can withdraw an additional USD 5 million from its guarantee deposit for the exploration of Class I and Class II mining rights projects. Mine Hunting Ltd. will have priority in conducting geological exploration work under equal conditions during the project implementation.

3.4 Starting from the effective date of this agreement, Desmond Energy Ltd shall provide a detailed breakdown of the costs for further investment in these relevant

mining blocks which shall be subject to the approval of the Joint Company. At the time of equity transfer, the above-mentioned costs incurred in the initial investment shall be reimbursed to the original shareholders of Desmond Energy Ltd by the restructured Desmond Energy Ltd.

3.5 Between the signing of this agreement and the equity transfer, Desmond Energy Ltd plans to invest approximately USD 10 million in exploration work for Class I and Class II mining rights. The Joint Company promises that in the event that the cooperation fails due to reasons attributable to the Joint Company (including government policies and legal restrictions), the Joint Company will compensate Desmond Energy Ltd for 60% of the actual investment made by Desmond Energy Ltd in the exploration work for Class I and Class II mining rights.

3.6 After the equity transfer and the restructuring of Desmond Energy Ltd are completed, geological exploration work within the company's exploration area will be given priority to Mine Hunting Ltd. under equal conditions.

[.....]

E. Supplementary and Amendment of the Agreement

6.1 This agreement constitutes the basic framework for the tripartite cooperation and provides the foundation for the tripartite cooperation. Within this framework, the three parties will further negotiate the cooperation details according to actual needs and form and sign a formal cooperation agreement.

6.2 Matters not covered in this agreement will be specified in the formal cooperation agreement.

6.3 Mine Hunting Ltd. may transfer its rights and obligations under this agreement to its subsidiary holding company, but it must provide written notice to the other parties in advance.

[.....]

I. Governing Law and Dispute Resolution

Any dispute arising from and/or related to this Agreement shall be resolved first by friendly consultation between the parties.

After consultation and where the dispute remains unresolved, any party can submit the dispute to the China Chongqing Liangjiang International Arbitration Center Arbitration (CCLAC) for arbitration in accordance with the China Chongqing Liangjiang International Arbitration Center Arbitration Rules (CCLIAC Rules) in force when the Notice of Arbitration is submitted.

The laws of Country Temeria govern all matters arising under and relating to this Agreement.

The language of the arbitration shall be English.

The arbitral tribunal shall consist of three members to be appointed in accordance with the CCLIAC Rules.

The award of the arbitral tribunal shall be final and binding upon the parties.

EXHIBIT III

Mine Hunting Ltd.

And

Coal Investment Ltd.

And

Desmond Energy Ltd.

And

Darn Rowa (Seller)

INVESTMENT AGREEMENT RELATING TO

Desmond Energy Ltd.

RECITALS

WHEREAS Desmond Energy Ltd is a company incorporated under the laws of Redania and wholly owned by the Seller;

WHEREAS, Mine Hunting Ltd is a major coal miner in the international mining industry;

WHEREAS, Coal Investment Ltd is a leading geological institution;

WHEREAS, in March, 2011, Mine Hunting and Coal Investment Ltd, Desmond Energy Ltd signed a binding cooperation framework agreement (“CFA”) and subject to and on the terms of this CFA and the further documents referred to in it, Mine Hunting and Coal Investment Ltd shall incorporate a **joint venture** in a relevant jurisdiction and/or other proper acquisition vehicle (the “Purchaser”) to acquire two hundred thousand (200,000) fully paid shares (the “Acquisition Shares”) in Desmond Energy Ltd owned by the Seller for an acquisition price of ~~Dollars eleven million~~ (USD 11,000,000) on a fully diluted basis and subscribe for additional one million (1,000,000) ordinary shares (the “Subscription Shares”) that Desmond Energy Ltd shall issue directly to the Purchaser on a fully diluted basis for a subscription price of Dollars fifty-five million (USD 55,000,000) by installments and upon the closing of the transaction contemplated in this Agreement, the Purchaser will ultimately own 60% of issued and outstanding shares in Desmond Energy Ltd;

删除[ASUSU]:

WHEREAS, the Seller shall procure both GES and CBS to transfer all their exploration permits for coal (including any renewals or replacements thereof) to Desmond Energy Ltd before the closing of the transaction contemplated in this Agreement and transfer the remaining exploration permits for coal (including any renewals or replacements thereof) to Desmond Energy Ltd before the Second

Payment of the transaction contemplated in this Agreement, and finally, the Seller shall procure Desmond Energy Ltd to be the legal, beneficial and record owner of all exploration permits before the Second Payment of the transaction contemplated in this Agreement;

WHEREAS, simultaneously at the closing of the transaction contemplated in this Agreement, the Seller will re-distribute or transfer his remaining eight hundred thousand (800,000) ordinary share in Desmond Energy Ltd to two entities, in either of which the Seller directly owns an over 50% equity interest and has a full control (the “Redistribution at the Closing”);

NOW, THEREFORE, in consideration of the mutual promises and subject to the terms and conditions herein set forth, the Parties hereto hereby agree as follows:

AGREEMENT

[.....]

SECTION 2 SUBSCRIPTION

2.1 Share Acquisition and Acquisition Price

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, the Seller shall sell the Acquisition Shares, free from Encumbrance, to the Purchaser and the Purchaser shall purchase such Acquisition Shares.

(b) Subject to the terms and conditions set forth herein, the acquisition price for the Acquisition Shares shall be Eleven Million Dollars (USD11,000,000) (the “Acquisition Price”).

2.2 Shares Subscription and Subscription Price

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Desmond Energy Ltd shall and the Seller shall procure that Desmond Energy Ltd shall issue the Subscription Shares, free from Encumbrance, to the Purchaser and the Purchaser shall subscribe for the Subscription Shares.

(b) Subject to the terms and conditions set forth herein, the subscription price for the Subscription Shares shall be fifty-five million Dollars (USD 55,000,000) (the “Subscription Price”), collectively with the Acquisition Price, (the “Initial Consideration”) and the payments of the Subscription Price shall include three installments: (i) 40% of the Subscription Price for the first installment; (ii) 40% of the Subscription Price for the second installment; and (iii) 20% of the Subscription Price for the third installment.

2.3 Price Adjustment

(a) The Initial Consideration shall be adjusted following the Closings as follows:

(i) if the Geological Resources Amount is less than 90% of the Basic Resource Amount for any of the exploration permits for coal set forth in the schedule headed by “EPCs”, by deducting the amount calculated based on the formula below, subject to a maximum deduction of 70% of the Benchmark Price of that permit

- the Benchmark Price for that permit *(90% of the Basic Resource Amount - Geological Resources Amount)/ the Basic Resource Amount.

(ii) if the Geological Resources Amount is more than 120% of the Basic Resource Amount for any of the exploration permits for coal set forth in the schedule headed by “EPCs”, by adding the amount calculated based on the formula below, subject to a maximum addition of 20% of the Benchmark Price of that permit

- the Benchmark Price for that permit (Geological Resources Amount-120% of the Basic Resource Amount)/ the Basic Resource Amount.

(b) If as a result of such adjustment:

(i) the amount of the Initial Consideration is increased, the Purchaser shall pay to Desmond Energy Ltd in cash a sum equal to that increase without any change to the Purchaser’s shareholding in Desmond Energy Ltd or

(ii) the amount of the Initial Consideration is decreased, Desmond Energy Ltd shall return to the Purchaser in cash a sum equal to that decrease without any change to the Purchaser’s shareholding in Desmond Energy Ltd; or

(c) Any such payment or transfer shall be made within five (5) Business Days following the day on which the Geological Resources Amount for any of the exploration permits for coal set forth in the schedule headed by “EPCs” has been finally determined by a third party selected by the Minerals Resources Reserve Appraisal Center and Resources authorized by the board of Desmond Energy Ltd.

(d) if subject to a supermajority board approval of Desmond Energy Ltd , Desmond Energy Ltd finally determines to not pursue any mine activities for any reasons in relation to any of exploration permits for coal set forth in the schedule headed by “EPCs”, Desmond Energy Ltd shall return to the Purchaser in cash a sum equal to the Benchmark Price for that permit multiplying its relevant Discounted

Ratio minus the cost and expenses arising from the exploration activities in the area covered by that permit without any change to the Purchaser's shareholding in Desmond Energy Ltd.

2.4 Closing

Subject to the terms and conditions hereof, the closing shall take place at the offices of [Mine Hunting Ltd's headquarter] at 10:00 a.m. Beijing time on any date within (5) Business Days following the satisfaction or waiver of all the conditions of closing to the obligations of the Parties hereto set forth in the Section 8 or such other date as may be unanimously agreed in writing by the Parties (the "Closing").

(a) Closing: Deliveries by the Seller and Desmond Energy Ltd

At the Closing, the Seller and Desmond Energy Ltd shall deliver or cause to be delivered to Mine Hunting Ltd., Coal Investment Ltd, and the Purchaser:

(i) a true and complete copy, certified by the secretary or an assistant secretary of Desmond Energy Ltd of the resolution duly and validly adopted by the board of directors of Desmond Energy Ltd evidencing their authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby

(ii) a certificate of the secretary or an assistant secretary of Desmond Energy Ltd certifying the names and signatures of its officer to sign this Agreement and other documents to be delivered hereunder and thereunder;

[.....]

(b) Closing Deliveries by the Purchaser

At the Closing, the Purchaser shall deliver to Desmond Energy Ltd and the Seller together:

(i) 40% of the Subscription Price (Twenty-two Million Dollars (USD 22,000,000)) by wire transfer in immediately available funds to the Subscription Bank Account;

(ii) the Acquisition Price by wire transfer in immediately available funds to the Acquisition Bank Account (collectively with the payment of 40% of the Subscription Price in the previous paragraph, the “First Payment”)

[.....]

2.5 Second Payment

Subject to the terms and conditions hereof, both Mine Hunting Ltd., Coal Investment Ltd shall procure the Purchaser to make the second payment of the Subscription Price to Desmond Energy Ltd within twelve (12) calendar months following the Closing and the satisfaction or waiver of all the conditions set forth in the Section 9.1 or such other date as may be unanimously agreed in writing by the Parties (the “Second Payment”).

[.....]

(b) Second Payment Deliveries by the Purchaser

At the Second Payment, the Purchaser shall deliver to Desmond Energy Ltd 40% of the Subscription Price (Twenty-two Million Dollars (USD 22,000,000)) by wire transfer in immediately available funds to the Subscription Bank Account.

2.6 Third Payment

Subject to the terms and conditions hereof, both Mine Hunting Ltd., Coal Investment Ltd shall procure the Purchaser to make the third payment of the Subscription Price to Desmond Energy Ltd within twelve (12) calendar months following the Second Payment and the satisfaction or waiver of all the conditions set forth in the section 10.1 or such other date as may be unanimously agreed in writing by the Parties (the “Third Payment”).

[.....]

(b) Third Payment Deliveries by the Purchase

At the Third Payment, the Purchaser shall deliver to Desmond Energy Ltd 20% of the Subscription Price (Eleven Million Dollars (USD 11,000,000)) after deducting any outstanding amount caused by the price adjustment reduction to the Initial Consideration set forth in Section 2.3 (if any) by wire transfer in immediately available funds to the Subscription Bank Account.

[.....]

3.7 Exploration Permits for Coal

The schedule headed by “EPCs” contains a complete list of all exploration permits for coal to be transferred to Desmond Energy Ltd and details of such permits listed in the schedule headed by “EPCs” are accurate and correct without misleading.

All exploration permits for coal set forth in part one of the schedule headed by “EPCs” is in full force and effect, valid and in good standing and the Seller is not aware, to the best of the Seller’s knowledge and belief, of any circumstances that

could lead to the cancellation, termination or non-renewal or non-extension of such permits.

[.....]

SECTION 6 AGREEMENTS REGARDING DESMOND ENERGY LTD

6.1 Board of Directors

(a) As soon as practicable following the Closing, each Party agrees to vote all of its shares, and Desmond Energy Ltd agrees to take all necessary measures, in order to carry out the agreements set forth in this Section 6.1, including, but not limited to, amending Desmond Energy Ltd articles of association to be consistent with the terms of this Agreement, and to prevent any action by each Party that is inconsistent with such agreements.

(b) Size of Board. Initially, the Board shall consist of five (5) directors and the quorum should consist of three (3) directors (at least including one appointed by the Seller and one appointed by the Purchaser).

(c) Composition of Board. The number of Persons a shareholder may designate for nomination to serve as a director shall be subject to the following rules: (i) the Purchaser shall be entitled to designate three (3) Persons, (ii) remaining shareholders of Desmond Energy Ltd shall be entitled to designate two (2) Persons.

(d) Nomination and Election of Directors. The shareholders shall act to elect the nominees as directors as soon as practicable at a shareholders' meeting to be held hereafter. Hereafter, the shareholders shall make the nominations to which they are entitled hereunder not later than thirty (30) Business Days prior to each shareholders'

meeting of Desmond Energy Ltd, and the Board shall be elected at such meeting in accordance herewith.

[.....]

SECTION 7 ADDITIONAL AGREEMENTS

7.1 Coordination

The Seller agrees to provide continuous support to Desmond Energy Ltd and assist Desmond Energy Ltd to coordinate with the Redania government and local authorities in relation to its exploration activities.

7.2 Further Funding

The Purchaser agrees to provide or arrange for the financing required for the further exploration and daily operation of Desmond Energy Ltd. In any event, Desmond Energy Ltd shall be the borrower in the financing provided or arranged by the Purchaser for the exploration activities relating to exploration permits for coal as set forth in the schedule headed by “EPCs”.

7.3 Obstacles of Exploration

The Seller agrees that, after the Closing, the Seller shall, and shall procure that the entities who acquire Desmond Energy Ltd’s shares through Redistribution At the Closing shall, fully agree to procure Desmond Energy Ltd to return to the Purchaser in cash a sum equal to the Benchmark Price for that permit multiplying its relevant Discounted Ratio minus expenditure without any change to the Purchaser’s shareholding in Desmond Energy Ltd, provided that Desmond Energy Ltd cannot access or perform its exploration activities in the area covered by any of the exploration permits for coal as set forth in the schedule headed by “EPCs” for the claims arising from or caused by any of overlapping tenements, restricted areas, excluded lands, state forests, conservation parks, or native titles.

[.....]

SECTION 8 CONDITIONS TO CLOSING

8.1 Conditions to the Obligations of All Parties

The respective obligations of each of the Parties to consummate the transaction contemplated hereby shall be subject to the satisfaction of the following conditions:

(a) There shall not (i) be in effect any Law or Governmental Order that makes illegal or enjoins or prevents in any respect the consummation of the transactions contemplated hereby, or (ii) have been commenced, and shall be continuing, or threatened in writing any action or proceeding by any Governmental Authority that seeks to prevent or enjoin in any respect the transactions contemplated hereby.

(b) Any approvals or actions of any Governmental Authority having jurisdictions necessary to lawfully consummate the transactions contemplated hereby shall have been given or taken

(c) Both Mine Hunting Ltd. and Coal Investment Ltd successfully and jointly established or incorporated the Purchaser subject to relevant governmental approvals.

[.....]

SECTION 9 CONDITIONS TO SECOND PAYMENT

The respective obligations of each of the Parties to consummate the Second Payment shall be subject to the satisfaction of the approval from the regulation authority (if needed) acceptable to Mine Hunting Ltd. and Coal Investment Ltd and

the Purchaser for the transfer of the exploration permits for coal as set forth in part two of the schedule headed by “EPC” once they have been officially granted;

[.....]

SECTION 10 CONDITIONS TO THIRD PAYMENT

The obligations of Mine Hunting Ltd. and Coal Investment Ltd and the Purchaser to consummate the Third Payment shall be subject to the fulfillment or written waiver, on or prior to the Third Payment, of each of the following conditions:

(a) Second Payment. The Second Payment has been duly completed.

(b) Representations Warranties and Covenants. (i) the representations and warranties of the Seller and/or Desmond Energy Ltd contained in this Agreement shall be true and correct in all respects as of the date hereof and as of the date of the Closing as if made on that date, and (ii) the covenants and agreements contained herein to be complied with by the Seller and/or Desmond Energy Ltd shall have been complied with in all respects;

(c) Price Adjustment. Any increase or deduction caused by the Price Adjustment set forth in the section 2.3 has been duly settled between the Seller and the Purchaser.

[.....]

SECTION 13 GOVERNING LAW AND DISPUTE RESOLUTION CLASUE

Any dispute arising from and/or related to this Agreement shall be resolved first by friendly consultation between the parties. After consultation and where the dispute

remains unresolved, any party can submit the dispute to arbitration. The arbitration shall be administered by the China Chongqing Liangjiang International Arbitration Center (CCLIAC) in accordance with the China Chongqing Liangjiang International Arbitration Center Arbitration Rules (CCLAC Rules) in force when the Notice of Arbitration is submitted.

The laws of Country Temeria govern all matters arising under and relating to this Agreement.

The language of the arbitration shall be English.

The arbitral tribunal shall consist of three members to be appointed in accordance with the CCLIAC Rules.

The award of the arbitral tribunal shall be final and binding upon the parties.

The arbitration fees and attorneys' fees shall be borne by the losing party unless otherwise awarded by the arbitration tribunal.

SCHEDULE “EPCs”

Details of Granted Exploration Permits for Coal

Permit	Tenement	Date Granted	Date Expired	Area (Square Kilometers)	Coal	Anticipated Coal Resources (one hundred million ton)	Estimated Value (million USD)	Discounted Ratio
	EPC01	2008.12	2020.06	430	Electricity Coal	45	15.5	62.5%
	EPC02	2008.12	2020.06	15	Coking Coal	1.1	4.5	62.5%
	EPC03	2008.12	2020.06	60	Electricity Coal	7	12	62.5%
	EPC04	2008.12	2020.06	30	Coking Coal	3	8.5	62.5%
	EPC05	2008.12	2020.06	21	Coking Coal	2	3	40%

EPC06	2008.12	2020.06	9	Coking Coal	1	3.5	40%
EPC07	2008.12	2020.06	45	Coking Coal	4	15.5	40%
EPC08	2008.12	2020.06	60	Coking Coal	6	15	40%
EPC09	2008.12	2020.06	115	Electricity Coal	10	6	40%
EPC10	2008.12	2020.06	27	Electricity Coal	2.5	3.5	40%
EPC11	2008.12	2020.06	360	Coking Coal	40	17	40%

EXHIBIT IV

Execution Version

Amendment Agreement

This Amendment Agreement (the "Amendment Agreement") is made and entered into as of April 20th, 2012 between and by:

- (1) Mine Hunting Ltd.**
- (2) Coal Investment Ltd.**
- (3) Desmond Energy Ltd.,**
- (4) Darn Rowa**

WHEREAS, on October 15th, 2011, Mine Hunting Ltd., Coal Investment Ltd, the Seller, and Desmond Energy Ltd entered into an investment agreement (the "Investment Agreement") and pursuant to the Investment Agreement, Mine Hunting Ltd., Coal Investment Ltd shall incorporate a joint venture as the acquisition vehicle (the "Purchaser") to acquire two hundred thousand (200,000) fully paid shares in Desmond Energy Ltd owned by the Seller ("Acquisition Shares") for an acquisition price of Dollars eleven million (USD 11,000,000) and subscribe for additional one million (1,000,000) ordinary shares that Desmond Energy Ltd shall issue directly to the Purchaser on a fully diluted basis for a subscription price of

Dollars fifty-five million (USD 55,000,000) by installments (collectively , the "Transaction"), and immediately after the closing of the Transaction, the Purchaser will own 60% of issued and outstanding shares in Desmond Energy Ltd.

[.....]

3. Amendments

The Parties hereby agree that the Investment Agreement shall be amended and supplemented in the following manner with effect from the signing:

i. **Closing:** the "Redistribution at the Closing" has occurred before the Closing by way of the Restructure and thus, at the Closing, the Acquisition Shares (200,000 Shares) will be transferred to the Purchaser by the Seller, GES and CBS in the aggregate in the manner set out below:

A. the Seller is obligated to transfer its owned eighteen thousand (18,000) fully paid and issued shares in Desmond Energy Ltd to the Purchaser at the consideration of USD one million (1,000,000) and after the Closing, the Seller shall not directly hold any shares in Desmond Energy Ltd, as contemplated by the Investment Agreement;

B. GES is obligated to transfer its owned ninety-one thousand (91,000) fully paid and issued shares in Desmond Energy Ltd to the Purchaser at the consideration of USD five millions (5,000,000) and after the Closing, GES shall only directly hold four hundred thousand (400,000) fully paid and issued shares in Desmond Energy Ltd; and

C. CBS is obligated to transfer its owned ninety-one thousand (91,000) fully paid and issued shares in Desmond Energy Ltd to the Purchaser at the consideration of USD five millions (5,000,000) and after the Closing, CBS shall only directly hold four hundred thousand (400,000) fully paid and issued shares in Desmond Energy Ltd

For the purpose to close the transaction contemplated hereby efficiently, all Parties agree to close the transaction at 10:00 AM on April 20, 2012 at the office of TY Lawyers, following the satisfaction or waiver of all the conditions of the closing to the obligations of the Parties hereto set forth in the Investment Agreement and the Amendment Agreement.

[.....]

6. GOVERNING LAW AND DISPUTE RESOLUTION CLASUE

Any dispute arising from and/or related to this Agreement shall be resolved first by friendly consultation between the parties. After consultation and where the dispute remains unresolved, any party can submit the dispute to arbitration. The arbitration shall be administered by the China Chongqing Liangjiang International Arbitration Center (CCLIAC) in accordance with the CCLAC Arbitration Rules (CCLIAC Rules) in force when the Notice of Arbitration is submitted.

This Agreement is governed by the laws of Country Temeria.

The language of the arbitration shall be English.

The arbitral tribunal shall consist of three members to be appointed in accordance with the CCLIAC Rules.

The award of the arbitral tribunal shall be final and binding upon the parties.

The arbitration fees and attorneys' fees shall be borne by the losing party unless otherwise awarded by the arbitration tribunal.

EXHIBIT V

Execution Version

Supplementary Agreement

This Supplementary Agreement (the " Supplementary Agreement") is made and entered into as of April 20th, 2012 between and by:

- (1) Mine Hunting Ltd.**
- (2) Coal Investment Ltd.**
- (3) Joint Exploration Ltd**
- (4) Desmond Energy Ltd.,**
- (5) Darn Rowa**
- (6) GES**
- (7) CBS**

WHEREAS, on October 15, 2011, Mine Hunting Ltd., Coal Investment Ltd., the Seller, and Desmond Energy Ltd. entered into an investment agreement (the investment Agreement") and pursuant to the Investment Agreement, Mine Hunting Ltd., Coal Investment Ltd shall incorporate a joint venture as the acquisition vehicle (the "Purchaser") to acquire two hundred thousand (200,000) fully paid shares in

Desmond Energy Ltd owned by the Seller (“Acquisition Shares”) for an acquisition price of Dollars eleven million (USD 11,000,000) and subscribe for additional one million (1,000,000) ordinary shares that Desmond Energy Ltd shall issue directly to the Purchaser on a fully diluted basis for a subscription price of Dollars fifty-five million (USD 55,000,000) by installments (collectively, the “Transaction”, and immediately after the closing of the Transaction, the Purchaser will own 60% of issued and outstanding shares in Desmond Energy Ltd

WHEREAS, prior to the Closing, Mine Hunting Ltd., Coal Investment Ltd incorporated a joint venture as the acquisition vehicle, being the Purchaser;

WHEREAS, on April 20th 2012, Mine Hunting Ltd., Coal Investment Ltd, the Seller, and Desmond Energy Ltd entered into an amendment agreement to amend certain terms of the Investment Agreement (“Amendment Agreement”);

WHEREAS, following the Restructure and the Closing, the shares in Desmond Energy Ltd held as follows:

(A) one million and two hundred thousand (1,200,000) fully paid and issued shares in Desmond Energy Ltd held by the Purchaser;

(B) four hundred thousand (400,000) fully paid and issued shares in Desmond Energy Ltd held by GES; and

(C) four hundred thousand (400,000) fully paid and issued shares in Desmond Energy Ltd held by CBS;

NOW, THEREFORE, in reliance upon the foregoing and in consideration of the mutual covenants set forth herein, all Parties hereto agree as follows:

[.....]

2. Confirmation

i. Save as supplemented or varied by this Supplementary Agreement, all other provisions in the Investment Agreement and Amendment Agreement shall remain in full force and effect.

ii. This Supplementary Agreement is supplemental to the Investment Agreement and Amendment Agreement, with effect from signing, the Investment Agreement and Amendment Agreement shall be read and construed as supplemented by this Supplementary Agreement to the extent as set forth in this Supplementary Agreement.

[.....]

4. Miscellaneous

[.....]

ii. **Applicable Law.** This Supplementary Agreement shall be governed by and construed and interpreted in accordance with the laws of Country Temeria.

iii. **Disputes Resolution.** Any dispute, controversy or claim arising out of or relating to this Supplementary Agreement, or the interpretation, breach, termination or validity hereof, shall be subject to the same dispute resolution procedure and mechanism as specified in the Investment Agreement.

EXHIBIT VI

Letter from Mine Hunting Ltd. and Coal Investment Ltd solicitors to Desmond Energy Ltd attorneys

Date: 5 April 2020

To: Messrs. Park & Co.

Solicitors for Desmond Energy Ltd

Dear Sirs,

Re: Mine Hunting Ltd. and Coal Investment Ltd v Desmond Energy Ltd

At the outset, we wish to summarize our client's position with regard to the current arbitration, Mine Hunting Ltd. and Coal Investment Ltd. consider that the claims in the current arbitration are with strong merit and legal basis and that it will be very likely to prevail in the event.

In such circumstances, Mine Hunting Ltd. and Coal Investment Ltd would be entitled to recover all sum if received after the arbitration award, including the costs they incur in relation to this arbitration, from Desmond Energy Ltd. However, Mine Hunting Ltd. and Coal Investment Ltd holds substantial concerns regarding its ability

to enforce such an award against Desmond Energy Ltd., especially considering the facts that Respondent has entered into liquidation process and come to a near operation standstill and that the significant discrepancies between the coal reserves explored in each block and the reserves stated in the Investment Agreement makes the uncertainty of economic value of the 11 mineral blocks being publicly sold.

As a result of these concerns, we consider that Mine Hunting Ltd. and Coal Investment Ltd are entitled to security for the enforcement of the likely prevailing arbitration award and costs they incur in relation to this arbitration and that the arbitration should not proceed without appropriate security being provided.

We refer to Article 21 and 23 of the CCLIAC Arbitration Rules apply for preservation measures and interim measures, for ensuring the enforceability of any potential favorable arbitral award.

In light of the above and the uncertain financial situation of the Desmond Energy Ltd, we consider that above security shall be granted where the Respondent does not own sufficient assets. We also anticipate that the arbitration will be factually complex and incur substantial legal fees. As a result, Claimants will be required to bear significant travel costs in relation to a future tribunal hearing in Chongqing, China. At this stage, it is not possible to quantify all above costs with any degree of certainty. However, our assessment, at this stage, is that the costs will be of US\$9 million or greater.

Please confirm Desmond Energy Ltd agreement within 14 days, failing which we have standing instructions to make an appropriate application to the newly constituted arbitral tribunal in respect of this matter.

Yours faithfully,

Peninsula & Co.

Solicitor for the Claimant

EXHIBIT VII

**Letter from Desmond Energy Ltd solicitors to Mine Hunting Ltd.
and Coal Investment Ltd attorneys**

Date: 15 April 2020

To: Messrs. Peninsula & Co.

Attorneys for Mine Hunting Ltd. and Coal Investment Ltd

Dear Sirs,

Re: Mine Hunting Ltd. and Coal Investment Ltd v Desmond Energy Ltd

We refer to your letter of 5 April 2020. We adopt the defined terms used in your correspondence.

It is our view that it is entirely unreasonable for the Claimant to request for a security for costs totaling US\$9 million. Scant justification has been provided for costs of this magnitude. Indeed, your correspondence suggests that this sum is an indicative estimate only. Any application in this regard should only be made in circumstances where a detailed breakdown of costs has been supplied and be subject to the final arbitral award.

Given our comments regarding the premature nature of the application that is proposed, we do not propose to provide detailed responses to the, largely unsubstantiated, allegations made in your correspondence. However, our client's position can be summarized as follows:

(i) We consider that our client has good prospects of prevailing in this arbitration. This is borne out by the facts that the conditions of the Price Adjustment Clause have never been satisfied and Claimant's failure of not being able to consummate the second and third payment.

(ii) In these circumstances, Claimant's proposed application would be an oppressive attempt to stifle Respondent's legitimate claim.

(iii) Our client is a solvent company with substantial assets. By way of example only, it holds 11 mining blocks with substantial economic values.

We expressly reserve our right to supplement the above arguments in the event that your client presses ahead with its ill-considered application.

Yours faithfully,

Park & Co.

Solicitors for the Respondent