CIRCULAR DATED 7 JULY 2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of Manhattan Resources Limited, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED INVESTMENT IN ECOBLU PRODUCTS INC.

Independent Financial Adviser to the Independent Directors

KPMG CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 198500417D)

IMPORTANT DATES AND TIMES:

Last Date and Time for Lodgement of Proxy Form	:	20 July 2011 at 10:30 a.m.
Date and Time of Extraordinary General Meeting	:	22 July 2011 at 10:30 a.m.
Place of Extraordinary General Meeting	:	MND Auditorium 9 Maxwell Road Annexe A, MND Complex Singapore 069112

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In this Circular, the following definitions apply throughout unless otherwise stated:

"**Announcement**"	:	Has the meaning ascribed to it in paragraph 1.2 of this Circular
"**Associate**"	:	(a) In relation to any Director, chief executive officer of the Company, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30 per cent. or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30 per cent. or more
"**Audit Committee**"	:	The audit committee of the Company, comprising Mr Thia Peng Heok, George, Mr Liow Keng Teck and Mr Tjio Kay Loen
"**Board**"	:	The board of Directors of the Company
"**Business Day**"	:	A day on which banks in Singapore are open for business, excluding Saturdays, Sundays and public holidays
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to the Shareholders dated 7 July 2011 in relation to the Proposed Investment
"**Company**"	:	Manhattan Resources Limited
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Consideration**"	:	Has the meaning ascribed to it in paragraph 2.1 of this Circular
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15 per cent. or more of the total number of issued shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
"**Conversion**"	:	The exercise of the Warrant in full

"**Credit and Warrant Agreement**"	:	The revolving credit and warrant purchase agreement dated 14 February 2011 entered into between the Company and Ecoblu in connection with the Loan Facility and the Warrant
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Ecoblu**"	:	Ecoblu Products Inc.
"**Ecoblu Shares**"	:	The ordinary shares in the issued share capital of Ecoblu
"**Ecoblu Board**"	:	The directors of Ecoblu as at the Latest Practicable Date
"**Effective Date**"	:	The date the approval of the Independent Shareholders and relevant Singapore authorities are obtained for the Proposed Investment
"**EGM**"	:	The extraordinary general meeting of the Company to be held on 22 July 2011 (and any adjournment thereof)
"**Exercise Price**"	:	The exercise price of the Warrant, being US$0.10 per Warrant Share
"**Expiration Date**"	:	Three years from the Effective Date
"**Extracted 31 December 2010 Financial Statements**"	:	Has the meaning ascribed to it in paragraph 5.4.1 of this Circular
"**Extracted 31 March 2011 Financial Statements**"	:	Has the meaning ascribed to it in paragraph 5.4.2 of this Circular
"**FY2010**"	:	Financial year ended 31 December 2010
"**Group**"	:	The Company and its subsidiaries
"**IFA**"	:	Independent financial adviser
"**IFA Letter**"	:	The letter from KPMG to the Independent Directors dated 7 July 2011 which is set out in Appendix 2 to this Circular
"**Independent Directors**"	:	Directors who are considered independent for the purpose of the Proposed Investment, namely Mr Michael Sumarijanto Soegijono, Mr Ho Soo Ching, Mr Lee Kok Choy, Mr Lee Kwong Foo, Edward, Mr Liow Keng Teck, Mr Tjio Kay Loen and Mr Thia Peng Heok, George
"**Independent Shareholders**"	:	Shareholders excluding Dato' Low Tuck Kwong and his Associates
"**Investment Agreement**"	:	The investment agreement dated 14 February 2011 entered into between the Company, Ecoblu and Dato' Low Tuck Kwong in connection with the subscription for the New Ecoblu Shares
"**KPMG**"	:	KPMG Corporate Finance Pte Ltd

"**Latest Practicable Date**"	:	The latest practicable date prior to the printing of this Circular, being 30 June 2011
"**Listing Manual**"	:	The listing manual of the SGX-ST, as amended up to the Latest Practicable Date
"**Loan Facility**"	:	The revolving facility amounting to US$5,000,000, extended to Ecoblu by the Company pursuant to the terms of the Credit and Warrant Agreement
"**Member**"	:	A Shareholder who is registered in the Register of Members of the Company
"**New Ecoblu Shares**"	:	The 81,000,000 Ecoblu Shares subscribed for by Dato' Low Tuck Kwong pursuant to the terms of the Investment Agreement
"**Notes**"	:	Has the meaning ascribed to it in paragraph 3.1 of this Circular
"**Note Repayment**"	:	Has the meaning ascribed to it in paragraph 3.1 of this Circular
"**NTA**"	:	Net tangible assets
"**Ordinary Resolution**"	:	The ordinary resolution relating to the Proposed Investment to be proposed at the EGM
"**per cent.**" or "**%**"	:	Per centum or percentage
"**Proposed Investment**"	:	The Share Acquisition and the acquisition of the Warrant issued by Ecoblu to the Company pursuant to the terms of the Credit and Warrant Agreement
"**Purchase Price**"	:	Has the meaning ascribed to it in paragraph 3.2 of this Circular
"**Relevant IPTs**"	:	Has the meaning ascribed to it in paragraph 9.5.1 of this Circular
"**SGD**", "**S$**" and "**cents**"	:	Singapore dollars and cents
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Holders of Shares in issue (including persons whose Shares are deposited with the CDP)
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Share Acquisition**"	:	Has the meaning ascribed to it in paragraph 1.3 of this Circular
"**Share Consideration**"	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
"**SLM**"	:	SLM Holdings Pte Ltd
"**Substantial Shareholder**"	:	A person who has an interest in not less than five per cent. of the total number of issued Shares
"**U.S.**"	:	United States of America

"**USD**" or "**US$**":	:	U.S. dollars, the lawful currency of the U.S.
"**Warrant**"	:	A warrant to subscribe for the Warrant Shares, pursuant to the terms of the Credit and Warrant Agreement
"**Warrant Shares**"	:	Up to 50,000,000 Ecoblu Shares which will be issued by Ecoblu to the Company upon exercise of the Warrant (in full or in part)

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

In this Circular, all references to percentage shareholding of Shares are based on 505,990,975 Shares in issue as at the Latest Practicable Date.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

Any discrepancies in the figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in the Circular may not be an arithmetic aggregation of the figures which precede them.

In this Circular, translations of any USD amounts to SGD amounts or *vice versa* have been provided solely for the convenience of Shareholders and should not be construed as representations that the USD amounts stated in this Circular could have been or would have been converted into SGD amounts or *vice versa*, at the stated rates or at any rate or at all.

Unless otherwise specified to the contrary, all USD amounts expressed in SGD in this Circular are based on an exchange rate of US$1: S$1.2292, being the USD to SGD exchange rate displayed on the relevant page of the Monetary Authority of Singapore's website on 30 June 2011.

MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

Board of Directors:

Mr Michael Sumarijanto Soegijono *(Non-Executive Chairman)*
Mr Ho Soo Ching *(Chief Executive Officer and Managing Director)*
Mr Lee Kok Choy *(Executive Director)*
Mr Lee Kwong Foo, Edward *(Non-Executive Director)*
Mr Low Yi Ngo, David *(Non-Executive Director)*
Mr Liow Keng Teck *(Non-Executive Independent Director)*
Mr Tjio Kay Loen *(Non-Executive Independent Director)*
Mr Thia Peng Heok, George *(Non-Executive Independent Director)*

Registered Office:

133 New Bridge Road
#18-08 Chinatown Point
Singapore 059413

7 July 2011

To: The Shareholders of Manhattan Resources Limited

Dear Sir/Madam

PROPOSED INVESTMENT IN ECOBLU PRODUCTS INC.

1. INTRODUCTION

1.1 Background. A business contact of Dato' Low Tuck Kwong, Mr Randall Hart, introduced Ecoblu to the Company on or around October 2010. There was no introductory fee paid to the business contact by either Dato' Low Tuck Kwong or the Company. Subsequent to the introduction, Ecoblu approached the Company to consider investing in Ecoblu. After considering the benefits (as described in paragraph 6 below) and carrying out the necessary due diligence, review and assessments (as described in paragraph 7 below) on Ecoblu, the Company decided to invest in Ecoblu.

1.2 Announcement. On 14 February 2011, the Company announced (the "**Announcement**") that it had entered into the Investment Agreement with Ecoblu and Dato' Low Tuck Kwong, a Controlling Shareholder of the Company, and the Credit and Warrant Agreement with Ecoblu.

A copy of the Announcement is available on the website of the SGX-ST at www.sgx.com.

1.3 Investment Agreement. Pursuant to the terms of the Investment Agreement, Dato' Low Tuck Kwong has subscribed for the New Ecoblu Shares, representing approximately 45.37 per cent. of the share capital of Ecoblu[1], for an aggregate consideration of US$5,000,000, representing a price per New Ecoblu Share of approximately US$0.062. Dato' Low Tuck Kwong will sell the New Ecoblu Shares to the Company, for the same consideration, subject to approval from the Independent Shareholders being obtained (the "**Share Acquisition**").

1.4 Credit and Warrant Agreement. Pursuant to the terms of the Credit and Warrant Agreement, the Company will extend the Loan Facility to Ecoblu, subject to approval of the Independent Shareholders and relevant Singapore authorities being obtained for the Proposed Investment. In consideration of the Loan Facility, Ecoblu will issue to the Company the Warrant.

1.5 Total Interest in Ecoblu. Upon completion of the Share Acquisition and the Conversion, the Company will acquire an aggregate of 131,000,000 Shares representing approximately 57.32 per cent. interest in the enlarged share capital of Ecoblu[2].

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[1] Based on 178,536,100 Ecoblu Shares in issue as at the Latest Practicable Date, which includes the New Ecoblu Shares which have been issued to Dato' Low Tuck Kwong.

[2] The enlarged share capital of Ecoblu comprises 178,536,100 Ecoblu Shares in issue as at the Latest Practicable Date, which includes the New Ecoblu Shares which have been issued to Dato' Low Tuck Kwong, and the Warrant Shares. There are 9,829,731 share commitments and options in Ecoblu currently outstanding and if such share commitments are fulfilled and the options fully exercised, the Company's interest upon completion of the Share Acquisition and full exercise of the Warrant will be reduced to 54.96 per cent.

1.6 **Initial Subscription by Dato' Low Tuck Kwong.** Ecoblu's business is dependent on the seasonality of the lumber supply and housing construction activities in North America. As such, it requires funds to finance and execute its business plan in the first quarter of 2011. As the Company is required to seek the approval of the Independent Shareholders for an investment in Ecoblu, Dato' Low Tuck Kwong had subscribed for the New Ecoblu Shares in the interests of time and to ensure that Ecoblu receive the required funding in a timely manner. Shareholders should note that the terms of the underlying Investment Agreement, including the Share Consideration, were negotiated between the Company and Ecoblu. Dato' Low Tuck Kwong is only a party to the Investment Agreement and made the subscription for the New Ecoblu Shares at the request of the Company.

1.7 **EGM.** The Directors are convening the EGM to seek the approval of the Independent Shareholders for the Ordinary Resolution, notice of which is set out in this Circular.

1.8 **Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Investment, including the rationale of the Proposed Investment and the financial effects of the Proposed Investment on the Group, and to seek the approval of the Independent Shareholders for the Ordinary Resolution.

2. CONSIDERATION

2.1 **Consideration.** The aggregate consideration payable by the Company in respect of the Share Acquisition and upon the Conversion is US$10,000,000, comprising the following:

2.1.1 an aggregate of US$5,000,000 payable to Dato' Low Tuck Kwong for the New Ecoblu Shares (the "**Share Consideration**"); and

2.1.2 an aggregate of US$5,000,000 to Ecoblu upon the Conversion,

(together, the "**Consideration**").

2.2 **Factors taken into account**. The Consideration was arrived at on a willing buyer-willing seller basis, negotiated between Ecoblu and the Company, based on the efficacy of Ecoblu's proprietary formula (as described further in paragraph 7) which has been under development for a number of months in fire prevention and retarding, anti-fungus, anti-termite and anti-mould for lumber products as well as other developments for lumber products which are still in progress and the prospects of the application of these products in wood framed structures, particularly in North America.

3. EXISTING ARRANGEMENTS

The Company had entered into the following arrangements prior to entering into the Investment Agreement and the Credit and Warrant Agreement in order to provide interim financing for Ecoblu's business operations in anticipation of the Proposed Investment. Ecoblu has used part of the proceeds of the Share Acquisition to repay a portion of such interim financing and the remainder will be paid from the Loan Facility. Details of the arrangements are as follows:

3.1 **Existing Loan.** The Company, through a wholly-owned subsidiary, SLM, had in December 2010 bought from a group of third party investors all of the unlisted loan notes (the "**Notes**") which were issued by Ecoblu to such group, for the aggregate sum of US$1,000,000. The third party investors who sold the Notes to SLM comprise mostly of investment funds and investment companies and none of them are a party to the Proposed Investment. The total outstanding amount of the Notes as at the date of purchase by SLM was US$1,287,834. The purchase of the Notes from the third parties were negotiated by Ecoblu, on behalf of the Company, based on the Company's directions.

Ecoblu has used part of the proceeds of the Share Acquisition to repay a portion of the monies owing by Ecoblu to SLM in respect of the outstanding amount payable under the Notes and it is envisaged that Ecoblu will use the Loan Facility to repay the remaining amount payable under the Notes amounting to US$1,000,000 together with accrued interest of 8 per cent. per annum ("**Note Repayment**").

3.2 **Purchase of Inventory.** Ecoblu has also used part of the proceeds of the Share Acquisition to repay monies owing by Ecoblu to the Company amounting to US$739,200 in respect of inventory (including chemicals and lumber) which it had bought from the Company for its business. The Company had purchased the inventory from third parties for a certain price (the "**Purchase Price**") and sold it onwards to Ecoblu for an amount higher than the Purchase Price, taking into account the profit to be made by the Company in return for assisting Ecoblu in acquiring the inventory as agreed between the Company and Ecoblu. Ecoblu assisted the Company in negotiating the acquisition of the inventory from the third parties based on the Company's directions. The Company envisages the foregoing purchase of inventory from third parties for a sale to Ecoblu to be a one-off arrangement and the amount owed by Ecoblu to the Company under such arrangement has been settled in full.

4. OTHER PRINCIPAL TERMS OF THE PROPOSED INVESTMENT

4.1 **Warrant.** The material terms of the Warrant are as follows:

4.1.1 **Exercise Price.** The Exercise Price of the Warrant is US$0.10 per Warrant Share.

The Exercise Price represents:

(i) a premium of approximately 61.29 per cent. to the market price of the Ecoblu Shares, which are quoted on the "OTC Bulletin Board" in the U.S., as at 11 February 2011, being the market day preceding the date of the Announcement; and

(ii) a premium of approximately 90 per cent. to the NTA value attributable to an Ecoblu Share of US$0.01, based on the NTA of Ecoblu as at 31 December 2010 and taking into account the completion of the Share Acquisition.

4.1.2 **Termination Date.** The Warrant is exercisable for a period of five years from the date of issuance.

4.1.3 **Exercise.** The Warrant may be exercised in full or in part.

4.1.4 **Payment Terms.** Payment of the Exercise Price shall be made by wire transfer to an account designated by Ecoblu in writing or by a certified or official bank cheque payable to the order of Ecoblu. If there are any loans outstanding under the Loan Facility, any amount to be paid pursuant to an exercise of the Warrant shall be set-off against any loans outstanding under the Loan Facility.

4.1.5 **Adjustments.** The Exercise Price and the number of Shares issuable pursuant to an exercise of the Warrant is subject to certain adjustments which include, *inter alia*, the splitting, subdivision or combination of the Shares, or the declaration of dividend or making of a distribution.

In determining whether to hold the Warrant, the Company will continuously monitor the progress and operations of Ecoblu and base its decision on a number of factors which, amongst others, would include the business outlook for Ecoblu (taking into account Ecoblu's business plan, financial conditions and financial requirements), the value of the Ecoblu Shares, any potential offers to purchase the Warrant, the financial market conditions and relevant risk factors.

4.2 **Loan Facility.** The material terms of the Loan Facility are as follows:

4.2.1 **Period:** The Company shall make loans on a revolving basis from time to time from the Effective Date until the Expiration Date.

4.2.2 Amount: The loan shall be made in such aggregate amounts as Ecoblu may request with prior approval of the Ecoblu Board and be in multiples of US$500,000, provided that the aggregate outstanding principal of all loans shall not at any time exceed US$5,000,000 less the aggregate investment, if any, made by the Company pursuant to the exercise of the Warrant.

4.2.3 Repayment: Each loan shall be due and payable, together with accrued interest, three months from the date it is advanced but not later than the Expiration Date.

4.2.4 Interest: Payable on any unpaid principal amount of each loan from the date of such loan until paid in full at a rate per annum of six per cent. After maturity, and at any time an event of default exists, accrued interest on all loans shall be payable on demand.

4.2.5 Use of Loan Proceeds: The loan proceeds are to be used solely for:

(i) Note Repayment; and

(ii) Ecoblu's working capital, including the purchase of lumber or chemicals or for investment in fixed assets, including the establishment of coating or storage facilities.

The Audit Committee will review and monitor the aggregate principal amount outstanding on the loans to be made to Ecoblu and the repayment of the loans periodically to ensure that they are made within the limits and terms of the Credit and Warrant Agreement.

4.3 Ecoblu Board. The Announcement stated that on completion of the initial subscription of the New Ecoblu Shares by Dato' Low Tuck Kwong, the number of directors on the Ecoblu Board will be increased to five members and Dato' Low Tuck Kwong or the Company will be permitted to propose for election of two of the five directors, for the purposes of filling the initial vacancies created by the increase in size of the Ecoblu Board and subsequently for annual election by the shareholders of Ecoblu. Ecoblu and the Company have since agreed that the appointment of the foregoing directors will be effected by the date of completion of the Share Acquisition.

It is the current intention of the Company to appoint one or two officers of the Company (which may include executive Directors) as nominees of the Company on the Ecoblu Board to monitor the Company's interest in Ecoblu. These nominees will not be remunerated for their appointment to the Ecoblu Board.

4.4 Conditions. The Proposed Investment is conditional on any required regulatory approval and the approval of the Independent Shareholders being obtained.

Save as disclosed above, there are no other material conditions for the Proposed Investment.

4.5 Transfer of New Ecoblu Shares to the Company. Subject to the approval of the Independent Shareholders being obtained for the Proposed Investment, the Share Consideration will be paid to Dato' Low Tuck Kwong within a week from the date the approval of the Independent Shareholders is obtained and by way of bank transfer to an account to be designated by Dato' Low Tuck Kwong upon the transfer of the New Ecoblu Shares from Dato' Low Tuck Kwong to the Company. Dato' Low Tuck Kwong will not be receiving any other monies for the Share Acquisition.

5. INFORMATION ON ECOBLU

5.1 Ecoblu. Ecoblu was incorporated under its former name, N8 Concepts, Inc., in the State of Nevada, U.S., by Mr James H. Watson, Jr., in March 2007. It changed its name to the present one following a reverse takeover in 2009 by Mr Steve Conboy and Mr Mark Vuozzo, Ecoblu's President and Chief Technical Officer respectively. Its office is located in Vista, north of San Diego, and its coating and warehouse facilities are situated at Colton, east of Los Angeles. It is a producer and marketer of a range of engineering wood products (including beams, panels, wooden products for roofs, floors and ceilings) which are coated with its proprietary patent pending WoodSurfaceFilm™ formula that protects against fire, mould, fungus, wood rot and decay, wood ingesting insects and

termites. The treated lumber is being marketed as "Red Shield" lumber. The technology has the advantage of being effective, inexpensive, easy to apply and environmentally neutral as compared to the products of its competitors. It is also capable of offering fire protection for flammable lumber products like oriented strand boards where highly flammable resins are used in their manufacturing. Ecoblu also offers advice to developers and owners on the design, engineering and framing of wood frame structures. Ecoblu believes that the Building Code in the U.S. will be strengthened and that the application of protection against the abovementioned hazards associated with wood framed structures augers well for its business prospects. The Ecoblu Shares have been quoted on the "OTC Bulletin Board" in the U.S., a regulated quotation service, under the symbol ECOB since March 2008.

Other than developing its patent pending lumber coating technology, Ecoblu has been spending the past two years promoting its cost effective and technically superior technology. It has now secured firm orders to supply coated lumber for more than 100 homes as well as a resort hotel in Southern California. Marketing efforts continue and Ecoblu is confident of securing a material share of the new build orders in Southern California. Through its humanitarian effort to build some housing to resettle earthquake victims in Haiti for the past year, Ecoblu has attracted the attention of officials and non-governmental organizations involved in the relief and reconstruction of Haiti and Ecoblu is working towards the adoption of its protected lumber as one of the standard building materials for the reconstruction effort in Haiti. Ecoblu has recently commenced the first shipment of a commercial order for coated lumber to Haiti.

In order to spread its coverage of the North American market, Ecoblu has entered into agreements to appoint affiliates which are convinced of the efficacy of its coating materials. To date, it has six affiliates located in the states of Connecticut, Florida, Texas, Virginia, Georgia and in British Columbia in Canada. The typical arrangement requires the affiliates to install or purchase the coating machine (from Ecoblu) and quality control system (with online connection to Ecoblu in Vista) and commit to purchase a minimum quantity of coating material from Ecoblu. The affiliates are all lumber companies servicing their respective regional markets and would be able to assist in the sale of coated lumber.

Through its promotional effort, Ecoblu has also received enquiries from interested lumber companies and developers in Korea, Japan, Australia, Turkey and the United Kingdom. Ecoblu intends to develop its presence in markets outside North America when conditions are right.

As some of the chemical components of WoodSurfaceFilm™, obtained from respective suppliers/vendors, are proprietary in nature, Ecoblu has entered into long-term supply contracts with the relevant suppliers/vendors.

5.2 Directors of Ecoblu. As at the Latest Practicable Date, Mr Steve Conboy is currently the sole director of Ecoblu and holds 35,500,000 Ecoblu Shares representing approximately 19.88 per cent. of the share capital of Ecoblu[3].

5.3 Substantial Shareholders. As at the Latest Practicable Date, the Substantial Shareholders of Ecoblu and their interests in Ecoblu Shares are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%[(1)]	No. of Shares	%
Dato' Low Tuck Kwong	81,000,000	45.37	–	–
Swanny Sri Sujanty Setyono	9,500,000	5.32	–	–
Steve Conboy	35,500,000	19.88	–	–

Note:

(1) The shareholding interest is calculated based on 178,536,100 Ecoblu Shares in issue as at the Latest Practicable Date.

3 Please see footnote 1 above.

5.4 Financial Statements. The following financial statements are attached in Appendix 1 to this Circular:

5.4.1 the condensed consolidated balance sheets and statement of operations, as extracted from the unaudited condensed consolidated financial statements of Ecoblu for the six months ended 31 December 2011 (the "**Extracted 31 December 2010 Financial Statements**"); and

5.4.2 the condensed consolidated balance sheets and statements of operations as extracted from the latest unaudited financial statements of Ecoblu, being the unaudited condensed consolidated financial statement of Ecoblu for the nine months ended 31 March 2011 (the "**Extracted 31 March 2011 Financial Statements**").

Please note that the condensed consolidated balance sheets in the Extracted 31 March 2011 Financial Statements, have taken into account the subscription for the New Ecoblu Shares by Dato' Low Tuck Kwong for the aggregate consideration of US$5,000,000.

The Extracted 31 December 2010 Financial Statements reflect the condensed consolidated statements of operations for the period from inception of Ecoblu on 20 May 2009 to the six months ended 31 December 2010 and the Extracted 31 March 2011 Financial Statements reflect the condensed consolidated statements of operations from 1 July 2010 to the nine months ended 31 March 2011.

6. RATIONALE AND BENEFITS FOR THE PROPOSED INVESTMENT

The Proposed Investment is an expansion of the Company's business into a new geographical area and business sector. The Company believes that Ecoblu's technology is unique, effective, affordable and has good long-term potential and will be beneficial to Shareholders.

The Company believes that Ecoblu has a good business plan. The offering of coated lumber in the market is timely to meet the anticipated strengthening of the Building Code in the U.S. and that developers are now looking at cost effective ways to offer value added products in a construction sector which is at a low point of the construction business cycle. Ecoblu believes that this is the opportune time for Red Shield lumber and WoodShieldFilm™ products to establish themselves in the market. The affiliate arrangements Ecoblu has made with other lumber companies throughout North America will widen its market coverage. Ecoblu is also doing further research and development work on the application of applying the coating materials to produce more value added products.

The Company believes that Ecoblu has a capable management team headed by Mr Steve Conboy, who has been in the framing, engineered wood products, and lumber industry for over three decades. In addition, Mr Mark Vuozzo, who is the Chief Technical Officer of Ecoblu, is also part of the management team and manages the day-to-day activities of Ecoblu and is responsible for the development, design, operation, and improvement of systems and strategies. He has previously worked in the semiconductor industry supporting Automated Test Equipment. The Company will be tapping on the expertise of the current management team to manage the business of Ecoblu. While the Proposed Investment represents an investment in a new area for the Company in which the Company does not have direct expertise, the Company will have nominees on the Ecoblu Board to monitor the Proposed Investment, which in any event is capped at US$10 million.

The Company is of the view that Ecoblu will experience high rate of growth in the next few years and that the Proposed Investment, which will provide financing for Ecoblu's business roll out plan, represents a valuable opportunity to invest in Ecoblu at an early stage prior to its growth potential being fully realised.

7. DUE DILIGENCE REVIEW AND ASSESSMENTS

Prior to entering into the Investment Agreement and Credit and Warrant Agreement with Ecoblu, Ecoblu made presentations to the Company on its products and business plans. The Company conducted site visits to Ecoblu's operation facilities in the U.S., where the chemicals are mixed, blended and the lumber is coated with WoodSurfaceFilm™, and three housing building sites in Southern California. The Company was given demonstrations of fire spread on wood in the laboratory and saw Ecoblu's quality control system in operation. The Company also reviewed contracts and correspondences between Ecoblu and its customers and affiliates as well as the cost of blended chemicals.

In addition, in order to assess the efficacy of Ecoblu's proprietary formula, the Company reviewed test reports, which were commissioned by Ecoblu and carried out by independent accredited laboratories. The test reports included Mould Testing by RealTime Laboratories, LLC, Flame Spread Test by QAI Laboratories and Air Quality Research Report by Air Quality Sciences, Inc.

8. RISK FACTORS

There are a number of risks which may materially and adversely affect the performance and value of the Ecoblu Shares, the business, financial condition, results of operations and prospects of Ecoblu and therefore correspondingly affect the Company's investment in Ecoblu. The list of risks described below are not exhaustive and there may be additional risks not described below or not presently known to the Company or that the Company currently deems immaterial that turn out to be material.

8.1 Ecoblu's Products have a Short History. The proprietary WoodSurfaceFilm™ formula is a relatively new product and has not firmly established itself in the market place. Ecoblu had been focusing its activities on product and market development until an active marketing and sales launch initiated in late March 2011. Although it has secured a number of orders to supply Red Shield lumber in Southern California and Haiti, it is difficult to evaluate prospects for the future business and performance of Ecoblu as there is no assurance that its initial success will be sustainable.

8.2 Ecoblu has a Limited Operational Record. Being a relatively new company, Ecoblu could be subject to any or all of the problems, expenses, delays and risks inherent in running a new business operation, including, but not limited to limited capital resources, possible cost overruns, uncertain market acceptance and the inability of management to respond effectively to competitive developments.

8.3 Competition. The wood production industry is highly competitive. Competition is based on product quality, functionality, price, brand loyalty, effective promotional activities and the ability to identify and satisfy emerging preferences in the market. There are a large number of manufacturers, distributors and marketers of wood products which have substantially greater management, financial, research and development, marketing and manufacturing resources than Ecoblu does. Ecoblu faces competition in all its markets from large, national companies and smaller, regional companies, as well as from individuals. Many competitors are larger and have greater financial resources. Ecoblu will from time to time face pricing pressure in certain markets as a result of competitors' promotional pricing practices.

8.4 Sustainable Growth. Ecoblu plans to grow rapidly in order to achieve economies of scale. This could place a strain on its financial, technical, operational and administrative resources which would have a negative impact on operational, management, financial systems and controls. If growth cannot be managed effectively, Ecoblu's business, operation and financial conditions may be materially and adversely affected.

8.5 General Economic and Industry Conditions. The lumber industry in North America is highly dependent on new home construction. In turn, new home construction depends on a number of factors which include, continued home price stability, interest rates, tax policy, employment levels, consumer confidence, credit availability, real estate prices, demographic trends, weather conditions, natural disasters and general economic conditions. Any one or a combination of these factors could result in decreased demand for lumber and new homes and in turn, affect Ecoblu's operations.

8.6 Cyclical Industry and Commodity Pricing. Demand for building products is generally expected to correlate to a large extent to the level of residential home construction activity in North America, which historically exhibits significant cyclicality. Ecoblu's products are subject to competition from manufacturers worldwide. Historical prices for the products have been volatile and Ecoblu, like other participants, has little influence over the timing and extent of product price changes. Product pricing is largely affected by the relationship between supply and demand in the building products industry. Product supply is influenced primarily by fluctuations in available manufacturing capacity. Demand is affected by the state of the economy in general and a variety of other factors including interest rates, population growth, weather conditions, etc. A prolonged and severe weakness in the markets for its products could seriously harm Ecoblu's financial conditions and operations.

8.7 Product and Services Liability and Warranty Claims. The proprietary formula that Ecoblu has developed may expose it to potential liability from warranty claims and personal injury or property damage claims by end-users. There is no assurance that Ecoblu's product liability insurance will be adequate to protect it against the risk of any future product liability claim or product recall which could materially and adversely affect its business. The inability to obtain and maintain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could prevent or inhibit the commercialisation of Ecoblu's products. Moreover, even if Ecoblu maintains adequate insurance cover, any successful claim could materially and adversely affect Ecoblu's reputation, prospects and divert management's time and attention away from managing the business. If Ecoblu is sued for any injury allegedly caused by its products, its liability could exceed its total assets and therefore its ability to pay damages to meet the claim.

There is also a risk that Ecoblu or its employees may fail to fulfill its statutory and contractual obligations in relation to the quality of its products and services, which could give rise to contractual or statutory penalties.

8.8 Loss of Key Personnel. The operations of Ecoblu are dependent upon a stable workforce. This calls for the continued performance, efforts, abilities and expertise of its key management personnel. In particular, Mr Steve Conboy, the Chief Executive Officer of Ecoblu, has accumulated extensive experience in the operations of Ecoblu and is its key driving force. The loss of services of Mr Conboy could have a material adverse effect on the operations and finances of Ecoblu as Ecoblu may not be able to recruit suitable replacements for Mr Conboy within a short time frame. Ecoblu plans to increase the number of key management personnel in Ecoblu and to implement a competitive compensation package to retain and incentivise them.

8.9 Environment. The operations of Ecoblu are subject to federal, state and local environmental laws and regulations in the U.S. These laws and regulations set out various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. Major non-compliance with environmental laws or regulations may require Ecoblu to incur significant costs and may have a significant material adverse impact on the reputation of Ecoblu and its ability to continue operations and affect its financial performance and cash flows.

8.10 Operational Risks. Ecoblu may be exposed to a range of operational risks including, but not limited to, equipment failure and industrial accident, general operational and business risks, cost overruns, information system failure, industrial action or disputes, adverse media coverage, land lease renewal, changes in regulations governing land usage where its facilities are sited, damage by third parties, floods, earthquake and other natural disasters, terrorist attack, outbreak of disease or others. Although Ecoblu endeavours to take appropriate action or take out appropriate insurance to mitigate some of these risks, certain residual risk will remain. One or more of these risks may have a material adverse impact on the financial performance of Ecoblu.

8.11 Technology Risk. The performance of WoodSurfaceFilm™ may be surpassed by new products which may be introduced by competitors in the future. This would have an adverse impact on the operational and financial performance of Ecoblu. Ecoblu is continuing its research and development to create new products but there is no certainty that such efforts will be fruitful or be commercially viable.

8.12 Supply Risk. Two of the major ingredients required for the production of WoodSurfaceFilm™ are proprietary in nature and are supplied by two separate single sources. Although Ecoblu has entered into long-term supply contracts with these two suppliers, there is no certainty that the suppliers will perform in accordance with the terms of the contracts. Any failure of delivery of any of these critical ingredients will have a material adverse impact on the operations and financial performance of Ecoblu.

8.13 Non-compliance with policies, laws and regulatory provisions. Ecoblu operates under certain applicable laws, regulations, codes and policies and certain community expectations in the conduct of its operations in the U.S. Any material non-compliance by Ecoblu or its personnel with the applicable law, regulation, code or practice could result in prosecution or other regulatory action and such action may have a material adverse impact on Ecoblu's reputation, financial performance and its ability to secure or retain contracts across its business. There is also a risk that there may be instances of non-compliance with these laws, regulations, codes by Ecoblu's associates or counter-parties. Although Ecoblu seeks to ensure that the relevant third parties with whom it has dealings with are aware of and comply with the relevant laws, regulations and codes, there is a risk that such third parties may not comply with such provisions.

8.14 Affiliates. Ecoblu has a number of affiliates established in various locations in North America. These affiliates are independently owned and managed. Although the affiliates are obliged to operate under the terms of the affiliate agreement under which they are required to comply with quality standards and business practices and Ecoblu has a quality control system set up to monitor that the mixing of the coating chemicals are done properly, there is no certainty that an affiliate will not deviate from the required standards. This could have an adverse material impact on the reputation of Ecoblu, its technology, brand and financial performance.

9. INTERESTED PERSON TRANSACTION

9.1 Chapter 9 of the Listing Manual. Chapter 9 of the Listing Manual governs transactions by an issuer (i.e., a company which is listed on the SGX-ST), as well as transactions by the issuer's subsidiaries and associated companies that are considered to be "at risk", with the issuer's interested persons (i.e., the issuer's directors, chief executive officer, controlling shareholders and their respective associates). In general, when this Chapter applies to a transaction with an interested person and the value of the transaction singly, or, on aggregation with the values of other transactions entered into with the same interested person in the same financial year equals or exceeds five per cent. of the listed company's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the listed company.

Under the Listing Manual, Dato' Low Tuck Kwong is deemed to be a "Controlling Shareholder" of the Company as his direct and indirect shareholding in the Company amounts to an aggregate of more than 15 per cent. of the issued Shares of the Company. Dato' Low Tuck Kwong is also the father of Mr Low Yi Ngo, David, who is a non-executive Director and Dato' Low Tuck Kwong is thus considered an "Associate" of Mr Low Yi Ngo, David for the purposes of Chapter 9 of the Listing Manual. Dato' Low Tuck Kwong, being a Controlling Shareholder of the Company and an "Associate" of a Director, is an "interested person" vis-à-vis the Company, as defined in Chapter 9 of the Listing Manual.

9.2 IFA. The opinion of an IFA is required because, for reasons set out in paragraph 1.6 above, Dato' Low Tuck Kwong has subscribed for the New Ecoblu Shares at the request of the Company pursuant to the Investment Agreement and subject to the approval of the Independent Shareholders being obtained, Dato' Low Tuck Kwong will sell the New Ecoblu Shares to the Company for the Share Consideration, which is the same amount he originally paid to subscribe for the New Ecoblu Shares.

If the Company had transacted directly with Ecoblu in relation to the acquisition of the New Ecoblu Shares, the transaction would not require an opinion from an IFA.

9.3 **Approval of the Independent Shareholders.** As the Share Consideration is approximately 6.7 per cent. (as calculated based on the exchange rate ratio of US$1: S$1.2809 as at 11 February 2011) of the audited NTA of the Group for FY2010 of approximately S$95,860,000, being the latest available audited financial statements of the Group, the Share Acquisition requires the approval of the Independent Shareholders in accordance with Chapter 9 of the Listing Manual.

9.4 **Abstention.** Dato' Low Tuck Kwong will abstain, and will undertake to ensure that his Associates will abstain from voting their Shares in the capital of the Company, if any, at the EGM. In addition, Dato' Low Tuck Kwong will not, and will ensure that his Associates do not, accept any proxy nominations from Shareholders.

9.5 **Total Value of Interested Person Transactions.** As at the Latest Practicable Date, based on the latest information available to the Company, since the beginning of the current financial year, the total value:

9.5.1 of all transactions with Dato' Low Tuck Kwong and his Associates since the beginning of the current financial year is S$9,486,483 (the "**Relevant IPTs**"); and

9.5.2 of all interested person transactions since the beginning of the current financial year is S$9,486,483.

The aggregate value of the Share Consideration and the Relevant IPTs is approximately S$15,890,983 representing approximately 16.58 per cent. of the audited NTA of the Group for FY2010.

9.6 **Implications if Proposed Investment is Not Approved.** In the event the Proposed Investment is not approved by the Independent Shareholders, the Company will not incur any monetary penalties. It would, however, incur transaction related costs in the region of S$150,000.

10. ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS

10.1 **IFA.** KPMG has been appointed as the IFA in relation to the Share Acquisition. The Independent Shareholders should consider carefully the recommendation of the Independent Directors and the opinion of KPMG to the Independent Directors. KPMG's advice is set out in the IFA Letter dated 7 July 2011, which is set out in Appendix 2 to this Circular.

10.2 **Opinion of KPMG.** Based on the considerations set out in the IFA Letter, KPMG is of the opinion that the Share Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

11. VIEW OF THE AUDIT COMMITTEE

The Audit Committee has considered the terms of the Share Acquisition and the opinion of KPMG set out in the IFA Letter. The Audit Committee is of the view that the Share Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

12. CHAPTER 10 TRANSACTION

As set out in the Announcement, the relative figures for the Proposed Investment computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	NAV of the assets to be disposed of, compared with the NAV of the Group	Not applicable
(b)	Net profits attributable to the New Ecoblu Shares and the Warrant Shares compared with the Group's net profits for the nine-month period ended 30 September 2010	Not meaningful[1]
(c)	Aggregate value of the Consideration[2] compared with the market capitalisation[3] of the Company as at 11 February 2011, being the market day preceding the date of the Announcement	2.27
(d)	Number of equity securities issued by the Company as consideration for the Proposed Investment, compared with the number of equity securities previously in issue	Not applicable

Notes:

(1) Based on the accounts for the nine-month period ended 30 September 2010, Ecoblu incurred a loss of S$6,662,530 (as calculated based on the average exchange rate ratio of US$1: S$1.4034) and the Company incurred a loss attributable to the Shareholders of S$136,000.

(2) The aggregate value of the Consideration of US$10,000,000, is equivalent to approximately S$12,809,000 as calculated based on the exchange rate ratio of US$1: S$1.2809 as at 11 February 2011.

(3) The market capitalisation of the Company of approximately S$565,477,153 is computed based on 462,444,515 Shares of the Company in issue as at 11 February 2011, multiplied by the volume weighted average price of the Shares transacted on such date being approximately S$1.2228.

13. SOURCE OF FUNDS

As mentioned in the Announcement, the Company will fund the Proposed Investment with cash from internal sources of funds. After the Proposed Investment, the Company believes that it will continue to have sufficient funds (based on the cash available on its balance sheet and the cash flow that is being generated from its current business operations as reflected in the latest announced results of the Company as at the Latest Practicable Date, being the three months ended 31 March 2011) to support its existing operational needs.

14. VALUE OF NEW ECOBLU SHARES AND WARRANT SHARES

14.1 Value. As at the Latest Practicable Date, the value of the New Ecoblu Shares is approximately S$30,865,212 and the value of both the New Ecoblu Shares and the Warrant Shares is S$49,917,812, based on the last transacted price of US$0.31 and an exchange rate ratio of US$1: S$1.2292 on 30 June 2011.

14.2 NTA Value. Based on the NTA of Ecoblu as at 31 December 2010 and an exchange rate ratio of US$1 : S$1.2875:

14.2.1 assuming completion of the Share Acquisition, the NTA value attributable to the New Ecoblu Shares is S$1,238,197; and

14.2.2 assuming the completion of the Share Acquisition and the Conversion, the NTA value attributable to the New Ecoblu Shares and the Warrant Shares is S$5,254,300.

14.3 Goodwill. Assuming the Proposed Investment had been completed on 31 December 2010 and based on an exchange rate ratio of US$1 : $1.2875 on 31 December 2010, the goodwill attributable to the New Ecoblu Shares and the Warrant Shares to be recorded in the financial statements of the Group, amounts to approximately S$7.6 million.

The Company is unable to determine the impairment of the goodwill at this stage. The Company has however capped its investment in Ecoblu at US$10 million and this amount would be the maximum loss sustainable by the Company with reference to the Proposed Investment.

15. FINANCIAL EFFECTS

15.1 Assumptions. For illustrative purposes only, the financial effects of the Proposed Investment on the NTA per Share of the Company and earnings per Share of the Company, based on the audited consolidated financial statements of the Group for FY2010, is set out below.

15.2 NTA. Assuming that the Proposed Investment had been completed on 31 December 2010, being the end of the most recently completed financial year of the Group, and based on the audited consolidated financial statements of the Group for FY2010, the effect on the NTA per Share as at 31 December 2010, (a) before the Proposed Investment, (b) after the completion of the Share Acquisition but prior to the Conversion taking place and (c) after the completion of the Share Acquisition and Conversion taking place, would be as follows:

	Before Proposed Investment	After Share Acquisition but before Conversion (As at 31 December 2010)	After Share Acquisition and Conversion (As at 31 December 2010)
NTA (S$'000)	95,860	90,660	88,239
NTA per Share (cents)	20.85	19.72	19.20

15.3 Earnings. Assuming that the Proposed Investment had been completed on 1 January 2010, being the beginning of the most recently completed financial year of the Group, and based on the audited consolidated financial statements of the Group for FY2010, the effect on the earnings per Share of the Company for FY2010 would be as follows:

	Before Proposed Investment	After Share Acquisition but before Conversion (As at 31 December 2010)	After Share Acquisition and Conversion (As at 31 December 2010)
Profit/(loss) after tax and minority interests (S$'000)	549	(3,801)	(4,946)
Weighted average number of Shares ('000)	448,856	448,856	448,856
Basic profit/(loss) per Share (cents)	0.12	(0.85)	(1.10)
Weighted average number of Shares ('000) for diluted earnings	451,257	451,257	451,257
Diluted profit/(loss) per Share (cents)	0.12	(0.84)	(1.10)

16. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS AND SERVICE CONTRACTS

16.1 Interests of Directors. Mr Low Yi Ngo, David, a non-executive Director of the Company, is the son of Dato' Low Tuck Kwong, a Controlling Shareholder of the Company. Dato' Low Tuck Kwong's interest in the Proposed Investment is set out in paragraph 9.1 above.

Saved as disclosed, none of the Directors of the Company has any interest, direct or indirect, in the Proposed Investment.

16.2 Controlling Shareholders' Interests. Dato' Low Tuck Kwong is a Controlling Shareholder of the Company and his interest in the Proposed Investment is set out in paragraph 9.1 above.

Save as disclosed in the foregoing, none of the Controlling Shareholders of the Company or their Associates have any interest, direct or indirect, in the Proposed Investment.

16.3 Service Contracts. No person is proposed to be appointed as a Director of the Company in connection with the Proposed Investment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

17. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

17.1 Interests of Directors. As at the Latest Practicable Date, the interests of the Directors in the Shares based on information recorded in the Register of Directors' Shareholdings maintained by the Company are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%[1]	No. of Shares	%[1]
Mr Michael Sumarijanto Soegijono	–	–	–	–
Mr Ho Soo Ching	–	–	–	–
Mr Lee Kok Choy[2]	52,000	0.01	14,369,000	2.84
Mr Lee Kwong Foo, Edward	–	–	–	–
Mr Low Yi Ngo, David	–	–	–	–
Mr Liow Keng Teck	1,200,000	0.24	–	–
Mr Tjio Kay Loen[3]	–	–	663,000	0.13
Mr Thia Peng Heok, George	–	–	–	–

Notes:

(1) The shareholding interest is calculated based on the total issued and paid-up Share capital of the Company comprising of 505,990,975 Shares as at the Latest Practicable Date.

(2) Mr Lee Kok Choy is deemed to be interested in these Shares registered in the name of Kim Eng Securities Pte Ltd.

(3) Mr Tjio Kay Loen is deemed to be interested in these Shares registered in the name of Farina Ltd.

17.2 Interests of Substantial Shareholders. As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares based on information as recorded in the Register of Substantial Shareholders maintained by the Company are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%[1]	No. of Shares	%[1]
Manhattan Investments Pte Ltd	219,016,701	43.28	–	–
Dato' Low Tuck Kwong[2]	48,957,700	9.68	220,706,701	43.62

Notes:

(1) The shareholding interest is calculated based on the total issued and paid-up Share capital of the Company comprising 505,990,975 Shares as at the Latest Practicable Date.

(2) Dato' Low Tuck Kwong is deemed to be interested in Shares which are held by Manhattan Investments Pte Ltd and his wife.

18. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

18.1 Recommendation of the Independent Directors. Having considered the terms of, and the rationale and benefit of the Proposed Investment, as well as the opinion of KPMG set out in the IFA Letter that the Share Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, the Independent Directors are of the view that the Proposed Investment is in the best interests of the Company. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of the Ordinary Resolution at the EGM.

18.2 No Regard to Specific Objectives. In giving the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have a different investment portfolio, objectives and considerations, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

19. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 45 and 46 of this Circular, will be held on 22 July 2011 at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution as set out in the Notice of the EGM.

20. ACTION TO BE TAKEN BY SHAREHOLDERS

20.1 Appointment of Proxies. Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf should sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the registered office of the Company at 133 New Bridge Road #18-08, Chinatown Point, Singapore 059413, not less than 48 hours before the time appointed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the meeting if he wishes to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

20.2 When Depositor is Regarded as Shareholder. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

21. CONSENT OF THE IFA

KPMG has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto in the form and context in which they appear in this Circular.

22. DOCUMENTS FOR INSPECTION

A copy of the following documents will be available for inspection by Shareholders during normal business hours at the registered office of the Company at 133 New Bridge Road, #18-08 Chinatown Point, Singapore 059413 from the date of this Circular up to the date of the EGM:

(i) the Memorandum and Articles of Association of the Company;

(ii) the annual report of the Company for FY2010; and

(iii) the letter of consent referred to in paragraph 21 above.

23. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular (other than the IFA Letter for which the IFA has assumed responsibility) are fair and accurate in all material respects as at the date of this Circular and that there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been reproduced from publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately reproduced in this Circular.

Yours faithfully
For and on behalf of the Board of Directors
MANHATTAN RESOURCES LIMITED

Ho Soo Ching
Chief Executive Officer and Managing Director

APPENDIX 1 - THE CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS AS EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ECOBLU FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 AND THE NINE MONTHS ENDED 31 MARCH 2011 RESPECTIVELY

The condensed consolidated balance sheets and statements of operations of Ecoblu for the six months ended 31 December 2010 and the nine months ended 31 March 2011 have been reproduced from the unaudited condensed consolidated financial statement of Ecoblu for the six months ended 31 December 2010 and the unaudited condensed consolidated financial statement of Ecoblu nine months ended 31 March 2011, respectively, and save for page numbers which have been altered to conform with the pagination of this Circular, are set out in the following pages.

APPENDIX 1 - THE CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS AS EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ECOBLU FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 AND THE NINE MONTHS ENDED 31 MARCH 2011 RESPECTIVELY

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Part I - FINANCIAL INFORMATION

Item 1 - Financial Statements

ECOBLU PRODUCTS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2010 (Unaudited)	June 30, 2010 (Derived from audited financial statements)
ASSETS		
CURRENT ASSETS		
Cash	$ 11,321	$ 385,534
Accounts receivable, net of allowance for doubtful accounts of $17,487 at December 31, 2010 and $4,487 at June 30, 2010	48,534	5,477
Loan receivable - related party	-	23,500
Other receivables	11,110	5,886
Inventory	1,123,465	679,380
Prepaid loan fees	57,637	176,607
Other prepaid expenses	9,497	-
Deposit	-	45,155
Total current assets	1,261,564	1,321,539
PROPERTY AND EQUIPMENT, net	399,751	429,912
OTHER ASSETS		
Equipment deposits - related party	161,618	161,618
Prepaid trademark costs	5,981	4,871
Total other assets	167,599	166,489
TOTAL ASSETS	$ 1,828,914	$ 1,917,940
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 263,566	$ 200,900
Payroll and taxes payable	263,350	106,580
Advances from related party	171,500	-
Other payables and accrued expenses	73,537	15,864
Convertible notes payable, including accrued interest and net of discount	925,518	341,681
Loans payable - related party	406,050	-
Loans payable - other	857,578	44,500
Derivative and warrant liabilities	1,748,119	1,656,217
Total current liabilities	4,709,218	2,365,742
LONG TERM LIABILITIES		
Convertible notes payable, including accrued interest and net of discount	-	407,779
Total long term liabilities	-	407,779
TOTAL LIABILITIES	4,709,218	2,773,521
STOCKHOLDERS' (DEFICIT)		
Common stock, $0.001 par value, 100,000,000 shares authorized, 95,036,100 shares issued and outstanding at December 31, 2010	95,036	75,594

Source: ECOBLU PRODUCTS, INC., 10-Q, February 22, 2011 Powered by Morningstar® Document Research℠

and 75,594,333 shares issued and outstanding at June 30, 2010		
Additional paid-in capital	4,379,290	3,368,972
Common stock subscription receivable	(20,000)	(20,000)
Deficit accumulated during the development stage	(7,334,630)	(4,280,147)
Total stockholders' (deficit)	(2,880,304)	(855,581)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	$ 1,828,914	$ 1,917,940

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

APPENDIX 1 - THE CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS AS EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ECOBLU FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 AND THE NINE MONTHS ENDED 31 MARCH 2011 RESPECTIVELY

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ECOBLU PRODUCTS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months Ended December 31, 2010 (Unaudited)	Three months Ended December 31, 2009 (Unaudited)	Six months Ended December 31, 2010 (Unaudited)	Six months Ended December 31, 2009 (Unaudited)	Period of Inception (May 20, 2009) December 31, 2010 (Unaudited)
REVENUE					
Product sales	$ 368,482	$ -	$ 722,599	$ -	$ 908,760
License sales	-	-	-	-	28,600
Equipment and other sales	-	-	3,000	-	12,738
Total revenue	368,482	-	725,599	-	950,098
COST OF SALES	(309,707)	-	(636,624)	-	(866,518)
GROSS PROFIT	58,775	-	88,975	-	83,580
OPERATING EXPENSES					
Research and development	35,193	5,975	44,964	5,975	91,198
Marketing	9,455	17,873	11,435	17,873	69,590
Compensation	197,787	32,462	351,372	32,462	621,420
Rent	91,434	62,417	233,890	124,345	663,109
Professional fees	164,758	52,130	311,482	52,130	839,567
Consulting	21,910	62,700	51,611	49,500	2,055,115
Other general and administrative expenses	154,641	30,909	240,269	30,909	422,128
Total operating expenses	675,178	264,466	1,245,023	313,194	4,762,127
LOSS FROM OPERATIONS	(616,403)	(264,466)	(1,156,048)	(313,194)	(4,678,547)
OTHER INCOME (EXPENSES)					
Gain on settlement of lease	-	-	-	-	21,270
Gain (loss) on settlement of debt	160	-	12,706	-	(86,311)
Loss on modification of debt	(44,516)	-	(421,600)	-	(421,600)
Change in fair value of derivative liability	(638,231)	-	155,463	-	104,246
Interest expense	(904,679)	(1,035)	(1,645,004)	(1,035)	(2,181,748)
Total other income (expenses)	(1,587,266)	(1,035)	(1,898,435)	(1,035)	(2,564,143)

APPENDIX 1 - THE CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS AS EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ECOBLU FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 AND THE NINE MONTHS ENDED 31 MARCH 2011 RESPECTIVELY

LOSS BEFORE PROVISION FOR INCOME TAXES	(2,203,669)	(265,501)	(3,054,483)	(314,229)	(7,242,690)
PROVISION FOR INCOME TAXES	-	-	-	-	-
NET LOSS	$ (2,203,669)	$ (265,501)	$ (3,054,483)	$ (314,229)	$ (7,242,690)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	(0.03)	(0.00)	(0.04)	(0.00)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	85,938,406	68,502,724	81,113,370	67,320,334	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

APPENDIX 1 - THE CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS AS EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ECOBLU FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 AND THE NINE MONTHS ENDED 31 MARCH 2011 RESPECTIVELY

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PART I - FINANCIAL INFORMATION

Item 1 - Condensed Consolidated Financial Statements March 31, 2011

ECOBLU PRODUCTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2011	June 30, 2010
ASSETS (Note 6)		
CURRENT ASSETS		
Cash	$ 2,171,209	$ 385,534
Accounts receivable, net of allowance for doubtful accounts of $17,487 at March 31, 2011 and $4,487 at June 30, 2010	18,423	5,477
Loan receivable - related party	-	23,500
Other receivables	-	5,886
Inventory	1,547,175	679,380
Prepaid loan fees	-	176,607
Other prepaid expenses	5,000	-
Deposit	-	45,155
Total current assets	3,741,807	1,321,539
PROPERTY AND EQUIPMENT, net	384,694	429,912
OTHER ASSETS		
Equipment deposits - related party	161,618	161,618
Equipment deposits - other	91,732	-
Prepaid trademark costs	5,981	4,871
Total other assets	259,331	166,489
TOTAL ASSETS	$ 4,385,832	$ 1,917,940
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 278,840	$ 200,900
Payroll and taxes payable	383,274	106,580
Advances from related party	83,163	-
Other payables and accrued expenses	107,451	15,864
Notes payable - related party, including accrued interest	1,009,111	-
Convertible notes payable, including accrued interest and net of discount	-	341,681
Loans payable - related party, including accrued interest	242,084	-
Loans payable - other	136,691	44,500
Derivative and warrant liabilities	-	1,656,217
Total current liabilities	2,240,614	2,365,742
LONG TERM LIABILITIES		
Convertible notes payable, including accrued interest and net of discount	-	407,779
Total long term liabilities	-	407,779
TOTAL LIABILITIES	2,240,614	2,773,521
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, $0.001 par value, 500,000,000 shares authorized, 177,786,100 shares issued and outstanding at March 31, 2011 and 75,594,333 shares issued and outstanding at June 30, 2010	177,786	75,594
Additional paid-in capital	10,558,520	3,368,972
Common stock subscription receivable	(20,000)	(20,000)
Accumulated deficit	(8,571,088)	(4,280,147)
Total stockholders' equity (deficit)	2,145,218	(855,581)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 4,385,832	$ 1,917,940

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

APPENDIX 1 - THE CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS AS EXTRACTED FROM THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ECOBLU FOR THE SIX MONTHS ENDED 31 DECEMBER 2010 AND THE NINE MONTHS ENDED 31 MARCH 2011 RESPECTIVELY

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ECOBLU PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months Ended March 31, 2011	Three months Ended March 31, 2010	Nine months Ended March 31, 2011	Nine months Ended March 31, 2010
REVENUE				
Product sales	$ 16,513	$ 9,207	$ 739,112	$ 9,207
Equipment and other sales	28,800	-	31,800	-
Total revenue	45,313	9,207	770,912	9,207
COST OF SALES	(41,644)	(3,423)	(678,268)	(3,423)
GROSS PROFIT	3,669	5,784	92,644	5,784
OPERATING EXPENSES				
Research and development	95,831	26,624	140,795	32,599
Marketing	33,879	42,976	45,314	60,849
Compensation	289,270	44,078	640,642	76,540
Rent	89,216	248,974	323,106	373,319
Professional fees	319,711	168,432	631,193	220,562
Consulting	103,500	1,523,930	155,111	1,573,430
Other general and administrative expenses	213,122	42,237	453,391	73,146
Total operating expenses	1,144,529	2,097,251	2,389,552	2,410,445
LOSS FROM OPERATIONS	(1,140,860)	(2,091,467)	(2,296,908)	(2,404,661)
OTHER INCOME (EXPENSES)				
Gain on settlement of lease	-	13,142	-	13,142
Gain (loss) on settlement of debt	-	(110,720)	12,706	(110,720)
Loss on modification of debt	-	-	(421,600)	-
Change in fair value of derivative liability	213,491	(331,336)	368,954	(331,336)
Interest expense	(309,089)	(15,669)	(1,954,093)	(16,704)
Total other income (expenses)	(95,598)	(444,583)	(1,994,033)	(445,618)
LOSS BEFORE PROVISION FOR INCOME TAXES	(1,236,458)	(2,536,050)	(4,290,941)	(2,850,279)
PROVISION FOR INCOME TAXES	-	-	-	-
NET LOSS	$ (1,236,458)	$ (2,536,050)	$ (4,290,941)	$ (2,850,279)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	(0.01)	(0.04)	(0.04)	(0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	136,533,322	70,737,012	99,317,004	68,442,600

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Independent Directors
Manhattan Resources Limited
133 New Bridge Road
#18-08 Chinatown Point
Singapore 059413

Our ref VS/JL

Contact Vishal Sharma

Telephone +65 6213 2845

7 July 2011

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S ADVICE IN RESPECT OF SHARE ACQUISITION BY MANHATTAN RESOURCES LIMITED FROM DATO' LOW TUCK KWONG

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given to them in the circular to the shareholders of Manhattan Resources Limited in respect of the transaction discussed herein (the "**Circular**").*

1. INTRODUCTION

On 14 February 2011 (the "**Annoucement Date**"), Manhattan Resources Limited ("**Manhattan Resources**" or the "**Company**" or "**MRL**") announced that it had entered into the Investment Agreement with Ecoblu and Dato' Low Tuck Kwong, and the Credit and Warrant Agreement with Ecoblu, which provide as follows:

- Pursuant to the terms of the Investment Agreement, Dato' Low Tuck Kwong subscribed for 81,000,000 Ecoblu Shares for an aggregate consideration of US$5,000,000 ("**Subscription Consideration**"), representing a price per share of Ecoblu of US$ 0.062 (the "**Acquisition Price per Share**").

  Dato' Low Tuck Kwong will, subject to approval from the shareholders of Manhattan Resources being obtained, sell the 81,000,000 Ecoblu Shares to Manhattan Resources for the same amount as the Subscription Consideration, being US$5,000,000 ("**Share Consideration**") (the "**Share Acquisition Transaction**"); i.e. the Share Acquisition Transaction will take place at the same Acquisition Price per Share of US$ 0.062 as the Investment Agreement.

- Pursuant to the terms of the Credit and Warrant Agreement, Manhattan Resources will extend a revolving facility amounting to US$5,000,000 ("**Loan Facility**") to Ecoblu.

  In consideration of the Loan Facility, Ecoblu will issue to the Company the Warrant to subscribe for to subscribe for 50,000,000 Ecoblu Shares at an exercise price of US$0.10 per Ecoblu Share.

Chapter 9 of the Listing Manual governs transactions by an issuer, as well as transactions by the issuer's subsidiaries and associated companies that are considered to be "at risk", with the issuer's interested persons. In general, when this Chapter applies to a transaction with an interested person and the value of the transaction singly, or, on aggregation with the values of other transactions entered into with the same interested person in the same financial year equals or exceeds five per cent of the listed company's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the listed company.

Under the Listing Manual, Dato' Low Tuck Kwong is deemed to be a "Controlling Shareholder" of the Company, as he indirectly owns more than 15 per cent of the issued Shares of Manhattan Resources. For the purposes of Chapter 9 of the Listing Manual, Dato' Low Tuck Kwong, being a Controlling Shareholder of the Company, is an interested person vis-à-vis Manhattan Resources in respect of the Share Acquisition Transaction.

As the Share Consideration is more than five per cent of the audited NTA of the Group for FY2010 of approximately S$95,860,000, being the latest available audited financial statements of the Group, the Share Acquisition Transaction requires the approval of the shareholders of Manhattan Resources in accordance with Chapter 9 of the Listing Manual.

In accordance with the abovementioned regulatory implications, KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**Independent Financial Adviser**" or "**IFA**") to advise the directors of Manhattan Resources who are independent for the purposes of making recommendations to the shareholders in respect of the Share Acquisition Transaction (the "**Independent Directors**") as to whether the Share Acquisition Transaction is:

(a) on normal commercial terms; and

(b) prejudicial to the interests of Manhattan Resources and its minority shareholders.

This letter to be included in the Circular to the shareholders of Manhattan Resources sets out, *inter alia*, our evaluation of the Share Acquisition Transaction and our advice to the Independent Directors in relation to their recommendation to the minority shareholders of Manhattan Resources on the resolution concerning the Share Acquisition Transaction.

2. TERMS OF REFERENCE

We were not a party to the negotiations entered into by Manhattan Resources in relation to the Share Acquisition Transaction, nor were we involved in the deliberations leading up to the decision on the part of the directors of Manhattan Resources (the "**Directors**") to enter into the Share Acquisition Transaction and we do not, by this letter, warrant the merits of any part of the Share Acquisition Transaction other than to form an opinion as to whether the Share Acquisition Transaction is: (a) on normal commercial terms; and (b) prejudicial to the interests of Manhattan Resources and its minority shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, and/or commercial merits and risks of the Share Acquisition Transaction, or on the future growth prospects or earnings potential of Manhattan Resources should the Share Acquisition Transaction be completed or not completed. We have not been requested and we do not express any opinion on the relative merits of the Share Acquisition Transaction as compared to any alternative transaction previously considered by the Group or that otherwise may become available to the Group in the future. Such evaluations or comments are and remain the sole responsibility of the Directors and the management of Manhattan Resources, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

We have held discussions with the Directors and the management of the Group and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, the management of the Group and the Group's other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made reasonable enquiries and exercised our judgment as we deem necessary on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

The Directors have confirmed, having made all reasonable enquiries and to the best of their knowledge, information and belief, the accuracy of such information and representations as provided by the Directors and the management of Manhattan Resources and have further confirmed to us that, upon making all reasonable enquiries and to the best of their knowledge, information and belief, all material information available to them in connection with the Share

Acquisition Transaction has been disclosed to us, and that there is no other information or fact that has not been provided, the omission of which would cause any information disclosed to us to be inaccurate, incomplete or misleading in any material respect.

In performing our evaluation, we have not relied upon any financial projections or forecasts in respect of the Group or the Share Acquisition Transaction. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors and the management of Manhattan Resources, and is predicated upon the economic and market conditions prevailing as at the date of this opinion. This letter therefore does not reflect any projections on the future financial performance of Manhattan Resources, should the Share Acquisition Transaction be completed or not completed.

For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the Group, or in relation to the Share Acquisition Transaction.

Our view is based upon market, economic, industry, monetary, and other conditions in effect on, and the information made available to us as at the latest practicable date prior to the printing of the Circular, being June 30, 2011 (the "**Latest Practicable Date**"). Such conditions can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date even if it might affect our opinion contained herein.

Our opinion should not be relied on as a recommendation to any shareholder of Manhattan Resources as to how they should vote on the resolution in relation to the Share Acquisition Transaction or any matters related thereto. In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation or unique needs and constraints of any shareholder of Manhattan Resources or any specific group of such. We recommend that any individual shareholder of Manhattan Resources or group of such who may require specific advice in relation to their investment portfolio consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

Manhattan Resources has been separately advised in the preparation of the Circular (other than this letter). We were not involved in and have not provided any advice in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this letter).

This letter is addressed to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Share Acquisition Transaction, and the recommendations made by them shall remain the responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Our opinion in relation to the Share Acquisition Transaction should be considered in the context of the entirety of this letter and the Circular.

3. THE SHARE ACQUISITION TRANSACTION AND THE LISTING MANUAL

As previously stated in this letter, and in section 9 of the Circular, the Share Acquisition Transaction constitutes an 'interested person transaction' under Chapter 9 of the Listing Manual. As the aggregate estimated value of the Share Acquisition Transaction is more than five per cent of the latest audited net tangible assets of the Group, Rule 906(1) of the Listing Manual requires that the Share Acquisition Transaction be subject to the approval of the shareholders of Manhattan Resources.

4. DETAILS CONCERNING THE SHARE ACQUISITION TRANSACTION

4.1 Share Acquisition Transaction

Pursuant to the Investment Agreement between Manhattan Resources, Ecoblu and Dato' Low Tuck Kwong, the latter will subscribe for 81,000,000 Ecoblu Shares for the Subscription Consideration, being an amount of US$5,000,000. Following this investment, Dato' Low Tuck Kwong is the largest shareholder of Ecoblu with approximately 45.37 percent of the share capital.

The Share Acquisition Transaction will see Dato' Low Tuck Kwong, subject to approval from the shareholders of Manhattan Resources being obtained, sell the 81,000,000 Ecoblu Shares to Manhattan Resources for the Share Consideration; which is the same amount as the Subscription Consideration originally paid by Dato' Low Tuck Kwong to acquire the 81,000,000 Ecoblu Shares.

Manhattan Resources elected to involve Dato' Low Tuck Kwong in the Investment Agreement giving rise to the acquisition of 81,000,000 Ecoblu Shares in the interest of providing Ecoblu with the funding needed for its operations.

Parallel to this Share Acquisition Transaction, and subject to its shareholders' approval, Manhattan Resources agreed to grant a US$5,000,000 loan to support the development of Ecoblu. Pursuant to the terms of the Loan Facility between MRL and Ecoblu, MRL will be granted warrants to subscribe for 50,000,000 shares in Ecoblu.

Upon completion of the share acquisition and the conversion of the warrants, Manhattan Resources could acquire an aggregate of 131,000,000 shares representing approximately 57.32percent interest in Ecoblu[1].

Prior to entering into the Investment Agreement and Credit and Warrant Agreement with Ecoblu, Ecoblu made presentations to the Company on its products and business plans. The Company conducted site visits to Ecoblu's operation facilities in the U.S., where the chemicals are mixed, blended and the lumber is coated with WoodSurfaceFilm™, and three housing building sites in Southern California. The Company was given demonstrations of fire spread on wood in the laboratory and saw Ecoblu's quality control system in operation. The Company also reviewed contracts and correspondences between Ecoblu and its customers and affiliates as well as the cost of blended chemicals.

In addition, in order to assess the efficacy of Ecoblu's proprietary formula, the Company reviewed test reports, which were commissioned by Ecoblu and carried out by independent accredited laboratories.

4.2 Overview of Ecoblu

Business description

We have reproduced the following information about Ecoblu from section 5 of the Circular:

Ecoblu was incorporated under its former name, N8 Concepts, Inc., in the State of Nevada, U.S., by Mr James H. Watson, Jr., in March 2007. It changed its name to the present one following a reverse takeover in 2009 by Mr Steven Conboy and Mr Mark Vuozzo, Ecoblu's president and chief technical officer, respectively. Its office is located in Vista, north of San Diego, and its coating and warehouse facilities situated at Colton, east of Los Angeles. It is a producer and marketer of a range of engineering wood products (including beams, panels, wooden products for roofs, floors and ceilings) which are coated with its proprietary patent pending WoodSurfaceFilmTM formula that protects against fire, mould, fungus, wood rot and decay, wood ingesting insects and termites. The treated lumber is being marketed as "Red Shield" lumber. The technology has the advantage of being effective, inexpensive, easy to apply and environmentally neutral as compared

[1] The enlarged share capital of Ecoblu comprises 178,536,100 Ecoblu Shares in issue as at the Latest Practicable Date, which includes the New Ecoblu Shares which have been issued to Dato' Low Tuck Kwong, and the Warrant Shares. There are 9,829,731 share commitments and options in Ecoblu currently outstanding and if such share commitments are fulfilled and the options fully exercised, the Company's interest upon completion of the Share Acquisition and full exercise of the Warrant will be reduced to 54.96 per cent.

to the products of its competitors. It is also capable of offering fire protection for flammable lumber products like oriented strand boards where highly flammable resins are used in their manufacturing. Ecoblu also offers advice to developers and owners on the design, engineering and framing of wood frame structures. Ecoblu believes that the Building Code in the U.S. will be strengthened and that the application of protection against the abovementioned hazards associated with wood framed structures augers well for its business prospects. The Shares are quoted on the "OTC Bulletin Board" in the U.S., a regulated quotation service, under the symbol ECOB since March 2008.

Other than developing its patent pending lumber coating technology, Ecoblu has been spending the past two years promoting its cost effective and technically superior technology. It has now secured firm orders to supply coated lumber for more than 100 homes as well as a resort hotel in Southern California. Marketing efforts continue and Ecoblu is confident of securing a material share of the new build orders in Southern California. Through its humanitarian effort to build some housing to resettle earthquake victims in Haiti for the past year, Ecoblu has attracted the attention of officials and non-governmental organizations involved in the relief and reconstruction of Haiti and Ecoblu is working towards the adoption of its protected lumber as one of the standard building materials for the reconstruction effort in Haiti. Ecoblu has recently commenced the first shipment of a commercial order for coated lumber to Haiti.

In order to spread its coverage of the North American market, Ecoblu has entered into agreements to appoint affiliates which are convinced of the efficacy of its coating materials. To date, it has six affiliates located in the states of Connecticut, Florida, Texas, Virginia, Georgia and in British Columbia in Canada. The typical arrangement requires the affiliates to install or purchase the coating machine (from Ecoblu) and quality control system (with online connection to Ecoblu in Vista) and commit to purchase a minimum quantity of coating material from Ecoblu. The affiliates are all lumber companies servicing their respective regional markets and would be able to assist in the sale of coated lumber.

Through its promotional effort, Ecoblu has also received enquiries from interested lumber companies and developers in Korea, Japan, Australia Turkey and the United Kingdom. Ecoblu intends to develop its presence in markets outside North America when conditions are right.

As some of the chemical components of WoodSurfaceFilm™ are proprietary in nature from respective suppliers/vendors, Ecoblu has entered into long term supply contracts with the relevant suppliers/vendors.

Financial information

Ecoblu is a company at the development stage. Since inception, the company has focused mainly on developing its coating technology and promoting its technology.

In December 2010, they finalized their coating technology distributed under the Red Shield(TM) brand. They began actively marketing their product to potential clients only after securing the financing of US$5,000,000 by Dato' Low Tuck Kwong in February 2011 which was used largely for the purchase of lumber and additional productive facilities.

Historical Profit & Loss financial information

The following table provides information relating to the profit and loss of Ecoblu since inception. We note that over the 9 months ending 31 March 2011, Ecoblu revenues increased to US$ 770,912 and gross profit was positive. However, these improvements were insufficient to compensate for the operating expenses and operating losses amounted to US$ 2,296,908 for the same period.

We also note that since inception, total revenues amounted to US$ 995,411 while the company accumulated losses amounting to US$8,479,148.

Ecoblu Products Inc. Financial Information		
	For period from inception till June 30, 2010	**For 9 months ended March 31, 2011**
Profit & Loss Items	**US$**	**US$**
Total revenue	224,499	770,912
Cost of sales	(229,894)	(678,268)
Gross profit	**(5,395)**	**92,644**
as % of sales	*-2.40%*	*12.02%*
Total operating expenses	(3,517,104)	(2,389,552)
Loss from operations	**(3,522,499)**	**(2,296,908)**
Other expenses	(128,964)	(39,940)
Interest expense	(536,744)	(1,954,093)
Total other expenses	**(665,708)**	**(1,994,033)**
Net loss	**(4,188,207)**	**(4,290,941)**

Source: Ecoblu Products Inc. published financial statements (10K for the year ended June 30, 2010 and 10Q for the year ended March 31, 2011).

5. ASSESMENT OF THE SHARE ACQUISITION TRANSACTION

The Share Acquisition Transaction is between the Company and its Controlling Shareholder, Dato' Low Tuck Kwong. Accordingly, it is classified as an 'interested person transaction' under Chapter 9 of the Listing Manual.

Although the 'interested person transaction' is between the Company and Dato' Low Tuck Kwong, our analysis is extended to examine the tripartite agreement involving the purchase of the 81,000,000 Ecoblu Shares between the Company, Dato' Low Tuck Kwong and Ecoblu.

In accordance with the above, we have considered the following:

- the rationale for the Share Transaction Acquisition;
- the financial assessment of the Share Acquisition Transaction; and
- other relevant considerations associated with the Share Acquisition Transaction.

5.1 Rationale for purchasing the 81,000,000 Ecoblu shares

We have reproduced the following rationale regarding the Company's decision to purchase the 81,000,000 Ecoblu Shares from section 6 of the Circular:

- The Proposed Investment is an expansion of the Company's business into a new geographical area and business sector. The Company believes that Ecoblu's technology is unique, effective, affordable and has good long-term potential and will be beneficial to Shareholders.
- The Company believes that Ecoblu has a good business plan. The offering of coated lumber in the market is timely to meet the anticipated strengthening of the Building Code in the U.S. and that developers are now looking at cost effective ways to offer value added products in a construction sector which is at a low point of the construction business cycle. Ecoblu believes

that this is the opportune time for Red Shield lumber and WoodShieldFilm™ products to establish themselves in the market. The affiliate arrangements Ecoblu has made with other lumber companies throughout North America will widen its market coverage. Ecoblu is also doing further research and development work on the application of applying the coating materials to produce more value added products.

- The Company believes that Ecoblu has a capable management team headed by Mr Steve Conboy, who has been in the building industry for over three decades, and will be tapping on the expertise of the current management team to manage the business of Ecoblu. While the Proposed Investment represents an investment in a new area for the Company in which the Company does not have direct expertise, the Company will have nominees on the Ecoblu Board to monitor the Proposed Investment, which in any event is capped at US$10 million.

- The Company is of the view that Ecoblu will experience high rate of growth in the next few years and that the Proposed Investment, which will provide financing for Ecoblu's business roll out plan, represents a valuable opportunity to invest in Ecoblu at an early stage prior to its growth potential being fully realised.

We note that, through this Share Transaction Acquisition, MRL management has decided to venture into a new business sector as well as new geographical areas where it has neither previous experience nor expertise. As a consequence, MRL will be relying heavily on the existing management of Ecoblu to lead the development of the company.

5.2 Financial assessment of the Share Acquisition Transaction

Introduction

Ecoblu is quoted on the OTCBB and its share price has been a key reference in the negotiation between the parties as well as in the previous capital increases of the company. As such, we have considered the current and historical price performance of the Ecoblu Shares as reasonable indicators for assessing the financial value of Ecoblu at a given point in time.

Moreover, Ecoblu is an early-stage company with minimal sales and significant losses. As such, valuation methodologies based on historical and current financial performance cannot be used. Furthermore, prospective results will be highly subjective and dependent on the ability of the management of Ecoblu to successfully lead the company to growth.

As a consequence of the above, we mainly focused on the share price analysis of Ecoblu but have also reviewed the key risks associated with the investment in Ecoblu.

Historical share price and trading analysis of the Shares

We wish to highlight that under ordinary circumstances, the market valuation of shares traded on a recognized stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage and investor interest it attracts, and the general market sentiment at a given point in time. Accordingly, this analysis serves as an illustrative guide only.

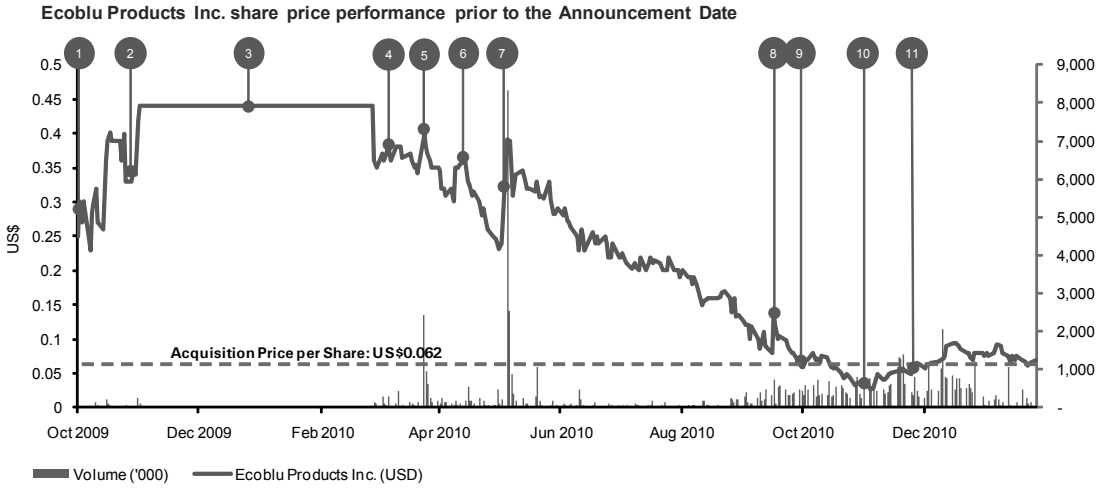
Historical trading performance

Over the year prior to the Announcement Date of the Share Acquisition Transaction, Ecoblu's share price decreased sharply from a high of US$0.44 to US$0.07 on 13 February 2011.

Our findings indicate that this continuous decline may be attributable to, *inter alia*, the following factors:

(i) the acknowledged difficulties encountered by Ecoblu in the securing of financing for its ongoing operations; and

(ii) the absence of any significant business wins resulting in minimal revenues and large losses.



Source: Capital IQ

Notes:

(1) 19 Oct 2009 – Ecoblu completed acquisition of N8 Concepts, Inc. (OTCBB:NECO) in a reverse merger transaction in a transaction worth US$0.16 million.

(2) 17 Nov 2009 – Ecoblu announced the opening of the EcoGreen Exchange, a showplace for green building products and its new corporate headquarters.

(3) 9 Jan 2010 – Announced that Ecoblu's products has received the endorsement of Borm Associates, Inc., which consults for the USA's largest builders including D.R. Horton, Pulte, Centex, Pardee, Brookfield and Lyon. It also serves some of the world's most respected builders, developers and architects in China, North Africa and the Middle East.

(4) 26 Mar 2010 – Ecoblu announced that it has received $1.50 million in funding from Alpha Capital Anstalt, Chardan Capital Markets, LLC, Hudson Bay Capital Management LP, Iroquois Capital, LP, Chardan SPAC Asset Management LLC, and other investors, via a private placement of 8% senior secured convertible notes due 26 Mar 2011.

(5) 12 Apr 2010 – Ecoblu announced securing of order to provide all framing lumber coated with BLUWOOD (TM) Technology, with the project representing in excess of US$300,000 in revenues to the company.

(6) 29 Apr 2010 – Ecoblu announced plans to raise funds and said in Form S-1 filed with SEC, "The Company's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of its website, and ultimately attain profitability. The Company intends to acquire additional operating capital through equity offerings to fund its business plan. There is no assurance that the Company will be successful in raising additional funds."

(7) 24 May 2010 – Ecoblu announced that international affiliate Luxor Industrial Corporation of Vancouver, British Columbia, has converted all production of their engineered bridging products to be exclusively coated with Bluwood(TM) technology, anticipating a significant impact in the markets serviced across Canada.

(8) 5 Oct 2010 – Announced the securing of orders to supply all framing lumber components for multiple jobs and is now delivering the entire lumber packages.

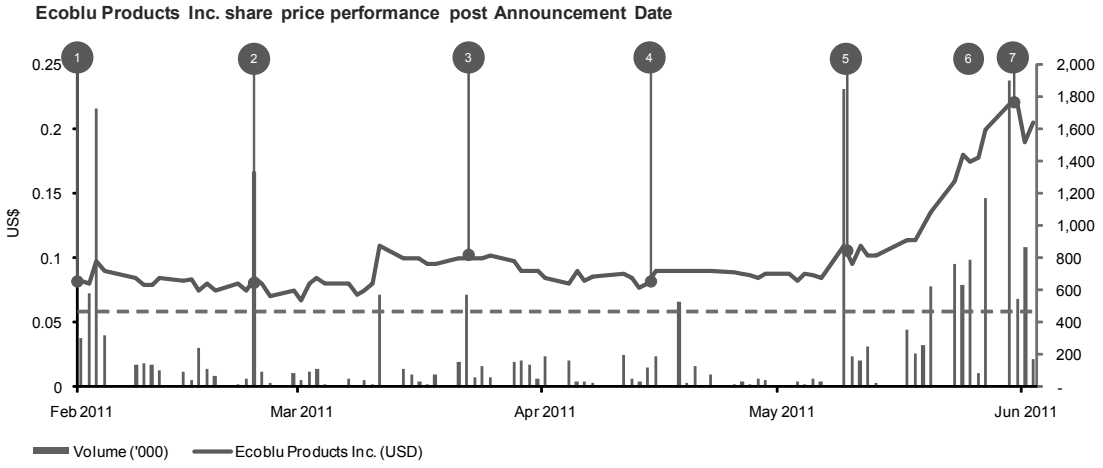
(9) 21 Oct 2010 – Announced plans for expansion of production capacity of its main production facility, located in Colton, California.

(10) 15 Nov 2010 – Announced that they will be unable to file their next 10-Q by the deadline required by the SEC.

(11) 1 Dec 2010 – Ecoblu announced the successful development of a proprietary product line of lumber treatments that employ protection against Fire, Mold/Mycotoxin, Termites and other wood ingesting insects.

We note that the Acquisition Price per Share of US$0.062 is at a discount to the closing price of US$0.07 on the day prior to the Announcement Date.

Following the Announcement Date, share price appreciation has occurred along with announcements of various contract wins. On 30 June 2011, the share price closed at US$0.31, representing a 343% increase compared with the closing price of US$0.07 on 11 February 2011[2].



Source: Capital IQ

Notes:

(1) 14 Feb 2011 – Announced that Dato' Low Tuck Kwong will subscribe for 81,000,000 shares in Ecoblu (the "New Shares"), for an aggregate consideration of US$5,000,000, which will then be sold to Manhattan Resources Limited ("MRL"), for the same consideration. A revolving credit facility for gross proceeds of $5,000,000 with MRL was also announced.

(2) 25 Feb 2011 – Ecoblu announced that it has finalized an Affiliate, Purchase, Distribution & Services Agreement with Guthrie Lumber & Distribution Centers, Inc., under which Guthrie will produce ECOB Good Wood(TM) products in the Austin Texas facility with the rights to distribute lumber into the entire market.

(3) 6 Apr 2011 – Ecoblu announced that it has finalized an Affiliate, Purchase, Distribution & Services Agreement with EcoPrime, LLC, formerly Bluwood South, an established wood coatings applicator located in Augusta, Georgia.

(4) 27 Apr 2011 – Ecoblu announced that, effective April 22, 2011, Cordovano and Honeck was dismissed as the independent registered public accounting firm of EcoBlu Products, Inc. The Board of Directors also approved the engagement of DBBMcKennon as its independent registered public accounting firm to audit the financial statements..

(5) 23 May 2011 – Announced the securing of an 18 truckload order for Red Shield coated lumber in excess of US$260,000.

(6) 8 Jun 2011 – Announced that the company has shipped a complete house package of lumber coated with Red Shield(TM) protection to rebuild a home destroyed in the Witch Creek fire storms of 2007.

(7) 13 Jun 2011 – Announced that the company has secured an order for lumber coated with Red Shield(TM) protection to build a four story multi use hotel. This project will begin shipping during the summer/fall of 2011 representing nearly one million board feet of Red Shield(TM) protected lumber.

[2] 11 February 2011 is the last trading day before the Announcement Date

Liquidity analysis

- *Liquidity analysis from 2009 to the Announcement Date of the Share Acquisition Transaction*

We have set out in the following table, the liquidity statistics of 20 OTC-listed entities closest to the Ecoblu in terms of market capitalization ranging from US$4.30 million to US$5.78 million, for the 6 months prior to Announcement Date (11 August 2010 to 13 February 2011).

Liquidity analysis of Ecoblue Products, Inc. relative to OTCBB listed entities of comparable market capitalisation (before the Announcment Date)

Company	Market capitalisation (U$ mil)	Average daily value traded for the past 6 months (US$ mil)	Average daily volume for the past 6 months (mil)	Shares outstanding (mil)	Free float (mil)	Free float as % of shares outstanding	Average daily value as % of market capitalisation available to free float	Avg daily volume as % of free float
Forum National Investments Ltd.	5.78	0.00	0.01	29.14	5.46	18.72%	0.17%	0.25%
Brekford Corp.	5.77	0.00	0.00	40.58	15.20	37.46%	0.01%	0.01%
The Mint Leasing, Inc.	5.76	0.00	0.03	82.23	2.22	2.70%	2.24%	1.47%
Vertex Energy, Inc.	5.71	0.01	0.14	8.46	0.93	11.03%	1.15%	14.53%
BioLife Solutions, Inc.	5.57	0.03	0.80	69.68	21.44	30.76%	1.83%	3.72%
InkSure Technologies Inc.	5.56	0.00	0.00	42.31	15.82	37.38%	0.04%	0.01%
CHDT Corporation	5.52	0.00	0.00	649.52	271.45	41.79%	0.01%	0.00%
Upstream Worldwide, Inc.	5.44	0.01	0.01	212.02	71.46	33.71%	0.29%	0.01%
Steele Resources Corporation	5.42	0.00	0.01	33.88	10.94	32.29%	0.09%	0.07%
Cemtrex Inc.	5.21	0.00	0.01	40.11	7.78	19.40%	0.09%	0.18%
Vision Industries, Corp.	5.11	0.00	0.00	38.14	14.23	37.32%	0.01%	0.01%
ForeverGreen Worldwide Corporation	5.02	0.00	0.18	14.89	4.82	32.37%	0.10%	3.80%
Affinity Mediaworks Corp	5.02	0.00	0.04	50.17	10.17	20.26%	0.39%	0.39%
Cullen Agricultural Holding Corp.	4.91	0.00	0.00	19.63	1.51	7.69%	0.52%	0.20%
EnerJex Resources, Inc.	4.71	0.00	0.01	69.36	28.72	41.41%	0.06%	0.03%
Corgenix Medical Corp.	4.61	0.01	0.28	40.89	10.31	25.22%	0.57%	2.75%
American Sierra Gold Corp.	4.56	0.01	0.07	68.20	23.40	34.31%	0.72%	0.29%
YesDTC Holdings, Inc.	4.47	0.00	0.03	141.30	14.55	10.30%	0.34%	0.20%
Red Metal Resources Ltd.	4.39	0.01	0.06	16.94	3.55	20.98%	1.01%	1.62%
Southern Trust Securities Holding Corp	4.30	0.00	0.00	14.34	2.56	17.87%	0.16%	0.18%
						Min	0.01%	0.00%
						Mean	**0.49%**	**1.49%**
						Median	**0.23%**	**0.20%**
						Max	2.24%	14.53%
Ecoblue Products, Inc.[1]	**5.16**	**0.03**	**0.41**	**96.77**	**33.47**	**34.59%**	**1.68%**	**1.23%**

Source: Capital IQ

Notes:

(1) Free float shares exclude the stakes of the following shareholders; Steven Conboy, Mark Vuozzo, and the hedge fund manager Hudson Bay Capital Management L.P.

We note that Ecoblu's liquidity as represented by the average daily value traded as a percentage of the market capitalization of the free float and the average daily volume traded as a percentage of the free float shares are respectively 1.68% and 1.23% and significantly higher than the median liquidity statistics of the OTCBB entities with a comparable market capitalization over the same period.

- *Liquidity analysis since the Announcement Date of the Share Acquisition Transaction*

We have set out in the following table, the liquidity statistics of 20 OTC-listed entities closest to the Ecoblu in terms of market capitalization ranging from US$52.7 million to US$56.9 million, for the past 4 months after the Announcement Date (14 February 2011 to 30 June 2011).

Liquidity analysis of Ecoblue Products, Inc. relative to OTCBB listed entities of comparable market capitalisation (as at the Latest Practicable Date)

Company	Market capitalisation (U$ mil)	Average daily value traded for the past 4 months (US$ mil)	Average daily volume for the past 4 months (mil)	Shares outstanding (mil)	Free float (mil)	Free float as % of shares outstanding	Average daily value as % of market capitalisation available to free float	Avg daily volume as % of free float
Viking Minerals Inc.	56.9	0.0012	0.0049	353.50	346.20	97.93%	0.00%	0.00%
ExperTelligence Inc.	56.8	0.0001	0.0003	94.96	35.96	37.87%	0.00%	0.00%
OncoSec Medical Incorporated	56.3	0.1022	0.0702	52.66	52.66	100.00%	0.18%	0.13%
China Pharmaceuticals, Inc.	56.3	0.0005	0.0007	75.24	56.67	75.32%	0.00%	0.00%
Medizone International Inc.	56.1	0.0547	0.2353	260.94	228.04	87.39%	0.11%	0.10%
Greater Hudson Bank, NA (NY)	56.0	0.0019	0.0003	10.00	9.96	99.60%	0.00%	0.00%
Rodobo International Inc.	56.0	0.0177	0.0072	28.27	7.14	25.25%	0.13%	0.10%
Dimeco Inc.	55.9	0.0188	0.0005	1.60	1.32	82.60%	0.04%	0.04%
Neogenomics Inc.	55.7	0.0214	0.0152	42.83	39.32	91.80%	0.04%	0.04%
Liquidmetal Technologies Inc.	55.4	0.1248	0.2284	112.96	82.40	72.95%	0.31%	0.28%
International Isotopes Inc.	55.0	0.0066	0.0362	323.61	48.78	15.07%	0.08%	0.07%
Calpian, Inc.	54.9	0.0001	0.0000	16.89	4.27	25.29%	0.00%	0.00%
TaxMasters, Inc.	54.9	0.0005	0.0014	140.70	123.55	87.81%	0.00%	0.00%
Silver Horn Mining Ltd.	54.8	0.0140	0.0714	195.83	68.59	35.02%	0.07%	0.10%
Axion Power International Inc.	54.7	0.3345	0.3775	85.45	58.72	68.72%	0.89%	0.64%
Manas Petroleum Corp.	54.5	0.0853	0.1708	170.37	117.73	69.10%	0.23%	0.15%
Soligenix, Inc.	54.5	0.1039	0.4805	217.98	150.91	69.23%	0.28%	0.32%
Derycz Scientific, Inc.	53.0	0.0312	0.0101	16.82	16.82	99.98%	0.06%	0.06%
California Republic Bank	52.8	0.0054	0.0006	5.20	5.20	100.00%	0.01%	0.01%
Solvay Bank Corp. (Solvay, NJ)	52.7	0.0020	0.0001	2.03	2.03	100.00%	0.00%	0.00%
						Min	0.00%	0.00%
						Mean	**0.12%**	**0.10%**
						Median	**0.05%**	**0.05%**
						Max	0.89%	0.64%
Ecoblue Products, Inc.[1]	**55.1**	**0.0504**	**0.2876**	**178.54**	**34.24**	**19.18%**	**0.48%**	**0.84%**

Sources: Capital IQ, Bloomberg, Circular

Notes:

(1) Free float shares exclude the stakes of the following shareholders; Low Tuck Kwong, Steven Conboy, Mark Vuozzo, and the hedge fund manager Hudson Bay Capital Management L.P

We note that the Ecoblu's liquidity as represented by the average daily value traded as a percentage of the market capitalization of the free float and the average daily volume traded as a percentage of the free float shares are respectively 0.48% and 0.84% and significantly higher than the median liquidity statistics of the OTCBB entities with a comparable market capitalization over the same period.

Comparison with the Acquisition Price per Share

We have also analysed the discount implied by the Acquisition Price per Share over the volume-weighted average price ("**VWAP**") of the shares for varying periods preceding and pursuant to the Announcement Date, and have tabulated them as follows:

Discount statistics over the Acquisition Price per Share			
Reference period	Period	VWAP (US$)	Discount to VWAP price
Prior to Announcement Date[1]			
One year prior	16 Feb 2010 to 11 Feb 2011	0.166	62.60%
6 month prior	16 Aug 2010 to 11 Feb 2011	0.071	12.70%
3 month prior	15 Nov 2010 to 11 Feb 2011	0.079	21.60%
1 month prior	14 Jan 2011 to 11 Feb 2011	0.087	28.90%
last traded day	11 Feb 2011	0.080	22.50%
Post Announcement Date			
1 market day post	15 Feb 2011	0.080	22.40%
Post announcement till Latest Practicable Date	15 Feb 2011 to 30 June 2011	0.178	65.30%
Price as at 30 June 2011		0.310	80.00%
Acquisition Price per Share		**0.062**	

Source: Capital IQ

Notes:

(1) Computations for the respective periods of VWAP are included till the last trading day, being 11 Feb 2011 before the acquisition was announced on 14 Feb 2011.

The analysis shows that the Acquisition Price per Share is at a discount of 22.50% and 28.90% to the VWAPs of the shares on the last traded day and one-month period prior to the Announcement Date.

We also note that the VWAPs of the shares have been trading consistently above the acquisition price for the post one market day after the Announcement Date and for the period from post acquisition announcement date up to the Latest Practicable Date, respectively.

Previous transactions

In 2009, Ecoblu raised US$113,794 through a private placement[3] at a price of $0.1 per Ecoblu share, which is above the Acquisition Price per Share of US$0.062.

Since then, the company has increased its equity mainly through non-cash capital increases at an average price of US$0.36 per share, as detailed below. Most transactions took place based on the share price of Ecoblu at the period of the share issuance.

Major non-cash capital increases from Nov 2009 to June 2010 (non-exhaustive)				
Transaction Type	Period	Number of Common Stock	Total Capital (US$)	Weighted Average Implied Price per Share (US$)
Issuance of common stock for consulting and advisory services	4 Nov 2009 - 15 Jun 2010	5,483,333	1,974,450	0.36
Issuance of common stock for settlement of debt	20 Jan 2010 - 17 May 2010	723,806	306,382	0.42
Issuance of common stock for legal services	5 Mar 2010 - 11 May 2010	370,000	131,800	0.36
Issuance of common stock for prepaid loan fee	26 Mar 2010 - 3 May 2010	200,000	72,000	0.36
Issuance of common stock for settlement of debt	3 May 2010	375,000	115,000	0.31
Totals		**7,152,139**	**2,599,632**	
Weighted Average Implied Price per Share				**0.36**

Source: Ecoblu Products Inc. 10K for the period ending June 30, 2010

As a consequence, major capital increases up till June 30, 2010 took place at a share price above the Acquisition Price per Share of US$0.062.

Risks involved in the transaction

Manhattan Resources entered into this transaction with Ecoblu taking into account the potential penetration of the Ecoblu technology in the construction market and the profits that this expansion could generate. However, it has to be noted that given the development stage of Ecoblu and its limited track record, significant risks are associated with this investment.

We have reproduced the following information regarding some of the risks associated with investing in Ecoblu from the section 8 of the Circular that relates to the "Risk Factors". The list of risks described below is not exhaustive.

- *Ecoblu's Products have a Short History.* The proprietary WoodSurfaceFilm™ formula is a relatively new product and has not firmly established itself in the market place. Ecoblu had been focusing its activities on product and market development until an active marketing and sales launch initiated in late March 2011. Although it has secured a number of orders to supply Red Shield lumber in Southern California and Haiti, it is difficult to evaluate prospects for the future business and performance of Ecoblu as there is no assurance that the initial success will be sustainable.

- *Ecoblu has a Limited Operational Record.* Being a relatively new company, Ecoblu could be subject to any or all of the problems, expenses, delays and risks inherent in running a new business operation, including, but not limited to limited capital resources, possible cost overruns, uncertain market acceptance and inability of management to respond effectively to competitive developments.

[3] Source: Capital IQ – Company announcement on September 28, 2009.

- *Competition.* The wood production industry is highly competitive. Ecoblu faces competition in all its markets from large, national companies and smaller, regional companies, as well as from individuals. Many competitors are larger and have greater financial resources. Ecoblu will from time to time face pricing pressure in certain markets as a result of competitors' promotional pricing practices.

- *Sustainable Growth.* Ecoblu plans to grow rapidly in order to achieve economies of scale. This could place strain on its financial, technical, operational and administrative resources which would have negative impact on operational, management, financial systems and controls. If growth cannot be managed effectively, Ecoblu's business, operation and financial conditions may be materially and adversely affected.

- *Loss of Key Personnel.* The operations of Ecoblu are dependent upon a stable workforce. This calls for the continued performance, efforts, abilities and expertise of its key management personnel. In particular, Mr Steve Conboy, the Chief Executive Officer of Ecoblu, has accumulated extensive experience in the operations of Ecoblu and is its key driving force. The loss of services of Mr Conboy could have a material adverse effect on the operations and finances of Ecoblu as Ecoblu may not be able to recruit suitable replacements for Mr Conboy within a short time frame. Ecoblu plans to increase the number of key management personnel in Ecoblu and to implement a competitive compensation package to retain and incentivise them.

- *Supply Risk.* Two of the major ingredients required for the production of WoodSurfaceFilm™ are of proprietary in nature and are supplied by two separate single sources. Although Ecoblu has entered into long term supply contracts with these two suppliers, there is no certainty that the suppliers will perform in accordance with the terms of the contracts. Any failure of delivery of any of these critical ingredients will have a material adverse impact on the operations and financial performance of Ecoblu.

6. OTHER CONSIDERATIONS

6.1 The rationale for the involvement Dato' Low Tuck Kwong in the Share Acquisition Transaction

In order to finance its operations and development, Ecoblu needed funds as soon as the first quarter of 2011. As Manhattan Resources is required to seek the approval of its shareholders for the investment in Ecoblu, in the interest of time and to ensure Ecoblu's funding requirements were met in a timely manner, Dato' Low Tuck Kwong has subscribed for the 81,000,000 Ecoblu Shares.

6.2 Involvement of Manhattan Resources in negotiating underlying Investment Agreement

We note that the terms of the underlying Investment Agreement, including the pricing of the 81,000,000 Ecoblu Shares proposed to be acquired pursuant to the Share Acquisition Transaction, were negotiated between Manhattan Resources and Ecoblu. Dato' Low Tuck Kwong is only a party to the Investment Agreement and subscribing to 81,000,000 Ecoblu Shares.

We also note that Manhattan Resources had already invested in Ecoblu prior to any financial involvement of Dato' Low Tuck Kwong in this process. Indeed, in December 2010, SLM Holding PTE, Ltd. ("**SLM**"), a wholly owned subsidiary of MRL bought loan notes issued by Ecoblu from a group of third party investors for the aggregate sum of $1,000,000.

6.3 Assumption of risk by Manhattan Resources and Dato' Low Tuck Kwong

Pursuant to the Investment Agreement Dato' Low Tuck Kwong will, subject to approval from the shareholders of Manhattan Resources being obtained, sell the 81,000,000 Ecoblu Shares to Manhattan Resources for the Share Consideration; which is the same amount as the Subscription Consideration originally paid by Dato' Low Tuck Kwong to acquire the 81,000,000 Ecoblu Shares.

We note that the mechanics of the Share Acquisition Transaction place the shareholders of Manhattan Resources, vis-a-vis Dato' Low Tuck Kwong, in a more advantageous position. In contrast to the position of Dato' Low Tuck Kwong, the shareholders of Manhattan Resources can

approve or disapprove the Share Acquisition Transaction. In this regard, we further note that Dato' Low Tuck Kwong will abstain from voting in respect of the Share Acquisition Transaction. This ensures that Dato' Low Tuck Kwong and associated parties are precluded from influencing the outcome of the Share Acquisition Transaction.

6.4 No interest or charges payable by Manhattan Resources to Dato' Low Tuck Kwong

We note, according to the documentation provided, that Manhattan Resources are not obliged to remunerate Dato' Low Tuck Kwong in any manner in respect of his willingness to enter into the Investment Agreement and Share Acquisition Transaction.

6.5 OUR OPINION

In arriving at our recommendation on the Share Acquisition Transaction, we have considered the factors set out in the previous sections of this letter, and note the following concluding points:

(a) The financial assessment of the Share Transaction Acquisition

In reviewing the Share Consideration to be paid by MRL for the Share Transaction Acquisition Interests, we took into consideration the fact that Ecoblu is quoted on the OTCBB and that its share price has been a key reference in the negotiation between the parties as well as for the previous capital increases of the company.

The pricing of the Share Acquisition Transaction appears to be reasonable having regard to: (a) the historical trading performance of Ecoblu shares displayed within this report; (b) the significant announcements released over the last months and their positive impact on the share price of Ecoblu; and (c) the Acquisition Price per Share being at a discount of 80 percent over the VWAP as at the Latest Practicable Date.

However, we would like to remind the MRL shareholders that the liquidity of Ecoblu shares is limited and that the share price may not be reflective of the underlying value of the business. They have to consider that a re-sale of their investment in Ecoblu would likely prove to be difficult in the current market conditions.

Moreover, MRL management entered this Share Acquisition Transaction considering that Ecoblu has a unique product and a significant growth potential. MRL shareholders need to take into consideration that this acquisition can be considered as a risky investment in an early stage company.

We also note that, through this Share Transaction Acquisition, MRL ventures into a new business sector as well as new geographical areas where the company has no previous experience.

(b) The Circumstances of the Share Acquisition Transaction

We note that had Manhattan Resources transacted directly with Ecoblu in relation to the acquisition of 81,000,000 Ecoblu Shares, the transaction would not require an opinion from an independent financial adviser.

The opinion from an independent financial adviser is required because Manhattan Resources involved Dato' Low Tuck Kwong in the acquisition of 81,000,000 Ecoblu Shares. Manhattan Resources did this to ensure Ecoblu's required funding in a time period shorter than would otherwise be possible, given the need for Manhattan Resources to obtain the approval of its shareholders.

The mechanics of the Share Acquisition Transaction place the shareholders of Manhattan Resources, vis-a-vis Dato' Low Tuck Kwong, in a more advantageous position. In contrast to the position of Dato' Low Tuck Kwong, the shareholders of Manhattan Resources can approve or disapprove the Share Acquisition Transaction.

(c) Pricing of the Share Acquisition Transaction

We note that the terms of the underlying Investment Agreement, including the pricing of the 81,000,000 Ecoblu Shares proposed to be acquired pursuant to the Share Acquisition Transaction, were negotiated between Manhattan Resources and Ecoblu. Dato' Low Tuck Kwong is only a party to the Investment Agreement and subscribing to 81,000,000 Ecoblu Shares.

We note that Dato' Low Tuck Kwong cannot revise the price of the Share Acquisition Transaction upwards, even in case of appreciation of the traded share price of Ecoblu.

Manhattan Resources are not obliged to remunerate Dato' Low Tuck Kwong in any manner in respect of his willingness to enter into the Investment Agreement and Share Acquisition Transaction.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting as at the Latest Practicable Date and based on our considerations above, we are of the opinion that the Share Acquisition Transaction is:

(a) on normal commercial terms; and

(b) not prejudicial to the interests of the Manhattan Resources and its minority shareholders.

Accordingly, we advise the Independent Directors to recommend that the minority shareholders vote in favour of the resolution in relation to the Share Acquisition Transaction at the Extraordinary General Meeting (the "EGM").

In rendering the above opinion, we have not taken into consideration the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual shareholder of Manhattan Resources. Accordingly, any individual shareholder who may require specific advice in relation to their investment portfolio including their investment in Manhattan Resources should consult their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Your faithfully
for and on behalf of
KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Julia Levy
Manager

MANHATTAN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (the "**EGM**") of Manhattan Resources Limited (the "**Company**") will be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on 22 July 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as an ordinary resolution (the "**Ordinary Resolution**"):

Ordinary Resolution

The Proposed Investment in Ecoblu Products Inc.

"That:

(a) approval be and is hereby given for the acquisition of:

(i) 81,000,000 shares (the "**Ecoblu Shares**") in Ecoblu Products Inc. ("**Ecoblu**") from Dato' Low Tuck Kwong (the "**Share Acquisition**") on and subject to the terms and conditions of the investment agreement dated 11 February 2011 entered into between the Company, Ecoblu and Dato' Low Tuck Kwong (the "**Investment Agreement**"), details of which are set out in the circular to shareholders dated 7 July 2011 (the "**Circular**"); and

(ii) a warrant (the "**Warrant**") to subscribe for 50,000,000 Ecoblu Shares (the "**Warrant Shares**") which is being issued by Ecoblu in consideration for the US$5,000,000 revolving facility being extended by the Company to Ecoblu, and the subsequent subscription for the Warrant Shares by the Company upon the exercise of the Warrant on and subject to the terms and conditions of the credit and warrant agreement entered into between the Company and Ecoblu (the "**Credit and Warrant Agreement**"), details of which are set out in the Circular,

for an aggregate consideration of up to US$10,000,000, comprising the following:

(I) an aggregate of US$5,000,000 payable to Dato' Low Tuck Kwong for the New Ecoblu Shares; and

(II) up to US$5,000,000 payable to Ecoblu if the Warrant is exercised in full; and

(b) the directors of the Company and each of them be hereby authorised to complete and do all such acts and things (including modifying the Investment Agreement and the Credit and Warrant Agreement and executing all such documents as may be required under or pursuant to the Investment Agreement and the Credit and Warrant Agreement) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Ordinary Resolution as they or he may deem fit."

BY ORDER OF THE BOARD

Ho Soo Ching
Chief Executive Officer and Managing Director

7 July 2011

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 133 New Bridge Road #18-08, Chinatown Point, Singapore 059413, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

MANHATTAN RESOURCES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199006289K)

PROXY FORM

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of Manhattan Resources Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We _____ (Name)

of _____ (Address)

being a *member/members of **MANHATTAN RESOURCES LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

*and/or (delete as appropriate)

or failing *him/her, the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company, as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the EGM of the Company to be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on 22 July 2011 at 10:30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the EGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the EGM shall be *my/our *proxy/proxies to vote, for or against the Ordinary Resolution to be proposed at the EGM as indicated hereunder, for *me/us and on *my/our behalf at the EGM and at any adjournment thereof. **delete as appropriate*.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

Ordinary Resolution	**For**	**Against**
To approve the Proposed Investment in Ecoblu Products Inc.		

Dated this …….. 2011

Total Number of Shares in:	**Number of Shares**
(a) CDP Register	
(b) Register of Members	

_____

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares.

   If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company, at 133 New Bridge Road #18-08, Chinatown Point, Singapore 059413 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.