

# DIVERSA

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GROUP

13 August 2013

## ASX MARKET RELEASE

### PROPOSED AMENDMENTS TO CONVERTIBLE NOTE TERMS OF ISSUE

Diversa Limited (ASX DVA) advises that it is seeking the approval of the holders of its convertible notes (ASX DVAG) to amend the Terms of Issue of the Notes.

At present Diversa has 55,478,254 11% convertible notes on issue with a face value of \$0.11 and a maturity date of 30 September 2014 ('Notes'). The Notes were issued in three parts, by way of an underwritten entitlement offer to shareholders in 2011 and by placements in 2011 and 2012 to sophisticated and professional investors in conjunction with the issue of ordinary shares. At present, 96% of noteholders are also shareholders in Diversa.

The proposed amendments seek approval from noteholders to accept shares in the Company in return for their Notes, and approve certain changes to the Trust Deed under which the Notes were issued to facilitate this. The proposed conversion ratio is to be increased to reflect the current market value of Diversa's ordinary shares as traded on ASX.

The Directors have considered various alternative methods of dealing with the Notes on the Maturity Date of 30 September 2014. The proposed amendments and subsequent conversion of the Notes is in the Board's view in the best interests of the Company. Approval of the proposed amendments will enable the Company to avoid the need to make a cash payment on the Maturity Date and simplify Diversa's capital structure.

The principal changes to the Terms of Issue being sought are as follows:

- to *amend the current conversion ratio* applicable on conversion of the Notes into shares - from 1.11 to 3.67 shares for each Note converted;
- to *authorise the Company to convert* some or all of the Notes into shares at any time prior to the Maturity Date at the revised Conversion Ratio;
- to *change the dates* on which the market price used to calculate the number of shares to be issued in satisfaction of the obligation to pay interest is calculated; and
- some *administrative and technical changes* to some terms in the Trust Deed.

Shareholders will also be asked to approve the changes to the Terms of Issue, as the number of shares to be issued on conversion of the Notes increases under the proposed amendments.

Further information in relation to the proposed amendments is contained in meeting documents being sent to noteholders and shareholders today and separately provided to ASX, with the meetings convened for 13 September 2013. If the proposed amendments are approved by noteholders and shareholders, Diversa will proceed with a conversion of Notes as described in the meeting documents soon as possible.

For further information please contact:

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#### About Diversa:

*Diversa Limited is an ASX listed superannuation, insurance and investment company with approximately \$1.5 billion of funds under trusteeship, management and administration. The Diversa Group provides superannuation and insurance to retail customers and provides individual or bundled trustee, administration, promotion, insurance and investment services to third party super fund trustees, advisers, accountants and corporates.*