

DIVERSA

GROUP

26 March 2014

ASX MARKET RELEASE

MARKET UPDATE

The board of Diversa Limited (Diversa)(ASX:DVA) would like to update shareholders on recent progress made in key business areas.

Business Growth

Over the last 6 months, the directors of Diversa have focused on improving the Group's balance sheet so that the strong capability that has been built over the last 18 months can be better leveraged. Diversa is pleased to provide the following update on a number of additional revenue streams from new clients that are core to the Group's drive to increase organic revenue growth.

Diversa was recently appointed as administrator of the Super Money Eligible Rollover Fund (SMERF- \$35m, 64,000 members) commencing from 1 April 2014, and which will also include two newly transitioned in funds - Super Eligible Rollover Fund (SERF- \$20 million, 15,000 members) and Independent Superannuation Preservation Fund (ISPF- \$10 million, 49,000 members). The enlarged SMERF will administer 128,000 member accounts with total combined balances of \$65 million. CCSL Limited, Diversa's trustee business, was granted authority to operate SMERF as an Eligible Rollover Fund (ERF) from 1 January 2014. This was one of 8 ERF authorisations by APRA.

From February 2014, CCSL Limited is acting as trustee of Praemium Limited's new SuperSMA fund. ASX-listed Praemium has indicated that it plans to strongly promote this fund to both its existing adviser client base and to new adviser clients.

CCSL Limited is also in final discussions to be appointed as trustee of a public offer super fund with approximately \$100 million of assets and 16,000 members. The promoter of the super fund plans to also promote Diversa's MySuper fund, the Law Employees Super Fund (LESF), to their employer clients.

In terms of existing client funds, CCSL Limited's financial advisor promoted super funds continue to experience reasonable growth.

The strategic alliance with Interprac to provide the Diversa Group Life and Salary Continuance Pools, as announced in June 2013, is gaining momentum with growing usage of the risk products by its advisor networks resulting in a steady increase in premiums being written, and also in quotes being provided to larger employer and industry association groups.

Integration Activities

Over the last 6 months, Diversa has successfully taken on administration and trusteeship of LESF. As previously announced, LESF was granted a MySuper License in December 2013, and is being actively marketed to new employers. CCSL Limited, as trustee of LESF, has also decided to no longer outsource the investment decision making for LESF, and plan to take on that responsibility from April 2014.

In addition, subject to trustee approval, work has commenced on a proposal to rationalise some of the super funds promoted by the Group to deliver scale benefits to members and further rationalise internal Diversa operations.

Corporate

The financial results for the 6 months to 31 December 2013 were released on 27 February 2014. Some key points to note from these results are:

- Decreases in operating costs have been achieved, and remains a focus for the Group
- Net cash outflow from operations continues to decrease period on period
- Following conversion of the convertible notes during the period, the balance sheet shows a much improved position.

Diversa will continue to seek growth organically, including offering additional services to existing clients. As noted in the financial report, acquisition opportunities that can add to the Group's existing operations also continue to be actively considered and assessed.

For further information please contact:

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About Diversa:

Diversa Limited is an ASX listed superannuation, insurance and investment company with approximately \$1.3 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 and corporates.