



NOTICE OF ANNUAL GENERAL MEETING

to be held at 10.00am

28 November 2013

at

Level 11
66 Eagle Street
Brisbane QLD 4000

NOTICE OF ANNUAL GENERAL MEETING 2013

Notice is given that the Annual General Meeting of Diversa Limited ABN 60 079 201 835 (**Company**) will be held on 28 November 2013 at 10.00am at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000.

The business to be considered at the Meeting is set out below.

ORDINARY BUSINESS

Item 1 - Accounts and Reports

To receive and consider the Annual Report and the financial statements of the Company and its controlled entities for the financial year ended 30 June 2013 together with the related Directors' Report, Directors' Declaration and Auditor's Report.

Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That the Remuneration Report for the year ended 30 June 2013 is approved for the purposes of the Corporations Act.'

Note: This resolution will be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by key management personnel and closely related parties in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 2 - Re-election of Mr Stephen Bizzell as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That Mr Stephen Bizzell who, in accordance with Listing Rule 14.4 and rule 16.1 of the Company's Constitution retires by rotation and being eligible, offers himself for re-election, be re-elected as a Director.'

Note: Information about Mr Stephen Bizzell appears in the Explanatory Memorandum accompanying this Notice of Meeting.

Resolution 3 - Election of Mr Garry Crole as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of with Listing Rule 14.4 and rule 13.2 of the Company's Constitution and for all other purposes Mr Garry Crole, who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director of the Company.'

Note: Information about Mr Garry Crole appears in the Explanatory Memorandum accompanying this Notice of Meeting.

SPECIAL BUSINESS

Resolution 4 - Approval of additional capacity to Issue Shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following as a special resolution:

'For the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities under Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 5 - Ratification and approval of previous issue of Shares under the Share Placement

To consider and, if in favour, to pass the following as a special resolution:

'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the issue of up to 33,133,334 shares at an issue price of \$0.03 per share, issued under a placement to professional and sophisticated investors as detailed in the Explanatory Memorandum'.

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Resolution 6 - Participation of Stephen Bizzell or his associates in the issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 6,666,667 Shares to Stephen Bizzell, his associates or his nominees.'

Resolution 7 - Participation of Stuart Korchinski or his associates in the issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 666,666 Shares to Stuart Korchinski, his associates or his nominees.'

Resolution 8 - Participation of Matthew Morgan or his associates in the issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 500,000 Shares to Matthew Morgan, his associates or his nominees.'

Resolution 9 - Participation of Garry Crole or his associates in the issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 700,000 Shares to Garry Crole, his associates or his nominees.'

Resolution 10 - Approval to Issue Shares to Directors under the Executive Officer Share Plan

To consider, and if thought fit pass, the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rule 10.14 and for all other purposes, the Company be authorised to issue up to an additional 5,000,000 fully paid ordinary Shares to Directors of the Company under the Company's Executive Officer Share Plan, in lieu of Directors' fees that would otherwise be payable in cash, during the balance of the three year period commencing from the date of the Company's 2012 annual general meeting.'

Note: If approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11 as set out in the Explanatory Memorandum.

By Order of the Board

Angus Craig
Company Secretary
23 October 2013

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Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting. Certain terms used in the Notice of Meeting are defined in the Glossary contained in that Explanatory Memorandum.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their professional adviser.

Notes

Subject to the Corporations Act, including sections 250R and 250BD, a member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy. The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.

To be effective, the instrument appointing a proxy (and the original power of attorney, if any, under which it is signed or a certified copy) must be received no later than 10.00am on 26 November 2013 (48 hours before the time of the meeting). Documents may be lodged electronically, in person, by mail or by fax as follows:

Online:	www.investorcentre.linkmarketservices.com.au Login to the Link website using the details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online voting facility, Security holders will need their "Holder Identifier" (Security holder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).	
In person:	Registered Office —	Diversa Limited, Level 9 Waterfront Place, 1 Eagle Street, Brisbane, QLD, 4000 Australia
	Share Registry —	Link Market Services Limited, Level 15, 324 Queen St, Brisbane QLD 4000 Australia
By mail:	Share Registry —	Link Market Services Limited, Locked Bag A 14 Sydney South NSW 1235
By fax:	61 2 9287 0309	

Any proxy form received after this deadline including at the meeting will be treated as invalid.

If you appoint a proxy, you may still attend at the meeting. However, your proxy's rights to speak and vote at the meeting are suspended while you are present and, therefore, you will be asked to revoke your proxy upon registering your presence at the meeting. A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company prior to the meeting.

The Company has determined in accordance with Regulation 7.11.37 of the Corporations Regulation 2001 that for the purpose of voting at the meeting or adjourned meeting, Shares will be taken to be held by those persons recorded in the Company's register of members as at 10.00am Brisbane time on 26 November 2013.

If you have any queries on how to cast your votes then call the Company's share registry on (02) 8280 7454 during business hours.

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Voting Exclusion Statement

Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the key management personnel details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Listing Rules

Under Listing Rule 14.11, the Company will disregard any votes cast on:

Resolutions 5	by a person who participated in the issue and an associate of that person (or those persons).
Resolution 6	by Stephen Bizzell and his associates and any associate of those persons.
Resolution 7	by Stuart Korchinski and his associates and any associate of those persons.
Resolution 8	by Matthew Morgan and his associates and any associate of those persons.
Resolution 9	by Garry Crole and his associates and any associate of those persons.
Resolution 10	by a Director of the entity (except one who is ineligible to participate in any employee incentive scheme in relation to the entity and an associate of that person (or those persons)).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman as proxy for a member who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy form that the Chairman may vote as a proxy in relation to each resolution to which the voting exclusion relates.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice of Annual General Meeting and has been prepared to assist Shareholders in considering the resolutions set out in the Notice of Meeting. It is an important document and should be read carefully in its entirety by all Shareholders in conjunction with the Notice of Meeting. Each Director has approved this Explanatory Memorandum and the dispatch of this document to Shareholders.

Item 1 - Accounts and Reports

The Corporations Act requires that the report of the Directors, the report of the Auditor and the financial reports be presented to the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the Annual General Meeting on such reports or statements. However, Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- (a) the content of the Auditor's Report to be considered at the meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at the meeting.

Any written questions should be submitted to the Company Secretary by no later than 5.00pm on 21 November 2013 at:

GPO Box 836
Brisbane QLD 4001
Fax: +61 7 3211 8307
Email: mail@diversa.com.au

Please note that the Annual Report is sent only to Shareholders who have requested that a copy be sent to them, otherwise it is available on request from the Company or its share registry or may be viewed and downloaded at www.diversa.com.au.

Resolution 1 - Remuneration Report

This item provides an opportunity for Shareholders to ask questions and comment on the Remuneration Report included in the Annual Report 2013.

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the vote. Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting. The vote on the proposed resolution is advisory only and will not bind the Directors or the Company.

The Remuneration Report sets out the remuneration policy for Diversa and its controlled entities and:

- (a) reports and explains the remuneration arrangements in place for executive directors, senior management and non executive directors;
- (b) explains Board policies in relation to the nature and value of remuneration paid to non executive directors, executives and senior managers; and
- (c) discusses the relationship between the Board policies and Diversa performance.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

Directors' Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

Resolution 2 - Re-election of Mr Stephen Bizzell as Director

Rule 16.1 of the Company's Constitution, consistent with Listing Rule 14.4, provides for the retirement of one third of the directors from office at each annual general meeting.

In accordance with the Constitution, Mr Stephen Bizzell retires as director and offers himself for re-election as a new director at this Annual General Meeting.

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Stephen is Chairman of Bizzell Capital Partners Pty Ltd (BCP), a boutique corporate advisory and funds management firm which focuses on small to mid-cap companies. Work performed by Mr Bizzell has included acting as lead adviser and as principal on numerous transactions and providing advice on corporate structuring issues, private and public capital raisings, ASX listings, valuations, mergers, acquisitions and divestments and strategic and general corporate advice to a large range of clients in a variety of industries. Mr Bizzell and BCP have continuously supported the Company since 2009 acting as underwriter or corporate advisor on several of Diversa's capital raisings.

Mr Bizzell and his associates are also Diversa's largest shareholder holding approximately 21% of the Company's issued capital.

He is a director of Queensland Treasury Corporation and is also currently a director of ASX listed companies, Dart Energy Limited, Titan Energy Services Limited, Amour Energy Limited, Laneway Resources Limited, Stanmore Coal Limited, Renaissance Uranium Limited and Hot Rock Limited.

Mr Bizzell was initially appointed as a director on 25 August 2010.

Directors' Recommendation

The Directors (with Mr Bizzell abstaining) unanimously recommend that Shareholders vote in favour of resolution 2.

Resolution 3 - Election of Mr Garry Crole as Director

Rule 13.2 of the Company's Constitution, consistent with Listing Rule 14.4, provides that the election at the next annual general meeting of the Company of director appointed as an addition to the Board.

Mr Crole has been appointed as a director of the Company to fill a standing vacancy, and in accordance with the Constitution, Mr Crole offers himself for election as a new director at this annual general meeting.

Mr Crole is an experienced financial services professional who has held numerous senior executive positions with leading Australian companies such as Colonial Mutual Life. After working for Colonial Mutual Life as an executive in the early to late 1980s, Mr Crole founded the distribution network of Money Planners. He then became the CEO of the ASX-listed Deakin Financial Services Limited, a role he held through to 2001. Over the past 10 years, Mr Crole has been the joint Managing Director of InterPrac Limited, an unlisted public company specialising in providing the accounting industry access to financial services product and distribution capability.

Mr Crole was appointed as a director on 11 June 2013.

Directors' Recommendation

The Directors (with Mr Crole abstaining) unanimously recommend that Shareholders vote in favour of resolution 3.

Resolution 4 - Additional placement capacity

The Company's vision is to be a leading provider of products and services to the financial services industry specifically for the superannuation, insurance and funds management sectors. To date the Company has achieved growth largely through acquisition, and going forward will look to continue its growth organically and by acquisition where opportunities arise which are complimentary to its existing businesses and/or strengthen its existing businesses. It is likely that future acquisitions and/or growth may result in equity being issued as consideration for such acquisitions or to fund working capital to integrate businesses into the Group.

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. In accordance with Listing Rules 7.1A, eligible entities (companies that are outside the S&P/ASX 300 and that also have a market capitalisation of \$300 million or less) can issue a further 10% of share capital in 12 months on a non-pro rata basis. The Company is an eligible entity.

The number of equity securities which may be issued or the Company may agree to issue, under the approval sought by resolution 4 is calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

EXPLANATORY MEMORANDUM

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating the Company's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

The minimum price at which the equity securities may be issued	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> (a) the date on which the price at which the securities are to be issued is agreed; or (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
Risk of economic and voting dilution	<p>An issue of Shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> (a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and (b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>
Date by which the Company may issue the securities	<p>The period commencing on the date of the annual general meeting (to which this Notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and (b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. <p>The approval under LR7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>In accordance with the Company's stated growth strategy, it is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards working capital and the possible partial funding of potential future acquisitions in line with the Company's stated growth strategy (as set out on page 4 of the Annual Report, released on ASX on 30 September 2013 and available on the Company's website).</p> <p>The Company reserves the right to issue Shares for non-cash consideration, including for payment of service or consultancy fees and costs. In the event that the Company issues Shares for non-cash consideration, it will provide for release to the market at the relevant time a valuation of the non-cash consideration that demonstrates that the issue price of securities.</p>

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Details of the Company's allocation policy for issues under approval	<p>The Company does not currently know the nature of the capital raising which may be conducted under Listing Rule 7.1A (if any). No allocation policy has therefore been determined. The Company's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p> <ul style="list-style-type: none"> (a) any alternative methods of raising funds that are available to the Company and the Company's determination regarding the best method for raising funds; (b) the effect of the issue of the Listing Rule 7.1A shares on the control of the Company; (c) the financial situation of the Company; and (d) advice from corporate, financial and broking advisers (if applicable). <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company. Consistent with prior capital raisings, the Company will consider the most timely and cost effective sources of capital to achieve its commercial objectives, as well as prioritising issues to parties which may assist in strengthening the Company's share register or market standing and hence deliver an increase in Share price.</p>
Previous approvals under Listing Rule 7.1A	The Company sought and received approval under Listing Rule 7.1A at its last AGM.

Information under Listing Rule 7.3A.6(a):

The table below shows the total number of equity securities issued in the past 12 months preceding the date of this AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities on issue at the commencement of the 12 month period preceding the date of the AGM	183,653,640*
Equity securities issued during the 12 month period preceding the date of the AGM	358,245,595
Percentage of previous issues that represent the total number of equity securities on issue at commencement of 12 month period	195%

* This is the number of equity securities (as defined in the Listing Rules) on issue on 21 October 2012, which includes 97,535,758 Shares, 55,479,496 convertible notes, 19,500,000 options and 11,138,386 performance rights.

Information under Listing Rule 7.3A.6(b):

The table in the Schedule sets out specific details for each issue of equity securities that has taken place in the 12 month period preceding the date of this AGM.

Information under Listing Rule 7.3A.2:

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

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Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.015 50% decrease in Issue Price	\$0.03 Issue Price	\$0.045 50% increase in Issue Price
Current Variable A 406,565,727 Shares (as disclosed on 3 October 2013)	10% Voting Dilution	40,656,572 Shares	40,656,572 Shares	40,656,572 Shares
	Funds raised	\$609,848	\$1,219,697	\$1,829,545
50% increase in current Variable A 609,848,591 Shares	10% Voting Dilution	60,984,859 Shares	60,984,859 Shares	60,984,859 Shares
	Funds raised	\$914,772	\$1,829,545	\$2,744,318
100% increase in current Variable A 813,131,454 Shares	10% Voting Dilution	81,313,145 Shares	81,313,145 Shares	81,313,145 Shares
	Funds raised	\$1,219,697	\$2,439,394	\$3,659,091

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval.
- (ii) No options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Shares under Listing Rule 7.1A consists only of Shares. If the issue includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.03, being the issue price under the Placement.
- (viii) The total number of Shares on issue as at the date of this Notice of Meeting is 441,822,676.

Directors' Recommendation

The Directors recommend that you vote in favour of resolution 4.

Voting Exclusion Statement

In accordance with Listing Rule 7.1A, no votes may be cast on resolution 4 (and any votes cast by such person will be disregarded) by a person who may participate in the proposed issue and a person who might obtain a benefit, except any benefit solely in the capacity of a holder of ordinary securities, if resolution 4 is passed, and an associate of that person.

N.B. In accordance with Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

Resolution 5 - Ratification and Approval of Previous Issue of Shares under the Placement

On 25 September 2013 the Company announced that it had received firm commitments for a capital raising by way of the placement of up to 41,666,667 Shares at a price of \$0.03 per Share to professional and sophisticated investors and directors of the Company to raise a total of \$1,250,000 (Placement). The Company is seeking Shareholder ratification and approval of the issues already made to professional and sophisticated investors under the Placement pursuant to resolution 5 and approval of issues to be made to directors under the Placement pursuant to resolutions 6 to 9.

The Company has already issued 30,633,334 of the above Shares to sophisticated and professional investors under ASX Listing Rule 7.4 which provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if the issue of the securities did not breach Listing Rule 7.1 and the shareholders of the company subsequently approve it. The Company also expects to issue 2,500,000 Shares to professional and sophisticated investors by the date of the Annual General Meeting. In general terms, Listing Rule 7.1 restricts the Company to issuing securities representing a maximum of 15% of the number of securities on issue in the Company in any 12 month period unless it obtains the prior approval of its members.

The aggregate amount of the above issues does not breach ASX Listing Rule 7.1 as the issues amounted to a total of up to 33,133,334 Shares which is less than 15% of the equity securities on issue in the Company and subsequent Shareholder approval is now being sought pursuant to resolution 5 in relation to the shares that were, and will be, issued pursuant to ASX Listing Rule 7.4.

Accordingly, by resolution 5 the Company seeks to obtain Shareholder approval for the purposes of Listing Rule 7.4 for the issue of the above mentioned up to 33,133,334 Shares issued and to be issued to sophisticated and professional investors as part of the Placement. Each recipient of Shares for the purposes of these resolutions is a sophisticated or professional investor and not a related party. The Company is separately seeking Shareholder approval to issue 8,533,333 Shares in aggregate to be made to the directors and their associates under the Placement pursuant to resolutions 6, 7, 8, and 9.

For the purposes of Listing Rule 7.5 the Company provides the following information:

Total number of securities issued	33,133,334 Shares.
Issue price of the securities	\$0.03 per Share.
Terms of issue	The Shares rank equally with the existing Shares on issue.
Allottees	The allottees of the Shares are sophisticated and professional investors that are not related to the Company.
Intended use of funds	The funds raised from the issue of the Shares will be used to complete integration activities, drive growth initiatives and provide working capital.

Voting exclusion

The Company will disregard any votes cast on resolution 5 by:

- each sophisticated and professional investor to whom Shares were issued as contemplated by this resolution and its associates; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of resolution 5.

EXPLANATORY MEMORANDUM

Resolutions 6, 7, 8, and 9 - Participation of Stephen Bizzell, Stuart Korchinski, Matthew Morgan and Garry Crole or their respective associates or nominees in the issue of Shares

The Company seeks the approval of Shareholders to issue of up to:

- (a) 6,666,667 Shares to Stephen Bizzell, his associates or his nominees;
- (b) 666,666 Shares to Stuart Korchinski, his associates or his nominees;
- (c) 500,000 Shares to Matthew Morgan, his associates or his nominees; and
- (d) 700,000 Shares to Garry Crole, his associates or his nominees,

as part of the Placement.

Mr Stephen Bizzell is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company.

Mr Stuart Korchinski is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company.

Mr Matthew Morgan is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company.

Mr Garry Crole is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company.

Listing Rule 10.11 requires the approval of Shareholders before securities in the Company can be issued to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Stephen Bizzell, his associates or his nominees.

Related party	Stephen Bizzell, his associates or his nominees
Maximum number of securities to be issued	Up to 6,666,667 Shares
Date the Company will issue the securities	The Company will issue the Shares to Stephen Bizzell, his associates or his nominees within one month after the date of the annual general meeting.
Relationship to Company	Mr Stephen Bizzell is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting parties associated with Mr Bizzell hold 87,205,806 Shares and 2,500,000 Options.
Issue price of the securities	\$0.03 per Share.
Intended use of funds	The funds to be raised from the issue of the Shares will be used to complete integration activities, drive growth initiatives and provide working capital.

The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Stuart Korchinski, his associates or his nominees.

Related party	Stuart Korchinski, his associates or his nominees
Maximum number of securities to be issued	Up to 666,666 Shares.
Date the Company will issue the securities	The Company will issue the Shares to Stuart Korchinski, his associates or his nominees within one month after the date of the annual general meeting.
Relationship to Company	Mr Stuart Korchinski is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting parties associated with Mr Korchinski hold 8,659,190 Shares, 6,000,000 Options and 1,172,500 Performance Rights.
Issue price of the securities	\$0.03 per Share.
Intended use of funds	The funds to be raised from the issue of the Shares will be used to complete integration activities, drive growth initiatives and provide working capital.

EXPLANATORY MEMORANDUM

The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Matthew Morgan, his associates or his nominees.

Related party	Matthew Morgan, his associates or his nominees
Maximum number of securities to be issued	Up to 500,000 Shares.
Date the Company will issue the securities	The Company will issue the Shares to Matthew Morgan, his associates or his nominees within one month after the date of the annual general meeting.
Relationship to Company	Mr Matthew Morgan is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting parties associated with Mr Morgan hold 6,505,701 Shares and 500,000 Options.
Issue price of the securities	\$0.03 per Share
Intended use of funds	The funds to be raised from the issue of the Shares will be used to complete integration activities, drive growth initiatives and provide working capital.

The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Garry Crole, his associates or his nominees.

Related party	Garry Crole, his associates or his nominees
Maximum number of securities to be issued	Up to 700,000 Shares.
Date the Company will issue the securities	The Company will issue the Shares to Garry Crole, his associates or his nominees within one month after the date of the annual general meeting.
Relationship to Company	Mr Garry Crole is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting parties associated with Mr Crole hold 8,290,070 Shares.
Issue price of the securities	\$0.03 per Share
Intended use of funds	The funds to be raised from the issue of the Shares will be used to complete integration activities, drive growth initiatives and provide working capital.

Directors' recommendation

Mr Stephen Bizzell has an interest in the outcome of resolution 6. Because of his interest in the outcome, Mr Bizzell does not make a recommendation in relation to resolution 6.

All Directors other than Mr Bizzell recommend that Shareholders vote in favour of resolution 6.

Mr Stuart Korchinski has an interest in the outcome of resolution 7. Because of his interest in the outcome, Mr Korchinski does not make a recommendation in relation to resolution 7.

All Directors other than Mr Korchinski recommend that Shareholders vote in favour of resolution 7.

Mr Matthew Morgan has an interest in the outcome of resolution 8. Because of his interest in the outcome, Mr Morgan does not make a recommendation in relation to resolution 8.

All Directors other than Mr Morgan recommend that Shareholders vote in favour of resolution 8.

Mr Garry Crole has an interest in the outcome of resolution 9. Because of his interest in the outcome, Mr Crole does not make a recommendation in relation to resolution 9.

All Directors other than Mr Crole recommend that Shareholders vote in favour of resolution 9.

EXPLANATORY MEMORANDUM

Resolution 10 - Approval to Issue Shares to Directors under the Executive Officer Share Plan

Resolution 10 seeks Shareholder approval for purposes of listing rule 10.14 in respect of the possible issue of Shares to Directors of the Company under the Executive Officer Share Plan in lieu of Directors' fees or other payments that would otherwise be payable in cash during the balance of the three year period commencing from the date of the Company's 2012 annual general meeting.

The proposal will allow a Director to elect to receive Shares under the Share Plan in lieu of the Director's fees or any other payment they are entitled to receive. The potential issue of such Shares is intended to align the interests of Directors with Shareholders of the Company as well as conserve the cash resources of the Company. However, it is not expected that all Directors will elect to take 100% of their fees in Shares.

Directors will be required to make an election each year, within two weeks of the release of the Company's Annual Report and half year reports as to the percentage of their fees they wish to take by the way of Shares rather than cash. This election will apply for the two subsequent quarters. Such Shares will be issued at the prevailing market price (calculated as described in item (d) below).

The Shareholders approved the creation of a pool of 5,000,000 Shares from which Directors can elect to receive Shares, in lieu of payments due, at the Company's 2012 annual general meeting (3,949,216 of the Shares created have already been issued). If Shareholders approve Resolution 10, a pool of up to 5,000,000 additional Shares will be created from which Directors can elect to receive Shares within the three year period of approval, in lieu of payments due. The extent to which such Shares actually will be issued will depend on the extent to which such Directors elect to receive Shares in lieu of their cash fees or other payment. Those Shares will upon issue vest immediately for the benefit of the relevant Director, and will be held by the Trustee until the relevant Director instructs the Trustee otherwise.

The following further information is provided in accordance with listing rule 10.15A:

- (a) only Directors of the Company will be entitled to be issued Shares from the pool of 5,000,000 additional Shares in respect of which Resolution 10 seeks approval. Assuming Mr Stephen Bizzell is re-elected as a Director, the continuing Directors comprise Mr Stephen Bizzell, Mr Stuart Korchinski and Mr Matthew Morgan and, assuming Mr Garry Crole is elected, he will also be a Director;
- (b) the maximum number of Shares to be issued to Directors under the Share Plan (without specific Shareholder approval) will be 10,000,000 fully paid ordinary Shares (of which 3,949,216 Shares have already been issued) during the balance of the three year period commencing from the date of the 2012 annual general meeting;
- (c) the Shares will be issued to the Directors who elect to receive Shares in lieu of some or all of their cash fees or other payments at the end of each quarter ending 31 March, 30 June, 30 September and 31 December each year;
- (d) the number of Shares to be issued to each Director will be determined by dividing the amount of the cash they forgo by the volume weighted average market price of the Company's Shares traded on ASX over the 10 trading days prior to the end of such quarter rounded up to the nearest whole cent or such higher price as agreed by the Board;
- (e) no loan will be provided to any Director in connection with the acquisition of any such Shares; and
- (f) since the Share Plan was re-approved at the Company's 2012 annual general meeting, 3,949,216 Shares have been issued as follows:

Quarters ended	Directors participating	Number of Shares	Issue price per Share
December 2012	Matthew Morgan Ian Campbell Simon Poidevin Total	666,667 611,068 180,257 1,457,992	\$0.015
April 2013	Matthew Morgan Ian Campbell Total	500,000 687,500 1,187,519	\$0.02
June 2013	Ian Campbell Garry Crole Total	296,297 132,407 428,704	\$0.03
September 2013	Matthew Morgan Garry Crole Total	416,667 458,334 875,001	\$0.03

Details of any Shares issued under the Share Plan will be published in each Annual Report of the Company relating to the period in which those Shares have been issued and a statement that approval for the issue of such Shares was obtained under listing rule 10.14. Further, any additional persons who become entitled to participate in the Share Plan after this resolution is approved and who are not named in this Notice will not participate until approval for them to do so is obtained under listing rule 10.14.

Directors' Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to resolution 10.

EXPLANATORY MEMORANDUM

GLOSSARY

ASX means ASX Limited ABN 98 008 624 691;

Board means the Board of directors of the Company;

Company or Diversa means Diversa Limited ACN 079 201 635;

Constitution means the constitution of the Company from time to time;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the directors of Diversa;

Executive Officer Share Plan (Share Plan) means the executive officer share plan of the Company;

Explanatory Memorandum means the explanatory memorandum attached to the Notice of Meeting;

Group means the Company and its subsidiaries;

Listing Rules means the listing rules of ASX;

Meeting means the annual general meeting of the Company the subject of this Notice of Annual General Meeting and **Annual General Meeting** or **AGM** has a corresponding meaning;

Noteholders means the holders of the Notes in the Company;

Notes means the convertible notes issued by the Company;

Notice of Meeting means the Notice of Annual General Meeting and attached Explanatory Memorandum;

Placement means the capital raising currently being undertaken by the Company by way of the placement of 41,666,667 Shares at a price of \$0.03 per Share to professional and sophisticated investors and directors of the Company to raise a total of \$1,250,000, and as contemplated by Resolutions 5 to 9 in this Notice of Meeting;

Remuneration Report means the remuneration report for contained in the Company's annual report for the financial year ended 30 June 2013;

Shareholder means a person who holds Shares;

Share means a fully paid ordinary share in the Company; and

VWAP means the volume weighted average price of Shares as traded on ASX.

EXPLANATORY MEMORANDUM

Schedule

Information under Listing Rule 7.3A.6(b):

The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period preceding the date of this AGM.

Issue date	Number issued	Class Type ¹	Names of persons who received securities or basis on which persons were determined and purpose of issue	Price per Share	Discount to market ²	Cash received ³	Non-cash consideration paid
28.12.12	4,580,000	Ord	Shares issued to existing shareholders under a share purchase plan announced on 29 February 2012	\$0.05	nil	Cash \$229,000	n/a
25.01.13 03.10.13	1,242 203,605,275	Ord	Shares issued to Noteholders on conversion of Notes	\$0.11	n/a	n/a	Conversion of Notes with a face value of \$0.11 per Note under terms of issue as amended
25.01.13 08.02.13 17.06.13 03.10.13	178,550 759,850 411,500 1,692,150	Ord	Shares issued to employees in exchange for Performance Rights that have vested	\$0.05 \$0.05 \$0.05 \$0.05	n/a	n/a	Consideration was services - issued under employee incentives arrangements Price is calculated at time of issue of the performance rights with reference to market price at the time
25.02.13 02.04.13 15.04.13 24.05.13	68,703,600 9,150,439 31,715,546 6,413,006	Ord	Shares issued to shareholders under the Entitlement Offer announced on 25 February 2013	\$0.015	21%	Cash Total of \$1,739,739	n/a
19.04.13 19.04.13 03.10.13	1,458,011 1,187,500 1,303,705	Ord	Shares issued to directors pursuant to the Share Plan in lieu of cash fees otherwise payable for the quarters ended: December 2012 March 2013 June and September 2013 quarters	\$0.015 \$0.02 \$0.03	n/a n/a n/a	n/a	Directors fees of otherwise payable in cash: December qtr: \$21,870.17 March qtr: \$23,750.00 June and September qtrs.: \$39,111.15 Shares issued at a 10 day VWAP prior to end of quarter

EXPLANATORY MEMORANDUM

Issue date	Number issued	Class Type ¹	Names of persons who received securities or basis on which persons were determined and purpose of issue	Price per Share	Discount to market ²	Cash received ³	Non-cash consideration paid
22.04.13 30.09.13	16,640,169 12,247,054	Ord	Shares issued as interest payments to Noteholders for interest payment for the period: 1 October 2012 to 31 March 2013; and 1 April 2013 to 30 September 2013	\$0.02 \$0.027	10% 10%	n/a	Interest of \$332,803.38 on the Notes otherwise payable in cash Interest of \$330,670.46 on the Notes otherwise payable in cash (discount to VWAP in accordance with terms if issue of Notes)
16.08.13	13,958,677	Perf	Performance rights to eligible employees pursuant to the Performance Rights Plan	Nil - effective issue price of \$0.03	nil	n/a	Consideration was services - issued under employee incentives arrangements
02.10.13	30,633,334	Ord	Professional and institutional investors as part of the Placement (as described in resolution 5)	\$0.03	nil	Cash \$919,000	n/a
03.10.13	885,000	Ord	Shares issued as part of a deferred acquisition payment for the acquisition of SuperAdmin Services business	\$0.03	nil	n/a	In accordance with acquisition agreement dated September 2011, shares to the value of \$26,550 at a price calculated on a VWAP

Notes:

1 - Terms of Shares and Performance Rights

In the table above 'Ord' and 'Perf' were issued on the following terms:

Ord - Shares issued which rank equally with all existing ordinary Shares then on issue.

Perf - Performance Rights issued under the Performance Rights Plan (PRP) approved by shareholders at the Company's Annual General Meeting on 23 November 2011. The Performance Rights were subject to the terms and conditions applying to the Performance Rights as set out in the PRP. Subject to satisfying performance hurdles and vesting criteria, the performance rights are exchangeable into one ordinary share per vested Performance Right.

2 - this is the discount to market at the time of announcing the relevant security issue

3 - Cash issues - use of consideration and use of any remaining funds:

- (a) Working capital and to fund then existing deferred acquisition payment obligations - all funds have been utilised
- (b) Roll out of the private label product strategy and to fund organic growth strategy and operations - funds have been utilised
- (c) Complete integration activities, drive growth initiatives and provide working capital - approximately \$800,000 is yet to be utilised and these funds will be used for purpose intended

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