

30 July 2014

## Entitlement offer cleansing notice under section 708AA(2)(f) Corporations Act

Diversa Limited ACN 079 201 835 (**Diversa or Company**) (ASX:DVA) announced on 30 July 2014 that it will undertake a 2 for 7 pro rata non-renounceable entitlement offer of fully paid ordinary shares in Diversa at an issue price of \$0.027 (**New Shares**) to raise approximately \$4.41 million (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited (**Underwriter**).

Diversa will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Class Order 08/35 (CO 08/35).

Further details of the Entitlement Offer are set out in the Investor Presentation that has been lodged with ASX today and the Information Booklet that the Company expects to dispatch to eligible shareholders on or about 8 August 2014.

### Details of the securities issued

Class of securities:	Ordinary shares
ASX Code of the securities:	DVA
Date of the issue or expected issue of the securities:	26 August 2014
Total number of securities expected to be issued (subject to rounding of fractional entitlements):	163,249,976 New Shares

For the purposes of section 708AA(7) Corporations Act, Diversa advises that:

- 1 the New Shares will be issued without disclosure under Part 6D.2 Corporations Act as notionally modified by CO 08/35;
- 2 this notice is given under section 708AA(2)(f) Corporations Act as notionally modified by CO 08/35;
- 3 as at the date of this notice, Diversa has complied with the provisions of:
  - (a) Chapter 2M Corporations Act as they apply to Diversa; and
  - (b) section 674 Corporations Act;
- 4 as at the date of this notice, there is no excluded information for the purposes of sections 708AA(8) and 708AA(9) Corporations Act as notionally modified by CO 08/35; and

- 5 the issue of New Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of Diversa, but is dependent on a number of factors including investor demand. However, given the size of the Entitlement Offer, the structure of the Entitlement Offer as a pro rata offer, and the underwriting of the Entitlement Offer, the potential effect that the issue of the New Shares will have on the control of Diversa is as follows:
- (a) if all eligible shareholders take up their Entitlement for New Shares under the Entitlement Offer, the Entitlement Offer will have negligible effect on the control of Diversa;
  - (b) to the extent that any eligible shareholder fails to take up their Entitlement for New Shares under the Entitlement Offer, that eligible shareholder's percentage holdings in Diversa will be diluted by those other eligible shareholders who take up some, all or more than their Entitlement. In addition, the voting power of ineligible shareholders will be diluted; and
  - (c) although the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may increase the voting power of the Underwriter, it is not expected to have any material effect on the control of Diversa (subject to the matters set out in paragraph (d) below); and
  - (a) Stephen Bizzell and the entities he controls (**Bizzell Group**), a substantial holder in Diversa, hold 90,231,932 ordinary Diversa shares and 500,000 options (being approximately 16% of the voting power). The Bizzell Group does not intend to exercise any of its options to increase its entitlement under the Entitlement Offer. The Bizzell Group has indicated that it intends to take up less than its full entitlement under the Entitlement Offer. In addition, the Underwriter has entered into a sub-underwriting and firm commitment arrangements with Bizzell Capital Partners (an entity associated with Stephen Bizzell) for an amount in aggregate of \$750,000 for a fee of 2% payable by the Underwriter. To the extent that the Underwriter decides to allocate some or all of the sub-underwritten and/or firm commitment shares to Bizzell Capital Partners pursuant to these arrangements, Bizzell Capital Partners will be required to take up those New Shares. If the Entitlement Offer is not fully subscribed, the Bizzell Group takes up its Entitlements for which it has entered into firm commitments, and Bizzell Capital Partners is issued the maximum number of Shares it is entitled to under the sub-underwriting and firm commitment arrangements, the maximum possible voting power of the Bizzell Group will increase to 19.8%.

Further details regarding the Entitlement Offer are set out in the Investor Presentation.

Signed for and on behalf of Diversa:

**Angus Craig**  
Company Secretary