

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Diversified United Investment Limited

ABN

33 006 713 177

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 20,446,480 fully paid ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The principal terms of the new ordinary shares are the same as the existing ordinary shares on issue as at the date of this Appendix 3B. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new ordinary shares will not rank for any dividends in respect of the financial year to 30 June 2006. The new ordinary shares will rank for dividends paid after the 2006 final dividend. Therefore the first dividend receivable on the new ordinary shares will be the interim dividend for 2006/07, expected to be paid in April 2007. The new ordinary shares will otherwise rank equally with existing ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>\$2.70</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds of the issue will be used to increase the funds available for investment in accordance with the Company's investment objectives and policy.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>19 May 2006</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1422 989 1467">Number</th> <th data-bbox="989 1422 1279 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1467 989 1693">122,663,379</td> <td data-bbox="989 1467 1279 1693">fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	122,663,379	fully paid ordinary shares
Number	+Class				
122,663,379	fully paid ordinary shares				

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Nil
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The new ordinary shares will not rank for any dividends in respect of the financial year to 30 June 2006. The new ordinary shares will rank for dividends paid after the 2006 final dividend. Therefore the first dividend receivable on the new ordinary shares will be the interim dividend for 2006/07, expected to be paid in April 2007.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 ordinary share for every 5 existing ordinary shares held as at 5.00pm (AEST), 13 April 2006
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	13 April 2006
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Shares held on separate sub-registers for the same holder will not be aggregated.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements to new ordinary shares are rounded up to the nearest whole number of ordinary shares.

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| <p>18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p> | <p>All countries other than Australia and New Zealand.</p> |
| <p>19 Closing date for receipt of acceptances or renunciations</p> | <p>11 May 2006</p> |

⁺ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	20 April 2006
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	7 April 2006
29	Date rights trading will end (if applicable)	4 May 2006
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	<p>Security holders must:</p> <ul style="list-style-type: none"> • fill in the section on the back of the accompanying Entitlement and Acceptance Form marked "Instruction to Your Stockbroker"; and • lodge the Form with their broker, by close of trading on 4 May 2006, when rights trading ceases
31	How do +security holders sell <i>part</i> of their entitlements through a	<p>Security holders must:</p> <ul style="list-style-type: none"> • fill in the accompanying Entitlement and

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broker and accept for the balance?

Acceptance Form where indicated;

- complete the section on the back of the Form marked "Instruction to Your Stockbroker"; and
- lodge the Form, together with a cheque (or BPay confirmation) for the amount due in respect of the new ordinary shares accepted, with their broker,

by close of trading on 4 May 2006, when rights trading ceases.

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- Security holders must forward a completed standard renunciation form(s) (obtainable from their broker or from the Computershare Investor Services Pty Ltd) together with the Entitlement and Acceptance Form to Computershare Investor Services Pty Ltd at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 so as to reach it no later than 5.00pm AEST on 11 May 2006.
- 33 ⁺Despatch date
- 19 May 2005

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

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Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date:
(Director/Company secretary)

Print name:

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