

DIVERSIFIED UNITED INVESTMENT LIMITED

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7 March 2008

SHARE PURCHASE PLAN

Dear Shareholder,

As announced on 25 February 2008, I am pleased to advise you that Diversified United Investment Ltd ("the Company") is making an offer to shareholders to subscribe for shares under the Company's Share Purchase Plan ("the Plan").

Under the terms of the Plan the Company may make an offer to enable eligible shareholders to purchase up to a maximum of \$5,000 worth of fully paid ordinary shares in the capital of the Company ("Shares"). Shares purchased under the Plan will not attract brokerage, stamp duty or any other transaction costs.

The Company recently conducted a placement to institutional and sophisticated investors ("the Placement"). Directors now wish to provide eligible shareholders the opportunity to increase their shareholding at the same price as the Placement, that is, \$3.46 per new share. As with the Placement, the new Plan Shares will not be entitled to the interim dividend of 6 cents per share for which books close on 18 March 2008. Otherwise all Plan shares will rank equally with, and have the same rights as, existing listed Shares issued by DUI. The issue price represented a 5% discount to the latest announced Net Tangible Asset Backing per Share of DUI as at 31 January 2008 adjusted for the interim dividend and general sharemarket movement to Friday 22 February 2008.

However, as the market price of the Company's shares fluctuates, I advise you to check the market price and obtain advice from a financial intermediary in assessing the attractiveness of this offer. Your Board was keen to allow all shareholders the opportunity of subscribing for some Shares at the institutional placement price.

The placement raised \$53 million and increased shareholder numbers by over 700, which should add to the liquidity of Shares, and will enable expansion of the investment portfolio without having to sell long term investments, and will assist in continuing to lower the Management Expense Ratio. Proceeds from the Placement and the Plan will be used to reduce borrowings or held on deposit pending investment in the sharemarket.

This letter sets out the terms of the offer made under the Plan. The full terms and conditions of the Plan are enclosed together with an application form.

The offer is being made under the Plan to all shareholders who, at 5.00pm AEDST on 22 February 2008 were registered as holders of fully paid ordinary shares and whose registered address was in Australia or New Zealand.

You may apply for parcels of either 1445, 870 or 290 Shares as set out in the application form.

The offer closes at 5.00pm AEDST on Friday 28 March 2008. To participate in the offer, you will need to return your completed Acceptance Slip, together with your cheque or money order in Australian dollars in the enclosed reply paid envelope so that Computershare Investor Services Pty Limited receives it by no later than 5.00pm AEDST on the closing date. If you make your payment with BPay, you do not need to return your Acceptance Slip. It is expected that shares will be allotted under the Plan on 4 April 2008. You should receive your holding statement shortly after that date.

On behalf of the Board I thank you for your continuing support of DUI and invite you to consider participating in the Share Purchase Plan.

Yours sincerely,



Charles Goode
Chairman

IMPORTANT INFORMATION

The offer is being made under the Plan to all shareholders who, at 5.00pm AEDST on 22 February 2008, were registered holders of Shares and whose registered address was in Australia and New Zealand.

A trustee or nominee acting who is expressly noted on the Company's register as holding shares on account of a beneficiary may apply on behalf of each beneficiary for shares up to the maximum amount.

To the extent that a trustee or nominee holds shares on account of a beneficiary resident outside of Australia and New Zealand, it is the responsibility of the registered holder to ensure that any acceptance complies with all applicable foreign laws.

The issue price of Shares under the Plan represented a discount of 7% to the closing market price for Shares on the record date, 22 February 2008.

The market price of the Company's Shares on ASX may rise or fall, including between the date of the offer and the date on which the Company issues Shares to you under the Plan. This means that the price you pay per Share under the Plan may be more than the market price of Shares at the time the Shares are issued to you under the Plan or the price the Shares trade at a later date.

Please seek your own independent financial, legal and taxation advice in respect of the offer and your participation in the Plan.
