

DiamonEx Limited
ABN 26 091 951 978

**Notice of 2010 Annual General Meeting
and Explanatory Statement**

2010 Annual General Meeting to be held at
Level 1, 349 Coronation Drive, Milton Queensland
on 25 March 2011 commencing at 10.45 am Brisbane time.

This Notice of 2010 Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of shareholders of DiamonEx Limited (**Company**) will be held at Level 1, 349 Coronation Drive, Milton, Queensland on 25 March 2011 commencing at 10.45 am (Brisbane time).

BUSINESS

Receive and Consider the Financial Statements

To receive and consider:

- (a) the financial report;
- (b) the Directors' Report; and
- (c) the auditor's report

of the Company for the year ended 30 June 2010.

Resolution 1 – Adoption of Remuneration Report

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

“That the Remuneration Report of the Company's Directors' Report be considered and adopted.”

Please note that the vote on this resolution is advisory only and does not bind the Company or its Directors.

Resolution 2 – Re-election Mr Paul Crawford as a Director

Mr Paul Crawford retires as a Director pursuant to the provisions of the Constitution of the Company.

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

“That Mr Paul Crawford, who retires as a Director of the Company in accordance with the provisions of the Constitution, and being eligible offers himself for re-election, be appointed as a Director of the Company.”

Point at Which Voting Rights are Determined

The regulations of the Corporations Act permit the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s Directors have passed a resolution to the effect that all shares of the Company that are quoted on the ASX at 23 March 2011 at 7.00pm (AEDT) shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion is not specified each proxy is entitled to cast half of the number of votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Corporate Representative

In order to vote on behalf of a company that is a shareholder in the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the Annual General Meeting or be presented at the meeting before registering on the Attendee Register for the Annual General Meeting.

Paul Crawford

Company Secretary
DiamonEx Limited

Dated 24 February 2011

Explanatory Statement

Purpose of this Explanatory Statement

This Explanatory Statement is provided to shareholders of DiamonEx Limited to explain the resolutions to be put to shareholders at the Annual General Meeting to be held at Level 1, 349 Coronation Drive, Milton, Queensland on 25 March 2011 commencing at 10.45 am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the resolutions.

Receive and Consider the Financial Statements

The Corporations Act 2001 (**Corporations Act**) requires the Financial Report, Directors' Report and auditor's report for the past financial year to be tabled before the Annual General Meeting (**Meeting**), and the Company's Constitution provides for such Reports to be received and considered at that Meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the Reports. The Annual General Meeting provides a forum for shareholders to ask questions and make comment on the Company's Reports and Accounts and on the business and operations of the Company for the year ended 30 June 2010.

In addition shareholders may at the Meeting ask questions of the auditor in relation to the following matters – the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company for the preparation for the financial statements and the auditor's independence in relation to the conduct of the audit. Members may submit written questions to the auditor in relation to the above items. Any written questions to the auditor must be submitted to the Company 5 business days before the Annual General Meeting.

Resolution 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the period ended 30 June 2010 is set out in the Directors' Report to shareholders (the **Remuneration Report**).

The Remuneration Report sets out the Company's remuneration arrangements for the Managing Director, executives and non-executive Directors. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. In addition, the Corporations Act requires that Resolution 1, to adopt the Remuneration Report, be put to the vote. However, the vote on this resolution is only advisory and does not bind the Company or its Directors.

Resolution 2: Re-elect Mr Paul Crawford as a Director

In accordance with the provisions of the Company's Constitution, Mr Paul Crawford retires as a Director of the Company and offers himself for re-election.

Mr Crawford was a foundation director and the foundation company secretary of the Company. He is qualified as an accountant and has over 30 years commercial experience including experience in various technical and management roles with minerals, coal and petroleum companies as well as with the Company. He has significant corporate experience in the management and governance of ASX listed companies.