



Dark Blue Sea Limited
ABN 47 091 509 796

GPO Box 278
BRISBANE QLD 4001

Telephone: (07) 3007 0000
Facsimile: (07) 3007 0001

Email: enquiries@darkblueseas.com

Website: www.darkblueseas.com

NOTICE OF 2008 ANNUAL GENERAL MEETING

Notice is hereby given that the 2008 Annual General Meeting of Shareholders of Dark Blue Sea Ltd ABN 47 091 509 796 ("**Company**") will be held at the HopgoodGanim Presentation Room, Level 7 Waterfront Place, 1 Eagle Street Brisbane, Queensland at 10.00 am on Thursday, 13 November, 2008.

ORDINARY BUSINESS:

ANNUAL FINANCIAL STATEMENTS AND REPORTS:

To receive and consider the Directors' Report, the Annual Financial Report and the Consolidated Annual Financial Report and the Auditor's Report on the Annual Financial Report and Consolidated Annual Financial Report for the year ended 30 June 2008;

See Explanatory Statement below for further information.

RESOLUTION 1 – RE-ELECTION OF DIRECTOR

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

That Mr Vernon Alan Wills, Non-Executive Director, who retires from office in accordance with Rules 3.6(a) and 3.7 of the Company's Constitution, and being eligible for re-election as a Director, be re-elected as a Director.

See Explanatory Statement below for further information.

RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

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

That the Remuneration Report for the year ended 30 June 2008 outlining the remuneration arrangements in place for directors and executives of the Company (as contained in pages 15 to 22 of the Directors' Report) be considered and adopted.

See Explanatory Statement below for further information.

Please note that the vote on this resolution is not binding on the Board or the Company.

DARK BLUE SEA LTD - ABN 47 091 509 796

NOTICE OF 2008 ANNUAL GENERAL MEETING (CONTINUED)

SPECIAL BUSINESS:

RESOLUTION 3 - APPROVAL OF ADDITIONAL SHARE BUY-BACK

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

That in accordance with section 257C of the Corporations Act 2001 (Cth) and for all other purposes, shareholders authorise and approve the Company to undertake an on-market buy-back of a further 7,800,000 ordinary shares in the Company (representing approximately 10% of the current issued capital as at the date of this Notice of Annual General Meeting) in the twelve (12) month period following the passing of this resolution.

See Explanatory Statement below for further information

GENERAL BUSINESS:

The Company will also conduct any other business that may be lawfully brought forward;

By Order of the Board.
Mr Duncan Cornish
Company Secretary
Brisbane, 9 October 2008

Notes:

Lodgement of Material with ASIC

A copy of this Notice and the Explanatory Memorandum which accompanies this Notice has been lodged with the Australian Securities and Investments Commission (ASIC) in accordance with Sections 257C and 257F of the Corporations Act 2001 (Cth).

Entitlement to Vote

The Board has determined, in accordance with Regulation 7.11.37 of the Corporations Regulations 2001, that for the purposes of determining those shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of shareholders as at 7.00 pm Eastern Standard Time on 11 November, 2008.

How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the company.

Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act 2001 (Cth).

If a representative of the company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.
- Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to Mr Duncan Cornish, C/- Dark Blue Sea Ltd, GPO Box 278, Brisbane, QLD, 4001; facsimile to (07) 3007 0001, or scanned and emailed to d.cornish@au.darkblueseas.com

See Explanatory Statement below for further information

DARK BLUE SEA LTD - ABN 47 091 509 796

NOTICE OF 2008 ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

This Explanatory Statement accompanies the Notice of Annual General Meeting of shareholders of Dark Blue Sea Limited ABN 47 091 509 796 ('Company').

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of Resolutions 1, 2 and 3 contained in the Notice of Meeting material.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the proposed resolutions.

ANNUAL FINANCIAL STATEMENTS AND REPORTS

The *Corporations Act 2001* ('Act') requires the financial report which includes the financial statements, directors' declaration, the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Act or in the Constitution of the Company for shareholders to approve the financial report, the directors' report or the auditor's report.

The Chairman will give shareholders a reasonable opportunity at the meeting to ask questions and make comments on these reports and the management of the Company.

Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the meeting, written questions to the Chairman or to the Company's auditor may be submitted prior to the meeting, no later than 5 business days before the meeting date, to the Company Secretary:

Mr Duncan Cornish
c/- Dark Blue Sea Limited
GPO Box 278
Brisbane QLD 4001

DARK BLUE SEA LTD - ABN 47 091 509 796

NOTICE OF 2008 ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT (CONTINUED)

RESOLUTION 1 - RE-ELECTION OF VERNON ALAN WILLS AS NON-EXECUTIVE DIRECTOR

Information relating to experience and qualifications of Mr Wills is contained in the Directors' Report section of the Company's Annual Financial Report.

Recommendation: For corporate governance reasons, because this resolution relates to a fellow Board member, the Board makes no recommendation in respect of your vote on this resolution.

RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted.

The vote on this resolution is advisory only and will not bind the Board or the Company.

However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

The Remuneration Report is contained in the Directors Report section of the Company's Annual Financial Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2008.

Recommendation: The Board recommends that shareholders vote in favour of this resolution. The resolution is advisory only and does not bind the directors or the Company.

RESOLUTION 3 - APPROVAL OF ADDITIONAL SHARE BUY-BACK

Background information and recent share buy-backs

The Company has been undertaking a series of buy-backs of its own shares, which enables the Company to buy-back its shares at the prevailing market price at the time it buys back the shares.

Between 04 October 2007 and 01 July 2008, the Company undertook on market buy-backs of 8,320,436 ordinary shares at a total price of \$4,387,194.06 (including brokerage fees). This buy-back represented approximately 9.58% of the Company's share capital on issue as at the date the buy-back commenced.

Under section 257B of the Corporations Act 2001 (Cth), a company can only buy-back 10% of its voting shares in any continuous 12 month period, unless it obtains prior shareholder approval by ordinary resolution at a general meeting.

In order to enable the Company to continue to undertake share buy-backs the Board has decided to seek shareholder approval in accordance with Section 257C of the Corporations Act 2001 (Cth) so that the Company can, if it requires, undertake a further on-market buy-back of up to an additional 7,800,000 ordinary shares (being approximately 10% of the issued share capital as at the date of this Notice of Meeting) in the twelve months following the passing of such resolution ("the Buy-Back"). If the Company does not commence buying shares under the Buy-Back within two months of the resolution, the Company will issue a new notice to the market before it buys shares under the Buy-Back.

The information contained in this Explanatory Statement is provided to shareholders in accordance with section 257C(2), being information that is material to making a decision on how shareholders will vote on the resolution.

Current issued share capital

The on-market buy-backs that have taken place between 04 October 2007 and 01 July 2008, (previous buyback) have resulted in a corresponding reduction in the issued capital of the Company from 86,828,517 to 78,508,081 ordinary fully paid shares as at the date of this Notice of Meeting.

The below table summarizes the previous on-market share buy-backs, share issues and corresponding movement in issued share capital:

Issued Share Capital prior to commencement of previous buy-back	Shares bought back under previous buy-back	Period of buy-back	Shares issued during buy-back period	Resulting share capital
86,828,517	(8,320,436)	04.10.07 to 01.07.08	0	78,508,081

The additional 7,800,000 ordinary shares proposed to be purchased under the Buy-Back for which shareholder approval is sought under Resolution 3, could potentially result in a further reduction of issued share capital from 78,508,081 to 70,708,081 ordinary fully paid shares.

Particulars of the proposed Buy-Back

If Resolution 3 is passed, the Company will be permitted to make offers to buy-back up to 7,800,000 ordinary shares in the Company on the ASX in the ordinary course of trading at the prevailing market price on ASX in the twelve months following the passing of the resolution, ie. the Buy-Back may commence at any time beginning on the date the resolution is passed and may continue for a period of 12 months ("Buy-Back Period")

The Company will make an announcement to ASX prior to commencing the Buy-Back. The putting of this resolution to shareholders does not represent a commitment or promise by the Company to proceed with the Buy-Back. The Company reserves the right to buy-back some or all of the 7,800,000 ordinary shares under the Buy-Back from time to time during the Buy-Back Period, or not to buy-back any ordinary shares at all. However, if the Company does not commence buying back the shares within two months of providing notice to the market of the buy-back, the Company will issue a new notice to the market so that it can buy-back the shares.

During the Buy-Back Period, the decision to buy-back Ordinary Shares will be periodically made by the Board in consideration of actual cash flow from operations, the market share price at the time, expectations of revenue performance at the time and the availability of other domain name acquisitions.

Listing Rule 7.33 has the effect that the Company will only be able to buy-back ordinary shares under the Buy-Back at a price which is not more than 5% above the average closing price of ordinary shares on ASX for the five (5) days before the day of the relevant purchase. The Company is required to lodge daily notices with ASX half an hour before trading commences on the next day following the day on which shares are bought back, detailing the number of shares bought back and the buy-back price.

The tax implications for a Shareholder selling into the Buy-Back will be the same as if the Shareholder sold their ordinary shares on market. Directors of the Company do not intend to participate in the Buy Back.

Reasons for undertaking an additional on-market share buy-back

For the same reason the Board resolved to undertake its recent on-market share buy-back of 8,300,000 shares under section 257B of the Corporations Act 2001 (Cth) (the previous buyback), the Board is of the considered opinion that investing in the Company's own domain name portfolio (by way of purchasing more of the Company's own shares) still represents the best way to invest the Company's surplus cash in the current domain name market.

Additionally, the Board believes that the buying back of shares will result in an improvement in both earnings per share and return on equity for the remaining shareholders.

The Board considers that the disadvantages to this on-market share buy-back may include not utilizing the cash (used to buy-back the shares) for other business opportunities which may arise, and if there is a sustained downturn in operations (including as a result of lower advertising revenue or currency fluctuations) there might be reduced cash reserves for on-going business activities. Accordingly, there may be risks for creditors due to the rearrangement of the Company's capital. The Board (on the advice of the Chief Financial Officer) is of the considered opinion that if the Buy-Back proceeds over the 12 month period, the Buy-Back will not result in any prejudice to creditors or otherwise result in the Company becoming insolvent.

The Board also considers that there might be taxation risks to the holder of the shares including if they have not held their shares for a minimum of 45 days after which a dividend has been paid. If the holder is unsure, they should contact their investment advisor prior to proceeding with the buy-back.

Financing of additional on-market share buy-back

As disclosed in the Company's 2008 Annual Financial Report, the Company is currently in a strong financial position, with \$5,011,000 cash at bank as at 30 June, 2008 (down from \$6,213,000 at the end of the previous year).

The Company also had a positive cash flow from operating activities of \$4,759,000 for the year ending 30 June 2008 (compared to \$2,617,000 recorded for the previous year). The Company expects to have a positive cash flow from operating activities over the next 12 months.

Accordingly, the Board is of the considered opinion that it will be able to finance the majority of the proposed buy-back from its own cash reserves. The Company currently has unutilized debt facilities that can be used if required. The Board will consider the overall liquidity of the company before undertaking any share buyback.

The financial effect of the Buy-Back on the Company

Based on the VWAP between 19 September 2008 and 3 October 2008 of \$0.2513, the proposed Buy-Back of 7,800,000 Ordinary Shares at this price would cost the Company approximately \$1.97 million (including 0.5% brokerage and other associated costs).

It is important to note that the prices paid by the Company for Ordinary Shares purchased under the proposed Buy-Back may occur at a price above or below the VWAP per Ordinary Share, subject to the Listing Rules.

The Board (on the advice of the Chief Financial Officer) is of the considered opinion that the above estimated expenditure on the proposed Buy-Back over the 12 month Buy-Back Period will not result in any prejudice to creditors or otherwise result in the Company becoming insolvent.

There is also an 'interest cost' related to either cash used for the Buy-Back that would otherwise have been earning interest, or debt used to fund the Buy-Back. This 'interest cost' would not be expected to exceed (on an after tax basis) approximately \$82,000 per annum.

Subject to the risks associated with the business and operations of the Company, the Company believes that the only material effect on the Company's financial position as a result of the Buy-Back will be this 'interest cost' and a reduction in net equity of an amount equal to the expenditure incurred by the Company in undertaking the Buy-Back.

The reduction in issued capital arising from the Buy-Back would also have the effect of increasing the Company's earnings per share (EPS).

Share Price Information

Recent trading in the Company's shares has been as follows:

Three month high	\$0.375
Three month low	\$0.25
VWAP as at 3 October 2008	\$0.2513
Closing price as at 6 October 2008	\$0.25

INTERPRETATION

In this Notice of Meeting and Explanatory Memorandum:

ASX means ASX Limited;

Company means Dark Blue Sea Limited;

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

Listing Rules means the Official Listing Rules of ASX;

VWAP means the volume weighted average price of shares from 19 September 2008 to 3 October 2008.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Duncan Cornish (Company Secretary):

Mr Duncan Cornish
c/- Dark Blue Sea Limited
GPO Box 278
Brisbane QLD 4001

Proxy form

I / We

of

being shareholder(s) of Dark Blue Sea Ltd ABN 47 091 509 796 (**Company**)

hereby appoint:

of:

or failing him/her:

of:

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at HopgoodGanim Presentation Room, Level 7 Waterfront Place, 1 Eagle Street Brisbane, Brisbane, Queensland at 10.00 am on Thursday, 13 November, 2008 and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If the Chairman is appointed as your proxy, or may be appointed by default, and if you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box:

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares. (Note: proxy will be over all shares if left blank)

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
Resolution 1: Re-Election of Mr Wills as Non Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Adoption of Remuneration Report:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Approval of Additional Share Buy-Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Individual or Security holder 1

**Sole Director and Secretary
Sole Company Secretary
(If appointed)**

Security holder 2

Director

Security holder 3

Director/Company

Contact Name

Contact Daytime Telephone

Date