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**Mariner Treasury Limited
(Receivers and Managers Appointed)
("MTL")**

Meeting of creditors

Joseph Hayes

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5 November 2008



Agenda

1. Formalities
2. Report to Creditors
 - Background to appointment
 - Company structure
 - Initial investment strategy
 - Financial position
 - German property portfolio
 - Japanese property
 - Investigations
3. Return to note holders
4. Strategy for receivership
5. General discussion/other business



Formalities

- + Chairperson
- + Introductions
- + Trust Deed requirements
 - Quorum
 - Attendance and convening of meeting
 - Time and place of meeting
 - Proxies
 - Purpose of meeting – no formal resolutions proposed

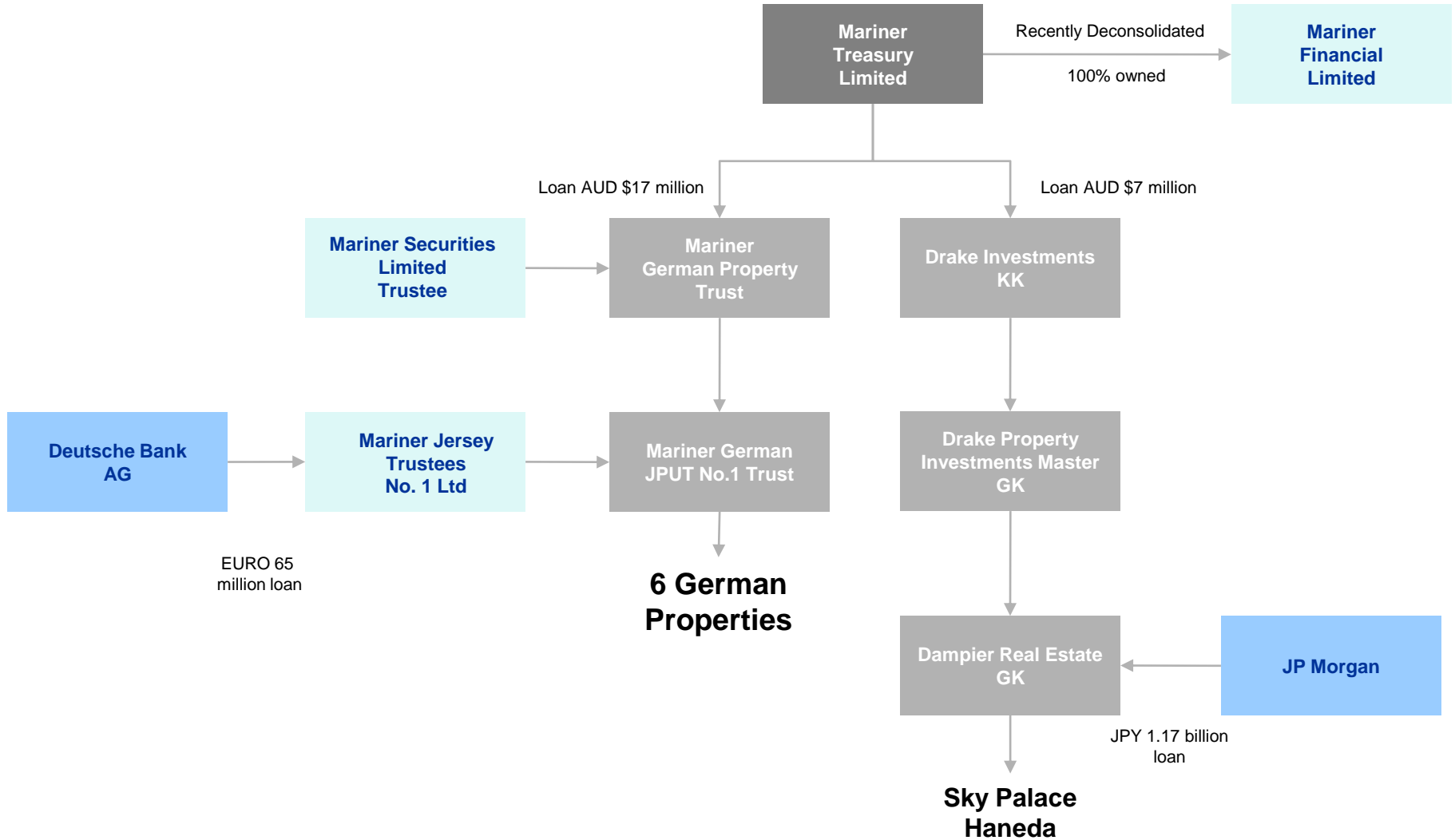


Events leading to appointment

- + Key events leading to appointment
 - MTL raised funds from note holders to fund deposits for properties purchased by related entities in Germany and Japan.
 - Mariner Financial Limited (“MFL”) (ASX listed) provided a guarantee of interest obligations to note holders from the original prospectus. This guarantee was not provided to note holders in the second prospectus.
 - On 16 September 2008, MFL advised that they were no longer able to support MTL.
 - Trust Company Fiduciary Services Limited (“TCFSL”) appointed Receivers following MTL defaulting (under clause 14.1(a) of the Trust Deed) by failing to pay \$2.367 million in redemptions on 1 September 2008. The appointment was made 20 business days after the default pursuant to the Trust Deed.



Company Structure (simplified)





Mariner Floating Rate Notes - Prospectus

Initial Strategy

- + MTL's initial investment strategy to provide sufficient funds to pay interest payments to note holders
 - "investing the **majority** of MTL's assets in a portfolio of cash investments;
 - "entering into underwriting deposit financing activities";
 - using the initial Base Capital to support payments if sufficient funds not generated from cash and underwriting investments; and
 - MTL expected deposit financing provided to property purchasing entities to be paid back within 3 months

Performance

- + Initial cash deposits were insufficient to meet interest payments. Cash at bank as at our appointment was \$1.3 million. This represents approximately 5% of investor funds;
- + Insufficient income was generated from property investment activities to pay external lenders interest and amortisation commitments;
- + Underlying value in investment activities has been eroded; and
- + Deposit funding was provided in March and November 2007. This has not been repaid.



Background to current position

- + MTL undertook initial deposit financing activities for properties purchased in Germany and Japan in March 2007. Despite the prospectus stating deposit funds would be returned to MTL within 3 months, available funds were directed to purchase additional properties in Germany in October/November 2007.
- + External third party lenders provided funds on a higher ranking secured basis for the properties in Germany and Japan.
- + These investment activities used a complex structure to allow for appropriate vehicles to facilitate an IPO/Trust recapitalisation.
- + Deposit financing was to be repaid within a short time frame (within 3 months per the Prospectus) during which time an IPO/recapitalisation was expected.
- + Following the MTL advances, MFL advise that global economic conditions resulted in an IPO/recapitalisation being unachievable.
- + MTL was placed into receivership and deconsolidated from the MFL Group in October 2008.
- + As at the date of our appointment, certain MTL loans have been outstanding since March and November 2007 (i.e. 12 to 20 months).
- + A return to note holders will now only be possible if equity is realised from the properties (subject to our investigations).



Current Financial Position

- + All note holder investments have been frozen as at 2 October 2008
 - No further interest payments will be made at this time
 - Investments will not be returned on maturity
- + Current value of note holder investments will be communicated to note holders shortly.
- + At this early stage, timing and the amount of any dividend is uncertain. However, our initial investigations suggest there may be a minimal return available from the underlying values of the properties.
- + Due to the likely shortfall to note holders, we will continue our investigations into the circumstances surrounding the loans and the actions of the Directors, to ascertain whether MTL have any possible claims to recover funds.



German Property Portfolio



- + 6 properties purchased between March and November 2007 for Euro79 million.
- + MTL advanced a AUD17.2 million loan.
- + MFL advanced AUD 8 million equity to assist with interest/loan payments.
- + Portfolio consists of:
 - A “bulk goods” building in Gotha;
 - Office Building in Gotha; and
 - 4 office buildings in Munich, Nuremberg, Kassel and Berlin.
- + A valuation commissioned in September 2008 estimates the portfolio to be worth between Euro 64 million to Euro 66 million.
- + Deutsche Bank AG (“DB”) (secured lender) is owed Euro 65 million and have indicated they will enforce their security and realise the portfolio to recover funds lent.
- + Minimal chance of a recovery to MTL - Receivers will liaise with DB during sales process.



Japanese Property



- + Corporate dormitory building located in Haneda.
- + Purchased in March 2007 for JPY 1.7 billion.
- + MTL advanced AUD7.2 million.
- + Some amortisation payments have been made to the secured lender by the Group.
- + MFL have indicated that there is likely to have been some value reduction since the purchase.
- + J P Morgan is third party secured lender and is owed JPY 1.17 billion. Loan agreement has entered into default.
- + J P Morgan are likely to enforce their security and realise the property.
- + Recoveries will be challenging. Receivers intend to work closely with J P Morgan to ensure sale process is undertaken in an orderly fashion and any equity available is returned to note holders.



Investigations

- + Our investigations have been focussed on
 - The circumstances surrounding loans advanced by MTL and whether sufficient due diligence was undertaken prior to funds being made available. Specifically, whether the Directors performed their duties in accordance with the Corporations Act and in the best interests of MTL and its members.
 - The flow of funds between all entities associated with the purchase of the properties, including MFL.
 - The information provided to note holders in prospectuses and whether this information was in any way misleading, in relation to the risks of the investments and statements made purportedly mitigating those risks.
 - Whether the note holder funds were directed to investments in accordance with the information provided to note holders in the prospectuses. Specifically, whether sufficient cash investments were entered into.
- + The investigations are ongoing. MFL management have been co-operating with our information requests to date.



Return to Note holders

- + Total amount owed to note holders is approximately \$22.5 million.
- + Cash on hand as at 2 October 2008 is \$1.3 million.
- + Current valuations of the German property portfolio suggest that repayment of DB will be challenging.
- + MFL management have advised there has been some reduction in the value of the Japanese property since its purchase in 2007, but this is still to be verified.
- + Return to note holders through the realisation of properties is likely to be minimal.
- + Any amounts available through possible action to be taken against Directors and related entities is unknown at this stage.



Strategy Going Forward

- + Liaise with third party lenders around property realisations.
- + Continue to investigate possible claims against Directors, MFL and other parties. Contemplate litigation/note holder funding to assist with this process.
- + Continue to update note holders on the progress of the receivership and the expected timing and quantity of a return.



General Discussion

+ Questions from the floor

- State your full name and the name of the creditor that you are representing