

**Mariner Treasury Limited  
(Receivers and Managers Appointed)  
ACN: 113 215 802 ("MTL")**

**Circular to Floating Rate Note holders**

My partner, Tony McGrath and I were appointed Receivers and Managers of MTL by the secured creditor, Trust Company Fiduciary Services Limited ("TCFSL") on Thursday, 2 October 2008.

TCFSL is the Trustee for the note holders of MTL and holds a charge over all assets and undertakings of the company (excluding goodwill).

TCFSL appointed Receivers following MTL defaulting under terms of the Trust Deed and charge by failing to pay \$2.367 million in redemptions that fell due for repayment on 1 September 2008 within 20 business days.

We are writing to inform you of our appointment as Receivers and Managers and how it will impact you.

**Background**

MTL raised funds from note holders pursuant to an initial prospectus and supplementary prospectus issued on 29 March 2005 and 5 January 2007 respectively. The funds raised were primarily used to fund deposits in respect of properties purchased by related entities in Japan and Germany.

Mariner Financial Limited ("MFL") (a public company listed on the Australian Securities Exchange), MTL's parent company, provided a guarantee in respect of interest obligations to note holders that originated from the initial prospectus. In addition, MFL provided funding to MTL to meet its redemption obligations in July 2008.

On 16 September 2008, MFL advised that it no longer has the capacity to support MTL.

**The role of the Receivers and Managers**

The role of the Receivers and Managers is to assume control of MTL's affairs and protect the interests of note holders. We are currently involved in an urgent appraisal of MTL's activities to determine the position for note holders.

Our review will focus on:

- + the application of funds raised from note holders;
- + the position of the underlying properties in respect of which MTL provided deposit financing including any asset sale programs;
- + MTL's claims against related entities in respect of funds advanced; and
- + MTL's claims against MFL under the terms of the guarantee and on any other basis.

### **The current status of investments**

All investments have been frozen as at 2 October 2008.

This means that at this stage, you will no longer receive interest payments, nor will your investment, including any interest accrued up to 2 October 2008, be returned to you on its maturity. We will notify note holders if this situation changes.

We are presently calculating the value of your investment to the date of our appointment and will provide those details as soon as possible.

### **Notice of Meeting of Creditors**

As required under the terms of the Trust Deed, TCFSL has convened a Meeting of Creditors to be held at:

**Venue:** Wesley Theatre  
Wesley Conference Centre  
220 Pitt Street  
Sydney NSW 2000

**Date:** 5 November 2008

**Time:** 10:00am (AEDT)

Notice of the meeting was distributed by TCFSL prior to our appointment.

We note that at this stage, no formal resolutions are proposed for the meeting and it has been convened to comply with the Trust Deed. The meeting will address MTL's default and any developments that have occurred. A form of proxy for the purposes of the meeting will be provided shortly.

### **Return to investors**

At this early stage, timing and the amount of any dividend is uncertain and is dependent on the financial position of MTL and the realisation strategy adopted.

We will keep note holders informed of developments as they occur.

If you have any further queries or questions, please use one of the following:

- + Visit our website ([www.mcgrathnicol.com](http://www.mcgrathnicol.com)) and select the "Administration section" then "Mariner Treasury Limited" where regular updates and information for investors will be posted.
- + Write to: Mariner Treasury Limited (Receivers & Managers Appointed)  
C/- McGrathNicol  
GPO Box 9986  
Sydney NSW 2001
- + Email or fax: [MTL@mcgrathnicol.com](mailto:MTL@mcgrathnicol.com) or (02) 9338 2699

Dated 2 October 2008



Joseph Hayes  
*Receiver and Manager*