

## Chairman's Letter

25 November 2009

Dear Shareholder

On behalf of the Board, I am pleased to invite you to attend a General Meeting (**General Meeting**) of Mariner Corporation Limited (**Mariner** or **Company**).

The Board is firmly committed to rebuilding the Mariner business and to complete a capital restructuring (**Recapitalisation**) to strengthen the Company's balance sheet. To assist with executing this capital restructuring strategy, the Board has committed to an equity raising (**Equity Raising**) to provide sufficient working capital for the Company to execute its new business plan.

The Equity Raising will comprise:

- an equity raising of up to \$10 million to investors under an Offer Information Statement (**OIS**); and
- a Placement of up to \$2 million to institutional or wholesale investors.

The New Shares under the Equity Raising will be offered for and issued at 1.2 cents per share (i.e. \$0.012 per share). Any New Shares will rank equally with all existing ordinary Mariner shares once they are issued.

The OIS and Placement constitute Mariner's Equity Raising and are subject to Shareholder approval as explained in the accompanying Notice of Meeting and Explanatory Memorandum.

### Impact of Recapitalisation

It is proposed that the money raised under the Recapitalisation will be used to reduce the Company's debt and provide working capital in order to consolidate the financial position of the business and implement new business plans. Specifically, the funds will be used primarily to:

- provide working capital to build the wholesale funds management business;
- service ongoing working capital requirements for existing Company infrastructure and assets; and
- fund the costs of the Equity Raising.

### Contents of the mail out

In this mail out for the General Meeting you will receive:

- the Notice of Meeting and Explanatory Memorandum;
- a proxy form for the Meeting; and
- a reply paid envelope for lodging your proxy form

The OIS and Placement are referred to in this Explanatory Memorandum and you should read all documents carefully. You can access a copy of the OIS from our website [www.marinercorporation.com](http://www.marinercorporation.com) or by calling the Mariner Shareholder Information Line on 1800 009 963.

**Time and Place of the Meeting**

The General Meeting will be held at Mariner's offices at Level 40, The Chifley Tower, 2 Chifley Square, Sydney on Wednesday, 23 December 2009 at 11:00am (Sydney time).

**Business of the Meeting**

The business of the Meeting is set out in the Notice of Meeting. The Notice of Meeting and Explanatory Memorandum contain important information in relation to the matters to go before Shareholders at the Meeting. Shareholders will be asked to consider two Resolutions in relation to the Equity Raising.

The significance of the Mariner Recapitalisation Resolution (Resolution 1) and the Placement Resolution (Resolution 2) to the future of Mariner is set out in the Explanatory Memorandum and will provide for a comprehensive recapitalisation of Mariner as announced on 12 November 2009. The Recapitalisation will be considered at the Meeting.

**Your vote is important**

Shareholders are encouraged to attend the General Meeting and vote. You may also vote by returning the enclosed proxy form in the reply paid envelope provided. Your proxy form must be received by no later than 11:00am on Monday, 21 December 2009. We encourage all Shareholders to consider the enclosed information carefully.

**Further information**

If you have any questions in respect of the General Meeting, Recapitalisation Resolution or the Placement Resolution please call the Mariner Shareholder Information Line on 1800 009 963 (within Australia) or +61 2 9238 0750 (from outside Australia) at any time between 8:30am and 5:00pm (Sydney time) Monday to Friday.

We look forward to your support at the Meeting.

Yours sincerely

**Mariner Corporation Limited**



**Ian Winlaw**  
**Independent Non-Executive Chairman**

# YOUR VOTE IS IMPORTANT

**Mariner Corporation Limited**  
**ABN 54 002 989 782**

## **General Meeting**

Please read the enclosed materials carefully.

If you are unable to attend the Meeting you are encouraged to appoint a proxy (see enclosed appointment of proxy form). Mark your intentions on the proxy form and return in the reply paid envelope provided.

Your completed proxy form must be received by Mariner Corporation Limited no later than 11:00am (Sydney time) on Monday, 21 December 2009.

Your Board strongly recommends you vote

**FOR**

the Resolutions

For more information, please call the Mariner Shareholder Information Line on 1800 009 963

## Important Notices

### Quorum

The quorum required for the Meeting is two Shareholders present in person or by proxy together holding or representing at least 10% of all shares in the Company.

### Resolution voting requirements

The Resolutions are ordinary Resolutions which must be passed by a simple majority (at least 50% of the total votes that may be cast by Shareholders present and entitled to vote on the Resolution, including Shareholders present by proxy).

### Voting

As your vote is important, you are encouraged to attend and vote at the Meeting. If you propose to attend the Meeting, then please arrive at the Meeting venue early so that the registration formalities can be completed on time.

If you cannot attend the Meeting, then you should complete and provide to us an appointment of proxy (see enclosed appointment of proxy form) by no later than **11:00am Monday, 21 December 2009**. A proxy does not need to be a Shareholder.

A form of appointment of proxy is enclosed. The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing. The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) must be completed and returned to Mariner by no later than **11:00am (Sydney time) on Monday, 21 December 2009**.

If you appoint two proxies, then you may specify the proportion or number of votes each proxy is entitled to exercise. However, if you do not specify the proportion or number of your votes for each proxy, then each proxy may exercise half of the votes.

If you appoint the chairman of the Meeting as your proxy and you do not specifically direct how the chairman is to vote as your proxy, then you will be taken to have directed that the chairman vote FOR the Resolutions and the chairman will therefore vote accordingly.

Further details on how to vote at the Meeting are contained on the proxy form and set out in the accompanying Explanatory Memorandum.

### ASX

A copy of this Notice of Meeting and Explanatory Memorandum has been lodged with the ASX. Neither the ASX nor any of its officers take any responsibility for the contents of this Explanatory Memorandum.

### Defined terms

Capitalised terms used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary at the back of the Explanatory Memorandum.

### No investment advice

The information contained in this Notice of Meeting and Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to your particular investment objectives, financial situation, taxation position and needs. It is important that you read the Notice of Meeting and Explanatory Memorandum in its entirety before making any decision on how to vote on the Resolutions. If you are in any doubt in relation to these matters, you should consult with your own professional adviser.

### Explanatory Memorandum

The attached Explanatory Memorandum is incorporated into, and forms part of, this Notice of Meeting. It is important you read the Explanatory Memorandum which sets out in further detail the purpose of the Meeting.

## **General**

The Explanatory Memorandum has been prepared to assist Shareholders in determining whether or not to vote in favour of the Resolutions set out in the Notice of Meeting. A copy of the Offer Information Statement is also available. You should read this Notice of Meeting and Explanatory Memorandum in conjunction with the Offer Information Statement before making a decision on how to vote on the Resolutions.

The Directors believe that it is in the best interests of Mariner that all of the Resolutions set out in the Notice of Meeting be passed and unanimously recommend you vote in favour of each Resolution.

All financial and operational information contained in the Explanatory Memorandum is stated as at the date of the Explanatory Memorandum, unless otherwise specified.

A reference to AUD, \$, A\$, dollars or cents in this Explanatory Memorandum is to Australian currency unless otherwise indicated. The abbreviations '\$m' or 'A\$m' represent millions of Australian dollars.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding and accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

All references to time in the Explanatory Memorandum and the Notice of Meeting are references to Sydney time.

## **Purposes of the Explanatory Memorandum**

The purposes of the Explanatory Memorandum are to:

- (a) explain the terms and effect of the Recapitalisation and the Resolutions to Shareholders;
- (b) state any material interests of the Directors; and
- (c) provide such information known to the Directors as is prescribed by the Corporations Act, the regulations to that Act, the Listing Rules and ASIC policy or as is otherwise material to the decisions of Shareholders whether to approve the Resolutions.

## **Investment decisions**

The information contained in the Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to your investment objectives, financial situation, taxation position and particular needs. If you are in doubt in relation to these matters, you should consult your financial, legal, taxation or other professional adviser immediately.

The Explanatory Memorandum may contain both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in the Explanatory Memorandum reflect views only as at the date of this Explanatory Memorandum, and generally may be identified by the use of forward-looking words, such as "believe", "expect", "anticipate", "intending", "likely", "should", "may", "estimate" or "potential", or other similar words. Similarly, statements that describe Mariner's objectives, plans, goals or expectations are or may be forward-looking statements.

The statements contained in the Explanatory Memorandum about the impact that the implementation or non-implementation of the Recapitalisation may have on the results of Mariner's operations and the advantages and disadvantages anticipated to result from the Recapitalisation, are also forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by these forward-looking statements.

The operations and financial performance of Mariner are subject to various risks that are summarised in the Offer Information Statement, the Explanatory Memorandum and the documentation which accompanies it. The historical financial performance of Mariner is no assurance of the future financial performance of Mariner (whether the Resolutions are approved or not). Those risks and uncertainties include factors and risks specific to the industries in which Mariner operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of Mariner following the Recapitalisation, as well as its actual advantages or disadvantages, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved or arise.

These risk factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have a material adverse effect on the future results of Mariner.

None of Mariner, its Directors, its officers, any persons named in the Explanatory Memorandum with their consent or any persons involved in the preparation of the Explanatory Memorandum, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed, projected or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

All subsequent written and oral forward-looking statements attributable to Mariner or any person acting on its behalf are qualified by this notice. Subject to any continuing obligations under relevant laws or the ASX Listing Rules, Mariner does not give any undertaking to update or review any such statements after the date of the Explanatory Memorandum, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

### **Questions**

If you have any questions in relation to the Recapitalisation or Placement Resolutions or the Meeting, please contact your stockbroker, accountant, lawyer or other professional adviser or call the Mariner Shareholder Information Line on 1800 009 963 between 8:30am and 5:00pm (Sydney time) Monday to Friday.

# MARINER CORPORATION LIMITED

## NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

### Meeting details

<b>Date</b>	<b>Wednesday, 23 December 2009</b>
<b>Time</b>	<b>11:00am</b>
<b>Place</b>	<b>Level 40, The Chifley Tower, 2 Chifley Square Sydney</b>

### **Issued by Mariner Corporation Limited**

**ABN 54 002 989 782**

**This is an important document.**

Please read the information in this document carefully. If you are in any doubt about the Resolutions or the action to be taken, you should contact your stockbroker, accountant, lawyer or other professional adviser.

**MARINER CORPORATION LIMITED**  
**(ABN 54 002 989 782)**  
**NOTICE OF MEETING OF SHAREOLDERS**

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**NOTICE IS GIVEN** in accordance with section 249CA(1) of the *Corporations Act 2001* (Cth) that a meeting of Shareholders of Mariner Corporation Limited (**Mariner**) will be held at the time, date and place detailed below to consider and vote on the Resolutions in this notice.

**Time:** 11:00am  
**Date:** Wednesday, 23 December 2009  
**Place:** Mariner Corporation Limited  
Level 40, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

This Notice of Meeting (and accompanying Explanatory Memorandum) is issued by Mariner. If you are unable to attend the Meeting then you are encouraged to appoint a proxy (see enclosed appointment of proxy form). Shareholders should read this Notice of Meeting and the Explanatory Memorandum in full.

**BUSINESS**

The business of the Meeting will be as follows:

1. attendance;
2. admission of proxies; and
3. consideration of and voting on the ordinary Resolutions set out below.

**Resolution 1 – Recapitalisation of the Company ('Recapitalisation Resolution')**

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

*"That approval be given pursuant to Listing Rule 7.1 for Mariner to issue up to 833,333,333 New Shares at an issue price of 1.2 cents per share (i.e. \$0.012 per share) to Applicants under an Offer Information Statement to raise up to \$10 million and otherwise substantially on the terms specified in the accompanying Explanatory Memorandum."*

Voting Exclusion Statement

In accordance with Listing Rules 7.1 and 14.11, Mariner will disregard any votes cast on the above Resolution by a person, including their respective associates, who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of the holder of ordinary securities if the Resolution is passed.

**Resolution 2 – Placement ('Placement Resolution')**

*"That, subject to the Recapitalisation Resolution being passed, approval be given pursuant to Listing Rule 7.1 for Mariner to issue up to 166,666,666 New Shares at an issue price of 1.2 cents per share (i.e. \$0.012 per share) to up to 5 institutional or wholesale investors to raise up to \$2 million, and otherwise substantially on the terms specified in the accompanying Explanatory Memorandum."*

Voting Exclusion Statement

In accordance with Listing Rules 7.1 and 14.11, Mariner will disregard any votes cast on the above Resolution by a person, including their respective associates, who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of the holder of ordinary securities if the Resolution is passed.

**By order of the Board**



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**Ian Winlaw**  
**Independent Non-Executive Chairman**  
**Mariner Corporation Limited**  
**Dated: 25 November 2009**

**MARINER CORPORATION LIMITED**  
**(ABN 54 002 989 782)**  
**EXPLANATORY MEMORANDUM**

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**Introduction**

The purpose of this Explanatory Memorandum is to provide information to Shareholders on the ordinary Resolutions to be considered and to assist Shareholders to determine how to vote on the Resolutions.

**Background**

Mariner was established in 2003 to create new investment opportunities for the Australian financial services market and to focus on creating wealth for retail investors and superannuation markets through originating, structuring, managing and distributing investment products in markets and sectors that demonstrated significant opportunity.

Between June 2007 and June 2009 global asset values fell significantly in the wake of the global financial crisis, and established funds management businesses experienced their largest disruption in more than two decades.

As a result, the Mariner Board reconsidered the Company's future direction. To this end, over the past 18 months, Mariner has focused on a program of asset sales, scale down of its retail funds management operation and streamlining of its business operations and is now well positioned to implement a new strategy and business plan to take advantage of the current economic environment focusing on institutional and high net worth investors.

**New business plan**

The Board believes that post-global financial crisis (**GFC**) market conditions will provide new investment requirements and opportunities. The Board and the Company's management team have turned their attention to identifying these new opportunities and growth sectors emerging from the changed conditions.

Australia's relative financial stability and the potential investment opportunities emerging here will see Mariner seeking to position itself as a beachhead for foreign capital investment - providing a source of investment opportunities for Australian and foreign investment and a source of capital for Australian investments.

**New business model summary**

The new Mariner business model will seek to harness local and offshore capital sources into investment transactions in order to derive fee income and generate a dividend stream and capital gains for shareholders through:

- Asset management and performance fees from structuring new wholesale funds;
- Investment syndicate arrangement and management fees;
- Transaction fees and equity participation positions from arranging specific transactions; and
- Dividends, management fees and capital growth from principal investments.

The Directors believe that potential income sources will assist Mariner to rapidly rebuild strong revenues from a current low base and ultimately deliver substantial earnings relative to the current value of the Company.

**Prospects for Shareholders**

The new business model will focus on growing funds under management and increasing the share price of the Company through the steady increase of management fees and potential success fees and equity participation on transactions structured by Mariner.

### **Mariner's current operational capabilities**

Mariner has in place an existing operating business platform that provides:

- a recently appointed Board with a majority of independent directors and an independent chairman;
- appropriate licences to deal in the types of transactions that Mariner is seeking to participate in and complete;
- existing intellectual property from previous Mariner transactions (which included total assets under management of \$1.2 billion), across property, infrastructure and private equity asset classes;
- associated office infrastructure and back office support which can support private and sophisticated investment offerings and deal origination;
- convenient Sydney CBD office premises;
- a small and dedicated team committed to the success of the Company; and
- a Managing Director with over 30 years' experience in broking and creating investment opportunities in funds management both in Australia and overseas.

### **Current projects under development with the new business model**

The Company is currently working on a number of projects which are in the early stages of development pending the successful recapitalisation of the Company. These projects include:

- Mariner Property Equity Recapitalisation Fund (providing equity gap funding for unlisted retail REITs)
- Mariner Convertibles Fund (providing activist equity and small and mid cap investments)
- HumeGate Industrial Park Trust Project (an industrial business park project, in Goulburn, NSW); and
- Mariner Self Storage Trust (an existing fund with a landmark storage asset, Moore Park, Sydney)

### **New business structure**

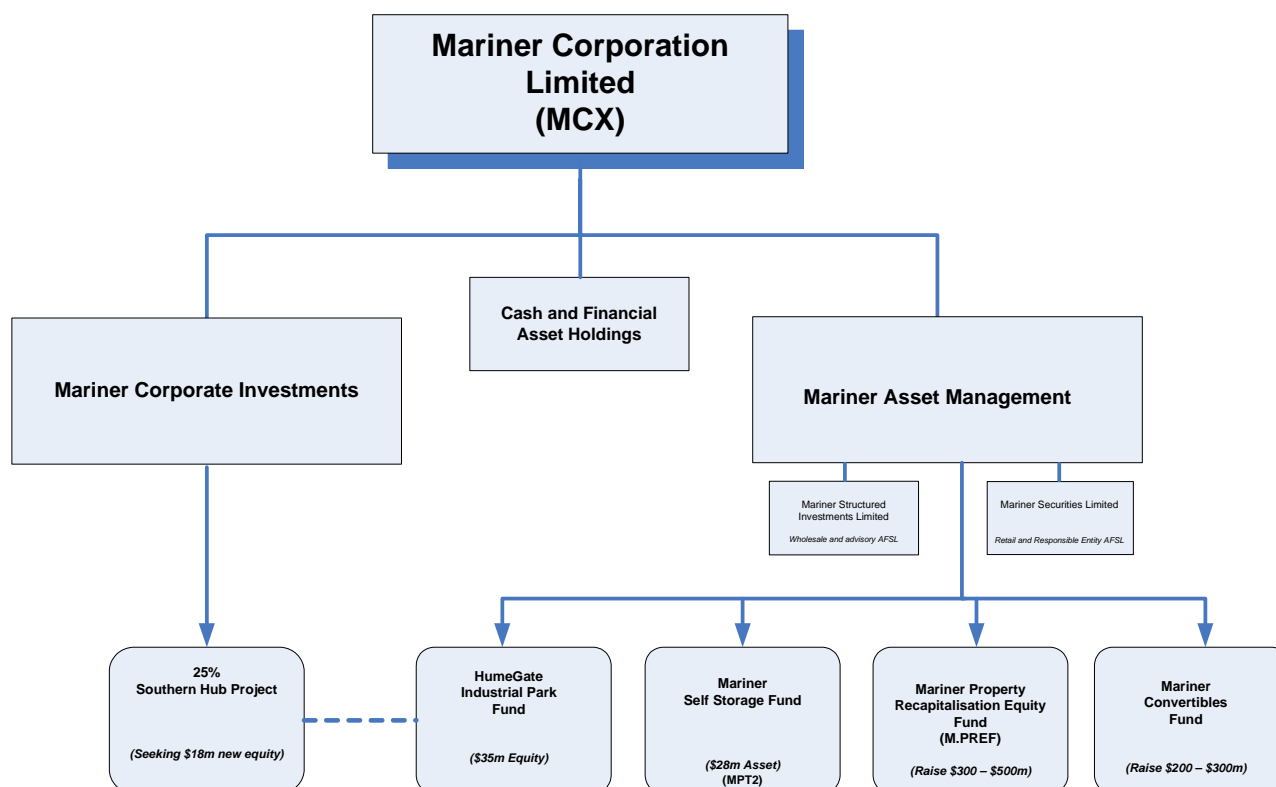
It is proposed that the two main business activities of Mariner on an ongoing basis will be:

- Mariner Corporate Investments; and
- Mariner Asset Management.

Mariner Corporate Investments will consist of principal investments of the Company directly into companies, property assets and securities.

Mariner Asset Management involves the creation and management of wholesale funds in specific alternative investment classes.

The below chart summarises the new activities of Mariner:



Notes to the above diagram:

1. The amounts specified above are indicative only and are not reflective of current asset values held on the balance sheet of Mariner.
2. The Southern Hub Project and the HumeGate Industrial Park Fund are an example of opportunities which would allow Mariner to participate on a corporate investment level by taking an equity position in the project while also having the ability to structure the asset into a fund which is managed by Mariner Asset Management.
3. The Mariner Self Storage Fund is currently a trust held by retail investors and the property held in the trust is not an asset of Mariner. The MPREF and Mariner Convertibles Fund include the target amount of equity to be raised for each fund.

### Reasons for the Recapitalisation

The Board recommends that shareholders vote in favour of the Resolutions relating to the Equity Raising in order to provide sufficient working capital for the Company to execute its new business plan. If successful, this means the Company will have no bank debt and will have sufficient working capital for the next three years.

If the Recapitalisation does not complete:

- Mariner may have insufficient working capital and may not be able to repay or refinance part or all of its corporate and asset level debt as and when it matures. This will require Mariner to enter negotiations with debt providers and consider further asset sales. There can be no guarantee that negotiations with Mariner's debt providers or potential asset sales will be successful.

- There is a possibility that Mariner will require alternative future financing and there is no certainty that Mariner will be able to raise future financing due to matters such as Mariner's financial performance and market conditions such as the condition of debt and equity markets.

### **Resolution 1 – Recapitalisation Resolution**

The Offer Information Statement offers Applicants the chance to subscribe for equal ranking, listed ordinary shares in Mariner at a price of \$0.012 per share in parcels of \$5,000 (being 416,667 Shares).

The issue of shares under the Offer Information Statement is conditional upon Mariner receiving a minimum subscription under the Equity Raising totalling \$2 million. If the Offer Information Statement is fully subscribed, a maximum of 833,333,333 shares will be issued, representing more than 15% of the Company's share capital. As the issue of shares under the Offer Information Statement exceeds the 15% threshold set by the ASX Listing Rules, Shareholder approval is required.

If Resolution 1 is passed, the shares are anticipated to be issued and allotted on or about 29 December 2009.

As part of the Equity Raising, Mariner is seeking to raise up to \$10 million under the Offer Information Statement and a further \$2 million under the Placement. The funds are anticipated to be used as follows:

<b>Application of Funds</b>	<b>Maximum of \$10 million raised under the OIS</b>	<b>Maximum of \$12 million raised under the combined Equity Raising</b>
	<b>\$'000</b>	<b>\$'000</b>
Working capital for new business	6,700	8,600
Ongoing working capital	2,800	2,800
Fees and costs of the Offer	500	600

If the Recapitalisation Resolution is not passed:

- Mariner may have insufficient working capital and may not be able to repay or refinance part or all of its corporate and asset level debt as and when it matures. This will require Mariner to enter negotiations with debt providers and consider further asset sales. There can be no guarantee that negotiations with Mariner's debt providers or potential asset sales will be successful.
- There is a possibility that Mariner will require alternative future financing and there is no certainty that Mariner will be able to raise future financing due to matters such as Mariner's financial performance and market conditions such as the condition of debt and equity markets.

### **Requirement for Shareholder approval**

Without the approval of Shareholders, ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue more than 15% of that entity's current share capital in any 12 month period. As noted above, if the Offer Information Statement is fully subscribed, 833,333,333 fully paid ordinary would be issued, totalling more than 15% of the Company's share capital.

Listing Rule 7.3 requires particular information to be provided to shareholders for the purposes of obtaining shareholder approval under Listing Rule 7.1. This information is set out below:

Specific information required by ASX Listing Rule 7.3:

• The maximum number of securities the entity is to issue	833,333,333
• The date by which the entity will issue the securities	29 December 2009
• The issue price of the securities (fixed or minimum price)	\$0.012 per share
• The name of the allottees (if known) or a basis upon which the allottees will be determined	Applicants under the Offer Information Statement
• The terms of the securities	The shares are fully paid ordinary shares in the Company and will rank equally with all other fully paid shares in the Company
• The intended use of the funds raised	The funds will be used to execute the new business plan and working capital as set out above.
• The dates of allotment of the securities	29 December 2009
• A voting exclusion statement.	This information is set out in the Notice of Meeting and below for your reference.

Directors' recommendation

The Directors strongly recommend that Shareholders vote in favour of Resolution 1 to approve the issue of New Shares under the Offer Information Statement. In forming this recommendation the Directors have carefully considered the expected advantages, disadvantages and risks associated with the transaction and believe that the expected advantages outweigh the potential disadvantages.

Voting Exclusion Statement

In accordance with Listing Rules 7.1 and 14.11, Mariner will disregard any votes cast on the above Resolution by a person, including their respective associates, who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of the holder or ordinary securities if the Resolution is passed.

**Resolution 2 – Placement Resolution**

Mariner has entered into discussions with various institutional and wholesale investors who have expressed an interest in acquiring fully paid ordinary shares in Mariner. However to date, no formal agreement has been signed. The information to hand at the date of this Notice of Meeting is as follows:

- The placement offer will be made to no more than 5 investors.
- All investors will be institutional or wholesale investors.
- The investors are not related parties of Mariner.
- The issue price per share will equal the issue price under the Offer Information Statement (\$0.012 per new share).
- All shares will be issued and allotted by 31 December 2009.

If the Placement Resolution is not approved:

- Mariner may have insufficient working capital and may not be able to repay or refinance part or all of its corporate and asset level debt as and when it matures. This will require Mariner to enter negotiations with debt providers and consider further asset sales. There can be no guarantee that negotiations with Mariner's debt providers or potential asset sales will be successful.
- There is a possibility that Mariner will require alternative future financing and there is no certainty that Mariner will be able to raise future financing due to matters such as Mariner's financial performance and market conditions such as the condition of debt and equity markets.

### **Requirement for Shareholder approval**

Without the approval of Shareholders, ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue more than 15% of that entity's current share capital in any 12 month period. If the placement is completed, the Company would be issuing up to 166,666,667 ordinary shares in the Company to up to 5 institutional and wholesale investors, totalling more than 15% of the Company's current share capital.

Listing Rule 7.3 requires particular information to be provided to Shareholders for the purposes of obtaining Shareholder approval under Listing Rule 7.1. This information is set out below:

### **Specific information required by ASX Listing Rule 7.3**

• The maximum number of securities the entity is to issue	166,666,667
• The date by which the entity will issue the securities	31 December 2009
• The issue price of the securities (fixed or minimum price)	\$0.012 per share
• The name of the allottees (if known) or a basis upon which the allottees will be determined	Up to 5 institutional or wholesale investors. These investors are not related parties of Mariner.
• The terms of the securities	The shares are fully paid ordinary shares in the Company and will rank equally with all other fully paid shares in the Company
• The intended use of the funds raised	The funds will be used to execute the new business plan and working capital as set out above.
• The dates of allotment of the securities	31 December 2009
• A voting exclusion statement	This information is set out in the Notice of Meeting and below for your reference.

### **Directors' recommendation**

The Directors strongly recommend that Shareholders vote in favour of Resolution 2 to approve the issue of New Shares under the Offer Information Statement. In forming this recommendation the Directors have carefully considered the expected advantages, disadvantages and risks associated with the transaction and believe that the expected advantages outweigh the potential disadvantages.

### Voting Exclusion Statement

In accordance with Listing Rules 7.1 and 14.11, Mariner will disregard any votes cast on the above Resolution by a person, including their respective associates, who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of the holder or ordinary securities if the Resolution is passed.

### **Additional relevant considerations for Shareholders**

#### Section 606 Prohibition

The issue of New Shares via the Equity Raising is subject to the prohibition contained in section 606 of the Act.

Section 606(1) of the Act prohibits a person from increasing their voting power in Mariner from:

- (a) 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Consequently, if the issue of New Shares to a person in accordance with the proposed issues under the Placement or OIS would result in a person increasing it or another person's voting power in Mariner from:

- (a) 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%,

the issue would be prohibited.

### **What if Shareholders vote in favour of the Recapitalisation and Placement?**

If the Recapitalisation Resolution and Placement Resolution are validly passed, then Mariner will be able to issue up to 1 billion New Shares under the OIS and Placement at an issue price of 1.2 cents per share (i.e. \$0.012 per share) to provide sufficient working capital for the Company to execute its new business plan.

## Summary of How to Vote at the Meeting

### (a) General

The Meeting will be held at Level 40, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000 at 11:00am on Wednesday, 23 December 2009.

### (b) Voting in person

Shareholders wishing to vote in person should attend the Meeting at Level 40, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000 at 11:00am on Wednesday, 23 December 2009.

Please arrive at the venue 30 minutes prior to the time designated for commencement of the Meeting (10:00am Sydney time), if possible, so that your shareholding may be checked against the Register and attendance noted. Attorneys (see paragraph (d) below) should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

### (c) Voting by proxy

Shareholders entitled to attend and vote have a right to appoint a proxy to attend and vote instead of the Shareholder. The Shareholder must specify whether the Shareholder would like to appoint the chairman of the Meeting as their proxy or if the Shareholder wishes to appoint a person other than the chairman as the Shareholder's proxy, and if it is not specified, the chairman of the Meeting will be the Shareholder's proxy.

A Shareholder may direct their proxy on how to vote (in the manner described in the enclosed personalised proxy form) and if no direction is given, the proxy may vote as he or she chooses.

A Shareholder that is entitled to cast 2 or more votes may appoint up to 2 persons as proxies to attend the Meeting and vote on a poll and must specify the percentage of your voting rights or number of shares applicable to the particular proxy form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes.

Shareholders wishing to vote by proxy at the Meeting must complete and sign or validly authenticate the personalised proxy form which is enclosed with the Notice of Meeting.

A person appointed as proxy need not be a Shareholder and may be an individual or a body corporate. Completed proxy forms must be received by Mariner's Registry at least 48 hours before the commencement of the Meeting by:

**Mail:** Mariner Corporation Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235

**Hand delivery** Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000

**Facsimile:** (02) 9287 0309:

### (d) Voting by attorney

If a Shareholder proposes to execute any document, or do any act by or through an attorney who is relevant to their Shareholding in Mariner, that Shareholder must deliver the instrument appointing the attorney to the Registry for notation.

Shareholders wishing to vote by attorney at the Meeting must, if they have not already presented an appropriate power of attorney to Mariner for notation, deliver to the Registry (at the address or facsimile number specified above) the original instrument appointing the attorney or a certified copy of it before the Meeting.

### **(e) Voting by corporate representative**

To vote in person at the Meeting, a Shareholder or proxy which is a body corporate must appoint an individual to act as its representative.

To vote by corporate representative at the Meeting, a corporate Shareholder or proxy should obtain a Certificate of Appointment of Corporate Representative form from the Registry, and complete and sign the form in accordance with instructions on it. The appointment should be lodged at the registration desk on the day of the Meeting.

### **(f) Further information**

Please refer to the Notice of Meeting for further details of the Resolutions to be voted on at the Meeting.

#### **Your vote is important**

The Resolutions are important as they affect your Company. You are encouraged to exercise your vote on the Resolutions by either sending in your proxy form or attending the Meeting.

#### **What happens if the Resolutions are not passed?**

If the Recapitalisation Resolution and the Placement Resolution are not passed then the Recapitalisation will not proceed.

#### **Potential re-rating of shares**

Currently there is limited equity market support for Mariner due to the uncertainty regarding its balance sheet stability and working capital position. Following the Recapitalisation, Mariner will have a more sustainable and simplified capital structure resulting in the potential for a re-rating of the market value of Shares.

#### **No superior alternative**

The Directors note that there are currently no other monetisation or recapitalisation alternative proposals available to Mariner which the Board consider superior to the Recapitalisation.

#### **Directors' recommendation and intentions**

The Directors strongly recommend that Shareholders vote in favour of the Recapitalisation Resolution and the Placement Resolution and intend to do so in relation to their own Shares (where they are not excluded from doing so).

In forming their recommendation, the Directors have carefully considered the expected advantages, disadvantages and risks of the Recapitalisation and Placement. The Directors believe that the expected advantages of the Recapitalisation outweigh its potential disadvantages and risks.

In the absence of the Recapitalisation and Placement, or in the event that they are not approved, the Board believes all Shareholders will be worse off given the uncertainty regarding Mariner balance sheet and working capital position. The potential outcomes in the absence of the Recapitalisation could lead to materially worse value outcomes for all Shareholders.

#### **Queries**

If you have any questions in respect of the General Meeting or Recapitalisation, please call the Mariner Shareholder Information Line on 1800 009 963 (within Australia) or +61 2 9238 0750 (from outside Australia) at any time between 8:30am and 5:00pm (Sydney time) Monday to Friday. If you are in any doubt about the Resolution or the action to be taken, you should contact your stockbroker, accountant, lawyer or other professional adviser.

## Key Dates\*

Announcement of OIS	25 November 2009
Lodgement of OIS with ASIC	25 November 2009
OIS Offer opens	3 December 2009
OIS Offer closes	18 December 2009
General Meeting	23 December 2009
Allotment of New Shares under the OIS	29 December 2009
Quotation of New Shares issued under the OIS on ASX (normal settlement basis)	29 December 2009
Dispatch holding statements for New Shares issued under OIS	30 December 2009
Allotment and Issue of Shares under the Placement	31 December 2009
Dispatch holding statements for New Shares issued under the Placement	4 January 2010

\*These dates are indicative only and are subject to change.

## Glossary

<b>Act</b>	<i>The Corporations Act 2001 (Cth)</i>
<b>Applicant</b>	A person or entity who or which applies for New Shares pursuant to the Offer Information Statement
<b>Application</b>	A valid application to subscribe for New Shares under the Offer Information Statement
<b>Application Monies</b>	The monies that an Applicant submits to subscribe for New Shares under the Offer Information Statement
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning provided in sections 10-17 of the Act
<b>ASX</b>	Australian Securities Exchange
<b>Board</b>	The board of the Company
<b>Business Day</b>	Days (other than a Saturday or Sunday) on which banks are open for business in Sydney
<b>Company</b>	Mariner Corporation Limited ABN 54 002 989 782
<b>Constitution</b>	The constitution of the Company, as amended
<b>Directors</b>	The directors of the Company
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>Equity Raising</b>	The combined equity raising of the Offer Information Statement and Placement
<b>Explanatory Memorandum</b>	The document attached to the Notice of Meeting, outlining the reasons why Mariner is undertaking the Equity Raising and providing information regarding the General Meeting. The explanatory memorandum accompanies and forms part of the Notice of Meeting
<b>FCF</b>	Free cash flow, broadly defined as EBITDA less net interest cash flows, cash tax and net capital expenditures
<b>GFC</b>	Global Financial Crisis. The severe global financial market downturn which occurred between 2007 and 2009
<b>Mariner</b>	Mariner Corporation Limited ABN 54 002 989 782
<b>Minimum Application</b>	The minimum application amount to be subscribed by an Applicant under the Equity Raising. The Minimum Application under the OIS is \$5,000
<b>New Share</b>	A Share issued under the OIS or the Placement

<b>Notice of Meeting</b>	This notice of meeting dated 25 November 2009
<b>Offer</b>	The invitation to subscribe for up to 1 billion New Shares made by the Company under the Offer Information Statement
<b>Offer Information Statement</b>	The offer information statement dated 25 November 2009
<b>Offer Price</b>	1.2 cents per New Share (\$0.012 per New Share)
<b>OIS</b>	The offer information statement dated 25 November 2009
<b>Placement</b>	The proposed placement of shares with institutional or wholesale investors, as proposed by Resolution 2
<b>Placement Resolution</b>	The Resolution that is required to be passed at the General Meeting regarding the Placement (Resolution 2)
<b>Resolutions</b>	Mean the Recapitalisation Resolution and the Placement Resolution
<b>Recapitalisation</b>	The capital restructuring to strengthen the Company's balance sheet
<b>Recapitalisation Resolution</b>	The Resolution that is required to be passed at the General Meeting regarding the Recapitalisation
<b>Share</b>	An ordinary fully paid share in the capital of the Company
<b>Share Registry or Registry</b>	Link Market Services Limited
<b>Shareholders</b>	Holder of ordinary Shares in the Company