

9 March 2009

The Manager
 Company Announcements
 ASX Limited
 20 Bridge Street
 Sydney NSW 2000

Dear Sir

**MARINER FINANCIAL LIMITED
 PRELIMINARY FINAL REPORT (APPENDIX 4D) - FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

The directors of Mariner Financial Limited are pleased to announce the results of the Company for the half year ended 31 December 2008 as follows:

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

EXTRACTED FROM INTERIM FINANCIAL REPORT	% CHANGE	HALF YEAR 31 DECEMBER 2008 A\$'000
Revenue from ordinary activities	Down 25%	10,688
Net loss from ordinary activities after tax attributable to members	Down 222%	(44,826)
Net loss after tax attributable to members	Down 222%	(44,826)

DIVIDENDS:

No dividends have been paid or declared during the period ended 31 December 2008. Dividends are not expected to be paid or declared in the immediate term.

NET TANGIBLE ASSETS PER SHARE

	31 DECEMBER 2008 \$ PER SHARE	30 JUNE 2008 \$ PER SHARE
Net Tangible Assets	\$0.08	\$0.26

REVIEW OF OPERATIONS AND GOING CONCERN

As confirmed in the directors' declaration on page 23 of the interim financial report, the directors have reached the conclusion that based on all available facts and information currently available, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable and is a going concern. In reaching this conclusion the directors have had regard to, amongst other things, the following:

- Short and medium term cash flow forecasts, combined with the Group's asset sale program indicate that the Company can meet its known funding requirements. The cash flow forecasts contain contingencies to allow for delays or shortfalls in asset sales.
- The retirement of \$1.8 million of outstanding convertible notes on 30 January 2009 and the successful renegotiation of repayment terms associated with the remaining \$6.9 million of convertible notes which has linked their repayment to sales proceeds from specified asset sales and has extended their maturity to 31 March 2010.
- The Group's recent track record in demonstrating an ability to complete asset sales in a difficult market environment. The Company raised proceeds of \$8.8 million during the half year which principally related to the following asset sales:
 - Turtle Beach at 1770 (QLD)
 - Balance of proceeds from the sale of management rights for the Mariner Pipeline Income Trust
 - Management rights for Mariner American Property Income Trust and Mariner Infrastructure Trust No. 1
 - Management rights for Mariner Mortgage Trust (settled after reporting date).
- The advanced status of the sales process for the following assets which is expected to be completed in the near term:
 - Southern Distribution Hub Pty Ltd ('the Hub')
 - Management rights for Mariner Property Trust No.1 and MSS Moore Park Limited
- The Group has reduced recurring operating expenses significantly by reducing headcount by 70% with a further 10% scheduled for the second half of the year. This will leave a core team to manage the asset sale program and implement the new business plan (discussed below).

Whilst the Group's primary near term focus will be on completing the asset sale process, the Group's new business plan will be implemented with a focus on generating advisory based fee income from arranging wholesale structured transactions on behalf of institutional investors. The Group will also focus its efforts on turning around the performance of the Mariner Coastal Investment Fund where it expects to retain its management rights and generate value for shareholders.

The directors acknowledge that some uncertainty exists in relation to the Group's ability to meet its funding requirements. These uncertainties principally relate to the Group's ongoing ability to complete the remaining asset sales in difficult market conditions, the receipt of certain payments which are contingent upon the anticipated achievement of certain development approvals and the ability to sublease the Group's Head Office premises. In the event that certain asset sales or development approvals are delayed the Group's ability to continue as a going concern will be reliant on its ability to renegotiate terms with the convertible note holders. Further, the long term viability of the Group is contingent upon its ability to successfully implement the new business plan outlined above.

Other significant provisions and revaluations made during the period include:

- Onerous contract (rental lease) and leasehold improvements - \$2.9 million
- Asset revaluations (unrealised loss) - \$23.5 million
- Asset valuations (realised loss) - \$7.3 million.

During the period the Company placed one of its subsidiaries, Mariner Treasury Limited (Receivers and Managers appointed) into voluntary administration. Consequently, the Group has consolidated the results of Mariner Treasury Limited (Receivers and Managers appointed) up to 2 October 2008, and has removed the assets and liabilities from the Group balance sheet for nil consideration.

On 15 October 2008, following the receipt of updated valuations for the assets of the Mariner German Property Trust and the Mariner Japan Property Trust, the Company has also deconsolidated these two Trusts during the half year. Due to the impact of the downwards revised valuations on net assets and Mariner Treasury Limited's (Receivers and Managers appointed) security position, the directors did not believe that the Group was exposed to any further risks and rewards associated with the two Trusts. Accordingly, control of MGPT and MJPT is considered to have ceased on 15 October 2008.

Discussions have taken place with convertible note holders to negotiate new repayment terms which are more aligned to asset sales. The outcome of this is outlined below in Matters Subsequent to the End of the Financial Half-year.

In summary, the activities of the last six months have resulted in the reduction of net assets from \$63.9 million to \$19.0 million, and streamlining of business operations.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

Since 31 December 2008, the following transactions are in various stages of completion:

- **CONVERTIBLE NOTES:** The terms and the conditions of the convertible notes were renegotiated on 29 January 2009 and again on 6 March 2009. \$1.8 million of the convertible notes have been repaid, with \$6.9 million remaining. In accordance with the 6 March 2009 Further Amending Deed to the Security Trust Deed, the note holders have agreed to defer the maturity of the convertible notes until 31 March 2010. The Company has provided the following assets as security:

- Southern Distribution Hub Pty Ltd
- Mariner Coastal Land Fund

In the event the secured assets are sold in advance of the revised maturity date of the convertible notes, the proceeds from these asset sales will be used to repay the convertible note holders. The convertible note holders have agreed to cap their security entitlement to the anticipated first instalment received on the sale of the Hub to \$1.0 million, or if Mariner Coastal Land Fund is sold before the Hub the proceeds on the sale of Mariner Coastal Land Fund will be capped to \$1.0 million.

- **MARINER CREDIT CORPORATION LIMITED (MCCL):** A securities sale deed was signed on 30 January 2009 with a transfer of all remaining shares in MCCL to Pentagon Property Group Pty Limited (PPG) scheduled for no later than 31 March 2009. In the event MCCL is sold in accordance with the existing securities sale deed, the Group will realise a loss of \$1,016,000 which has been provided for in the financial statements.
- **MARINER PROPERTY TRUST NO.1 AND MSS MOORE PARK LIMITED** sale of the management rights: Due diligence by two parties is currently being finalised and a heads of agreement is expected to be signed in the near future.
- **SOUTHERN DISTRIBUTION HUB:** Negotiations for the sale of the HUB are at an advanced stage and are expected to sign in the near future.

SUMMARY

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The auditors have also included an emphasis of matter drawing attention to material uncertainty around the going concern of Mariner Financial Limited as it is reliant upon asset sales.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

CONTACTS

W E B Ireland, Managing Director: (02) 9238 0750

Further information regarding Mariner Financial Limited and its business activities can be obtained by visiting the Company's website at www.marinerfunds.com.au.

Yours faithfully

W E B IRELAND
MANAGING DIRECTOR
MARINER FINANCIAL LIMITED