



Mariner Treasury Limited: Floating Rate Notes – Notice pursuant to section 675 Corporations Act, 2001

17 September, 2008

We refer to the Note and Security Trust Deed dated 29 March 2005 (“Trust Deed”) executed by Mariner Treasury Limited (“MTL”).

Currently there are \$22,187,400 Floating Rate Notes (“FRNs”) issued by MTL which are outstanding.

On 1 September 2008 \$2.3m of the FRNs fell due for payment. Under the terms of the Trust Deed, an event of default occurs if a payment is not made within 20 Business Days of the due date for payment. That date is 26 September 2008.

While the assets of MTL exceed its liabilities, MTL does not expect to be in a position to repay the principal outstanding on the FRNs by 26 September 2008 (ie the end of the 20 Business Day grace period). The reason for this is that the majority of MTL’s assets are illiquid and comprise:

1. Loans to the Mariner Securities Limited as trustee of the Mariner German Property Trust for deposits paid for the acquisition of real estate assets in Germany; and
2. a Loan to Drake Property Investments KK for a deposit paid to acquire a real estate asset in Japan.

Based on current valuations of the underlying properties, the directors of MTL believe that the loans are not in jeopardy, but the assets cannot readily be converted to cash for the purpose of meeting payments due upon the maturity of the FRNs.

In the respect of FRN’s maturing before 1 September, 2008, MTL relied upon support from its parent, Mariner Financial Limited to assist it to meet maturing notes and interest in July 2008. Mariner Financial Limited has indicated to Mariner Treasury Limited that it may not be in a position to continue to provide support.

The Board is of the view that, without the parent company support, and having regard to the illiquidity of the underlying assets, payments due upon the maturity of the FRNs will not be satisfied within the time frames specified in the Trust Deed, however, the Board believes that, over time, the FRN’s should be repaid in full.

Mariner Treasury Limited has cash to meet at least the next 6 months of interest payable on the FRNs.

Mariner Treasury Limited is consulting with the trustee, Trust Company Fiduciary Services Limited to develop an asset disposal and payment schedule for maturing FRNs. It is expected that the schedule will be put to holders of FRNs at a meeting convened in accordance with the Note and Security Trust Deed.

Yours faithfully,

Board of Directors
Mariner Treasury Limited