

ANNOUNCEMENT

22 December 2008

BALMAIN SET TO ACQUIRE MARINER MORTGAGE TRUST

Balmain NB Corporation Limited (Balmain) has entered into an agreement with Mariner Mortgage Management Limited to acquire the management rights of the Mariner Mortgage Trust and the Mariner Wholesale Mortgage Trust and to replace Mariner Securities Limited (a wholly owned subsidiary of Mariner Financial Limited - ASX: MFI) as responsible entity of the Funds. The agreement is conditional upon both regulatory and unit holder approval. The two Mariner funds have approximately \$155 million in funds under management.

Balmain is Australia's largest commercial mortgage originator, employing over 120 staff in 8 offices around Australia and New Zealand. Balmain has been the principal source of mortgage origination to the Australian mortgage trust industry for over 20 years.

Balmain is currently in partnership with the Mirvac Group, the manager of the Mirvac Aqua Mortgage Funds, and is seeking to significantly grow its management of small to medium tier mortgage funds. Balmain is also a major shareholder in Australian Mortgage Administration Limited (AMAL), which is a rated mortgage administrator which currently administers in excess of \$8 billion of mortgage asset portfolios including the current Mariner Mortgage Trust. AMAL is an 'above average' S&P rated service provider, and currently manages mortgage funds for many of Australia's largest institutional investors.

Mariner's Managing Director, Bill Ireland said that, "This move is in line with Mariner's decision to move away from retail distribution and focus more seriously on institutional and wholesale investment opportunities. Balmain is a well respected participant in the Australian mortgage trust industry as originator, servicer and manager of mortgage trust assets with a long and successful track record in Australia in all areas of its operations. I feel confident that the transfer of the management to Balmain is in the best interests of unit holders."

Balmain's Chief Executive Officer, Andrew Griffin said "Our Group's investment objectives in retail mortgage funds management include the conservative provision of senior mortgages to experienced sponsors. There is a close alignment in this regard with the objectives of the Funds so this was a natural move for the Group. There are no plans to alter any of the scheme documents and we are delighted that all key management staff including the current CEO John Thomas will remain with the Funds."

Mr Griffin remains a firm believer in the importance of mortgage trusts in the Australian commercial finance market. "With banks being forced to raise margins to cover their rapidly rising cost of capital" he said, "the spread between cash rates and mortgage rates will become even wider. This will enable mortgage funds, which manage a direct relationship between borrowers and lenders, to deliver to their unit holders returns considerably better than cash deposits or other fixed interest investment assets."

John Thomas, who remains as Chief Executive Officer of the mortgage trust, restated his commitment to managing the assets of the Trust in order to maintain their current competitive rate of return, within conservative investment guidelines.

Balmain is currently in the process of seeking regulatory approval for the acquisition and unit holders' approval for the sale will be sought at a meeting of unit holders to be held on 22 January 2009.

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For more information on Balmain please visit www.balmain.com.au