

14 MAY 2009

**ASX ANNOUNCEMENT: MFI
MARINER COASTAL INVESTMENT FUND**

Mariner Financial Limited (ASX:MFI) advises that, at the request of Mariner Leisure Management Limited, ACN 125 089 116, Commonwealth Bank of Australia has appointed Paul Billingham and Said Jahani of Grant Thornton as Receivers and Managers of Mariner Leisure Management Limited and Mariner Coastal Operations Pty Ltd ACN 124 581 120.

Mariner Leisure Management Limited shares are stapled to units in the Mariner Coastal Investment Trust, ARSN 125 138 007 within the Mariner Coastal Investment Fund. Therefore the decision to appoint Receivers and Managers to Mariner Leisure Management Limited directly impacts the ongoing management of the Mariner Coastal Investment Fund.

Mariner Leisure Management Limited and Mariner Coastal Operations Pty Ltd are not subsidiaries of Mariner Financial Limited.

The Mariner Coastal Investment Fund is an unlisted satellite fund which comprises the management company Mariner Leisure Management and also holds four coastal assets along the east coast of Australia. Two of the assets are operating EcoResorts located in regional New South Wales; one asset is an operating tourist park in suburban Brisbane while the remaining asset is a vacant land development asset with development approval for a tourist park located in Port Douglas, Far North Queensland.

The effect on Mariner Financial of this announcement is that Mariner Financial has a subordinated loan to Mariner Coastal Investment Trust. This loan was written down to \$10.8 million in Mariner Financial's December 2008 financial accounts. The appointment of Receivers and Managers to Mariner Leisure Management Limited will have an adverse impact on this subordinated loan and the carrying value of this loan on Mariner Financial's books. As a result of this, Mariner Financial will fully impair this subordinated loan.

Mariner Financial recognises that the decision to appoint Receivers and Managers to Mariner Leisure Management is an unfortunate development for investors in the Mariner Coastal Investment Fund.

Mariner Financial has been working diligently with the management team of Mariner Leisure Management and its bankers over an extended period to attempt to avert the appointment of Receivers and Managers to the management company. As of today all interest, commitments on fund loan facilities have been met.

Resort trading conditions were particularly impacted through the third and fourth quarters of 2008 as the magnitude of the global financial crisis became known which had a direct impact on consumer discretionary spending. This recessionary environment has continued throughout 2009 which has impacted the performance of the resorts. As previously reported to stapled security holders of the Mariner Coastal Investment Fund, the Fund was unable to comply with certain covenants with regard to the Fund's bank loan facility. Negotiations were being conducted with the bank for the rolling of the debt facility however the bank was unwilling to refinance the main loan facility underpinning the Fund, leaving no alternative but to request the appointment of Receivers and Managers.

It is unknown at this stage as to the intent of the Receivers and Managers regarding the disposal of assets held by the Mariner Coastal Investment Trust and the potential quantum of proceeds potentially available for distribution to stapled security holders in the Mariner Coastal Investment Fund.

Despite these regrettable developments, Mariner Financial Limited is committed to continue to progress the aims of the company through retaining its core management team, by continuing to sell non-core assets and by exiting its retail funds management business model.

**OLIVER CARTON
COMPANY SECRETARY**