



Change creates value

Company Update

Dated 10 November 2011

Contents

1 Summary	3
2 New management team	4
3 New business direction	5
4 Significant events 2011	6
5 Share consolidation	7
6 Capital raising	8
7 Financial information	9
Corporate directory	10

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1 | Summary

- A new management team took control of Mariner Corporation in November 2010
- During 2011, the new management team has stabilised Mariner's financial position
- None of the previous Mariner executives are involved in the company
- Mariner is now targeting mergers and acquisitions in the small cap sector
- Mariner will be raising capital as the opportunities arise to support this acquisitions strategy

“The new management team is committed to change. We believe change creates value.”

Darren Olney-Fraser
CEO

2 | New management team

DIRECTORS

Don Christie Non-Executive Chairman

Don Christie is a lawyer who has experience in business and compliance. Don holds the degrees of Bachelor of Laws, Masters degrees in Law and Tax and a Diploma from the Securities Institute of Australia. He has worked in compliance and regulatory roles (for ASIC's predecessors, the NCSC and ASC, including a period seconded to the Tricontinental Royal Commission). Don was Managing Director of Equity Trustees Ltd from 1999 to 2002 and is a former President of the Australian Trustee Corporations Association. He currently holds a number of non-executive directorships.

Darren Olney-Fraser Chief Executive Officer

Darren Olney-Fraser is a former corporate lawyer with mergers and acquisitions experience. He holds Bachelors of Science and Laws from Monash University and a Master of Laws from the University of Melbourne. Darren practiced law with Baker & McKenzie and Blake Dawson, and was a partner at Andersen Legal. He has grown business interests of over \$200M over the last 10 years and is also CEO of Mariner's largest shareholder, Stanfield Funds Management Limited.

Matthew Fletcher

Matt Fletcher is an investment banker with a background in commercial/corporate finance and funds management. His previous roles have included CEO of boutique fund manager, Astrum Funds Management Ltd and management positions with Lloyds Banking Group plc, National Australia Bank Ltd (London) and St.George Bank Ltd. Matt holds a Bachelor of Business (Banking & Finance), a Post Graduate Diploma in Applied Finance & Investment and Diplomas in Property Development, Property Investment & Finance and Financial Services (Financial Planning). He is a Fellow of Financial Services Institute of Australasia.

COMPANY SECRETARY

Adrian Olney

Adrian Olney is an Executive Director of Mariner's largest shareholder, Stanfield Funds Management Ltd. He has extensive management experience, and is co-founder of Australian Public Trustees with his brother, Darren Olney-Fraser. Adrian holds a Bachelor of Engineering and a Graduate Diploma of Management. He has previously worked for over 10 years in consulting engineering firms at Connell Wagner, Young Consulting Engineers and Arup.

3 | New business direction

Mariner is identifying investment opportunities where change is occurring, because change creates value.

We can drive change through mergers and acquisitions, consolidation and aggregation, company restructuring, and bringing in the right people to execute a clear strategy for a growing business.

We will make meaningful, strategic investments in other listed companies, agitate for change at board level where warranted, and work with management to deliver improved results.

Mariner's new management team will invest in both mature industries that are fragmented, and emerging industries ready to deliver sustainable growth.

Our competitive advantage is that we can bring capital with the expertise to achieve, and the flexibility to follow opportunities which are undervalued and can be turned around.

We will realise our investment positions at the right time, generally when further investment returns cannot be maintained at our target levels.

We see ourselves as guardians of shareholder funds with a duty to deliver profit from change and value creation.



“We aim to take advantage of good buying opportunities in the small cap market.”

Darren Olney-Fraser
CEO

4 | Significant events 2011

January	Extraordinary General Meeting of Shareholders Approved (i) Appointment of New Directors, (ii) Convertible Note to Stanfield Funds Management and (iii) Issue of shares
February	Resignation of Bill Ireland from the Board
March	Settlement of significant creditor claims
April	Share Placement 112,716,279 shares at 0.7 cents per share to raise \$789,014
May	Strategic investment in Viento Group Limited 10% stake for \$850,000
June	Application to Takeovers Panel re Viento
July	Viento Takeover Offer
August	Release of 2010/11 Financial Statements
September	Withdrawal of Viento Takeover
October	Share Purchase Plan
November	Annual General Meeting Approval being sought for (i) 100:1 share consolidation, (ii) issue of up to 5,000,000 shares
December	Proposed issue of 5,000,000 shares to institutional investors (subject to shareholder approval)

5 | Share consolidation

The company is currently undertaking a 1:100 share consolidation. This is being put to shareholders for approval at the Annual General Meeting on 17 November 2011.

The purpose of this share consolidation is to reduce the number of shares on issue and endeavour to increase the price that the company's shares trade on the ASX to a level which is more similar to its competitors in the investment sector.

The company currently has 776,326,234 shares currently issued to 1,952 shareholders. As a result of the share consolidation, the same shareholders will hold 7,763,262 shares between them in their current proportions.

	Shares on issue	No. of shareholders
Before consolidation	776,326,234	1,952
After consolidation	7,763,262	1,952

Directors believe the share consolidation will improve the perception of the company in the market, and improve the company's prospects to raise further capital to grow.

6 | Capital raising

Mariner will be issuing shares to raise capital, in order for the company to fund its acquisitions strategy.

Currently, the company is undertaking a Share Purchase Plan.

Also, shareholder approval is being sought at the upcoming Annual General Meeting on 17 November 2011 for the issue of 5,000,000 shares (post-consolidation).

Capital raising will be utilised to:

- provide working capital;
- provide funds to enable the company to undertake certain acquisitions; and
- fund the cost of the capital raising such as legal, accounting, and brokerage costs.

It is expected that the first \$2.5 million raised will be applied as follows:

Acquisitions	\$2,000,000
Working capital	\$400,000
Transaction costs	\$100,000
Total	\$2,500,000

Offer documents for each capital raising will be issue in accordance with Corporations Act and Listing Rule requirements. This Company Update is not an offer for shares.

7 | Financial information

Consolidated Statement of Financial Position

	30-Jun-10 A\$000's (Audited)	30-Jun-11 A\$000's (Audited)	31-Oct-11 A\$000's (Unaudited)	Share Purchase Plan (Proforma)	Institutional Raising (Proforma)
Current assets					
Cash and cash equivalents	137	58	1	1,020	2,420
Trade and other receivables	2,151	1,055	876	876	876
Total current assets	2,288	1,113	878	1,897	3,297
Non-current assets					
Other financial assets	939	-	-	-	-
Plant and equipment	75	-	2	2	2
Total non-current assets	1,014	-	2	2	2
Total assets	3,302	1,113	879	1,898	3,298
Current liabilities					
Trade and other payables	10,668	2,255	1,595	542	142
Provisions	661	-	-	-	-
Total current liabilities	11,329	2,255	1,595	542	142
Total liabilities	11,329	2,255	1,595	542	142
Net assets	-8,027	-1,142	-716	1,356	3,156
Equity					
Issued capital	125,591	132,067	132,067	134,224	136,224
Reserves	-3,362	250	251	251	251
Accumulated losses	-130,256	-133,459	-133,034	-133,119	-133,319
Total equity	-8,027	-1,142	-716	1,356	3,156
Consolidation 1:100					
Issued Capital - Number of shares	246,948,316	776,326,234	776,326,234	14,953,262	19,953,262
NTA backing/share	-0.033	-0.001	-0.001	0.091	0.158

Significant notes on assumptions to the Consolidated Forecast Proformas:

1. The proformas are unaudited.
2. The financial information is current as at 10 November 2011.
3. Stanfield conversion of \$457,000 (@\$0.003) Convertible Note at same time as Share Purchase Plan.
4. Capital raising of \$1.7 million from the Share Purchase Plan based on issue of 5,666,667 new ordinary shares (post-consolidation) at 30 cents per share.
5. Capital raising of \$2 million from the Institutional Raising based on issue of 5,000,000 new ordinary shares (post-consolidation) at 40 cents per share.

Corporate directory

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