



MARINER

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CORPORATION
LIMITED

Mariner Corporation Limited ACN 002 989 782
PO Box 18235 Collins Street East, Melbourne VIC 8003
Level 4 Podium, 120 Collins Street Melbourne VIC 3000
P 03 8643 4955 F 03 8643 4911
www.marinercorporation.com.au

ASX ANNOUNCEMENT

4 JULY 2012

AUSTOCK – MARINER COMMENCES REGULATORY APPROVAL PROCESS

Mariner Corporation Limited ("**Mariner**") is pleased to announce that it has commenced the process of seeking regulatory approvals in relation to its proposed offer to acquire all of the issued shares of Austock Group Limited ("**Austock**"). This follows Mariner's announcement to the market on 29 June 2012.

Mariner has approached, or is about to approach, the following regulatory bodies for regulatory approval in relation to the proposed takeover offer for Austock.

- **Board of Innovation Australia** – Mariner is required under the *Pooled Development Funds Act 1992* to obtain the approval of *Innovation Australia* before it can acquire an interest in more than 30% of Austock, in view of Austock being subject to this Act. Mariner's application to Innovation Australia is expected to be reviewed by Innovation Australia's Venture Capital Committee at its 3 August 2012 meeting.
- **Treasurer (APRA)** - Mariner is required under the *Financial Sector (Shareholdings) Act 1998* to obtain the approval of the Treasurer before it can acquire an interest in more than 15% of Austock, in view of Austock's life insurance business being subject to this Act. The Australian Prudential Regulatory Authority ("**APRA**") has informed us that they will be working in co-ordination with the Treasurer to consider Mariner's application (when lodged).
- **Minister (APRA)** - Mariner is required under the *Insurance Acquisitions and Takeovers Act 1991* to obtain the approval of the Minister before it can acquire an interest in more than 15% of Austock, in view of Austock's life insurance business being subject to this Act. APRA has informed us that either it or the Minister will be reviewing Mariner's application (when lodged).

Because of the significant number of announcements that have been made to the market, by both Mariner and Austock since Mariner's first announcement indicating an intention to offer to acquire all of the issued shares of Austock on 25 June 2012 ("**Announcement Date**"), Mariner would like to clarify for the benefit of Austock shareholders some of the material terms of its intended takeover offer:

Consideration

Mariner's intended offer is 11 cents per fully paid share in Austock.

Conditions

Mariner's intended offer will be subject to the following conditions. Mariner reserves the right to waive any condition at any time (except where any such waiver might give rise to a breach of statute).

1. **No Prescribed Occurrences**

None of the “prescribed occurrences” in section 652C of the *Corporations Act 2001* occurring in relation to Austock during the period commencing on the Announcement Date and ending on the date on which the offer closes.

2. **Compliance with Australian Stock Exchange Listing Rules**

Mariner obtaining any necessary shareholder approvals required under the Listing Rules of the Australian Stock Exchange (**ASX**) to make an offer as required.

3. **No Alternate Offer**

That, during the period commencing on the Announcement Date and ending on the date that the offer closes, no documents detailing an alternative offer for Austock shares are despatched and no announcement of an alternative offer is made.

4. **S&P/ASX 200 Index**

That, after the Announcement Date, there is no fall greater than 10% in the level of the S&P/ASX 200 Index calculated based on the value of the index at the close of trading on the date prior to the Announcement Date.

5. **Net Tangible Asset Value Per Share**

That, after the Announcement Date there is no rise or fall greater than 10% in the net tangibles asset value per share of either Austock or Mariner.

6. **No Material Adverse Events**

That, after the Announcement Date, no event occurs that will, or is reasonably likely to, have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses, revenue or prospectus of Austock, its subsidiaries or its registered schemes (if any).

7. **No Material Acquisitions, Disposals or Changes to Capital**

That, after the Announcement Date, neither Austock nor any subsidiary (or registered scheme) of Austock:

- (a) acquires, offers to acquire or agrees to acquire one or more companies, business or assets (or any interest therein) or makes an announcement in relation to such an acquisition, offer or agreement; or
- (b) enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment or makes an announcement in relation to such an entry, offer or agreement; or
- (c) sells, offers to sell or agrees to sell one or more companies, businesses or assets (or any interest therein) or makes an announcement in relation to such disposal, offer or agreement; or

- (d) issues any shares, alters the rights attaching to any shares or otherwise changes the composition of its capital.

8. **Minimum Acceptances**

Mariner having a relevant interest in not less than 50% of the fully paid ordinary shares of Austock on the date that the bid closes.

9. **Regulatory Approvals**

Before the date the offer closes:

- (a) all approvals or consents that are required by law or by any Regulatory Authority that are necessary to permit the offer to be lawfully made to and accepted by Austock shareholders; and
- (b) all approvals or consents that are required by law or by any Regulatory Authority that are necessary to permit the transactions contemplated by the Bidder's Statement to be completed,

are granted on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice or indication of intention to revoke, suspend, vary, modify or not renew the consent or approval; and

- (c) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;
- (d) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and
- (e) no application is made to any Regulatory Authority (other than by Mariner or an associate of Mariner),

which does or is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect the making of the offer, the acquisition of shares by Mariner, the rights of Mariner in respect of Austock and the shares or the continued operation of the businesses of Mariner or Austock.

Regulatory Authority means:

- (a) any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, (whether in Australia or elsewhere), including any body (whether incorporated or unincorporated) established for a public purpose by, or in accordance with, the provisions of an Act, or created by the Governor in Council or by a Minister;
- (b) any self-regulatory organisation established by, or in accordance with, the provisions of an Act or any securities exchange; and
- (c) any private entity (including any private body whether incorporated or unincorporated) which exercises regulatory functions,

but **excluding**:

- (d) the Takeovers Panel;
- (e) ASIC;
- (f) any person mentioned in section 657G(2) of the *Corporations Act 2001* who applies to the Court for an order under section 657G(1) of the *Corporations Act 2001*;
- (g) any person mentioned in section 659B(1) of the *Corporations Act 2001* who commences court proceedings in relation to a takeover bid or a proposed takeover bid (as defined in the *Corporations Act 2001*); and
- (h) a court that makes an order in response to an application under section 657G(1) of the *Corporations Act 2001* or proceedings commenced pursuant to section 659B(1) of the *Corporations Act 2001*.

Documentation

Mariner's indicative offer remains subject to the lodgment with ASIC of a formal Bidder's Statement and the issue of that Bidder's Statement to Austock shareholders. Mariner expects to lodge the formal Bidder's Statement with ASIC in accordance with the *Corporations Act 2001* in the coming weeks.

Enquiries

Interest parties are invited to contact Darren Olney-Fraser on 03 8643 4955 or dof@marinercorporation.com.au.

Board of Directors
Mariner Corporation Limited