

13 August 2010

ATLANTIC TO ACQUIRE 100% OF WINDIMURRA VANADIUM PROJECT

Highlights

- ***Atlantic consolidates 100% ownership of Windimurra vanadium project***
- ***Reaches agreement to acquire remaining 10% of project from lenders***
- ***Completion of acquisition on track for early September***

Atlantic Ltd (ASX: ATI; **Atlantic**) is pleased to announce it has entered into a new agreement that allows the Company to consolidate 100% control of the Windimurra vanadium project (**Project**).

The signing of a new agreement with the existing lenders to Midwest Vanadium Pty Ltd (**MVPL**), the company that holds 100% of the Project, allows Atlantic to acquire the remaining 10% of MVPL.

This agreement follows the 5 August announcement of a revised agreement with Mineral Resources Limited (**MRL**) whereby Atlantic will acquire MRL's proposed equity interest in MVPL, delivering Atlantic an effective 90% interest in MVPL.

Under the terms of the agreement with the existing lenders, Atlantic will issue 85,000,000 ordinary fully paid shares (3,400,000 ordinary shares on a post-consolidation basis) to the lenders to acquire the remaining 10% equity interest in MVPL.

This will deliver Atlantic 100% control of the Windimurra vanadium project at financial close.

Atlantic Managing Director Michael Minosora said he was delighted that the existing lenders had agreed to work with Atlantic to complete and commission the Windimurra project.

"We believe that by consolidating ownership of the Project in the hands of Atlantic, we have significantly enhanced the attractiveness of the Project to financiers and potential partners," he said.

"These agreements create a strong and appropriate capital base for the Project. They also deliver crucial cost savings that place the Project in a strong competitive position in the global vanadium industry and create a valuable new revenue stream through acquiring full ownership rights to haematite product."

"We believe this in turn will deliver attractive long-term returns for Atlantic shareholders, including the existing lenders to MVPL as new shareholders of Atlantic."

The agreement signed with the existing lenders facilitates the completion of the acquisition by Atlantic of an effective 100% equity interest in MVPL (see Appendix).

Atlantic is working towards completion with financial close now expected in early September.

Shareholders of Atlantic are due to consider a number of resolutions, including a proposed change of activities and consolidation of capital, at an adjourned extraordinary general meeting of shareholders to be held in Perth today.

As previously advised to the market, Atlantic's securities will be suspended from official quotation from the commencement of trading today and will be reinstated once Atlantic has completed the acquisition of 100% of the Windimurra vanadium project and complied with Chapters 1 and 2 of the ASX Listing Rules.

For further details please contact:

Michael Minosora
Managing Director
Atlantic Ltd
Ph: + 61 8 6141 7100

John McGlue
FD Third Person
Ph: +61 8 9386 1233
Mob: + 61 417 926 915

About Atlantic Ltd

Atlantic Ltd is committed to building a diversified portfolio of world class resources projects that will provide superior returns to shareholders.

Atlantic combines its strong financing capability with a highly disciplined and innovative approach to acquire resources projects that are low cost, long life and near production.

Additional information on Atlantic can be found at www.atlanticltd.com.au.

APPENDIX

ATLANTIC AGREEMENT WITH EXISTING LENDERS

The following are the key terms of the agreement between Atlantic and the existing lenders to MVPL:

- a new entity owned by Atlantic (100%) will acquire all the shares of MVPL;
- the existing lenders will be issued 85,000,000 ordinary fully paid Atlantic shares (or 3,400,000 ordinary shares if the shares are issued following the effective date of Atlantic's proposed share consolidation) to acquire the remaining 10% equity interest in MVPL previously proposed to be issued to the existing lenders;
- the existing secured lenders to MVPL will hold \$90 million of debt following financial close. Of this debt, an amount equal to the cash balance of MVPL at completion will be first ranking secured debt and the balance will be second ranking secured debt;
- the \$90 million outstanding debt in MVPL at financial close will be interest free and repayable 48 months after completion, with a provision for early repayment of not less than \$3.75 million on 31 March 2011 and in certain circumstances thereafter;
- Atlantic has agreed to provide a new secured loan to MVPL from financial close of \$30,000,000 and an additional \$20,000,000 secured loan by no later than 24 December 2010. These funds will be provided by Atlantic from the proposed share placement to raise up to \$55,550,000; and
- Atlantic agrees to procure additional debt facilities for MVPL to complete the construction and commissioning of the Project as well as the acquisition of the crushing and beneficiation plant estimated at approximately \$120 million.