



ASX Release

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John Hannaford (Chairman)
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Issued Capital:

336,117,790 Ordinary Shares
70,000,000 Unlisted Options

ASX Code:

ATI (Fully paid Ordinary Shares)

ATLANTIC TO ACQUIRE INTEREST IN VIETNAMESE BAUXITE PROJECT

Highlights:

- ❖ Atlantic to acquire 100% of Bauxite project in Bao Loc region of Vietnam.
- ❖ Potential to quickly move to resource definition, then Feasibility Study.
- ❖ Project located close to rail and port infrastructure.
- ❖ Well located for export to East Asian markets.
- ❖ Azure Capital Pty Ltd to manage capital raising of up to \$1.5 million, including entitlements issue and placement.

Atlantic Limited ("Atlantic" or "the Company") is pleased to advise it has entered into an agreement to acquire 100% of Azure Mining International Pty Ltd ("AMI") which has applied for an exploration permit in an area prospective for bauxite in Bao Loc, Lam Dong province of Vietnam. The permit covers approximately 100 km². AMI is a wholly owned subsidiary of Azure Capital Pty Ltd.

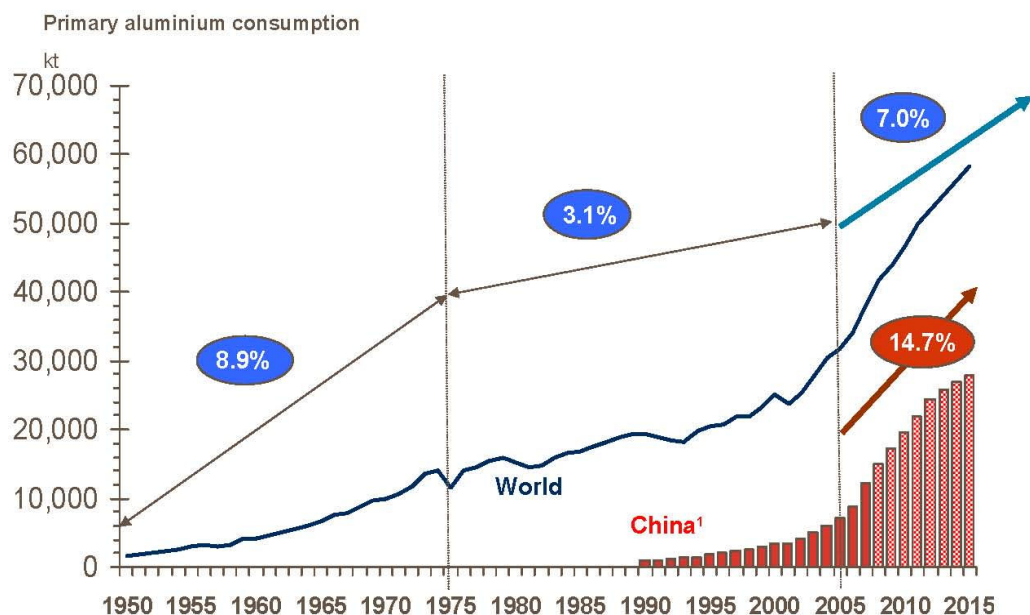
Bauxite in Vietnam

Vietnam has the world's third-largest bauxite ore reserves after Guinea and Australia, estimated at about 5.5 billion tonnes. BHP, Chinalco and Alcoa have invested or propose to invest in bauxite projects in Vietnam. In addition the Vietnamese state-owned mining company Vinacomin has recently commenced construction of an alumina refinery and bauxite mine in the immediate vicinity of AMI's application area.

Bauxite Market

Demand for bauxite for aluminium production has grown dramatically over the last few years as China's mass urbanisation has fuelled demand. This strong growth is predicted to continue as per capita aluminium consumption in China moves towards the levels of more developed economies.

Aluminium consumption is growing driven largely by China



¹ China's expected compound annual growth rate from 2007-2015: 11.1%
Source: WBMS; CRU, Aluminium Quarterly Industry & Market Outlook, January 2008; Rio Tinto Alcan

Chinese Bauxite Imports

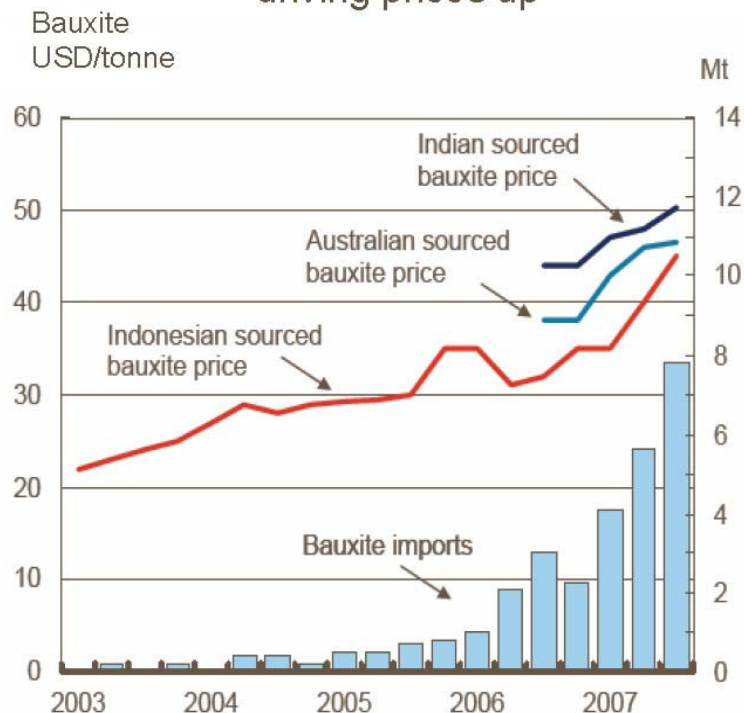
China's domestic bauxite production is generally high cost with recoveries only half of the international level of 80 percent. Proven bauxite deposits are expected to last for around 10 years at current mining volumes.

In the first seven months of 2008, China imported 16.1 million tons of bauxite, up 29.3% year-on-year. Due to a widening supply gap, its reliance on imports for bauxite is set to reach 47.3% this year from 9.4% in 2005, according to industry estimates.

Domestic alumina output is expected to rise 32.5% to 27.69 million tons in 2008, with a capacity of 33 million tons.

This increased demand has led to a sharp increase in recent bauxite prices.

Increase in China's bauxite imports driving prices up



Source: James F. King; CRU-The Market for Alumina 2007; China Customs Statistics; CRU-Alumina Monitor (monthly).

Project Description

AMI has submitted an application for an exploration permit in Bao Loc, Lam Dong province of southern Vietnam. The Bao Loc project is located approximately 15km north of the Bao Loc township. Bao Loc is a small town approximately 185km by road north of Ho Chi Minh City in southern Vietnam.

Previous drilling carried out on the project area by local mining companies approximately 10 years ago indicated promising results.

AMI's consulting geologist visited the site recently and observed numerous bauxite outcrops of indurated (hard) ferruginous laterites. These showed a high degree of weathering and lateritisation which is compatible with the formation of economic bauxite.

The site has good infrastructure in terms of roads, power and water due to the proximity to local plantations of tea, pine forests and coffee.

A new railway is proposed to be built to the coast by BHP/Alcan/Vinacomin from Bao Loc to a new deepwater port to be built at Ke Ga which will be suitable for bauxite export.



Project location map showing proximity to coast, proposed railway and port infrastructure



Laterite outcrop amongst tea plantations, Bao Loc project



Weathered profile, Bao Loc project

The bauxite formation is relatively close to the surface and is flat lying allowing for a simple and cost effective mine plan and development.

Bao Loc Strategy

Atlantic believes that the acquisition of AMI represents an outstanding opportunity to develop a bauxite export operation targeting the huge and growing East Asian markets.

Once AMI has secured grant of the Bao Loc exploration permit, Atlantic intends to immediately commence an initial exploration and development programme that is budgeted at approximately US\$600,000 ("Development Budget"). This programme is expected to reassess historic borehole data on the project, complete further drilling,

delineate a JORC-compliant resource estimate and complete a scoping study into a washed bauxite export operation.

Transaction Details

Atlantic has entered into an option agreement to acquire 100% of AMI for consideration as follows:

- (a) 100 million shares to be issued within 7 days after issuance of the Permit ("Tranche 1").
- (b) 1,500 class A converting preference shares which may be converted to 150 million ordinary shares within 7 days after Atlantic has expended the Development Budget ("Tranche 2").
- (c) 1,500 class B converting preference shares which may be converted to 150 million shares within 7 days of receipt of an independent JORC-compliant inferred mineral resource of at least 30Mt of bauxite of not less than 35% Al_2O_3 ("Tranche 3").
- (d) A non refundable cash payment of US\$180,000 being reimbursement of previous expenditure in relation to the Bao Loc Project.

The transaction is subject to a final 14 day due diligence period, which can be reduced at Atlantic's election.

Atlantic has committed to the Development Budget over a maximum period of 6 months to delineate a resource and complete a scoping study into a washed bauxite export operation.

An introduction fee of 20 million options exercisable at \$0.008 on or before 31 December 2011 is payable to Trident Capital in connection with the transaction, issuable upon grant of the Bao Loc exploration permit to AMI.

The ASX has confirmed that the completion of Tranche 1 does not constitute a change of nature and scale pursuant to the ASX Listing Rules however the issue of further shares pursuant to Tranche 2 and/or Tranche 3 may require Atlantic to re-comply with Chapters 1 and 2 of the Listings Rules.

Capital Raising

In conjunction with the acquisition of AMI, Atlantic will seek to raise approximately \$1.5 million through a non-renounceable entitlements issue and a placement. Both will be through the issue of shares at 0.5 cents each, and an attaching option exercisable at 0.8 cents on or before 31 December 2011.

Entitlements Issue

Following the completion of due diligence, Atlantic plans to conduct a non-renounceable entitlements issue on the basis of one new share for every three existing shares held at the record date, (being approximately 112,039,791 shares) at \$0.005 each with a one for one free attaching option exercisable at \$0.008 on or before 31 December 2011 to raise up to \$560,195 ("Entitlements Issue"). Any shortfall will be placed on a best endeavours basis by Azure Capital Pty Ltd.

Placement

After issuance of the Bao Loc exploration permit, Atlantic will also carry out a private placement of 200 million shares at \$0.005 each to sophisticated nominees/clients of Azure Capital Pty Ltd, together with 200 million free attaching options exercisable at \$0.008 on or before 31 December 2011 to raise \$1.0 million before costs ("the Placement"). Azure Capital Pty Ltd has been engaged to manage the Placement on a best endeavours basis.

Capital Structure

The capital structure of the Company incorporating the AMI acquisition consideration, entitlements issue and placement are shown below both before and after conversion of the performance shares:

Before Performance Shares				
ATI	Total Shares	Price	\$0.008 Options	\$0.01 Options
Shares on issue	336,117,791			70,000,000
Acquire AMI - issue of Permit	100,000,000			
Introduction Fee			20,000,000	
Entitlements Issue (1:3) and one free option	112,039,264	\$ 0.005	112,039,264	
Private Placement	200,000,000	\$ 0.005	200,000,000	
	<u>748,157,055</u>		<u>332,039,264</u>	<u>70,000,000</u>
After Performance Shares Issued				
ATI	Total Shares	Price	\$0.008 Options	\$0.01 Options
Shares on issue	336,117,791			70,000,000
Acquire AMI - issue of Permit	100,000,000			
Introduction Fee			20,000,000	
Entitlements Issue (1:3) and one free option	112,039,264	\$ 0.005	112,039,264	
Private Placement	200,000,000	\$ 0.005	200,000,000	
A Performance shares (1,500 converting to 1.5M)	150,000,000	Completion of Development Budget		
B Performance shares (1,500 converting to 1.5M)	150,000,000	Existence of 30MT JORC Resource		
	<u>1,048,157,055</u>		<u>332,039,264</u>	<u>70,000,000</u>

Use of Funds

Atlantic's estimated use of funds is set out below:

Use of Funds	Full Subscription \$
Cash at Bank	924,000
Funds raised under entitlement issue	560,195
Funds raised under the private placement	1,000,000
Total funds available	2,484,195
Option Fee (US\$180,000) being reimbursement of prior expenditure	260,870
Bao Loc Development Budget (US\$600,000 over 6 month period)	869,565
Costs of the issue (estimated)	100,000
Additional Working Capital and funds available for development of Pearl marketing business	1,253,760
Total Funds Applied	2,484,195

*the above cashflow is an estimate and is subject to change at the board's discretion.

Board Appointment

As part of the acquisition of AMI, Mr Michael Minosora will be appointed to the Board of Atlantic, subject to shareholder approval and conditional upon the granting of the Bao Loc exploration permit.

Michael is the Managing Director of Azure Capital Pty Ltd. He has in excess of 20 years experience in providing corporate advice to some of Australia's largest companies.

Prior to joining Azure, Michael was Managing Partner of Ernst & Young in Australia and the inaugural chairman of Ernst & Young's Global Business Advisory Services service line. Michael was also previously the Director Corporate Centre at Woodside Petroleum Limited.

Michael has extensive experience in advising on significant corporate transactions both in Australia and South East Asia. Michael has a Bachelor of Business degree from Curtin University of Technology, a MBA from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Michael has been directly involved with the identification and evaluation of the Bao Loc project and will take an active role with the project going forward.

Thanh Nguyen has been and will continue to act as a local consultant to the project. Thanh was formerly the Managing Partner of Ernst & Young Vietnam, Cambodia and Laos. He has been working and living in Vietnam for the past 15 years. During this time, Thanh has led several landmark projects in the country.

Shareholders Meeting

Following satisfactory completion of due diligence, Atlantic will call an extraordinary meeting of shareholders to approve the transaction, the placement, the facilitation fee and the appointment of Mr Michael Minosora to the Board. Atlantic expects to mail entitlement issue documents to shareholders with the notice for this extraordinary meeting.

Existing Pearl Marketing Business

In its recent quarterly report, Atlantic stated that it had the continued development of a strategic pearl marketing plan and evaluation of potential opportunities in pearl marketing. Atlantic has also been in discussions with Golden Pearl to assess opportunities to invest in a new pearl jewellery venture. The viability of this venture is being assessed and evaluated in the context of market conditions.

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