

20 June 2012

WINDIMURRA VANADIUM PROJECT ROYALTIES

Atlantic Ltd (ASX: ATI; **Atlantic**) notes the speculation in the media today that it has applied to the State Government for royalty relief for the Windimurra vanadium project (**Windimurra**).

By way of clarification, Atlantic confirms the following:

1. Atlantic has held discussions with the State Government regarding the potential for a deferral of payment of royalties from production during ramp-up of the Windimurra project. Those discussions have been ongoing since late 2010.
2. Vanadium production royalties are set at 2.5% of the value of the ferrovanadium end product produced at Windimurra.
3. The basis for the ongoing discussions with the State Government are as follows:
 - the long-term success of the Windimurra project will benefit the State Government significantly through the full utilisation of the Mid West Gas Pipeline;
 - the State Government also benefits from the significant value add of the Windimurra vanadium plant in the calculation of royalties, which takes a low value ore and processes it into a high value ferroalloy currently valued at in excess of US\$34,000 per tonne in the US market; and
 - ramp-up of the Windimurra vanadium plant to full production capacity is expected to take until the end of calendar year 2012.
4. No decision by the State Government has been communicated to Atlantic at this stage.

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About Atlantic Ltd

Atlantic is committed to building a diversified portfolio of world class resources assets 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.

Atlantic subsidiary Midwest Vanadium Pty Ltd owns 100% of the Windimurra vanadium project, located approximately 600 kilometres north of Perth in Western Australia. Windimurra hosts one of the largest proven vanadium reserves in the world.

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