

22 February 2013

STANDARD AND POOR'S RATING REVIEW

Atlantic Ltd (ASX: ATI) (**Atlantic**) advises that the attached rating review was announced by Standard and Poor's Ratings Services yesterday for Atlantic's wholly-owned subsidiary Midwest Vanadium Pty Ltd (**MVPL**), with a change from CCC+ to CCC.

Atlantic notes the rating change brings Standard and Poor's rating in line with the assigned Moody's rating.

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About Atlantic

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.

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Midwest Vanadium Pty Ltd. Ratings Lowered To 'CCC' On Weak Liquidity

MELBOURNE (Standard & Poor's) Feb. 21, 2013--Standard & Poor's Ratings Services said today that lowered its corporate credit rating and issue level ratings on Australian mining company Midwest Vanadium Pty Ltd. (MVPL) to 'CCC' from 'CCC+', and placed the ratings on CreditWatch with negative implications.

"The downgrade and CreditWatch negative reflect our concerns regarding MVPL's tight liquidity and lower-than-expected cash flow generation. Furthermore, the company's parent, Atlantic Ltd., announced that MVPL was in technical default under the indenture governing its senior secured notes due February 2018," Standard & Poor's credit analyst Marie Shmaruk said. "Although we currently expect that the company will come to some agreement in its negotiations with its noteholders concerning the technical default, we believe the company will need to complete its production ramp-up in ferrovanadium and arrange additional financing to realize sufficient liquidity to meet its next interest payment."

The company paid its February coupon partially from funds in its interest reserve account, leaving it with less than the US\$14.3 million required by the indenture. The company has 45 business days to negotiate with noteholders to replenish the reserve or seek revision of the requirement.

Ms. Shmaruk added: "Although MVPL produced its first ferrovanadium in early 2012, the production ramp-up has been slow and it has faced operating problems. These delays, coupled with lower-than originally anticipated pricing, have caused the company to have weak liquidity."

The company has revised its ramp-up schedule and should begin to generate positive cash from operations by mid-2013. Nevertheless, we believe MVPL's cash flow generation will be insufficient to fund its US\$19.3 million interest payment in August 2013. As a result, we believe that the company will require further external funding to meet its future obligations.

In resolving this CreditWatch, we will assess the outcome of negotiations with and actions of the noteholders regarding the technical default, as well as funding alternatives. We will also consider MVPL's internal cash flow generation, as well as any changes to the company's capital structure.

RELATED CRITERIA AND RESEARCH

- Criteria for Assigning 'CCC+', 'CCC', and 'CC' Ratings, Oct. 1, 2012
- Methodology and Assumptions: Liquidity Descriptors for Global Corporate Issuers, Sept, 28, 2011
- Key Credit Factors: Methodology and Assumptions on Risks in the Mining Industry, June 23, 2009
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008

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risk provide market participants with information and independent benchmarks that help to support the growth of transparent, liquid debt markets worldwide.

McGRAW-HILL

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