

19 August 2014

EXTENSION OF FORBEARANCE PERIOD

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) is pleased to announce that its wholly-owned subsidiary Midwest Vanadium Pty Ltd (**MVPL**) has entered into a new forbearance and support agreement with a majority of the holders of MVPL's senior secured notes to extend the existing standstill arrangements that ended on 15 August 2014 until 14 November 2014.

In conjunction with this forbearance agreement, MVPL has also agreed related amendments to the existing \$29.7 million secured loan facility agreement with Atlantic's largest shareholder Droxford International Limited (**Droxford**) to extend the maturity date of that facility until 14 November 2014.

Under the forbearance agreement, the senior secured note holders have agreed to continue the existing standstill arrangements in relation to MVPL's failure to deposit funds in its interest reserve account and pay the February interest payment on its senior secured notes and extend the standstill arrangements to include the failure to pay the interest payment on MVPL's senior secured notes due 15 August 2014 until 14 November 2014.

The forbearance is subject to, among other things, there being no further events of default under MVPL's indenture or the Droxford facility during the term of the forbearance agreement.

MVPL will be conducting a related consent process to implement certain technical indenture amendments agreed as part of the forbearance agreement. This consent process is expected to commence in the near future, however completion of this consent process is not a condition to the new standstill arrangements coming into effect.

Under the forbearance agreement, the note holders also agree with MVPL to use their good faith efforts to negotiate and execute a definitive agreement among MVPL and the supporting note holders to effect a solvent restructuring of MVPL during the forbearance period.

These arrangements provide further time for the Company to continue discussions with its stakeholders regarding the additional funding required to implement the Company's new business plan as well as an appropriate longer term capital structure for the business.

The Company requests that the voluntary suspension in the trading of its securities remain in place until it is in a position to provide more definitive details about the matters outlined above.

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