



16 March 2015

Non-renounceable Pro Rata Entitlement Offer

Atlas Pearls and Perfumes Ltd (**Company**) announces it will be undertaking a fully underwritten 1 for 5 non-renounceable pro rata entitlement offer of fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.045 per New Share (**Offer Price**) to raise up to \$3.1 million (before costs) (**Entitlement Offer**). The Company lodged a prospectus with ASIC and ASX on 16 March 2015 setting out further details of the Entitlement Offer.

The last 6 months have been a difficult time for the Company. During this period, the Company announced a lower than expected average size of loose pearl stock from the current harvest which has had, and is continuing to have, a direct negative impact on revenue and the Company's ability to continue as a going concern. To address this situation, the Company has moved to:

- extend a portion of the Company's existing debt facilities until 30 June 2015;
- agree with its lender the basis on which those facilities will seek to be renegotiated on expiry (including an agreement to reset covenants based on minimum earnings sufficient for debt servicing);
- put in place short term bridging finance to meet immediate cash flow needs;
- restructure its board;
- pursue a strategic investment into the Company's wholly owned subsidiary Essential Oils of Tasmania (**EOT**); and
- review all operations and overheads to identify further cost savings aligned with a refocus on the core pearling business whilst preserving value-adding projects.

In addition to these initiatives, the Company must raise the additional funds contemplated by the Entitlement Offer to address its liquidity issues and be able to continue as a going concern. The Entitlement Offer is the culmination of an extensive search by the Company for the most appropriate means to raise the required finance.

The Entitlement Offer is an offer to eligible shareholders on the Company's share register as at 5.00pm AWST on 23 March 2015 (**Record Date**) whose registered address is in Australia or New Zealand (**Eligible Shareholders**) to apply for New Shares at an issue price of \$0.045 per New Share (a 23% discount to the 30 day volume weighted average price of shares traded on ASX prior to the date of this announcement). The Entitlement Offer is scheduled to close at 5.00pm (AWST), 20 April 2015. Eligible shareholders who take up all of their Entitlements may also apply for additional New Shares in excess of their Entitlement. These additional New Shares are also offered at \$0.045 per New Share. There is no maximum cap on the number of additional New Shares for which an Eligible Shareholder can apply.

Following completion of the Entitlement Offer, the Company will have issued approximately 69,123,290 New Shares, resulting in a total of approximately 414,739,742 Company shares on issue (plus the options to subscribe for unissued shares). This number excludes any allowance for shares issued in the event that any option holders or convertible noteholders exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is subject to reconciliation of entitlements and rounding. All entitlements will be rounded up to the nearest whole number of New Shares.

The New Shares will rank equally with all other fully paid ordinary shares of the Company from the date of allotment. The Company has applied for quotation of all of the New Shares on ASX.

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To ensure that the Company raises the full amount offered under the Entitlement Offer it is to be fully underwritten and the underwriter will be paid a fee of 3% of the total proceeds to be raised under the Entitlement Offer. The underwriter forms part of a group of Shareholders, entities and persons related to the family of current director Mr Timothy Martin. The terms of this underwriting and its impact on the Company are set out in detail in the prospectus, a copy of which will be sent to shareholders shortly.

The funds raised pursuant to the Entitlement Offer will be used to repay existing bridging finance arrangements and meet working capital requirements as and when they fall due. Moving forward, the Company expects the harvest of smaller pearls to be completed by the end of FY2015 and it expects there will be a return to historical average sizes in FY2016. The money raised from the Entitlement Offer is also expected to solve the Company's short term liquidity issues and is integral to returning the Company to a more secure financial footing for the remainder of FY2015 and into FY2016. With a continued focus on containing costs during this period, the Company hopes to be able to take advantage of near-term opportunities to improve returns from pearling through more effective management of growth cycles and expansion of operations as well as opportunities for new extracts and concentrate sales for EOT.

An Appendix 3B for the Entitlement Offer is attached.

The timetable* for the Entitlement Offer is set out in the table below:

Event	Date
Notice sent to existing option holders	16 March 2015
Notice sent to existing Eligible and ineligible Shareholders	18 March 2015
Shares quoted on an "ex" basis	19 March 2015
Record Date	5.00pm (AWST), 23 March 2015
Entitlement Offer opens	25 March 2015
Prospectus and Entitlement and Acceptance Forms dispatched to eligible shareholders	25 March 2015
Entitlement Offer closes	5.00pm (AWST), 20 April 2015
Issue of New Shares	27 April 2015
Dispatch of holding statements and New Shares commence trading on ASX	28 April 2015

* All dates are indicative only. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice.

Details of the Entitlement Offer are contained in the Prospectus lodged with ASIC and ASX on 16 March 2015, and available at www.asx.com.au. The Prospectus, together with a personalised Entitlement and Acceptance Form, will be dispatched to Eligible Shareholders on 25 March 2015.

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For further information on the Entitlement Offer:

- visit the Company's website at www.atlaspearlsandperfumes.com.au;
- see the Company's Prospectus lodged with ASIC and ASX on 16 March 2015, and available at www.asx.com.au; or
- contact the Company on (08) 9284 4249 between 8.30am and 5.00pm (AWST) Monday to Friday.

- END -

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Atlas Pearls and Perfumes Ltd

ABN

32 009 220 053

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

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|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 69,123,290 Fully paid ordinary shares. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes - Fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.045 per fully paid ordinary share.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares issued in accordance with the non renounceable entitlements offer on the basis of 1 new share for every 5 shares held by Eligible Shareholders registered at 5.00pm (AWST) on the Record Date of 23 March 2015 as announced to ASX on 16 March 2015.</p> <p>Funds raised from the non renounceable entitlement offer will be used primarily to repay existing bringing finance arrangements and meet working capital requirements as and when they fall due.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of securities issued under an exception in rule 7.2	N/A	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	28 April 2015	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number Approximately 414,739,742	+Class Fully paid ordinary shares (ASX code: ATP)

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	150,000	Convertible notes.
		20,000,000	Unlisted options exercisable at \$0.0858 each on or before 31 December 2016.
		8,500,000	Unlisted options exercisable at \$0.095 each on or before 31 December 2016.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends are paid as authorised by Directors.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	1 new share for every 5 shares held on the record date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	5.00pm AWST on Monday, 23 March 2015.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	All fractions will be rounded up to the nearest whole number.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents	Canada, Switzerland, Chile, Czech Republic, Germany, France, United Kingdom, Hong Kong, Indonesia, Luxembourg, Mexico, Martinique, Malaysia, Norway, Papua New Guinea, Poland, Portugal, Qatar, Singapore, United States of America and Vietnam.
	Note: Security holders must be told how their entitlements are to be dealt with.	
	Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	Monday, 20 April 2015.
20	Names of any underwriters	Boneyard Investments Pty Ltd (ABN 42 161 625 734)
21	Amount of any underwriting fee or commission	3% of the total proceeds to be raised under the Entitlement Offer.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable.
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Wednesday, 25 March 2015.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Monday, 16 March 2015.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.

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| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | Not applicable – the entitlements offer is non-renounceable. |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not applicable – the entitlements offer is non-renounceable. |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | Not applicable – the entitlements offer is non-renounceable. |
| 33 | +Despatch date | Tuesday, 28 April 2015. |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought Not applicable.

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 16 March 2015
(~~Director~~/Company secretary)

Print name: SUSAN HUNTER

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	Not applicable.
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Not applicable.
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Not applicable.
“A”	Not applicable.

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+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	Not applicable.
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Not applicable.
“C”	Not applicable.
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	Not applicable.
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Not applicable.
Total [“A” x 0.15] – “C”	Not applicable. <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not applicable.
Step 2: Calculate 10% of “A”	
“D”	Not applicable. <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	Not applicable.
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Not applicable.
“E”	Not applicable.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A

<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>Not applicable.</p>
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>Not applicable.</p>
<p>Total [“A” x 0.10] – “E”</p>	<p>Not applicable.</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>