

6 May 2015

**ATLANTIC SIGNS FORBEARANCE AGREEMENT WITH DROXFORD INTERNATIONAL**

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) is pleased to announce that it has entered into a forbearance agreement with its largest shareholder and major creditor Droxford International Limited (**Droxford**).

Under the terms of the forbearance agreement, Droxford agrees that it will forbear and not take any action to accelerate any of its convertible bond or promissory note debts that matured in March 2015 until 6 October 2015, subject to certain conditions including that there are no further defaults by Atlantic under those finance documents.

In consideration for this forbearance, Atlantic agrees to pay a total of \$2.26 million to Droxford in part payment of outstanding convertible bond interest due for payment.

Atlantic also has on issue a \$2.5 million promissory note with a third party. The forbearance agreement contemplates that this amount plus accrued interest of \$0.72 million will be repaid immediately, leaving Droxford as the sole convertible bond and promissory note holder.

Under the forbearance agreement, interest will continue to accrue during the period of the forbearance on the outstanding convertible bond and promissory note debts on the same terms as are currently in place.

Following payment of the above amounts, Atlantic will have approximately \$6.8 million in cash.

During the forbearance period, Atlantic will continue to work with Droxford to agree and implement a solvent restructuring.

Further information on the proposed restructuring, that is expected to require shareholder approval, will be disclosed as soon as details are finalised.

Atlantic believes that it is appropriate for the suspension in the trading of the Company's securities to remain in place given that the Company is now in discussions regarding a restructuring of Atlantic's balance sheet.

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