



Friday, 5th December 2008
Port Hedland, Western Australia

ATLAS SHIPS FIRST COMMERCIAL IRON ORE TO CHINA

“Great Wisdom” Ushers in a New Era for the Pilbara Iron Ore Industry

Atlas Iron Limited (ASX Code: AGO) is pleased to announce that the first commercial shipment of iron ore from its Pardoo Project in the Pilbara region of Western Australia commenced loading yesterday evening at Herb Elliot Port in Port Hedland and is scheduled to depart for China at 5.00pm (WDST) today (Friday).

The first shipment, comprising 65,000 tonnes of iron ore from the Connie deposit at Pardoo, will be transported on the Panamax vessel “Great Wisdom” to China for delivery to Atlas’ customer, which is a medium-sized Chinese steel mill.

Atlas commenced mining at Pardoo on 20 October, becoming the first junior iron ore company to move into production the Pilbara region. Production is currently ramping up to an initial level of 1 million tonnes for the first year of operations, with ore trucked 75km by road from Pardoo to Port Hedland.

Atlas delivered its first ore to Fortescue Metal Group’s (FMG) Anderson Point Port facilities in Port Hedland on 10 November 2008.

The first commercial shipment marks an historic milestone, ushering in an exciting new era of cooperation and infrastructure-sharing for the Pilbara iron ore industry with Atlas gaining third party access to the rail and port infrastructure developed by FMG.

Atlas signed a binding Heads of Agreement with FMG in August this year for access to FMG’s world-class Port Hedland port facilities for initial production from the Pardoo Project – representing the first Third Party Port Access Agreement of its kind in Western Australia.

“This is huge milestone for Atlas. Every member of our team should feel exceptionally proud about their contributions towards achieving this milestone,” said Atlas Managing Director, David Flanagan.

“Atlas has overcome many obstacles and challenges to become the Pilbara’s first junior iron ore producer. We have successfully developed one of the lowest capital cost iron ore mines, established a quality resource base, secured environmental approvals, started mining and we are now shipping our first iron ore – all in record time.

“Most exciting of all, this is just the beginning of the Atlas story. Our vision is to become Australia’s fourth largest iron ore producer by early next decade and today marks an important first step towards that.



"I would like to take this opportunity to thank all of those stakeholders, supporters, friends and members of the Atlas team who have supported us over the past four years and been instrumental in reaching this point.

"Specifically, I would like to recognise the support of the State Government in expediting the approvals process, as well as those in the Port Hedland community who have assisted us, the Port Hedland Port Authority and the Ngarla People, Traditional Owners of the area covering the Pardoo Project.

"I would also like to express my warmest appreciation to Andrew Forrest and his team at FMG who have worked very closely with us towards delivering this first shipment in a timely fashion.

"FMG has been a trailblazer in opening up the Pilbara to third party access and creating an environment in which new entrants such as Atlas can develop their business plans. We are looking forward to building on our association with FMG as we ramp up production from Pardoo and commence development of our second iron ore project at Abydos, 120km south of Port Hedland."

"The Atlas staff and management team, led by David Flanagan, have done a tremendous job in getting ore to port and ensuring that our first shipment of iron ore is exported in a timely manner," commented Atlas Iron Chairman, Geoff Clifford.

Background on Atlas Iron Limited

The Company is fully funded with approximately \$100 million in cash at hand and zero debt as it starts exporting iron ore from its the Pardoo Project. Atlas is planning to export 1 million tonnes during its first 12 months of operations of the Pardoo Project growing to 3 Mtpa within 12 months. Together with additional export tonnages from its Abydos DSO Project, Atlas is targeting exports of 6 Mtpa by 2010, growing to 12 Mtpa by 2012.

For further information please contact

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