



ABN 32 009 220 053

18 March 2009

The Manager
Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

ATLAS SOUTH SEA PEARL Ltd - RENOUNCEABLE RIGHTS ISSUE

Attached are copies of the following documents to be dispatched today to shareholders of Atlas South Sea Pearl Limited (Atlas) who are eligible to participate in the Renounceable Rights Issue announced on 4 March 2009:

- Letter to Eligible Shareholders
- Offer Summary
- Entitlement and Acceptance Form

Yours sincerely

A handwritten signature in black ink, appearing to read "Simon Adams", with a stylized flourish at the end.

Simon Adams
Company Secretary



ABN 32 009 220 053

18 March 2009

[insert shareholder address]

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE

On 26 February 2009 Atlas South Sea Pearl Limited ACN 009 220 053 (the **Company**) announced an opportunity for holders of shares in the Company (**Shareholders**) with a registered address in Australia or New Zealand (**Eligible Shareholders**) as at 5.00 pm (AWDT) on 13 March 2009 (**Record Date**) to participate in a non-renounceable pro rata rights issue (**Rights Issue**).

Pursuant to the Rights Issue, the Company will issue up to 29,740,297 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.08 each, to raise approximately \$2.38 million (before costs). The New Shares will be offered on the basis of 1 New Share for every 3 fully paid ordinary shares (**Shares**) held in the capital of the Company as at the Record Date (**Entitlement**).

The New Shares will be fully paid and will rank equally with the Company's existing issued Shares. The Company will make an application to the Australian Securities Exchange Limited (ASX) for official quotation of the New Shares.

Please find enclosed with this letter your Offer Summary, and Entitlement and Acceptance Form. If you have any queries please consult your financial adviser, stockbroker or other professional adviser.

The rights to subscribe for the New Shares are non-renounceable.

Applications for the Shares may only be made in accordance with the enclosed Offer Summary and Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must reach the Company's Share Registry by no later than 5.00pm (AWST) on 1 April 2009.

Yours faithfully

George Snow
Chairman

ATLAS SOUTH SEA PEARL LIMITED

ABN 32 009 220 053

OFFER SUMMARY

FOR

NON-RENOUNCEABLE RIGHTS ISSUE
TO SHAREHOLDERS

TO RAISE UP TO \$2.38 MILLION

1 New Share for every 3 Shares

\$0.08 per New Share

CLOSING DATE FOR ACCEPTANCE AND PAYMENT:
5:00PM (AWDT) ON 1 APRIL 2009

This offer is not underwritten

IMPORTANT NOTICE

This Offer Summary is dated Wednesday 18 March 2009.

The information contained in this Offer Summary is important and requires your immediate attention. Please read this Offer Summary in full and consult your stockbroker, solicitor, accountant, licensed financial adviser or other professional adviser before deciding to invest in Atlas.

This is an Offer Summary for an offer of continuously quoted securities (as defined in the Corporations Act) of Atlas and has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA of the Corporations Act relates to rights issues by certain entities that do not require provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Summary does not contain all the information that would otherwise be required by Australian law or any other law to be disclosed in a prospectus or other disclosure document. The information in this Offer Summary does not constitute a securities recommendation or financial product advice. Eligible Shareholders should therefore rely upon their own knowledge of Atlas, refer to disclosures made by it to the ASX, and seek advice from their professional advisers before deciding whether to accept the Offer.

An Entitlement and Acceptance Form is attached to this Offer Summary for Eligible Shareholders who wish to take up their Entitlement.

Restrictions on the distribution of this Offer Summary

The Offer is only available for acceptance by Eligible Shareholders. This Offer Summary does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. Excluded Shareholders (being Shareholders with their registered addresses outside Australia and New Zealand), will be provided an Offer Summary for their information only and will not be able to participate in the Offer. This Offer Summary does not constitute an offer of New Shares in any jurisdiction where it would be unlawful to issue this Offer Summary.

Defined terms

Definitions of certain terms used in this Offer Summary appear in Section 7.

Disclaimer

Neither ASIC nor ASX takes any responsibility for the contents of this Offer Summary or the merits of the investment to which this Offer Summary relates.

No person is authorised to give any information or make any representations in connection with this Offer other than as contained in this Offer Summary. Any information or representation in connection with this Offer not contained in this Offer Summary is not, and may not be relied on as having been, authorised by Atlas or any of its officers.

Privacy

Atlas collects the information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that Atlas may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this Offer Summary and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company's registered office.

Entire Agreement

The terms contained in this Offer Summary constitute the entire agreement between Atlas and you as to the Offer and your participation in it is to the exclusion of all prior representations, understandings and agreements between Atlas and you.

SUMMARY OF THE OFFER

KEY INVESTMENT ASPECTS	
New Share issue price	\$0.08
Eligible Shareholder Entitlement	1 New Share for every 3 Existing Shares held on the Record Date
Number of New Shares to be issued under the Offer	Up to 29,740,297
Amount to be raised under the Offer	Up to \$2.38 million
SUMMARY OF KEY DATES	
Announcement of Rights Issue	Thursday 26 February 2009
ASX Appendix 3B and cleansing notice lodged with ASX	Tuesday 3 March 2009
Lodgement of Offer Summary with ASX	Tuesday 3 March 2009
Despatch of notices to Shareholders informing them of the Rights Issue	Wednesday 4 March 2009
"Ex Date" for Existing Shares ex entitlement	Friday 6 March 2009
Record Date for determining entitlements of Eligible Shareholders under the Offer	Friday 13 March 2009
OFFER OPENS	Wednesday 18 March 2009
Offer Summary and Entitlement and Acceptance Forms sent to Shareholders	Wednesday 18 March 2009
Announcement that despatch has been completed	Wednesday 18 March 2009
CLOSING DATE	5.00pm (AWDT) on Wednesday 1 April 2009
Final time for receipt of Entitlement and Acceptance Forms and payment in full for New Shares	
New Shares are quoted on a deferred settlement basis	Thursday 2 April 2009
Notification to ASX of shortfall in acceptances	Monday 6 April 2009
Allotment Date - Allotment of New Shares under the Offer	Wednesday 8 April 2009
Despatch of shareholding statements and Deferred Settlement trading ends	Thursday 9 April 2009
Trading of New Shares expected to commence	Tuesday 14 April 2009

These dates, and the dates referred to throughout this Offer Summary, are indicative only and subject to change. Atlas reserves the right to amend this timetable, subject to the Corporations Act and the ASX Listing Rules, without prior notice.

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1. FINANCIAL INFORMATION AND COMPANY OPERATIONS

1.1. Pro-Forma Balance Sheet

Based on the company's Balance Sheet dated 31 December 2008, a pro-forma Balance Sheet post rights issue assuming full take-up would be as follows:

	A\$
Current Assets -	
Cash and cash equivalents	2,535,708
Trade and other receivables	4,412,873
Inventories	7,275,625
Biological Assets	8,133,219
Total Current Assets	<u>22,357,425</u>
Non-Current Assets -	
Trade and other receivables	36,802
Inventories	89,951
Biological assets	9,917,315
Property, plant & equipment	2,807,501
Deferred tax asset	1,178,040
Total Non-Current Asset	<u>14,029,609</u>
TOTAL ASSETS	<u>36,387,034</u>
Current Liabilities -	
Trade and other payables	1,313,337
Borrowings	4,461,309
Financial instruments	2,956,100
Current tax liability	-
Total Current Liabilities	<u>8,730,746</u>
Non-Current Liabilities -	
Deferred tax liability	3,242,358
Long term provisions	97,014
Total Non-Current Liabilities	<u>3,339,372</u>
TOTAL LIABILITIES	<u>12,070,118</u>
NET ASSETS	<u>24,316,916</u>
Equity -	
Issued capital	21,629,788
Reserves	(5,057,532)
Retained profits	7,744,660
TOTAL EQUITY	<u>24,316,916</u>

1.2. Financial Results

Atlas has been profitable for the last ten financial years with exception of the 2004 fiscal period. A summary of results for the last four years is as follows:

	2008	2007	2006	2005
EBITDA *	\$2,515,739	\$4,899,487	\$3,934,314	\$2,284,140
Shares on issue	89,220,890	90,045,890	89,313,280	87,810,254
Shares on issue – post issue	118,961,187			
EPS** – Pre rights issue	2.82 cents	5.44 cents	4.41 cents	2.60 cents
EPS** – Post rights issue	2.11 cents			
Pearl Sales	\$11,819,684	\$13,497,004	\$12,003,511	\$9,904,562
No. of pearls sold	167,200	199,710	198,965	126,860
Unit value per pearl	\$70.69	\$67.58	\$60.33	\$78.07
COGS - pearls	\$3,750,059	\$4,609,905	\$4,862,112	\$3,977,132
Unit cost per pearl	\$22.43	\$23.08	\$24.44	\$31.35
Jewellery Sales	\$791,910	\$507,809	\$128,773	\$20,884

* Excludes foreign exchange movements and fair market value adjustments for biological assets (2007 and 2008)

** Based on EBITDA

1.3. Operational Performance

The pearl farming operations of the Atlas group continue to perform above expectations in most areas. The Company was able to harvest and deliver 222,000 pearls for sale in 2008 (2007 – 172,000). The quality and size of pearls that were harvested improved during 2008. Seeding targets which are critical to the performance of the company have been maintained. The table below is a record of oyster seeding levels for the last four years:

	2008	2007	2006	2005
First Operations	354,926	369,599	329,874	325,480
Second Operations	75,419	32,807	46,895	12,259
Total oysters seeded	430,345	402,406	376,769	337,739

Diversification by the Company into jewellery manufacturing and retailing continued with 2008 seeing the Atlas brand as the premium pearl jewellery supplier in the Bali market. The Company now operates four retail centres in Bali as well as an online retail facility.

1.4. Oyster production

The 2007/08 hatchery season was able to meet its target number of oysters produced.

The 2008/09 hatchery season has seen a number of successful spawnings. The Company expects that there will be excess juvenile oysters available for sale.

1.5. Research and Development

The genetics research program which is being conducted in conjunction with James Cook University reached a critical milestone at the end of 2008 with the harvesting of pearls from the first generation of families that are being tested under the program. Results from these harvests will not be known until later in 2009. However, results from analysis of oyster growth and mortality characteristics are already being used for breeding with positive results.

1.6. Jewellery and Retail operations

The Company now operates four retail operations in Bali and carries out jewellery manufacturing in-house and through local and off-shore manufacturers. The Company has now developed a core competency in jewellery manufacturing and retailing which will allow further exploitation of the local tourism market. In March 2009, Atlas will actively enter into the pearl jewellery wholesale market with the launch of its jointly produced range of products at the Hong Kong International Jewellery Show. This range is being manufactured and marketed in conjunction with Donovans Limited from Hong Kong.

1.7. Pearling industry

The pearling industry has been affected by the global economic downturn. This has directly affected demand which in turn has caused downward pressure on pearl prices. The Company continues to work with its selling agent, Pearlautore International, to market its pearls at the best possible market prices. This has required a significant marketing and customer relations focus.

Atlas believes that these events will change the industry and create opportunities in the form of mergers and acquisitions. There are many producers that are presently reducing their production to remain viable. Atlas is in a unique position to maintain its competitive advantage because of its low cost of production and high percentage of quality pearls compared to other producers. The Company will continue to explore all opportunities for production and distribution to ensure that it maximises its capacity to keep cash flow and profits as high as possible during these more difficult economic times.

2. DETAILS OF RIGHTS ISSUE

2.1. The Rights Issue

Atlas is undertaking a non-renounceable Rights Issue on the basis of 1 New Share for every 3 Shares held, at a price of \$0.08 per New Share, to Shareholders who are registered on Atlas's share registry as at 5:00pm on the Record Date which is Friday 13 March 2009.

Eligible Shareholders who are registered as the holders of Shares as at 5:00pm (AWDT) on the Record Date, will be entitled to participate in the Rights Issue. The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements have been rounded down.

The maximum number of New Shares which may be issued pursuant to this Rights Issue will be 29,740,297. The maximum amount which may be raised under this Rights Issue will be \$2.38 million. The costs associated with this Rights Issue are estimated at \$65,000.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements to New Shares will be rounded down to the nearest whole number.

The Closing Date and time for acceptance and payment is 5.00pm (AWDT) on **Wednesday 1 April 2009**. The Company reserves the right to extend the Closing Date subject to the ASX Listing Rules if the timetable is amended by more than 3 business days.

2.2. What you may do

Shareholders may do any of the following:

- take up their Entitlement in full only;
- take up their Entitlement in full and participate in the Shortfall;
- take up part of their Entitlement, and allow the balance of their Entitlement to lapse; or
- not take up any of their Entitlement.

A completed and lodged Entitlement and Acceptance Form, together with payment for the number of New Shares accepted, cannot be withdrawn and constitutes a binding application for, and acceptance of, the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in this Offer Summary. The Entitlement and Acceptance Form does not need to be signed to be binding.

No brokerage or stamp duty is payable on the issue of New Shares.

If the Entitlement and Acceptance Form is not completed correctly Atlas can reject it or treat it as valid. Atlas's decision as to whether to reject the Entitlement and Acceptance Form or treat it as valid and how to construe, amend or complete it is final.

2.3. Shortfall

If any Shortfall remains after the Closing Date, the Directors will deal with the Shortfall Applications as they are received but will have the discretion to allocate the Shortfall amongst Shortfall Applications as they see fit. If an Eligible Shareholder does not get allocated the amount of the Shortfall stated in the Shortfall Application the Directors will

allocate the maximum amount of Shortfall to that applicant possible and return any excess money to that applicant.

If any Shortfall remains after the Closing Date and after accepting any Shortfall Applications, the Directors reserve the right pursuant to Listing Rule 7.2 (exception 3) to place any remaining Shortfall with parties selected by them but such parties will be sophisticated investors as defined in the Corporations Act 2001.

The Shortfall will be placed by the Directors on a best endeavours basis.

The offer of any Shortfall will remain open for up to 3 months following the Closing Date. The issue price of any Shortfall shall be 8 cents per New Share being the price at which the Entitlement has been offered to Shareholders pursuant to this Offer Summary.

If you wish to apply for any Shortfall, or you are instructed by the Directors that you are otherwise eligible to participate in the Shortfall you will need to complete the Shortfall Application attached to this Offer Summary.

Any Shortfall not taken up or placed will not be placed to the Directors or any associates of the Directors.

2.4. Allocation

The following allocation policy will apply for any application in excess of a Shareholder's Entitlement:

- all Eligible Shareholders will receive their Entitlement, to the extent applied for;
- Eligible Shareholders who apply for the Shortfall will be dealt with in accordance with Section 2.3 of this Offer Summary; and
- the remaining Shortfall may be placed within 3 months of the Closing Date.

Pending the allocation of New Shares under the Offer, all Application Moneys will be deposited into a separate bank account to be held in trust for so long as required under section 722 of the Corporations Act. Surplus Application Moneys will be returned to the relevant Shareholder as soon as practicable, in accordance with section 722 of the Corporations Act. No interest will be paid on returned Application Moneys.

2.5. Opening and Closing Dates

The Offer will open for receipt of acceptances on Wednesday 18 March 2009. The Closing Date and time for acceptances and payments is 5.00pm (AWDT) on Wednesday 1 April 2009 or such other date as the Company, in its absolute discretion determines subject to the requirements of the ASX Listing Rules.

2.6. Ranking of New Shares

The New Shares will, from the time they are issued, rank equally with Existing Shares.

The rights and liabilities attached to New Shares are:

- set out in Atlas's Constitution which may be examined free of charge by appointment between 9:00 am and 5:00 pm on normal business days at the registered office of Atlas at 43 York Street, Subiaco, Western Australia; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

2.7. Issue of New Shares

The Company expects to issue the New Shares on or before Wednesday 8 April 2009. No issue of New Shares will be made until permission is granted for quotation of the New Shares on the ASX.

2.8. Excluded Shareholders

The Offer is not being made to Excluded Shareholders.

The Company has decided that it is unreasonable to make the Offer to Excluded Shareholders, having regard to the number of Excluded Shareholders, the number and value of New Shares they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those countries at which the Excluded Shareholders domicile.

2.9. ASX Quotation

Atlas has applied for admission of the New Shares to quotation by ASX. If the New Shares offered under this Offer Summary are not admitted to quotation within 3 months after the date of this Offer Summary (or any longer period permitted by ASIC) any issue of New Shares is void and Atlas will repay, as soon as practicable, without interest, all Application Money received under this Offer Summary.

Subject to approval being granted by ASX, it is expected that the quotation and trading of New Shares issued under the Rights Issue will commence on ASX on Tuesday 14 April 2009, the day following the issue of the New Shares.

Eligible Shareholders who sell New Shares before they receive their holding statements will do so at their own risk. Atlas disclaim all liability in tort (including negligence), statute or otherwise to persons who trade New Shares before receiving their holding statements.

2.10. Risk Factors

In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in Atlas, which are set out in section 5.

2.11. Professional Advice

If you are in any doubt as to whether to accept this offer to participate in the Rights Issue, please contact your stockbroker, licensed financial adviser or other professional adviser.

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Summary.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Summary.

2.12. Enquiries

For enquiries about this Offer Summary, please contact Computershare Investor Services on 1300 557 010 (for callers within Australia) and +61 3 9415 4000 (for callers outside Australia).

3. ACTION REQUIRED BY SHAREHOLDERS

3.1. What you may do

The Offer is non-renounceable. There will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for new shares under the Offer to any other party. If you do not take up your entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- apply **for all** of your Entitlement;
- Apply for **all of** your Entitlement **and apply** under the Shortfall using the Shortfall Application
- apply **for part** of your Entitlement and allow the balance to lapse; or
- apply for **none** of your Entitlement.

3.2. Taking up all or part of your Entitlement

Complete the Entitlement and Acceptance Form and the Shortfall Application if applicable, in accordance with the instructions set out on the form. Forward your completed Entitlement and Acceptance Form, together with your payment, to reach Computershare Investor Services no later than 5:00pm (AWDT) on Wednesday 1 April 2009.

Completed Entitlement and Acceptance Form and accompanying payments must be mailed to Computershare Investor Services Pty Limited at:

Atlas South Sea Pearl Limited
Computershare Investor Services Pty Limited
Locked Bag 2508
Perth WA 6001

3.3. Entitlement not taken up

New Shares not taken up will form part of the Shortfall and you will receive no benefit.

3.4. Payment

Acceptance of New Shares must be accompanied by payment in full of the total price of \$0.08 per New Share.

Payments will only be accepted in Australian currency and as follows:

- Bank cheque drawn on and payable at any Australian bank; or
- Personal cheque drawn on and payable at any Australian bank; or
- BPAY as per the Entitlement and Acceptance Form.

Cheques or bank cheques should be made payable to **Atlas South Sea Pearl Limited NRI A/C** and crossed "**Not Negotiable**". Shareholders must not forward cash. Receipts for payment will not be issued.

The Rights Issue will open for receipt of acceptances on 18 March 2009 and will close at 5.00pm AWDT on 1 April 2009 (except where payment is via BPAY® in which case payment must be made by no later than 4.00pm AWDT on 1 April 2009 or such earlier cut off time that your own financial institution may implement with regard to electronic payments), or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 6 Business Days prior to the Closing Date.

Surplus Application Moneys will be returned to the relevant Shareholder as soon as practicable, in accordance with section 722 of the Corporations Act. No interest will be paid on returned Application Moneys.

3.5. Application Monies held on trust

Application Monies for the New Shares will be held in a trust account until allotment of the New Shares. Any interest earned on Application Money will be retained by Atlas. If the Rights Issue does not proceed, all Application Monies will be returned in full as soon as possible, without interest.

3.6. CHES

Atlas participates in CHES, operated by ASTC, a wholly owned subsidiary of ASX, in accordance with the ASX Listing Rules and the ASTC Settlement Rules. Under CHES, Atlas does not issue certificates to Shareholders but will instead provide Shareholders with a statement of their holdings in Atlas. If you are broker-sponsored, ASTC will send you a CHES statement. The CHES statement will set out the number of New Shares issued to you under the Rights Issue and give details of your holder identification number, in the case of a holding on the CHES sub-register and the terms and conditions applicable to the New Shares.

If you are registered in the Issuer Sponsored sub-register your statement will be despatched by Computershare Investor Services and will contain the number of New Shares issued under the Rights Issue and your security holder reference number.

A CHES statement or Issuer Sponsored statement is routinely sent to Shareholders by Computershare Investor Services at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time. However, a charge may be incurred for additional statements.

3.7. Enquiries

For further instructions, please refer to the accompanying Entitlement and Acceptance Form.

For information regarding your holding of the Company's Shares, change of address or other registry matters, please contact Computershare Investor Services on 1300 557 010 (within Australia) and +61 3 9415 4000 (outside Australia).

4. PURPOSE AND EFFECT OF THIS RIGHTS ISSUE

4.1. Purpose of Offer and Use of Proceeds

If the Rights Issue proceeds as contemplated, the Company will raise approximately \$2.38 million (less expenses associated with the Rights Issue).

The pearling industry has been affected by the global economic conditions and the Company expects that opportunities will arise from these events as the industry restructures itself. The Company will apply the funds that it raises towards working capital requirements that may arise in the event of a shortfall of income during this restructuring period.

4.2. Capital Structure

The following table shows the number of Existing Shares at the date of the Offer and the total number of issued Shares at the close of the Offer.

Ordinary Shares

Existing Shares at the date of this Offer Summary	89,220,890
Total New Shares offered	29,740,297
Total issued Shares after the Rights Issue	118,961,187

These figures are estimates only, as individual Entitlements will be rounded down when calculating entitlements.

4.3. Effect on capital structure and control

The Rights Issue is not underwritten.

The issue of New Shares is not expected to have any material effect or consequence on the control of the Company.

4.4. Effect for Shareholders

Eligible Shareholders who take up their full Entitlement will not have their holdings diluted.

5. RISK FACTORS

There are general risks with any investment in the stock market. The value of New Shares may rise or fall depending upon a range of factors and stock market conditions that are unrelated to the Company's financial performance. Therefore, if an investor decides to sell New Shares, the amount received may be higher or lower than the amount of the original investment.

In addition, there are a number of specific risks concerning the Company which potential investors should be aware. The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in the Company.

5.1. General Risk Factors

Economic Conditions - The performance of the Company may be significantly affected by changes in economic conditions. Profitability of the business may also be affected by factors such as market conditions, interest rates, inflation and consumer demand.

Geo-political Factors - The Company may be affected by the impact that geo-political factors have on the world or Australian economy or on financial markets and investments generally or specifically. This may include terrorist type activities and governmental responses to such activities.

Government Policies & Legislation - The Company may be affected by changes to government policies and legislation, including those relating to the defence and homeland security sectors, the environment, taxation, the regulation of trade practices and competition.

Capital Availability – Current economic conditions can impact on the availability of debt and equity funding that may be required to support the cash flow of a business. The Company may be affected by credit availability which would impact on its ability to maintain business operations at its current levels.

5.2. Specific Risk Factors

Acquaculture is a high risk industry and the business of pearl farming carries many of these risks. Atlas continues to monitor these risks and where possible, it implements operational protocols and risk management to limit these risks. However, some risks associated with pearl farming are difficult to manage. The following is a list of risk factors that need to be considered when investing in this industry. This list is not intended to be exhaustive.

Weather/Climate – The *Pinctada maxima* oyster from which the South Sea pearl is produced is susceptible to climatic changes which effect water temperature, salinity and nutrient content. The Company has been affected by climate changes in the past but these have been mitigated to some extent by the geographical diversification of the business over different parts of Indonesia. Adverse weather and climate conditions are difficult to manage but are considered by management when planning oyster movement and husbandry.

Pollution and Disease – Pearl oysters are subject to loss as a result of pollution and disease. This is managed through rigorous cleaning and observation schedules which are maintained throughout the year on oyster stocks. Protocols are in place to isolate any disease outbreaks on farms. Pollution is reduced by the remote location of farms being away from large populations and industry. Historically, pollution and disease have not significantly impacted on the Company's capacity to produce oysters.

Technical issues – The Company employs a management team that is highly trained to carry out the supervision of the technical issues that are required to successfully operate a pearling business. The retention of key management personnel is constantly reviewed and remuneration and working conditions are set to retain the experience and skills that are developed by these individuals. Long term Indonesian staff, experienced in all parts of the business, are employed in many middle management positions. Pearl seeding is undertaken in-house, mainly by Indonesian staff, so there is not a reliance on contract technicians for this critical task. The results of using in-house staff versus contract technicians have shown significant improvements in pearl retention and pearl quality.

Interest Rate Risk - The Company may be affected by interest rate movements with respect to its long-term and short-term borrowings. Interest on borrowings is paid at variable rates which exposes the Company to cash flow interest rate risk.

Credit Risk - The Company may be affected by a customer or counterparty to a financial instrument failing to meet its contractual obligations.

Liquidity Risk - The Company may be affected by deterioration in its cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Currency Risk - The Company trades in Japanese Yen as its primary currency for the negotiation of pearl sales. A large proportion of the Company's operation expenditure is denominated in Indonesian Rupiah. It is exposed to currency movements and undertakes currency hedging within a risk policy framework to mitigate these risks where possible.

Commodity and Competition Risk – Pearls trade as a luxury commodity and their price is subject to the forces of supply and demand. South Sea pearls produced by the Company compete with other pearls such as Black pearls, Akoya pearls and Fresh Water pearls. Pearls also compete with other gems such as diamonds and metals such as gold and platinum within the jewellery industry.

Geo-political/Security Risk – With the Company's farming assets located in Indonesia, there is some level of political risk compared to other geographic locations. Indonesia has experienced security risks from time to time and the Company undertakes risk management on an ongoing basis at all levels to manage this.

6. OVERSEAS SHAREHOLDERS

This Offer Summary and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Summary or that form. The distribution of this Offer Summary and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Summary and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

Atlas has decided that it is unreasonable to make offers under this Offer Summary to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand. This Offer Summary is sent to those Shareholders for information purposes only.

This Offer Summary and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person whom, it would not be lawful to make such an offer.

7. DEFINITIONS

\$	Australian dollars (and references to cents are to Australian cents)
Applicant	An Eligible Shareholder who returns a completed Entitlement and Acceptance Form as instructed in this Offer Summary before the Closing Date
Application	An application for New Shares under this Offer Summary, submitted by duly completing an Entitlement and Acceptance Form
Application Money	The aggregate amount of money payable for New Shares applied for in an Acceptance Form
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532
ASTC Settlement Rules	The operating rules of ASTC
ASX	ASX Limited (ABN 98 008 624 691)
ASX Listing Rules	The official Listing Rules of ASX
Atlas or Company	Atlas South Sea Pearl Limited (ABN 32 009 220 053)
Board of Directors	The board of Directors of Atlas
CHESS	Clearing House Electronic Sub-register System
Closing Date	5.00pm AWDT on Wednesday 1 April 2009 (unless extended)
Computershare Investor Services	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Corporations Act	The Corporations Act 2001 (Cth) as amended from time to time
Directors	The Directors of the Company
Eligible Shareholder	A shareholder with a registered address in Australia or New Zealand
Entitlement and Acceptance Form	The entitlement and acceptance form attached to this Offer Summary under which an Eligible Shareholder may apply for New Shares under the Offer including additional Shares under the Shortfall
Entitlement	The entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Rights Issue
Excluded Shareholders	Shareholders of the Company with their registered address in places outside Australia and New Zealand
Existing Shares	The Shares presently on issue in Atlas
Issue Price	\$0.08 per New Share
New Share or New Shares	The Shares to be issued in Atlas pursuant to this Offer Summary
Offer	Offer of New Shares under this Offer Summary
Offer Summary	This document under which the Offer is being made
Record Date	Friday 13 March 2009
Rights	The non-renounceable rights of Eligible Shareholders to subscribe for New Shares under this Offer Summary
Rights Issue	The non-renounceable rights issue of New Shares offered under this Offer Summary on the basis of the Entitlement at the Issue Price
Shareholder	The holder of a Share in Atlas
Shares	Existing Shares or New Shares as the case may be
Shortfall Applications	Applications from Eligible Shareholders to participate in the Shortfall
Shortfall	New Shares not taken up by Eligible Shareholders under their Entitlements

**ADD COMPUTERSHARE
“ENTITLEMENT AND ACCEPTANCE FORM”**