



ABN 32 009 220 053

ASX: ATP

2 August 2010

The Manager
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

**ASX ANNOUNCEMENT
2010 HALF YEAR PROFIT GUIDANCE**

The Board of Atlas South Sea Pearl Limited (“Atlas”) (ASX: ATP) wishes to provide guidance in relation to its expected half year results for the six months ending 30 June 2010.

A net profit after tax in the range of \$3.0-3.5M is expected for the first six months of 2010. This compares favourably to the 2009 full year loss of \$7.18M.

Earnings before interest, tax, depreciation and adjustments including foreign currency and agricultural asset revaluations will be in the order of \$800-900K, a four-fold increase from the half year result in 2009.

While the financial results are still subject to audit review, it can be confirmed that the group’s operating revenue for the first six months of 2010 is \$5.024M (2009 - \$3.073M). Pearls sales income (\$4.5M) is 67% higher than the same time last year which have resulted from the Company’s own grading and distribution efforts. Atlas has established a strong customer base of more than 25 international buyers from Japan, Hong Kong, Europe and America as it continues to produce high quality pearls to offer its customers.

An upwards revaluation of \$1.27M for Agricultural assets contributes to net profit after tax. The expected refund of \$1.367M resulting from the double taxation of 2007 profits will increase the net operating profit for the period. This tax assessment is the subject of an objection in Indonesia and a Mutual Agreement Procedure (MAP) application in Australia and Indonesia, the outcomes of which are expected this year which will also result in a refund of the overpaid tax.

Income for the second half of 2010 is expected to be in line with the revenue for the first half of the year. The company will continue to focus on the integration of its new pearl farming assets into the existing operations, the enhancement of its production capacity and quality and the improvement in its value adding and distribution capacity.

Yours sincerely

STEVE BIRKBECK
Chairman

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