



ABN 32 009 220 053

NOTICE OF EXTRAORDINARY GENERAL MEETING, EXPLANATORY MEMORANDUM AND PROXY FORM

Date of Meeting: Tuesday, 4 December 2012

Time of Meeting: 2.00pm (AWST)

Place of Meeting: Perl'eco
47-49 Bay View Terrace
Claremont, Western Australia

What action you need to take

1. Read the meeting documents

1.1 The following meeting documents set out important details of the resolutions that will be put to Shareholders at the Extraordinary General Meeting of Atlas South Sea Pearl Limited.

1.2 You should read **all of** the documents carefully.

2. Consider how you will vote

2.1 Your vote is important.

2.2 If you are in doubt as to how you should vote, you should seek independent advice from your accountant, solicitor or other professional advisor prior to voting.

3. Entitlement to Vote

3.1 In accordance with Regulation 7.11.37 of the Corporations Act, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Share Register as at 2:00pm (AWST) on Sunday, 2 December 2012.

3.2 Persons entitled to vote at the Meeting may vote by attending the Meeting in person, by proxy, or by an authorised representative.

4. Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their shareholdings against the Share Register and note attendances.

5. Voting by Proxy

Appointment of a proxy

5.1 Each Shareholder is entitled to appoint a proxy. Details on how to vote by proxy are set out in the accompanying Proxy Form and below.

5.2 Recent changes to the law have impacted on the way proxies vote at company meetings. Broadly, these changes include that:

- (a) if a proxy holder votes, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair who must vote the proxies as directed.

For further details on these changes you should consult your professional adviser.

5.3 Proxy Forms must be received by the Company before 2.00pm (AWST) on Sunday, 2 December 2012. Proxy Forms received later than this time will be invalid.

5.4 A Proxy Form is attached to this Notice of Meeting and to be effective must be lodged with the Company:

- (a) by hand at 47-49 Bay View Terrace, Claremont, WA 6010;
- (b) by post to PO Box 1048, Claremont, WA 6910; or
- (c) by facsimile on +61 (08) 9284 3031.

How the Chair of the Meeting will vote undirected proxies

5.5 The Chair will vote undirected proxies in favour of Resolutions 1 to 5.

6 Corporate Representatives

- 6.1 Any body corporate wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with the certificate of appointment executed in accordance with section 250D of the Corporations Act, or a copy of the resolution by its directors or other governing body authorising the person to act as the corporate Shareholder's representative at the Meeting.
- 6.2 The certificate of appointment must be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.
- 6.3 Certificates of appointment of corporate representatives are available at www.computershare.com or on request by calling Computershare Investor Services on +61 1300 557 010.

7 Key Dates

Event	Date
Deadline for lodgement of Proxy Forms	Sunday, 2 December 2012 at 2.00pm (AWST)
Date and time for determining eligibility to vote	Sunday, 2 December 2012 at 2.00pm (AWST)
Date of Extraordinary General Meeting	Tuesday, 4 December 2012 at 2.00pm (AWST)

8 Queries

If you have any queries about any matters contained in these meeting documents, please call the Company Secretary, Stephen Gleeson, on +61 (08) 9284 4249.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS GIVEN that an Extraordinary General Meeting of Shareholders of Atlas South Sea Pearl Limited (**Company**) will be held at Perl'eco, 47-49 Bay View Terrace, Claremont, Western Australia on Tuesday, 4 December 2012 commencing at 2.00pm (AWST).

The Explanatory Memorandum which accompanies this Notice of Meeting provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

Capitalised terms and abbreviations used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary.

AGENDA

Resolutions 1 and 4 are inter-conditional. If any of those Resolutions are not passed, then both Resolutions 1 and 4 will be taken to have failed.

Resolutions 2, 3 and 5 are conditional upon Resolutions 1 and 4 being passed. If any of Resolutions 1 and 4 are not passed, then Resolutions 2, 3 and 5 will be taken to have failed.

1. **Resolution 1 – Approval of the acquisition of Essential Oils of Tasmania Pty Ltd**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 4, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the Company:

- (a) acquiring all of the issued shares in Essential Oils of Tasmania Pty Ltd (**Acquisition**); and*
- (b) allotting and issuing as consideration for the Acquisition 10,000,000 Shares to Abermac Pty Ltd at a deemed issue price of \$0.065 per Share,*

on the terms set out in the Explanatory Memorandum.”

2. **Resolution 2 – Approval of issue of Placement Shares**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolutions 1 and 4, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 4,166,667 Shares at an issue price of \$0.06 per Share to raise \$250,000 (**Placement**) on the terms set out in the Explanatory Memorandum.”*

3. **Resolution 3 – Approval of issue of Convertible Notes**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 and 4, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,500,000 Convertible Notes with a face value of \$1.00 per Convertible Note to raise up to \$1,500,000, and the issue of Shares upon conversion of those Convertible Notes, on the terms set out in the Explanatory Memorandum.”

4 Resolution 4 – Approval of financial assistance

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to the passing of Resolution 1, for the purposes of section 260B of the Corporations Act and for all other purposes, approval is given for Essential Oils of Tasmania Pty Ltd and the Company to provide financial assistance to Abermac Pty Ltd for the purpose of, or in connection with:

- (c) the Company issuing to Abermac Pty Ltd (or if applicable, its nominee) 10,833,333 Shares pursuant to the Acquisition and the Placement; and*
- (d) the Company issuing to Abermac Pty Ltd 350,000 Convertible Notes and Shares upon any conversion of those Convertible Notes,*

as described in the Explanatory Memorandum.”

5 Resolution 5 – Change of Company name

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to the passing of Resolutions 1 and 4 and completion of the Acquisition, for the purpose of section 157 of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed from Atlas South Sea Pearl Limited to Atlas Pearls and Perfumes Ltd on the date completion of the Acquisition occurs or such later date as ASIC updates the details of the Company’s registration to reflect that change.”

VOTING EXCLUSION STATEMENTS

The Company will disregard any votes on the respective Resolutions cast by or on behalf of the following persons:

Resolution	Persons excluded from voting
Resolution 1 – Approval of acquisition of Essential Oils of Tasmania Pty Ltd	Abermac and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Abermac or those persons.
Resolution 2 – Approval of issue of Placement Shares	The Placement Investors (or their respective nominees) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of the Placement Investors or those persons.
Resolution 3 - Approval of issue of Convertible Notes	Abermac, Chemco (or its nominee), any other person who may participate in the proposed issue of Convertible Notes and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of those persons.

Resolution**Persons excluded from voting**

Resolution 4 – Approval of financial assistance of Abermac (or if applicable, its nominee) and any of its associates.

Resolution 5 – Change of Company name of None.

Exceptions to voting exclusions for Resolutions 1, 2 and 3

The Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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By Order of the Board



Stephen Gleeson
Company Secretary
2 November 2012



Dear fellow shareholder

Background to the EOT acquisition

Atlas has historically been a business challenged by the cyclical nature of the industry in which it operates.

As we have previously announced, the Company has been focusing on strategies to try to manage this risk. The acquisition of Essential Oils of Tasmania Pty Ltd (**EOT**) and commitment to the World Senses joint venture are investments of this nature. They each seek to add value to the Company's existing products and provide diversified expansion into the luxury product market – particularly increasing pearl by-product utilisation.

EOT is in our view Australia's leading multi-ingredient source of origin producer, processor and exporter of flavours and fragrances and will provide Atlas with technical capacity and the human resources and infrastructure to expand its research and production objectives in relation to pearl by-products.

The synergies between the groups are compelling with the EOT business expected to better perform with lower gearing levels and access to the Atlas luxury supply chain networks and management expertise.

Perfume and jewellery luxury items are sold as separate value propositions within the global luxury sector. Combining the two categories allows licensed global brands the opportunity to distribute both product categories in a cost effective and innovative manner. One such example is the use by Atlas of its Perl'fume™ technology to create infused perfumed pearls, a strategy designed to leverage off global brands and retail chains that control luxury sales of jewellery, perfumes and cosmetics and provide product differentiation.

We continue to work towards our vision to create Australia's premium luxury export company, through organic growth, acquisitions and offering a range of pearl and perfume luxury raw materials, perfume technologies, market concepts and consumer products that can demonstrate to the supply chain competitive advantage and product differentiation.

Proposed fundraising

In conjunction with this strategy, Atlas has also announced an intention to raise up to \$5 million in new funds (including through the recently announced entitlements issue).

Funds raised will be used to support existing current assets together with reduction of EOT debt, research and development, export market development, increased production of strategic pearl by-product and perfume ingredients, commercialisation of new consumer products through World Senses Pty Ltd and expansion of the existing pearl auction strategy. It will also provide a strengthened balance sheet for general working capital purposes.

Business update and strategy

Following completion of integration of the EOT acquisition and commencement of the World Senses joint venture, the Company intends to continue its strategy of broadening its range of

high quality products and identifying new revenue opportunities. The Company currently considers that this will include:

- (a) expansion of the Company's wholesale pearl sales through global product allocations in consultation with the Japanese Pearling Association (Kobe) and strategic customers;
- (b) development of its perfume division and technologies including the commercialisation of pearl by-products for the perfume and cosmetic markets, the further development of pearl infusion technology and the licensing of technologies and brands;
- (c) broadening its access to sustainable sources of indigenous Australian ingredients including expansion of existing EOT plantations in Tasmania and Western Australia and identification of new natural ingredient extracts and distillates that compliment its luxury sector products;
- (d) development of strategic relationships with luxury brands and global leading perfume manufacturers through the establishment of long term supply agreements and pricing; and
- (e) reducing the cost of producing pearls while maintaining high quality.

The Company has conducted significant research into the active ingredients in pearls and pearl by-products with the aim of broadening the range of products derived from pearls and pearl by-products and the full commercialisation of the pearl oyster material.

The Company believes that the acquisition of EOT technical capabilities will assist in achieving the commercial extraction of pearl perfume compounds and other active ingredients. In June 2012, EOT produced the first commercially viable pearl perfume extraction for Atlas. Extracts for perfume and cosmetic use include micronised pearl powder, pearl fragrance proteins, amino acids and lipids. Some of these extracts also have properties which are suitable for the production of health products.

The Company will also seek to develop its Perl'fume™ technology, a technology currently being patented by the Company involving the infusion of ingredients and fragrances into pearls. This technology has culminated in the Company's first perfume, Dreamsea, and has resulted in the Company successfully achieving the infusion of a pearl.

The creation of perfumed jewellery and pearl-based perfumes will provide the Company with significant opportunities in markets which are largely new and uncontested.

Atlas will also continue to explore opportunities to acquire additional complimentary businesses involved in the luxury sector in which value can be added. This will include the Company utilising the newly-acquired technical capabilities from EOT to leverage off the Company's Indonesian presence and position itself for the growing opportunities arising in Indonesia.

Conclusion

These initiatives are hoped to increase both the scale and diversified product mix of Atlas – a strategy that we believe will create a lasting legacy and a new order in the Australian export sector.

This Notice of Meeting and Explanatory Memorandum seeks the shareholder approvals necessary to implement this vision.

After nine months in the role as CEO I would ask for your consideration, support and ongoing patience to allow me to build our reputation as a sustainable source of premium luxury products with sustainable revenue sources.



Stephen Birkbeck
Executive Chairman

ATLAS SOUTH SEA PEARL LTD

ABN 32 009 220 053

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Shareholders with their consideration of the Resolutions proposed for the Extraordinary General Meeting of the Company to be held at Perl'eco, 47-49 Bay View Terrace, Claremont, Western Australia at 2.00pm (AWST) on Tuesday, 4 December 2012.

This Explanatory Memorandum is important. The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Capitalised terms and abbreviations used in this Explanatory Memorandum are defined in the Glossary.

1 OVERVIEW

1.1 Background

Since the Company was established as a pearl farming company in 1992, it has grown into a fully integrated and diversified pearling business involved in the establishment of pearl farms in the Indonesian archipelago, high quality grading and loose pearl distribution, jewellery manufacture and wholesale distribution and the operation of jewellery stores in Indonesia and Western Australia.

As a consequence of recent changes to market conditions in the pearling industry and generally, the Company has sought to identify new ways of enhancing revenue potential through vertical integration and the expansion of its value adding opportunities.

Pursuant to this objective, the Company is exploring the commercialisation of pearl by-products. The Company has engaged in research to develop methods for the full commercial utilisation of pearl oyster material and identify new markets in the luxury sector for products manufactured from those materials.

As part of this process, the Company has conducted research into the ability to link the pearl and perfume industries. Atlas' Perl'fume™ infused perfume and pearl technology is being developed into a limited edition jewellery range. Atlas has also acquired technology for the isolation of proteins and fragrance from the pearl nacre, which is being used to develop a market for pearl powders and extracts.

1.2 Acquisition of EOT

On 22 October 2012, the Company announced the Acquisition, where it has agreed to purchase EOT, a Tasmanian-based flavour and fragrance manufacturer, for a price of \$650,000, to be paid by the issue of 10,000,000 Shares (**Consideration Shares**) at an agreed price of \$0.065 per Share.

The Company is of the view that the acquisition of EOT will provide the Company with the technical capability to commercialise Atlas' perfume extraction technology from the pearl nacre, develop high value exports from the by-products of pearl farming and broaden the range of products it has to sell through its established luxury item distribution networks. Further information on EOT is set out in **section 1.3** below.

The other key terms of the Acquisition are as follows:

- (a) the Consideration Shares will be issued to Abermac, the current owner of EOT;
- (b) completion of the Acquisition is subject to a range of conditions precedent including:
 - (i) obtaining the consent of specified financiers and the release of certain securities upon certain debt being discharged;
 - (ii) the Company raising at least \$1.5 million in new working capital including completion of the Placement (**Funding Condition**);
 - (iii) certain due diligence related conditions; and
 - (iv) no material adverse change occurring;
- (c) if the conditions precedent are not satisfied or waived by 30 January 2013 (or such later date agreed between the parties), the Acquisition may be terminated; and
- (d) other customary terms for an acquisition of this nature including representations, warranties and competition restraints.

The Company currently expects that completion of the Acquisition will occur in early to mid December 2012.

1.3 Overview of EOT

EOT was founded as a collaboration between the University of Tasmania, the Tasmanian Government and farmers and has a 30 year history in plant processing, extraction, fractionation and aging of perfume ingredients. EOT is primarily an export business with over 70% of its revenue coming from USA, Europe and Japan.

EOT has two principal service areas:

- (a) contract extraction and refining using steam distillation, fractionation and solvent extraction services; and
- (b) new product development including new extractive crops and involvement with research organisations in the areas of agronomy, extraction and chemical analysis.

EOT produces and sells its own essential oils and extracts including fennel oil, parsley oil and peppermint oil. EOT has pioneered the production of a number of unique Australian native plant extracts including Boronia Absolute, Tasmanian Blackcurrant Bud and Tasmania Lanceolata Extract.

In addition, EOT, with the assistance of Atlas, has also developed a process for extracting sandalwood oil from timber. In September 2012, the Company and EOT successfully created a new form of extraction of Xanthorrhoea Preissii (fire tree) which is blended with sandalwood oil in the Raw Spirit perfume which the Company is proposing to launch in November. The Company believes that with significant sandalwood plantations reaching maturity in Western Australia, there will be growing opportunities for EOT to create value from this perfume resource.

EOT is also expecting to finalise in the coming months a new specification for a pearl perfume extract that will provide capabilities to produce jewellery and perfume products with a unique point of product differentiation.

By combining the Company's Perl'fume™ technologies with EOT's range of unique ingredients, the Company believes that it will be able to develop EOT's current range and quality of perfumes. These technical capabilities will also be an important in the Company's ability to achieve full commercial utilisation of pearl by-products.

With the proposed acquisition of EOT, the Company will also acquire EOT's existing sales and export customers.

1.4 World Senses

On 26 October 2012, the Company announced a 50:50 incorporated joint venture, World Senses, with Nomad, a New York based marketing and design company (**Joint Venture**). The

principal objective of the Joint Venture is commercialising the perfume extraction technology of the Company and EOT for the US marketplace with a specific focus on pearl micronised powder, pearl perfume extracts, pearl cosmetic extracts, Perl'fume™ technology and Australian indigenous perfume ingredients.

Nomad will provide marketing, branding and business development expertise to assist in the marketing and distribution of products manufactured by the Joint Venture. In the Company's view, this will improve EOT's competitive position in the market.

For further information regarding the Joint Venture and Nomad, please refer to the Company's announcements to ASX on 22 October 2012 and 26 October 2012.

1.5 Funding

On 22 October 2012, the Company also announced an intention to raise up to \$5 million (**Funding**) to be used to pay down existing debt in EOT and for working capital and expansion purposes, including the expanded perfume operations and to satisfy the above Funding Condition.

It is the current intention of the Board that the Funding will comprise:

- (a) the Placement, which will raise \$250,000;
- (b) the issue of \$1.5 million in Convertible Notes; and
- (c) the Entitlement Offer (described below) to raise up to \$2.37 million through the issue of Shares with the potential to raise up to a further \$2.37 million in the future from the exercise of Options.

The above funding structure seeks to raise more than \$5 million so as to take into account potential shortfalls in raising those amounts. However, there is no guarantee this amount will be raised and a large portion of it is dependent upon existing Shareholder support.

The Directors believe that the structure of the Funding described above and elsewhere in this Notice is the most efficient and effective form of obtaining the funding available to the Company to facilitate the fast integration of EOT and the Joint Venture into the Company's business, together with sufficient working capital to support the business in the medium term.

Placement and Convertible Notes

The Company has received binding commitments to raise \$1.1 million comprising:

- (a) the Placement, being the placement of new Shares at \$0.06 per Share to raise \$250,000 to investors who are involved in the ownership and operation of EOT; and
- (b) the issue of Convertible Notes to investors identified by the Company to raise \$850,000.

Both the Placement and the above issue of Convertible Notes are conditional on completion of the Acquisition taking place. Further details of the Placement and the issue of Convertible Notes are respectively set out in **sections 3** and **4** below.

These commitments will apply towards the Company satisfying the Funding Condition.

At the date of this Notice, the Company is still seeking to issue a further \$650,000 of Convertible Notes and will announce details of any additional commitments as they are secured.

Entitlement Offer

In addition to the Placement and proposed issue of Convertible Notes, on the date of this Notice, the Company announced a pro rata non-renounceable entitlement offer to eligible Shareholders comprising:

- (a) an offer to subscribe for one new Share for every five Shares held at an offer price of \$0.05 per new Share to raise up to \$2.37 million (before costs); and
- (b) one free unlisted Option will be granted for every new Share applied for having an exercise price of \$0.05 and expiring 12 months after the date it is granted,

(the **Entitlement Offer**).

The Entitlement Offer will not be underwritten, however, Directors will retain the discretion to place any Shares and Options not taken up by eligible Shareholders under the Entitlement Offer.

The Company will be issuing a prospectus for the Entitlement Offer in due course which will contain further information on the offer.

1.6 Effect of the Acquisition and the Funding on the Company

If completion of the Acquisition occurs, the Company will hold the following key assets:

- (a) 100% of the issued share capital in EOT;
- (b) through EOT, valuable intellectual property, equipment, sales and export contracts and customers and other related assets; and
- (c) between \$1.5 million and \$4.12 million in cash (before the costs of the Acquisition and the Funding) and Options which may raise up to a further \$2.37 million.

Financial position

Below is an unaudited pro forma statement of financial position of the Company as at 30 June 2012, adjusted for:

- (a) completion of the Acquisition;
- (b) the raising of both the minimum amount required to satisfy the Funding Condition of \$1.5 million and the Company's target of \$5 million; and
- (c) the estimated costs of the Acquisition and the Funding.

Pro forma Statement of Financial Position at 30 June 2012

	30 June 2012	Pro forma (funding of \$1.5 million)	Pro forma (funding of \$5 million)
Cash and cash equivalents	2,719,917	2,999,971	6,499,971
Trade and other receivables	925,478	1,415,881	1,415,881
Derivative financial instruments	103,203	103,203	103,203
Inventories	6,764,024	8,030,798	8,030,798
Biological assets	4,608,827	4,608,827	4,608,827
TOTAL CURRENT ASSETS	15,121,449	17,158,680	20,658,680
Inventories	220,396	220,396	220,396
Biological assets	13,072,486	13,072,486	13,072,486
Property, plant and equipment	4,032,835	4,521,743	4,521,743
Deferred tax assets	1,579,604	1,579,604	1,579,604
TOTAL NON CURRENT ASSETS	18,905,320	19,394,229	19,394,229
TOTAL ASSETS	34,026,769	36,552,909	40,052,909
Trade and other payables	1,734,835	2,414,057	2,414,057
Borrowings	4,993,669	6,493,669	6,493,669
Current tax liabilities	129,416	98,368	98,368
Short-term provisions	11,714	54,566	54,566
TOTAL CURRENT LIABILITIES	6,869,631	9,060,660	9,060,660
Borrowings	291,443	291,443	291,443
Deferred tax liabilities	2,358,029	2,358,029	2,358,029
TOTAL NON CURRENT LIABILITIES	2,649,472	2,649,472	2,649,472
TOTAL NET ASSETS	24,507,666	24,842,777	28,342,777
Contributed equity	27,666,203	28,316,203	31,816,203
Reserves	(6,981,841)	(6,981,841)	(6,981,841)
Retained profits	3,823,304	3,508,415	3,508,415
TOTAL EQUITY	24,507,666	24,842,777	28,342,777

Capital structure

The effect of the Acquisition and the Funding on the capital structure of the Company on an undiluted basis can be summarised as follows:

Capital structure	Undiluted
Shares	
Current issued share capital	237,135,072
Maximum number of Shares issued under Entitlement Offer ¹	47,427,014
Consideration Shares	10,000,000
Placement Shares	4,166,667
Total Shares	298,728,753
Convertible Notes	
Current issued Convertible Notes	0
Maximum number of Convertible Notes issued	1,500,000
Total Convertible Notes	1,500,000
Options	
Current issued Options	0
Maximum number of Options granted under Entitlement Offer ¹	47,427,014
Total Options	47,427,014

Notes:

1. Numbers may differ due to rounding.

Due to the formula for calculating the conversion price for the Convertible Notes (see **section 4.2** below), it is not possible at the date of this Notice to ascertain the number of Shares that would be issued if all 1,500,000 Convertible Notes are issued and subsequently converted into Shares.

The table below summarises the effect of the Acquisition and the Funding on the capital structure of the Company on a diluted basis where the 1,500,000 Convertible Notes are issued by the Company and subsequently converted into Shares at the example conversion prices of \$0.05 and \$0.03, the maximum number of Options that can be granted under the Entitlement Offer are granted and are fully exercised and no other securities are issued by the Company after the date of this Notice:

Capital structure	Conversion price of \$0.05	Conversion price of \$0.03
Shares		
Current issued share capital	237,135,072	237,135,072
Maximum number of Shares issued under Entitlement Offer ¹	47,427,014	47,427,014
Consideration Shares	10,000,000	10,000,000
Placement Shares	4,166,667	4,166,667
Shares issued on conversion of 1,500,000 Convertible Notes	30,000,000	50,000,000
Maximum number of Shares issued on exercise of Options granted under Entitlement Offer ¹	47,427,014	47,427,014
Total Shares	376,155,767	396,155,767
Convertible Notes	0	0
Options	0	0

Notes:

1. Numbers may differ due to rounding.

Effect on the control of the Company

The Acquisition and the Funding are not expected to materially impact on the control of the Company.

The terms of the Convertible Notes provide that Shares cannot be issued on conversion where it would cause the relevant Noteholder's voting power in the Company to exceed 19.9% without the approval of non-associated Shareholders being obtained at a general meeting.

The Company has received a binding commitment for 500,000 Convertible Notes from Chemco, a company associated with Gordon Martin. According to his most recent substantial holding notice on 4 April 2012, Mr Martin's voting power in the Company is 13.5%. If Chemco elects to convert Convertible Notes, Mr Martin's voting power could increase (without Shareholder approval) to as high as 19.9% depending on the conversion price calculated at the time of conversion under the formula set out **section 4.2** below. However, as mentioned above, Mr Martin would require Shareholder approval to exceed 19.9% through the conversion of Convertible Notes.

1.7 Key advantages of the Acquisition

The Board is of the view that the advantages of implementing the Acquisition include the following:

- (a) The Acquisition will provide the Company with the technical capabilities, human resources and infrastructure to expand its research, develop new products including the utilisation of pearl by-products and achieve product differentiation.

- (b) The Acquisition will allow the Company to take advantage of EOT's long term relationships with a number of major fragrance trading companies in Europe and the USA, such as Treatt (UK), Frey and Lau (Germany), Berje (USA) and Citrus and Allied Essences (USA).
- (c) The above technical capabilities and relationships, together with the expertise and relationships to which the Company will have access through the Joint Venture, will assist the Company in pursuing its above objective of achieving full commercial utilisation of pearl by-products and commercialising its perfume extraction technology in overseas markets.
- (d) The integration of EOT and World Senses into the Company's business will provide diversification of the Company's luxury product mix and mitigate the traditional cyclical nature of an investment in the Company.
- (e) EOT will allow the Company to fast track perfume ingredient opportunities in Australia and Indonesia from pearl and plant-based industries. Specifically, the Company will be able to leverage the existing perfume expertise of the Company's Executive Chairman, Stephen Birkbeck. By way of summary, Mr Birkbeck's experience includes:
 - In 1990, Mr Birkbeck founded Mt Romance and was the first Australian to export cosmetics to France (1990-96).
 - By 2002, Mr Birkbeck had succeeded in establishing sandalwood oil as a key global ingredient in a wide range of perfumes from a range of large multi-national brands.
 - He sold Mt Romance in 2005 for \$19 million at a price-earnings ratio of 7 x EBITDA.
 - In June 2007, Mr Birkbeck jointly re-acquired Mt Romance and chaired it through a liquidity and customer relationship crisis. Mt Romance was sold in September 2008 for \$30 million to a sandalwood producer.
 - In 2011, he was recognised for his lifetime contribution to the Australian export industry through the Australian Institute of Exports awarding the prestigious "Export Hero" status on the basis of French industry support to his contributions to the ethical behaviour in the beauty industry.
 - Mr Birkbeck developed certain perfume related technology and equipment that was acquired by Atlas in 2011 in an arm's length transaction and was recently valued in the World Senses joint venture arrangements at some \$300,000 demonstrating its commercial value.

1.8 Key disadvantages of the Acquisition

The Board is of the view that the following list of disadvantages of the Acquisition may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) There are always risks associated with taking on a new business such as EOT. The Company will be taking on new staff, premises and other obligations of that business meaning increased costs. However, the Board believes these costs are outweighed by the benefits of the Acquisition.
- (b) The interests of Shareholders will be diluted by the issue of the Consideration Shares and other Shares pursuant to the Funding. Those interests may be further diluted by the conversion of any Convertible Notes or the exercise of any Options granted under the Entitlement Offer. Further details of the potential impact of the Acquisition and the Funding on the capital structure of the Company are set out in **section 1.6** above.
- (c) Existing management of the Company will have to devote time to the integration and development of EOT which may impact on the amount of time they can devote to the Company's existing business. Management have identified this and concluded that they have adequate capacity to manage both businesses concurrently.
- (d) As EOT is primarily an exporter, its acquisition will provide the Company with greater exposure to currency fluctuations.

1.9 Directors' recommendation

Based on all the information available, the Directors consider that the Acquisition and the Funding are in the best interests of the Company and Shareholders as a whole for the reasons set out in **section 1.7** and elsewhere in this Notice.

The Directors unanimously recommend that Shareholders vote in favour of all Resolutions. Each Director intends to vote all Shares controlled by him or her in favour of each Resolution.

2 RESOLUTION 1 – Approval of acquisition of Essential Oils of Tasmania Pty Ltd

2.1 Background

Resolution 1 seeks Shareholder approval for the Acquisition and the allotment and issue of the Consideration Shares to Abermac as consideration for the Acquisition. Further information about the Acquisition and the Consideration Shares is set out in **section 1** above.

Resolution 1 is conditional on Resolution 4 also being approved by Shareholders.

2.2 Requirement to obtain Shareholder approval

The Acquisition is conditional on Shareholders passing Resolution 1. If Shareholders do not pass Resolution 1, the Acquisition will not proceed and, consequently, the Placement and the issue of any Convertible Notes conditional on completion of the Acquisition will not proceed.

Listing Rule 7.1 provides, in summary, that a listed company may not issue or agree to issue equity securities in any 12 month period which exceed 15% of the number of issued ordinary shares of the company held at the beginning of the 12 month period, except with the prior approval of shareholders or if the issue falls within a specific exception. None of the exceptions apply to the Company's proposed issue of the Consideration Shares to Abermac.

Resolution 1 is seeking Shareholder approval of the issue of the Consideration Shares for the purposes of Listing Rule 7.1. The Company does have the capacity within its 15% annual limit at the date of this Notice to issue the Consideration Shares. However, in order to preserve the Company's ability to issue securities (if necessary) within the 15% annual limit under Listing Rule 7.1, the Company seeks advance Shareholder approval under Listing Rule 7.1 for the issue of the Consideration Shares. If Resolution 1 is passed, the Consideration Shares will not count towards the Company's 15% annual limit.

2.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 1:

- (a) The maximum number of Consideration Shares to be issued to Abermac if Resolution 1 is approved is 10,000,000 Shares.
- (b) The Consideration Shares will be issued to Abermac on the date that completion of the Acquisition occurs, which is expected to occur in early to mid December 2012 and, in any event, will be no later than 3 months after the date of the Meeting, unless approved by ASX.
- (c) The deemed issue price of the Consideration Shares is \$0.065 per Share.
- (d) The Consideration Shares will be issued to Abermac. Abermac is not a related party of the Company.
- (e) The Consideration Shares will rank equally in all respects with existing Shares on issue.

- (f) No funds will be raised by the issue of the Consideration Shares. As mentioned above, the Consideration Shares will be issued to Abermac as consideration for the Acquisition and have an agreed value of \$650,000.
- (g) The Consideration Shares will be allotted and issued on one date, being the date completion of the Acquisition occurs.
- (h) A voting exclusion statement is contained in the Notice of Meeting.

2.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1, and each of the Directors intends to vote all the Shares controlled by him or her in favour of the Resolution.

3 RESOLUTION 2 – Approval of issue of Placement Shares

3.1 Background

Resolution 2 seeks Shareholder approval for the allotment and issue of 4,166,667 Shares (**Placement Shares**) pursuant to the Placement. Further information about the Placement is set out in **section 1.5** above.

Under the Placement, the Company has agreed to allot and issue the Placement Shares to investors who are involved in the ownership and operation of EOT at an issue price of \$0.06 as follows:

- (a) 833,333 Shares to Abermac (or its nominee) to raise \$50,000;
- (b) 1,666,667 Shares to Derek Zwart (or his nominee) to raise \$100,000; and
- (c) 1,666,667 Shares to Michael Muller (or his nominee) to raise \$100,000,

(Abermac, Derek Zwart and Michael Muller together referred to as the **Placement Investors**).

The issue of the Placement Shares is conditional on completion of the Acquisition taking place and will occur simultaneously with that completion.

Resolution 2 is conditional on Resolutions 1 and 4 also being approved by Shareholders.

3.2 Requirement to obtain Shareholder approval – Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in **section 2.2** above. None of the exceptions to Listing Rule 7.1 apply to the issue of the Placement Shares.

The Company does have the capacity within its 15% annual limit under Listing Rule 7.1 to issue the Placement Shares to the Placement Investors. However, in order to preserve the Company's ability to issue securities (if necessary) within the 15% annual limit under Listing Rule 7.1, the Company seeks advance Shareholder approval under Listing Rule 7.1 for the issue of the Placement Shares.

If Shareholders do not approve Resolution 2, the Company will still issue the Placement Shares, subject to completion of the Acquisition occurring, as it still has sufficient capacity to do so under its 15% annual limit. However, if Resolution 2 is not approved and the Placement Shares are issued, it will restrict the ability of the Company to issue securities without Shareholder approval until the Company's 15% annual capacity is replenished in accordance with Listing Rule 7.1. If Resolution 2 is passed, the Placement Shares will not count towards the Company's 15% annual limit.

3.3 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 2:

- (a) The Placement Shares will be issued to each of the following Placement Investors (or their nominees), none of whom are related parties of the Company:

Placement Investor	Number of Shares
Abermac	833,333
Derek Zwart	1,666,667
Michael Muller	1,666,667

- (b) The maximum number of Shares to be issued if Resolution 2 is approved is 4,166,667 Shares.
- (c) The Placement Shares will be issued to the Placement Investors (or their nominees) on the date completion of the Acquisition occurs, which is expected to occur in early to mid December 2012 and, in any event, will be no later than 3 months after the date of the Meeting, unless approved by ASX.
- (d) The Placement Shares will be issued at a price of \$0.06 per Placement Share.
- (e) The Placement Shares will rank equally in all respects with existing Shares on issue.
- (f) The net proceeds from the issue of the Placement Shares will be used for the integration of EOT with the Company, to repay outstanding amounts owing on facilities held by EOT and for general working capital purposes.
- (g) The Placement Shares will be allotted and issued on one date, being the date that completion of the Acquisition occurs.
- (h) A voting exclusion statement is contained in the Notice of Meeting.

3.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2, and each of those Directors intends to vote all the Shares controlled by him or her in favour of the Resolution.

4 RESOLUTION 3 – Approval of issue of Convertible Notes

4.1 Background

Resolution 3 seeks Shareholder approval for the issue of up to 1,500,000 Convertible Notes to sophisticated and professional investors identified by the Company.

As mentioned in **section 1.5**, the Company is proposing to raise up to \$1.5 million through the issue of Convertible Notes. At the date of this Notice, the Company has received the following binding commitments to subscribe for Convertible Notes:

- (a) from Abermac for the subscription of 350,000 Convertible Notes to raise \$350,000; and
- (b) from Chemco (or its nominee) for the subscription of 500,000 Convertible Notes to raise \$500,000.

The issue of the above 850,000 Convertible Notes and any other Convertible Notes for which the Company receives binding commitments prior to the date of the Meeting will be conditional on completion of the Acquisition taking place and Shareholders passing Resolution 3. However, if the Company has not secured commitments for the full 1,500,000 Convertible Notes prior to the Meeting, it will continue to seek commitments for the balance of the Convertible Notes up to 3 months (or such longer time approved by ASX) after the Meeting.

Further information about the proposed issue of Convertible Notes is set out in **section 1.5** above.

Resolution 3 is conditional on Resolutions 1 and 4 also being approved by Shareholders.

4.2 Terms of the Convertible Notes

The following is a summary of the terms of the Convertible Notes:

Face Value:	\$1.00
Term:	The Convertible Note matures 24 months after its issue.
Interest:	Interest is payable on the Convertible Note six monthly in arrears at an interest rate of 6% per annum. Upon conversion or redemption of a Convertible Note, any interest accrued from the last interest payment will be paid to the Noteholder.
Redemption	The Convertible Note is redeemable at the election of the Company at any time during the Term although the Noteholders will have the opportunity to convert the Convertible Note prior to the redemption taking effect. Otherwise, the Convertible Note will be redeemed at maturity.
Conversion into Shares	The Noteholder may elect to convert all or any Convertible Notes into Shares (Conversion Shares) at any time during the period of 10 business days before the first and second anniversaries of the issue of the Convertible Notes. On conversion, the aggregate face value of the Convertible Notes being converted will be used to subscribe for Shares at a conversion price per Share of the lower of \$0.05 and a price equal to 90% of the volume weighted average price of Shares for the 10 trading days prior to receipt of the conversion notice documents.
Shareholder approval	Conversion will be subject to the Company obtaining any authorisations required to lawfully issue the Conversion Shares including obtaining any Shareholder approval under item 7 of section 611 of the Corporations Act such that the Noteholder's voting power cannot exceed 19.9% without Shareholder approval. If Shareholder approval is required, it will be sought at the time.
Reorganisations	In the event of any reorganisation of the issued capital of the Company (including consolidation, sub-division, reduction or return) or bonus issue, then the Convertible Notes will be adjusted proportionately to reflect the reorganisation or bonus issue.
Voting rights	Convertible Notes do not give Noteholders any voting rights at general meetings of the Company.
Non-transferable	Noteholders may not transfer legal or beneficial interest in Convertible Notes.
Unsecured	The Convertible Notes are unsecured and will rank equally with all other unsecured debt of the Company.

4.3 Requirement to obtain Shareholder approval – Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in **section 2.2** above. None of the exceptions in Listing Rule 7.1 apply to the Company's proposed issue of Convertible Notes.

The Convertible Notes are “equity securities” for the purpose of Listing Rule 7.1. For the purposes of determining whether or not the issue of Convertible Notes will exceed the Company’s 15% annual limit, each Convertible Note is counted as the maximum number of Shares into which it can be converted.

Due to the above formula for calculating the conversion price, it is not possible to ascertain at the date of this Notice the maximum number of Shares that will be issued on conversion of the Convertible Notes. That maximum number may exceed the 15% annual limit. Accordingly, Shareholder approval is required to ensure the issue of Convertible Notes do not cause the Company to exceed its 15% annual limit under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval for the issue of up to 1,500,000 Convertible Notes. If Resolution 3 is approved by Shareholders, the issue of any Conversion Shares will fall within Exception 4 of Listing Rule 7.2 (as securities issued on the conversion of convertible securities that were issued in accordance with the Listing Rules) and will not count towards the Company’s 15% annual limit.

If Resolution 3 is not approved by Shareholders, the Company will not be able to issue any Convertible Notes and the Directors will need to find alternative sources of funding. As mentioned above, if the Company is unable to raise at least \$1.5 million on or before 30 January 2013, the Acquisition may be terminated.

4.4 Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 3:

- (a) The maximum number of Convertible Notes to be issued if Resolution 3 is approved is 1,500,000 Convertible Notes.

The maximum number of Shares into which the 1,500,000 Convertible Notes may be converted is the number determined by dividing the total face value of the maximum number of Convertible Notes of \$1,500,000 by the conversion price calculated using the formula in **section 4.2** above. The precise number of Shares issued will depend on whether 90% of the average daily volume weighted average sales price of Shares during the 10 trading days prior to the relevant conversion date (**Average Price**) is less than or greater than \$0.05.

For example, if the Average Price is greater than \$0.05, then applying the formula in **section 4.2** above, the Company would issue 30,000,000 Shares if all the Convertible Notes were converted ($\$1,500,000 / 0.05$). If the Average Price is less than \$0.05, for example \$0.03, then the Company would issue 50,000,000 Shares.

- (b) The Convertible Notes will be issued at a face value of \$1.00 per Convertible Note. Any Shares issued on conversion of the Convertible Notes will be issued at the conversion price calculated using the formula in **section 4.2** above.
- (c) Any Convertible Notes that are issued pursuant to this Resolution 3 will be issued to sophisticated or professional investors identified by the Company who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act so that any offer of Convertible Notes will not require a disclosure document. None of the persons to whom Convertible Notes are issued pursuant to this Resolution 3 will be related parties of the Company. The Company has agreed to issue Convertible Notes to the following parties:

Noteholder	Number of Convertible Notes
Abermac	350,000
Chemco (or its nominee)	500,000

- (d) A summary of the terms of the Convertible Notes is set out in **section 4.2** above.

- (e) The net proceeds from the issue of the Convertible Notes will be used to pay down existing debt in EOT and for working capital and expansion purposes, including the expanded perfume operations and to satisfy the Funding Condition.
- (f) The Company intends to secure binding commitments for 1,500,000 Convertible Notes prior to the date completion of the Acquisition occurs (of which commitments for 850,000 Convertible Notes have already been secured). If the Company obtains commitments for 1,500,000 Convertible Notes by completion, those Convertible Notes will be allotted and issued on one date, being the date of that completion, which is expected to occur in early to mid December.

If the Company obtains commitments for less than 1,500,000 Convertible Notes by completion, it will issue the Convertible Notes for which it has commitments at completion, with any other Convertible Notes to be allotted and issued progressively as and when commitments are secured up to 3 months after the date of the Meeting, or such later date as approved by ASX.

- (g) A voting exclusion statement is contained in the Notice of Meeting.

4.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3, and each of those Directors intends to vote all the Shares controlled by him or her in favour of the Resolution.

5 RESOLUTION 4 – Approval of financial assistance

5.1 Background

Resolution 4 seeks Shareholder approval in accordance with section 260B of the Corporations Act for the Company and EOT giving financial assistance to Abermac for the purpose of, or in connection with, the Company issuing to Abermac the 10,000,000 Consideration Shares, 833,333 Placement Shares, 350,000 Convertible Notes and any Shares issued on conversion of those Convertible Notes.

Resolution 4 is conditional on Resolution 1 also being approved by Shareholders.

5.2 Financial assistance under the Corporations Act

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares (or units of shares) in the company, or its holding company, only in certain circumstances, one of which is where the financial assistance is approved by its shareholders under section 260B of the Act.

Section 260B(1) of the Corporations Act requires the financial assistance to be approved by a special resolution passed at a general meeting of the company (with no votes being cast in favour of the resolution by a person acquiring the shares, or units of shares, or by their associates), or by a resolution agreed to at a general meeting by all ordinary members.

Section 260B(2) of the Corporations Act requires that if, immediately after the acquisition, the company will be a subsidiary of a listed domestic corporation, the financial assistance must also be approved by a special resolution passed at a general meeting of that corporation.

Section 260B(4) of the Corporations Act provides that a notice of the meeting called for the purposes of approving the financial assistance must include a statement setting out all the information known to the company that is material to the decision on how to vote on the resolution (other than information which has already been disclosed and which would be regarded as unreasonable to require it to be disclosed again).

Pursuant to section 260B(5) of the Corporations Act, a copy of the Notice of Meeting, this Explanatory Memorandum and the Proxy Form was lodged with ASIC before being sent to Shareholders.

5.3 Requirement to obtain Shareholder approval

As mentioned in **section 1.2**, completion of the Acquisition is conditional on obtaining the consent of specified financiers and the release of certain securities upon certain debt being discharged. As part of satisfying that condition, certain personal securities granted by Abermac will also be released.

The Directors have formed the view that by facilitating the release of those personal securities (including through repaying indebtedness owed by EOT), Abermac may be indirectly receiving assistance to acquire the 10,000,000 Consideration Shares, 833,333 Placement Shares, the 350,000 Convertible Notes for which it has committed to subscribe and any Shares issued on conversion of those Convertible Notes (**Assistance**). This is because Abermac will have capital freed up through the Acquisition which may form part of the subscription funds paid to the Company.

This may constitute the giving of financial assistance to Abermac for the purposes of section 260A of the Corporations Act. As a consequence, the Directors believe it is prudent to obtain the approval of Shareholders for the Assistance to be given to Abermac.

Accordingly, Resolution 4 seeks Shareholder approval of the Company and EOT giving the Assistance in accordance with section 260B of the Corporations Act, under both section 260B(1) in relation to the Company giving the Assistance and under section 260B(2) in relation to EOT giving the Assistance as the shareholders of the listed domestic corporation of which EOT will be a subsidiary immediately following completion of the Acquisition.

The information set out in this Explanatory Memorandum is provided in explanation of Resolution 4 in compliance with the requirements of sections 260B(1), 260B(2) and 260B(4) of the Corporations Act and is intended to inform Shareholders of all matters material to their decision on Resolution 4.

The Directors are not aware of any other information which is relevant to the consideration by Shareholders of Resolution 4.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4, and each of those Directors intends to vote all the Shares controlled by him or her in favour of the Resolution.

6 RESOLUTION 5 – Change of Company name

Resolution 5 seeks Shareholder approval for the Company to change its name. Section 157 of the Corporations Act provides that a company may apply to change its name by the members of the company passing a special resolution to that effect.

It is proposed that the name Atlas South Sea Peal Limited be changed to “Atlas Pearls and Perfumes Ltd” with effect from, and subject to, completion of the Acquisition to reflect the Company becoming more involved in the perfume industry, particularly as a result of the Acquisition.

Resolution 5 is conditional on Resolutions 1 and 4 also being approved by Shareholders and completion of the Acquisition occurring.

GLOSSARY

Abermac	means Abermac Pty Ltd ACN 145 130 089 as trustee of the RAMAC Trust.
Acquisition	has the meaning given to that term in Resolution 1.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.
Board	means the board of Directors of the Company.
Chair	means the chair of the Extraordinary General Meeting.
Chemco	means Chemco Superannuation Fund Pty Ltd ACN 153 172 984 as trustee of the Chemco Superannuation Fund.
Company or Atlas	means Atlas South Sea Pearl Limited ACN 009 220 053.
Consideration Shares	has the meaning given to that term in section 1.2 of this Explanatory Memorandum.
Convertible Note	means a convertible note proposed to be issued by the Company with a face value of \$1.00 and on terms which are summarised in section 4.2 .
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Entitlement Offer	has the meaning given to that term in section 1.5 of this Explanatory Memorandum.
EOT	means Essential Oils of Tasmania Pty Ltd ACN 124 346 649.
Explanatory Memorandum	means this explanatory memorandum attached to the Notice of Meeting.
Extraordinary General Meeting or Meeting	means the extraordinary general meeting of Shareholders of the Company to be held at Perl'eco, 47-49 Bay View Terrace, Claremont, Western Australia at 2.00pm (AWST) on Tuesday, 4 December 2012.
Funding	has the meaning given to that term in section 1.5 of this Explanatory Memorandum.
Funding Condition	has the meaning given to that term in section 1.2 of this Explanatory Memorandum.

Listing Rules	means the listing rules of the ASX as amended from time to time.
Nomad	means Nomad Two Worlds Global Trading Pte Ltd.
Noteholder	means the registered holder of a Convertible Note.
Notice of Meeting or Notice	means the notice of Extraordinary General Meeting which accompanies this Explanatory Memorandum.
Option	means an unlisted option to subscribe for a Share subject to its terms and conditions.
Placement	has the meaning given to that term in Resolution 2.
Placement Investors	means the persons referred to in section 3.3(a) of this Explanatory Memorandum.
Placement Shares	means the 4,166,667 Shares proposed to be issued to the Placement Investors on the terms of Resolution 2.
Proxy Form	means the proxy form attached to the Notice of Meeting.
Resolution	means a resolution referred to in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the registered holder of a Share.
Share Register	means the register of Shareholders of the Company.
World Senses	means World Senses Pty Ltd ACN 160 613 472.

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PROXY FORM - EXTRAORDINARY GENERAL MEETING

**APPOINTMENT OF PROXY
ATLAS SOUTH SEA PEARL LTD ABN 32 009 220 053**

I/We

Of

Shareholder Reference Number (SRN)/
Holder Identification Number (HIN)

being a member of Atlas South Sea Pearl Ltd entitled to attend and vote at the Extraordinary General Meeting

Appoint
Name of proxy

OR

Mark this box if you wish to appoint the Chair of the Extraordinary General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Extraordinary General Meeting, or the Chair's nominee, as my/our proxy to attend and vote on my/our behalf at the Extraordinary General Meeting to be held at 2.00pm (AWST) on Tuesday, 4 December 2012 at Peri'eco, 47-49 Bay View Terrace, Claremont, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote all available proxies in favour of all the Resolutions.

Voting on Business of the Extraordinary General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Approval of the acquisition of Essential Oils of Tasmania Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark abstain for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this day of 2012

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

ATLAS SOUTH SEA PEARL LTD

ABN 32 009 220 053

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at an Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Please refer to the proxy form for further instructions on how to vote. Where more than one box is marked on an item the vote will be invalid on that item.
3. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
4. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
5. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - (a) 2 directors of the company;
 - (b) a director and a company secretary of the company; or
 - (c) for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

6. Completion of a Proxy Form will not prevent individual members from attending the Extraordinary General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Extraordinary General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Extraordinary General Meeting.
7. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) **delivered to the Company at 47- 49 Bay View Terrace, Claremont, WA 6010;**
 - (b) **by post to the Company at PO Box 1048, Claremont, WA 6910; or**
 - (c) **by facsimile to the Company on +61 (08) 9284 3031,**

so that it is received not later than 2.00pm (AWST) on Sunday, 2 December 2012.

Proxy forms received later than this time will be invalid.