



ABN 32 009 220 053

26 October 2012

ASX RELEASE

ATP

NOMAD TWO WORLDS INVESTMENT INTO THE ATLAS GROUPS PRODUCTS AND TECHNOLOGIES

Announcement

Atlas South Sea Pearl Limited has great pleasure in announcing the finalisation of commercial terms of the previously announced Joint Venture with Nomad Two Worlds. The Joint Venture's initial focus is on the commercialisation of the Atlas and Essential Oils of Tasmania's R & D, products and export markets.

The Joint Venture will operate through World Senses Pty Ltd, a Company jointly owned by Atlas and Nomad Two Worlds. This vehicle will commercialise the production of new emerging extracts from Essential Oils of Tasmania and pearls from Atlas with an initial focus on pearl micronised powder, pearl perfume extracts, pearl cosmetic extracts, Perl'fume™ technology and Australian indigenous perfume ingredients such as Sandalwood Oil, Boronia and Fire Tree (*Xanthorrhoea preissii*).

World Senses Pty Ltd will launch its first perfume brand, Raw Spirit in Sydney and New York in November. The first perfume to be released is a fragrance oil blend of Fire Tree and Sandalwood. The financial foundations agreed will provide the platform for accelerated growth of this Joint Venture's perfume exports.

Nomad Two Worlds - \$1,175,000 commitment into the Atlas South Sea Pearls Ltd Joint Venture

Nomad Two World's will invest \$1,175,000 into this Joint Venture by way of a cash injection of \$300,000 and \$250,000 of fragrance inventory and brand IP being assigned to the venture. Over the course of 2013 Nomad Two Worlds will contribute a further \$625,000 of support in the form of staffing, travel, design and brand development from its offices in Perth, Western Australia and New York.

Atlas South Sea Pearls Ltd - \$1,175,000 Injection into the Joint Venture

Atlas agreed to the following defined inputs and matching contributions to the World Senses Pty Ltd Joint Venture; a cash injection of \$200,000 and \$600,000 of inventory and research and development IP being assigned to the Venture. Over the course of 2013 Atlas South Sea Pearls Limited will contribute a further \$375,000 of support in the form of staffing, travel, and research and development from its operations in Western Australia, Tasmania and Indonesia.



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Pearl By-Product Supply Agreement

The agreement also provides for a 140 tonne micronised powder, perfume extract and cosmetic extract supply agreement. The pearl by-product processing and extractions will be by Essential Oils of Tasmania and the final raw materials sold through World Senses Pty Ltd.

In year one this will be at a fixed price and thereafter at an agreed price or at a 25% market discount, whichever is the lower. The Joint Venture has commenced negotiations to license powder technologies, extractive pearl products and technologies into multi-national luxury brands.

In addition it is the intent of this Joint Venture to launch the Sea Spirit brand in the United States in 2013. The brand has been created by Nomad Two Worlds on behalf of World Senses Pty Ltd.

Indigenous Australian Perfume Exports

Atlas has developed a novel new perfume compound from *Xanthorrhoea preissii* (Fire Tree) that is being combined with Sandalwood Oil for the brand Raw Spirit that was developed by Nomad Two Worlds and has been assigned to World Senses Pty Ltd. This will be launched in Sydney (1/11/12) and New York (12/11/12) and initially sold in Retail stores in the United States.

Conclusion

Atlas is delighted to have completed this transaction and welcomes it's new partners into the Group. Nomad Two Worlds are a world player in luxury, Russell James is a renowned US identity and has extensive contacts that as the principal behind Nomad, he brings to the table.

Initially the relationship was formed in late 2010 to assist Indigenous people around the world gain better parity in the luxury supply chain. The commercial potential of the partnership was identified in September 2011 by co-founder of Nomad, Joyce Lanigan. We have now completed our due diligence which took us to the far reaches of the world over the last year. I have been impressed with the passion and dedication of this unique group and believe our alignment on wanting to bring meaning to luxury will ensure that we stay ahead of our competitors and bring about positive change to isolated regional communities such as those in the large work-force employed by Atlas in Indonesia.

Stephen Birkbeck
Executive Chairman & CEO
Atlas South Sea Pearl Limited

About Atlas

Atlas South Sea Pearl Limited ("Atlas", ASX:ATP) is an Australian based pearling business established in 1992. Atlas has earned an enviable reputation as a world leading pearl producer of "nature's most precious gift", the South Sea pearl, specialising in highly sought after white and silver pearls. Atlas operates pearl farms spread across the Indonesian archipelago including Bali, Flores, Alor and Papua. Atlas is a fully integrated pearling business with its own high quality grading and loose pearl distribution business, a jewellery manufacturing capability and sales direct to customers through wholesale partners and via its retail outlets.