



ABN 32 009 220 053

16 November 2012

Dear Shareholder

Entitlement Offer – notification to ineligible shareholders

Atlas South Sea Pearl Limited (**Company**) is in the process of raising up to approximately \$2.37 million (before costs) of new equity capital through a pro-rata non-renounceable entitlement offer to existing eligible shareholders (**Entitlement Offer**).

The Entitlement Offer will be offered to eligible shareholders on the basis of:

- one (1) new fully paid ordinary share (**New Share**) for every five (5) ordinary shares held by eligible shareholders at \$0.05 cents per New Share; and
- one (1) free attaching unlisted option for every one (1) New Share issued, with an exercise price of \$0.05 and an expiry date 12 months after the date the option is granted (**New Option**).

Details of the Entitlements Offer are contained in the Company's ASX announcement on 2 November 2012, and in the Prospectus lodged with ASIC and the ASX on 16 November 2012 and available at www.asx.com.au.

Who are Eligible Shareholders?

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are shareholders who:

- (a) were registered as an Atlas South Sea Pearl Limited shareholder as at 4.00pm (AWST) on 27 November 2012;
- (b) have a registered address in Australia, New Zealand or Hong Kong or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer; and
- (c) are not in the United States and are subscribing for New Shares in an 'offshore transaction' (as defined in Rule 902(h) of the United States Securities Act of 1933, as amended).

Do you meet the eligibility criteria?

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and New Options under the Entitlement Offer and you will not be sent a copy of the offer documents.

The Company wishes to advise you that it will not be extending the Entitlement Offer to you.



ABN 32 009 220 053

Why are there restrictions on eligibility?

There are restrictions on eligibility because of:

- (a) the legal limitations in some countries;
- (b) the relatively small number of shareholders in those countries;
- (c) the small number of shares those shareholders hold; and
- (d) the potential cost of complying with regulatory requirements in those countries.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to extend the Entitlement Offer to shareholders outside of Australia, New Zealand and Hong Kong.

Do you need to do anything?

You are not required to do anything in response to this letter.

This letter is to inform you about the Entitlement Offer, the details of which are provided below. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

Questions

If you have any questions in relation to the Entitlement Offer and this letter, please seek professional advice or contact the Atlas South Sea Pearl Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AWST) Monday to Friday.

Yours faithfully

Stephen Birkbeck
Executive Chairman and CEO