

17 February 2014

### ATLANTIC LTD – CORPORATE UPDATE

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) is pleased to announce that it has received notification from an ad hoc group of the majority of holders of its wholly-owned subsidiary Midwest Vanadium Pty Ltd's (**MVPL**) senior secured notes that it will not take any action prior to 25 February 2014 as a result of MVPL's failure to deposit US\$5 million into its interest reserve account (**IRA**).

MVPL was required to deposit US\$5 million into its IRA and pay the half yearly interest payment on its senior secured notes on 15 February 2014 under the terms of the indenture governing those notes.

MVPL has not made the IRA deposit or made the interest payment.

The majority group of note holders has provided notice to the trustee of MVPL's senior secured notes indenture that such holders direct the indenture trustee to forbear and not to accelerate or take any enforcement action prior to 25 February 2014 as a result of any event of default for failure to replenish the IRA by 15 February 2014.

Under the terms of the indenture, MVPL has 30 days grace to make the interest payment due on 15 February 2014.

Discussions are ongoing with advisors representing a majority in value of the holders of MVPL's senior secured notes and other financiers with a view to providing a further period of forbearance and a long term solution to the funding needs of Atlantic and MVPL.

In parallel with these discussions, Atlantic is working with its insurers regarding arrangements for the commencement of progressive payments under its comprehensive material damage and business interruption insurance policy that covers the major fire at its Windimurra operation on 4 February.

While at this early stage all estimates are preliminary in nature, the Company believes that it could take approximately nine months to rebuild the fire-damaged beneficiation plant and to ramp up production back to where it was prior to the fire. The Company's estimates of the combined material damage and business interruption components of the insurance claim are in the order of \$100 million and are highly sensitive to the period of the disruption.

The progressive insurance payments and the proposed long term funding solution under discussion are designed to enable the business to continue, to rebuild the beneficiation plant and to re-commence vanadium production as soon as possible.

The Company requests that the voluntary suspension in the trading of its securities remain in place until it is in a position to provide more definitive details about the matters outlined above.

--ends--

**For further details please contact:**

**Michael Minosora**

Managing Director  
Atlantic Ltd

Ph: + 61 8 6141 7100

**Terry Bourke**

General Counsel  
Atlantic Ltd

Ph: +61 8 6141 7100