



6 February 2012

Dear Shareholder

## Rights Issue – notification to ineligible shareholders

Atlas South Sea Pearl Limited (**Company**) is in the process of raising up to approximately \$4.2 million (before costs) of new equity capital through a non-renounceable pro-rata rights issue to existing eligible shareholders (**Rights Issue**).

The Rights Issue will be offered to eligible shareholders on the basis of 1 new fully paid ordinary share (**New Share**) for every 1.7 shares held at 5.00 pm (AWST time) on the record date of 20 February 2012 at the price of \$0.05 per New Share. The Rights Issue is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**), as notionally modified by ASIC Class Order 08/35.

Details are as announced to the Australian Securities Exchange (**ASX**) on 6 February 2012.

<p><b>Who are Eligible Shareholders?</b></p>	<p>Shareholders who are eligible to participate in the Rights Issue (<b>Eligible Shareholders</b>) are shareholders who:</p> <ul style="list-style-type: none"> <li>(a) were registered as an Atlas South Sea Pearl Limited shareholder as at 5.00 pm (AWST time) on 20 February 2012 (<b>Record Date</b>);</li> <li>(b) have a registered address in Australia or New Zealand;</li> <li>(c) are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (<b>U.S. Persons</b>) and are not acting for the account or benefit of U.S. Persons; and</li> <li>(d) are eligible under all applicable securities laws to receive an offer under the Rights Issue.</li> </ul>
<p><b>Do you meet the eligibility criteria?</b></p>	<p>Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.</p> <p><b>The Company wishes to advise you that it will not be extending the Rights Issue to you.</b></p>

<p><b>Why are there restrictions on eligibility?</b></p>	<p>There are restrictions on eligibility because of:</p> <ul style="list-style-type: none"> <li>(a) the legal limitations in some countries;</li> <li>(b) the relatively small number of shareholders in some countries;</li> <li>(c) the small number of shares those shareholders hold; and</li> <li>(d) the potential cost of complying with regulatory requirements in those countries.</li> </ul> <p>The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries other than Australia and New Zealand in connection with the Rights Issue.</p>
<p><b>Do you need to do anything?</b></p>	<p>You are not required to do anything in response to this letter.</p> <p>This letter is to inform you about the Rights Issue, 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.</p>
<p><b>Questions</b></p>	<p>If you have any questions in relation to the Rights Issue and this letter, please seek professional advice or contact the Company Secretary of the Company on +61 (0)8 9284 4249</p>

Yours faithfully

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**Stephen Birkbeck**  
**Chairman**