



**ATLAS SOUTH SEA PEARL LIMITED**  
**A.B.N. 32 009 220 053**

**NOTICE OF ANNUAL GENERAL MEETING  
and EXPLANATORY STATEMENT**

THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.

If you are unable to attend the Annual General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

Notice is hereby given that the Annual General Meeting of members of Atlas South Sea Pearl Limited ("the Company") will be held at **128 Hay Street, Subiaco, Western Australia on Monday 18 May 2009 at 9:00 am.**

**ORDINARY BUSINESS**

**1. Financial Reports**

To receive and consider the financial statements and the reports of the Directors and auditors for the year ended 31 December 2008 (no resolution required).

To consider and, if thought fit, to pass the following resolutions:

**2. To re-elect Mr Stephen Paul Birkbeck as a Director (Ordinary Resolution):**

"That in accordance with regulation 3.6 of the Company's Constitution, Mr Stephen Paul Birkbeck retires and, being eligible, offers himself for re-election."

**3. To elect Mr Richard Wright as a Director having been appointed since that last Annual General Meeting of members (Ordinary Resolution):**

"That in accordance with regulation 3.3(a) of the Company's Constitution, Mr Richard Allen Wright retires as a director having been appointed by the Board since the last annual general meeting and, being eligible, offers himself for election."

**SPECIAL BUSINESS**

**4. To approve the issue of shares to the Managing Director (Ordinary Resolution):**

"In accordance with ASX Listing Rule 10.11, the Company seeks approval from shareholders for the issue of 625,000 ordinary shares to the in-coming Managing Director, Mr Richard Wright, at a price of eight (8) cents per share as part of his executive remuneration."

**Voting Exclusion Statement –**

The Company will disregard any votes cast on Resolution 4 by Mr Richard Wright and by any of his associates. 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 to vote on the proxy form; or
- (b) it is cast by the person chairing 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.

## REMUNERATION REPORT

### 5. Remuneration Report (Advisory Resolution):

"In accordance with Section 250R(2) of the Corporations Act 2001, the Directors seek approval of the Remuneration Report for the current financial year relating to Directors and nominated executive employees as contained within the Annual Report."

The shareholders will be given the opportunity to transact any other business, which may be brought forward in conformity with the Company's Constitution.

### BY ORDER OF THE BOARD



**S.C.B. Adams**  
**Company Secretary**

17 April 2009  
Perth, Western Australia

For the purpose of Regulation 7.11.37 of the *Corporations Act 2001*, the Directors have specified 9.00 am on 16 May 2009 as the time and date on which the identity of those who are entitled to attend and vote at the meeting will be determined.

A member entitled to attend and vote at a meeting of the shareholders of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise half the votes. A proxy need not be a member of the Company.

## **EXPLANATORY STATEMENT**

### **Resolution 2 – Re-election of director**

Resolution 2 seeks shareholder approval for the re-election of Mr Stephen Birkbeck as a Director of the Company. In accordance with Listing Rule 14.4 and regulation 3.6 of the Company's Constitution, one-third of the Directors shall retire from office at every Annual General Meeting of the Company and that such director is eligible for re-election at that meeting.

Mr Birkbeck (a director since 15 April 2005) will seek re-election as a director of the Company. Mr Birkbeck's qualifications and experience are provided on page 5 of the Company's 2008 annual report. If approved by Shareholders, the appointment of Mr Birkbeck will take effect immediately following the end of the Annual General Meeting.

### **Resolution 3 – Election of director**

Regulation 3.3 of the Company's Constitution requires that any Director who is appointed by the Board to fill a casual vacancy or as an additional Director since the previous Annual General Meeting, must retire at the next Annual General Meeting following his or her appointment, but is then eligible for re-election at that meeting.

Mr Wright, who was appointed to the Board on 10 March 2009, seeks election as a Director of the Company. Mr Wright's qualifications and experience are provided on page 5 of the Company's 2008 annual report. If approved by Shareholders, the appointment of Mr Wright will take effect immediately following the end of the Annual General Meeting.

### **Resolution 4 – Issue of ordinary shares to Mr Richard Wright as part of remuneration package**

The Board has seen fit to provide a remuneration package to Mr Richard Wright which, subject to shareholder approval, will include the issue of 625,000 fully paid ordinary shares at an issue price of A\$0.08 per share. The shares issued will be fully paid ordinary shares in the capital of the Company and they will rank equally with the Company's existing shares on issue. Mr Wright will assume the role of Managing Director in June 2009 and a total remuneration package of \$240,000 has been approved by the Board for this position. It has been agreed that subject to shareholder approval, \$50,000 of this remuneration will be paid through the issue of shares as above. The payment of part of Mr Wright's executive package as shares has been recommended as a means of preserving cash and also as a way of aligning the shareholders' objectives of maximising returns with that of the CEO. The Board believes that this remuneration package is reasonable given the responsibilities involved in this role and is in line with current market rates for this position.

In accordance with Listing Rule 10.13, the following information is provided to shareholders to determine how they will vote on this matter:

1. 625,000 shares will be issued to Mr Richard Wright in his capacity as Managing Director;
2. The number of shares that will be issued will be 625,000 ordinary shares;
3. The shares will be issued within one month of the date of the Annual General Meeting (by 18 June 2009);
4. 625,000 of the proposed shares will be issued to Mr Richard Wright who is currently a Director of the Company;
5. The shares will be issued at a price of A\$0.08 per share and the shares issued will rank equally with Company's existing shares on issue. There will be no terms of issue placed on these shares as they are intended to be issued in lieu of cash payments that would be payable within the next twelve months;
6. The Company will disregard any votes on resolution 4 by Mr Richard Wright and any associates of his;
7. The shares are being issued as compensation in lieu of a cash payment to Mr Wright. The issue of these shares represents a saving of working capital that is available to the Company.

### **Resolution 5 – Remuneration Report**

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration report be adopted must be put to the vote. Resolution 5 seeks this approval.

However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 5 is an “advisory only” resolution which does not bind the Directors of the Company.

Following consideration of the remuneration report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the remuneration report.

The remuneration report is set out on pages 11 to 17 of the Company’s 2008 annual report. The remuneration report:

1. explains the Board’s policies in relation to the nature and level of remuneration paid to Directors and senior managers within the Atlas South Sea Pearl Group;
2. sets out the remuneration details of each Director and for each member of Atlas South Sea Pearl’s senior executive management team.

Please note that a copy of the Company’s annual report is available by contacting the Company Secretary by telephone on +61 (0)8 9380 9444 or by facsimile on +61 (0)8 9380 9970 or from its web site at [www.atlassouthseapearl.com.au](http://www.atlassouthseapearl.com.au).