



ABN 80 000 213 742
Level 2 16 Allons Street
West Perth, WA, 6005
PO Box 902
West Perth, WA, 6872
T +61 8 9482 0500
F +61 8 9482 0505
E info@atlanticlimited.com.au
www.atlanticlimited.com.au

21 December 2009

ATLANTIC SIGNS MOU FOR WORLD CLASS INTEGRATED BAUXITE MINE AND INFRASTRUCTURE PROJECT

Highlights

- *Atlantic and Vietnam state-owned T-MV sign memorandum of understanding to work together to develop major new bauxite project in Vietnam*
- *T-MV and Atlantic to develop an integrated 25mtpa bauxite mine, rail and port project*
- *Downstream processing opportunities will also be pursued*
- *Parties aim to access up to 1.5 billion metric tonnes of bauxite from world class Lam Dong and Dak Nong bauxite provinces*
- *Under the MOU, T-MV appoints Atlantic as its exclusive partner for the project*

Atlantic Limited (ASX: ATI; **Atlantic**) is pleased to announce it has signed a memorandum of understanding (**MOU**) with Vietnam state-owned enterprise Vietnam Natural Resources and Environment Corporation (**T-MV**) for the development of an integrated 25 million tonnes per annum bauxite mine and associated rail and port infrastructure project in Vietnam (**Project**).

The parties have also agreed to undertake the downstream processing of bauxite in Vietnam, including alumina refining and aluminium smelting opportunities, on completion of a positive feasibility study.

T-MV is a recently-created state-owned corporation that operates directly under the Vietnam Ministry of Natural Resources and Environment.

Under the terms of the MOU executed in Hanoi, T-MV appoints Atlantic as its exclusive partner for the Project and agrees to jointly apply for the rights to mutually agreed and available bauxite concessions in the world class bauxite areas within the Lam Dong and Dak Nong provinces, with the aim of achieving economic in-situ reserves of at least 1.5 billion metric tonnes grading not less than 45% Al.

T-MV will also assist with the relevant government approvals for the Project in Vietnam.

For its part, Atlantic agrees to undertake the exploration of the bauxite areas, provide the funding for the Project feasibility study and procure finance for the Project. The joint venture interests of T-MV and Atlantic will reflect the contributions of the parties.

Atlantic Managing Director Michael Minosora said the MOU with T-MV represented a major step forward for the development of the full potential of Vietnam's bauxite resources through the development of strategic new infrastructure in the country.

"We are especially pleased to have signed an MOU with T-MV of this scale and reach," Mr Minosora said.

"The Vietnam Government recognises the development of Vietnam's natural resources as an issue of national significance and T-MV, a company belonging to the Ministry of Natural Resources and Environment, has been entrusted to deliver on this objective."

"We see this as a project that will deliver major benefits for Vietnam, and especially the people of Lam Dong and Dak Nong provinces, by facilitating the construction of new rail infrastructure servicing the Central Highlands region."

"The Central Highlands is an environmentally-sensitive region and the new venture is committed to delivering world class construction and bauxite mining and rehabilitation practices. Atlantic has already engaged with a number of leading consulting firms to ensure this is achieved."

T-MV and Atlantic intend to proceed with the Project on signing of the definitive joint venture agreements and the receipt of necessary approvals from the Vietnam Government.

The Project feasibility study will include the development of a new rail line from Lam Dong and Dak Nong provinces to port facilities on the coast of Vietnam. This strategic new infrastructure will be developed on open access principles.

"This is an enormous step forward for Atlantic and we are delighted to have reached agreement with a progressive group," Mr Minosora said.

"This is a project of national significance and with T-MV we have put in place a platform that will deliver substantial benefits to all stakeholders."

"Atlantic looks forward to a long and successful partnership with T-MV and the Vietnam Government."

The parties will now move to finalise a definitive joint venture agreement to underpin the development of the Project, with the agreement expected to be executed in the first half of 2010.

It is premature to provide estimates of the costs of the development of the Project. This will be determined in the feasibility study.

Atlantic believes this is a strong business opportunity given Vietnam's competitive advantages in the bauxite market including the high quality gibbsite ore typically found in the Central Highlands region and the proximity of the Project to major world demand centres.

Preliminary positive discussions have already been held with a number of potential major off-take partners.

Further information on the Project is attached.

-ends-

Contact:

Michael Minosora
Managing Director
Atlantic Limited
+ 61 8 6311 4614

John McGlue
FD Thrd Person
+ 61 8 9386 1233

About T-MV

T-MV is a recently-created state-owned corporation that operates directly under the Vietnam Ministry of Natural Resources and Environment.

T-MV conducts business in natural resources and the environment, including the production and exploitation of natural resources and minerals.

About Atlantic

Atlantic is committed to building a diversified portfolio of world class resources assets that will provide superior returns to shareholders.

Atlantic seeks to bring fresh thinking to the identification, acquisition and development of low cost, long life and near production resource assets and applies a highly disciplined, innovative and opportunistic approach.

Background

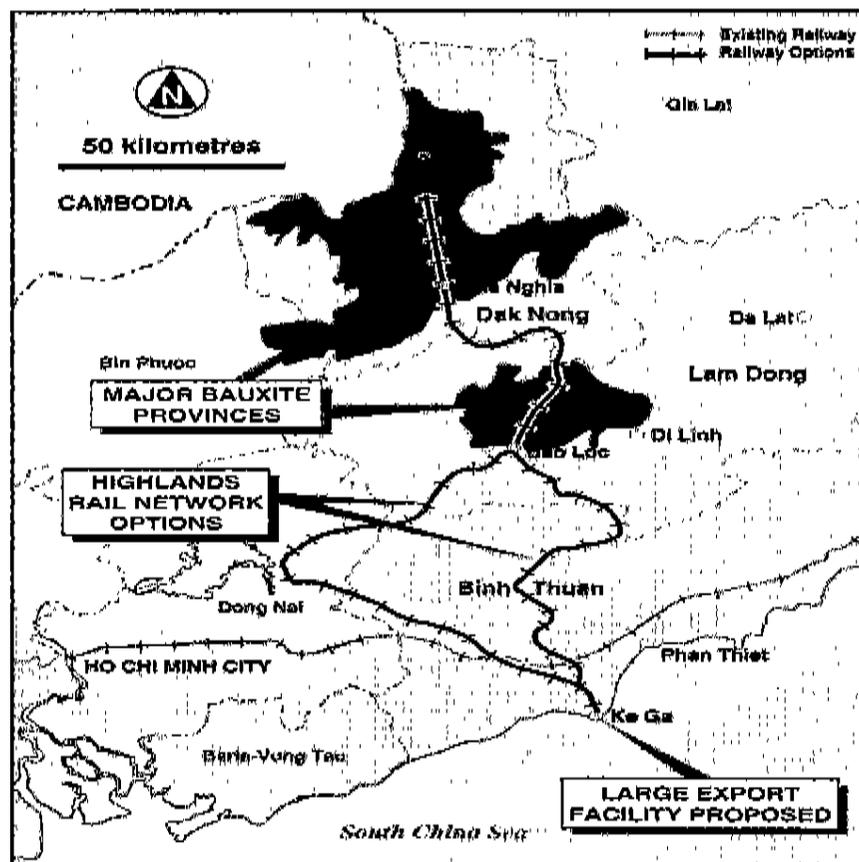
Recent exploration activity in Vietnam indicates the potential for world class bauxite developments in Lam Dong and Dak Nong provinces in the Central Highlands region of Vietnam.

Some of the world's largest and most successful aluminium companies have shown interest in mining bauxite in the region, however an absence of key infrastructure to support bauxite mining and processing in the Central Highlands has to date curtailed development.

The Project

The MOU reflects the intention of the partners to develop a rail and port Infrastructure project in Vietnam supported by a world class integrated 25 million tonnes per annum bauxite mining operation. Downstream processing opportunities will also be pursued.

The map below depicts the location of the known bauxite provinces in the Central Highlands region and the possible routes for the new rail network running approximately 220 kilometres from Dak Nong province through Lam Dong to the ports on the coast of Vietnam such as Ke Ga.



Under the terms of the MOU, T-MV appoints Atlantic as its exclusive partner for the Project and agrees to jointly apply for the rights to mutually agreed and available bauxite concessions in Lam Dong and Dak Nong provinces with the aim of achieving economic in-situ reserves of at least 1.5 billion metric tonnes grading not less than 45% Al.

T-MV will also work with Atlantic to seek governmental approvals for the Project with a view to ensuring the most efficient and timely development.

The Vietnam Government is also looking to support the existing alumina refineries under construction in the Central Highlands and facilitate the development of downstream processing of bauxite in Vietnam.

As part of the Project, T-MV and Atlantic will, subject to a positive feasibility study, undertake the downstream processing of bauxite including alumina refining and aluminium smelting in Vietnam.

Key Benefits

The development of Vietnam's bauxite and related infrastructure is a nation-building project that will provide major economic and social benefits for Vietnam and local communities.

The key benefits include:

- Strategic new infrastructure for Vietnam and the Central Highlands region.
- Creates the platform for Vietnam to become one of the world's leading bauxite, alumina and aluminium producing countries.
- Facilitates the downstream processing of bauxite in Vietnam in an environmentally responsible and sustainable manner.
- Assists the establishment of a range of new industries in the Central Highlands region.
- Through the adoption of world class bauxite mining and rehabilitation practices, sets the standard for the development of Vietnam's other resources.
- Significant direct foreign investment.
- Additional substantial export revenue.
- Associated economic benefits including expanded tax revenues.
- Extensive employment and training opportunities for Vietnam nationals.