

21 January 2011

## MAJOR SALES AGREEMENT SIGNED FOR WINDIMURRA VANADIUM PRODUCTION

### *Highlights*

- *Long-term sales agreement signed for 100% of Windimurra's vanadium production*
- *Price protection under a collar mechanism*

Atlantic Ltd (ASX: ATI, **Atlantic**) is pleased to announce the execution of a major sales and marketing agreement (**Agreement**) between its wholly-owned subsidiary Midwest Vanadium Pty Ltd (**MVPL**), Wengfu (Group) Co Ltd (**Wengfu**) and Element Commodities Ltd (**Element**) for the sale of 100% of the ferrovandium production from the Windimurra vanadium project (**Windimurra**) in Western Australia.

Wengfu is a major Chinese state-owned mining and chemical manufacturing group and a leading international player in the phosphate and fertiliser sector.

Element is a specialist Hong Kong-based global supply chain and commodities trading firm. Financially backed by Wengfu, Element manages the global flow of raw materials with significant expertise in marketing vanadium.

Under the Agreement, Wengfu will purchase 100% of MVPL's annual ferrovandium production at prevailing market prices, subject to an agreed minimum and maximum sales price (a collar mechanism) for up to a maximum of 65% of MVPL's annual vanadium production.

Element will market the ferrovandium production from Windimurra purchased by Wengfu from MVPL to end customers at an attractive commission.

The pre-agreed minimum sales price under the Agreement is significantly higher than MVPL's expected long-term cash cost of production and the pre-agreed maximum sales price is set at a substantial premium to current market prices. Based on independent market analysis and forecast long-term exchange rates, Windimurra's long-term cash costs net of by-product credit are expected to be the lowest in the global vanadium industry.

Atlantic Managing Director Michael Minosora said Atlantic was delighted to be working with the Wengfu and Element commodities trading group.

"This agreement represents an exceptional price protection and marketing solution for Windimurra," Mr Minosora said.

“The collar price mechanism exemplifies the innovative approach we are taking to maximise the value of Windimurra.”

“This sales and marketing agreement secures a strong customer for all of Windimurra’s ferrovanadium production and underwrites the long-term viability of the project, thereby enhancing its financial attractiveness.”

“We look forward to developing a strong, long-term relationship with both Wengfu and Element.”

Wengfu Intertrade Managing Director Liu Zhongjin said Wengfu was pleased to have secured a major vanadium supply deal as part of Wengfu and Element’s growth plans for its commodity trading activities.

“We are delighted to be working with a growing resources company like Atlantic on an advanced, long-life and world class project such as Windimurra”.

“Wengfu believes the vanadium market outlook is strong and that the Windimurra project is well positioned to supply the growing demand for vanadium from the traditional steel market, the titanium alloy market and new emerging markets for vanadium.”

Production at Windimurra is expected to commence in the third quarter of 2011 with a nameplate capacity of 5,700 tonnes per annum of contained vanadium. Based on independent market analysis and forecast long-term exchange rates, steady state production from Windimurra is expected to be in the lowest quartile of the global vanadium industry cost curve.

Windimurra is one of the largest proven vanadium reserves in the world.

The term of the Agreement is five years and also provides for the prepayment of cargo not acquired by Wengfu under the collar mechanism at the port of departure at US dollar 3-month LIBOR plus a small margin, significantly reducing MVPL’s working capital requirements.

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**About Atlantic Ltd**

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

Atlantic combines its strong financing capability with a highly disciplined and innovative approach to acquire resources projects that are low cost, long life and near production.

Additional information on Atlantic can be found at [www.atlantictld.com.au](http://www.atlantictld.com.au).

**About Wengfu Group Ltd**

The Wengfu Group is a Chinese state-owned enterprise and a leading player in the phosphate rock and fertiliser business. Located in Guizhou Province, Wengfu is one of China's largest exporters of ammonium phosphate fertilisers and phosphate chemicals and a significant importer of sulphur and sulphuric acid. Through its Singapore subsidiary, Graceland Industry Pte Ltd, Wengfu is expanding its involvement in the resources and energy sector based on growing demand for raw materials from steel and power enterprises in China.

Wengfu is expanding its presence in the global fertiliser production via technology transfer and has recently completed an EPC project at Ma'aden in Saudi Arabia for the largest phosphate rock beneficiation plant ever built.

**About Element Commodities Ltd**

Element Commodities Ltd is a global supply chain manager of natural resources. Headquartered in Hong Kong, Element operates regional offices on five continents to manage the global flow of raw materials for steel and other commodities.

Financially backed by Wengfu, Element manages the global flow of raw materials on behalf of clients and is a leading player in the global ferro-alloys market with significant expertise in marketing vanadium.