

13 March 2012

MOODY'S RATING REVIEW

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) advises that the attached rating review was announced by Moody's Investor Service today for Atlantic's wholly owned subsidiary, Midwest Vanadium Pty Ltd, with a change from B3 to Caa1 and a negative outlook.

The Company notes that Standard and Poor's Ratings Services last week confirmed the B- long-term rating of Midwest Vanadium Pty Ltd and placed its outlook on negative from stable.

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About Atlantic

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.

Atlantic subsidiary Midwest Vanadium Pty Ltd owns 100% of the Windimurra vanadium project, located approximately 600 kilometres north of Perth in Western Australia. Windimurra hosts one of the largest proven vanadium reserves in the world.

Additional information on Atlantic can be found at www.atlantictld.com.au.

Rating Action: Moody's downgrades MVPL to Caa1 from B3; Outlook negative

Global Credit Research - 13 Mar 2012

Approximately \$335 Million of debt securities affected.

Sydney, March 13, 2012 -- Moody's Investors Service has today downgraded the corporate family and senior secured ratings of Midwest Vanadium Pty Ltd (MVPL) to Caa1 from B3. The outlook is negative.

RATINGS RATIONALE

"The ratings downgrade reflects material concerns with regard to MVPL's capacity to maintain sufficient liquidity to fund full ramp up of operations and incremental capex associated with plant modifications", says Matthew Moore, a Moody's Assistant Vice President -- Analyst.

"A combination of slower than expected ramp-up of ferrovanadium production and an inability, to date, to sell its iron fines stockpile have led to delays in expected cash flow generation, which combined with the company's currently weak liquidity position has placed substantial negative pressure on its ratings", says Moore.

While the company began producing ferrovanadium in January 2012, ramp up continues to be impacted by issues with the crushing, milling and beneficiation (CMB) circuit of the plant. This has further delayed expected revenues and cash flow and will require additional capital expenditures to reduce the presence of clay fines in the grinding circuit. Expected cash flows have also been negatively impacted by the lack of iron ore fines sales which were forecast to provide incremental revenue and cash flow to further support the project.

In March 2012, MVPL's parent company, Atlantic Limited (Atlantic, unrated), announced that it had signed agreements for a \$41.7 million funding package to provide liquidity support during the ramp up and to fund the plant modifications at the project. This is in addition to a \$25 million share placement completed over the last several months to help mitigate the lack of iron ore fines contribution at the project. The \$41.7 million funding package includes the issuance of \$30 million in senior unsecured convertible notes and an additional \$11.7 million of equity issuance, which will require shareholder approval. Atlantic also announced a share purchase plan, which depending on the uptake could raise up to an additional \$10 million to help support liquidity at MVPL.

"While these actions will improve the company's very weak liquidity profile and assist to support the ramp up while operations seek to become break even, there is very little cushion for any further delays, cost increases or unforeseen issues", says Moore.

If the modifications are completed on schedule and are successful in rectifying the performance issues in the CMB circuit, the company expects to meet its accelerated ramp up to 65% of total production capacity of 6,300 tonnes of contained vanadium by June 2012. We would expect the company's operations could begin to breakeven at this production level.

However, the negative outlook reflects the expectation that if there are any significant delays in reaching the target production levels, the company could quickly use up its thin liquidity cushion and be reliant on further external funding sources to maintain adequate cash and to support its ongoing viability.

The rating could face further negative pressure if the plant modifications are not successful or completed on time and on budget, the operations do not become break even by at latest, the September 2012 quarter, or there are any issues in securing shareholder approval for the equity component of the current proposed funding package.

The outlook could be changed to stable if the company completes the upgrades on time and on budget and begins to operate at break even levels of production. The outlook could also be stabilized if the company begins to generate cash flow from its iron ore fines such that liquidity improves to more comfortable levels than currently expected and with adequate liquidity cushion to manage its operating challenges.

The principal methodology used in rating Midwest Vanadium Pty Ltd was the Global Mining Industry Methodology published in May 2009. Please see the Credit Policy page on <http://www.moodys.com> for a copy of this methodology.

Midwest Vanadium Pty Ltd (MVPL) a 100% owned subsidiary of Atlantic Ltd (Atlantic), an Australian publicly listed company. The company has completed the redevelopment of the Windimurra vanadium mine, located approximately 400km east of Geraldton in central Western Australia. MVPL holds tenements covering a 27 kilometer strike length. The project is expected to

produce 6,800 tonnes of contained vanadium and has an expected mine life of 28 years.

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