

28 May 2013

## STANDARD & POOR'S RATING REVIEW

Atlantic Ltd (ASX: ATI) (**Atlantic**) advises that the attached rating review was announced by Standard & Poor's Ratings Services yesterday for Atlantic's wholly-owned subsidiary Midwest Vanadium Pty Ltd (**MVPL**).

Standard & Poor's affirmed MVPL's CCC rating and removed the rating from CreditWatch.

-ends-

For further details please contact:

**Michael Minosora**  
Managing Director  
Atlantic Ltd  
Ph: + 61 8 6141 7100

**Glen Zurcher**  
Investor Relations  
Atlantic Ltd  
Ph: +61 8 6141 7215

### 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.atlantictd.com.au](http://www.atlantictd.com.au).

---

## **Midwest Vanadium 'CCC' Corporate And Senior Notes Ratings Affirmed And Removed From Watch Negative; Outlook Developing**

MELBOURNE (Standard & Poor's) May 27, 2013--Standard & Poor's Ratings Services said today that it had affirmed its 'CCC' corporate credit and senior issue ratings on Australian mining company Midwest Vanadium Pty Ltd. (MVPL). The recovery rating on the senior issue is '4'. At the same time, we removed all ratings from CreditWatch, where they were placed with negative implications on Feb. 21, 2013. The rating outlook is developing.

"We affirmed the ratings and removed them from CreditWatch negative because MVPL had remedied the technical breach of its indenture covenant and received external funding to improve its previously weak liquidity," said Standard & Poor's credit analyst May Zhong said.

MVPL has received consent from senior secured noteholders to waive the minimum holding requirement in the interest reserve account until Nov. 15, 2013. At the same time, its parent Atlantic Ltd. has executed and fully drawn a new, senior unsecured, short-term funding facility of about A\$28.5 million from its largest shareholder Droxford International Ltd. In addition, MVPL is expected to receive a research and development reimbursement claim from the Australian Taxation Office (ATO) of about A\$25 million in the next six months. These initiatives, in our view, provide timely relief to the company's liquidity pressure, and should be sufficient to fund the ongoing ramp-up of the Windimurra project until around third-quarter calendar 2013.

We believe a successful ramp-up of the project would sustainably improve MVPL's liquidity position and enable the company to fulfill its debt obligations in the next 12 months. We expect the project to achieve about 70% production ramp-up by August 2013 and should begin to generate surplus cash from operations in the third quarter of calendar year 2013.

Ms. Zhong added: "The developing outlook reflects the uncertainty regarding MVPL's liquidity position in the next 12 months. It is not certain whether MVPL will generate sufficient cash flows as the recent modification works on the beneficiation circuit have yet to prove that the circuit will perform as expected. External funding will be required again if there is further delay in ramping up the Windimurra plant."

We would consider a higher rating if the processing plant is fully operating and the company's operating cash flow is neutral, leading to a sustainable liquidity position.

The rating could be lowered if the company's liquidity deteriorates from current levels such that its ability to pay the next 12-month's interest payment is impaired. This scenario could occur if there are further delays in project ramp-up and the company fails to source external funding to alleviate liquidity pressure.

### **RELATED CRITERIA AND RESEARCH**

- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
  - Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
  - Methodology: Business Risk/Financial Risk Matrix Expanded, Sept. 18, 2012
  - Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
  - Criteria Guidelines For Recovery Ratings On Global Industrial Issuers' Speculative-Grade Debt, Aug. 10, 2009
  - 2008 Corporate Criteria: Analytical Methodology, April 15, 2008
  - 2008 Corporate Criteria: Ratios And Adjustments, April 15, 2008
  - 2008 Corporate Criteria: Rating Each Issue, April 15, 2008
-

---

**Media Contact:**

Richard Noonan, Melbourne (61) 3-9631-2152, [richard.noonan@standardandpoors.com](mailto:richard.noonan@standardandpoors.com)

**Analytical Contacts:**

May Zhong, Melbourne, [may.zhong@standardandpoors.com](mailto:may.zhong@standardandpoors.com)

Thomas Jacquot, Sydney, [thomas.jacquot@standardandpoors.com](mailto:thomas.jacquot@standardandpoors.com)

---

Standard & Poor's Ratings Services, part of McGraw Hill Financial (NYSE:MHP), is the world's leading provider of independent credit risk research and benchmarks. We publish more than a million credit ratings on debt issued by sovereign, municipal, corporate and financial sector entities. With over 1,400 credit analysts in 23 countries, and more than 150 years' experience of assessing credit risk, we offer a unique combination of global coverage and local insight. Our research and opinions about relative credit risk provide market participants with information and independent benchmarks that help to support the growth of transparent, liquid debt markets worldwide.

---

**McGRAW-HILL**

Copyright © 2013 by Standard & Poor's Financial Services LLC S&P. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

Australia – Standard & Poor's (Australia) Pty. Ltd. holds Australian financial services licence number 337565 under the Corporations Act 2001. Standard & Poor's credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

STANDARD & POOR'S, S&P, GLOBAL CREDIT PORTAL and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

If you do not wish to receive any more promotional e-mails from Standard & Poor's, please email [privacy.ratings@standardandpoors.com](mailto:privacy.ratings@standardandpoors.com)