



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020

www.asx.com.au

18 February 2013

Warwick Painter
Partner
DLA Piper Australia
201 Elizabeth Street
Sydney NSW 2000

By email: warwick.painter@dlapiper.com

Dear Warwick

Atlantic Limited (the “Company”)

I refer to the Company’s application dated 10 October 2012 for a waiver from listing rule 6.18. Set out below is the final decision of ASX Limited.

DECISION

1. Based solely on the information provided, ASX Limited (“ASX”) grants Atlantic Limited (the “Company”) a waiver from listing rule 6.18 to the extent necessary to permit Droxford International Limited (“Droxford”) to maintain its percentage interest in the issued share capital of the Company (the “Top-up Right”), in respect of a diluting event which occurs or is announced following entry into the Class A Convertible Bond Deed dated 2 March 2012 as amended on 3 August 2012, and the Class B Convertible Bond Deed dated 3 August 2012 between the Company and Droxford (“Convertible Bond Deeds”) (the “Convertible Bond Deeds”), by way of Droxford’s having a right to participate in any issue of equity securities, or to subscribe for equity securities subject to the following conditions.
 - 1.1 The Top-up Right lapses on the earlier of:
 - 1.1.1 the holding of Droxford in the Company falling below 5%; and
 - 1.1.2 the strategic relationship between the Company and Droxford ceasing or changing in such a way that it effectively ceases.
 - 1.2 The Top-up Right may only be transferred to an entity in the wholly owned group of Droxford.
 - 1.3 Any securities issued under the Top-up Right are offered to Droxford for consideration that is:
 - 1.3.1 no more favourable than cash consideration offered by third parties (in the case of issues of securities to third parties for cash consideration); or
 - 1.3.2 equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).

- 1.4 The number of securities that may be issued to Droxford under the Top-up Right in the case of any diluting event must not be greater than the number required in order for Droxford to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event; and, for the avoidance of doubt, not to reflect the percentage holding that Droxford would have in the voting securities of the Company on the assumption that its convertible bonds were converted.
- 1.5 The Company discloses a summary of the Top-up Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Top-up Right.
2. ASX has considered listing rule 6.18 only and makes no statement as to the Company's compliance with other listing rules.

BASIS FOR DECISION

Listing Rule 6.18

Underlying Policy

1. This rule prohibits an option over a percentage of an entity's capital and applies to any agreement that will enable an investor to achieve or maintain a fixed percentage of the capital of an entity. This relates to listed entities having an acceptable capital structure and supports other listing rules, principally listing rule 7.1.

Facts and Reasons for Granting Waiver

2. Droxford currently holds a 17.4% equity interest in the issued capital of the Company and is not currently a related party. ASX's policy permits listed entities to enter into agreements for top-up rights with shareholders with whom the entity has a strategic relationship, provided that the shareholder pays the same price as other offerees in an issue of securities. The strategic relationship must encompass more than the investor simply being a major shareholder or source of equity capital. The top up right must not be transferable, other than to wholly-owned subsidiaries of the relevant shareholder, because its existence must depend on the continuation of the strategic relationship. The nature of the relationship between the listed entity and the shareholder in this case is consistent with this policy. Droxford is also a convertible bond holder. The waiver does not extend to preserve Droxford's "fully converted interest" as defined in each of the Convertible Bond Deeds. The instrument underlying the "fully converted interest" is, in part, a redeemable convertible bond, and the Top-up Right would to that extent be being based on a deemed equity interest. If the convertible bonds were redeemed rather than converted, the bonds would not result in the bondholder holding shares. It is therefore not appropriate that the Top-up Right should, while the convertible bonds remain unconverted, protect a notional equity interest that might never come to be held by the bondholder. The waiver is granted on the basis that it enables Droxford to protect only its current equity interest from time to time.

Yours sincerely

[Sent electronically without signature]

Kerrie Papamihal
Assistant Manager, Listings (Perth)

cc: Peter Patterson
Email: ppatterson@atlanticltd.com.au