



ATLAS PACIFIC LIMITED

ACN 009 220 053

31st March 2004

The Manager
Australian Stock Exchange
2 The Esplanade
PERTH WA 6000

Dear Sir

Re: Final Results 2003 and 2004 Forecasts

The Company has today lodged its final audited financial results for the twelve-month period ending 31st December 2003.

The financial result for 2003 shows the Company earned a net after tax profit of \$1.245 million from a total revenue of \$9.637 million. This is a disappointing result in comparison to the profit for 2002 of \$3.5M on revenue of \$11.341 million. This result varies slightly from the Appendix 4E preliminary final result of \$1.105M, mainly as a result of adjustments to the final tax position for the consolidated entity.

The lower than expected result has been significantly affected by the increased costs associated with the production of the pearls that were sold in 2003 compared to prior years. This was compounded by the fact that there was a decrease in the overall market price for pearls in 2003, a decline in the quality of the pearls available for sale in 2003 (mainly from pearls harvested from oysters that were re-seeded after their first pearl was produced) and the appreciation in the Australian Dollar against the Japanese Yen (¥) which have all affected sales.

The Directors wish to inform the market of the company's future pearl production and 2004 forecasts. The information provided is subject to change and may be affected by factors which the company has limited, or in some cases no control. These factors include:

- Foreign Exchange Rate (JPY-AUD-Yen being the trading currency for pearls);
- Market Price of Pearls;
- Quality of pearls produced (a natural product which is subject to unforeseen events that can impact on the quality of the oysters and/or the final product);
- Inflation rates in Indonesia;
- Disruptions due to political events in Indonesia and other sovereign risks.

A comparison of operating and financial results for the last two financial years (2002 and 2003) compared with the forecasts for 2004 is shown below:

	2002 (Actual)	2003 (Actual)	2004 (Forecast)
Oysters nucleated (virgin only)	166,522	206,559	300,000
Total Revenue	\$11,341,448	\$9,637,393	\$8,420,000
Net Profit after tax	\$3,499,017	\$1,244,733	\$1,500,000
Shares on issue	87,810,254	87,810,254	87,810,254
Earnings per share	3.98 cents	1.42 cents	1.71 cents
Cash on hand at year end	\$6,119,808	\$4,301,918	\$2,415,000

Although the 2004 profit projection is not significantly different to the 2003 results, the cost and quality issues that have affected these results have been addressed by the company. Subject to there being no unexpected adverse changes in pearl market conditions, the longer term future looks promising. The 2003 annual report contains further information regarding operational improvements for the group.

Yours faithfully

W.F. James
Chairman