



Atomic Resources Limited

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SHAREHOLDER UPDATE FOR NGAKA COAL PROJECT

Atomic Resources Limited ("Atomic") is pleased to announce that its subsidiary Pacific Corporation East Africa (85% Atomic) has through its shareholding in local coal company Tancoal Coal Limited ("Tancoal") (70% PCEA, 30% NDC) the following project update on the Ngaka Coal Project.

MBALAWALA NORTH PROJECT – BULK SAMPLE

A bulk sample is being mined to enable a detailed assessment of the coal quality in order to establish coal supply agreements with Tanga Cement (Holcim Group – Denmark) and Mbeya Cement (La Farge Group – France), the two major cement plants in Tanzania. Both plants rely on importing coal from outside Tanzania.

The bulk sample will comprise up to 300 tonnes of coal from the Mbalawala North project. This is an important step towards the development and supply potential of the coal resource.

Extensive environmental and planning work has begun to ensure adequate information is available to achieve this objective.

The bulk sample represents a substantial milestone and a continuation of plans to develop the operation. It represents a commitment to develop the coal resources within the Ngaka Coalfields project and encourage economic development whilst also ensuring safeguards to protect the environment and in particular the local communities.

Memorandum of Understandings have been received and pending the results of the bulk sample program, both Tanga Cement and Mbeya Cement will enter into discussions for the issue of long term coal supply agreements.

MBALAWALA AND MBUYURA MKAPA PROJECT - DRILLING

The drilling continues within the Mbalawala project whilst the drilling program at the Mbutara Mkapa project is well underway. This drilling is designed to verify and extend the existing resource potential within the Ngaka Coalfields.

Atomic announced (ASX announcement 29th September 2009) that it had increased its JORC compliant coal resources to in excess of 210 million tonnes and the Company estimates that's the successful drilling programs undertaken on the two newly acquired blocks at Ngaka have the potential to add a further 150-200 million tonnes of coal to current inventories.

A number of holes within the Mbuyura Mkapa area have already been completed, providing the desired positive verification outcome with good yield. The next phase of drill holes have been designed to intersect mineralization associated with the known coal seams within the existing resource.

REGIONAL EXPLORATION

Regional exploration activities (including survey and mapping) continue at Mhukuru, Mbamba Bay and Liweta sites.

POWER PLANT/TRANSMISSION LINE

The power plant/transmission line project has been developed to a stage where a preliminary stage gate report can be compiled and presented to the Government of Tanzania for further discussions.

The report will include details of initial negotiations with a joint venture developer to build a power plant and transmission line.

The report is expected to be completed by early December 2009.

LOGISTICS PROGRAM

A number of logistical transportation models have been developed utilising the current port, road and rail system in the region.

The models have included system alternatives for port and rail traffic forecasts, strategic plans and operational analysis.

Ray Bailey – LLB ME MIE(Aust) CPEng ADRs
Atomic Resources Limited – General Manager

The information in the report that relates to Exploration Results, Mineral Resources or Ore Reserves was compiled by Mr D. J. Holden, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. Mr Holden has sufficient experience, as to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Holden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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For further information contact:

Shareholder Enquiries

Alastair Walker/Mike Robbins

Atomic Resources Group

Tel: (08) 9322 2033

www.atomicsresources.com.au

Media Enquiries

Tony Dawe

Dawe Media Group

Tel: 041 3322 110

tony.dawe@bigpond.com