

10 December 2007

Julia Kagan  
Senior Adviser, Issuers  
ASX Limited  
Level 45  
South Tower Rialto  
525 Collins Street  
Melbourne Victoria 3000

Dear Ms Kagan

Re: Price Query

I refer to your letter dated 7 December 2007 noting a change in the price of the Company's securities from \$0.785 at previous close to a high of \$0.92 on 7 December 2007.

In response to your queries:

1. Atlas advised the market on 26 September 2007 and on 20 November 2007 that it continued to have discussions with a number of parties who have expressed an interest in acquiring the Company. While these parties have advanced in their investigations, at this stage the Board has not received a sufficiently definite proposal which it believes could be considered by shareholders or recommended by the Board.
2. See 1 above.
3. Consistent with statements made by the Company to the market on 20 November 2007 the Company continues to experience a difficult first half with margins and revenue significantly impacted by market conditions and restructuring costs such that there is likely to be a normalised EBIT loss of approximately \$1.5m in the first half. An improvement is expected in the second half over H2 of FY07.
4. The Company advised the market on 20 November 2007 that it had implemented a cost reduction program. The program includes reducing overall head count as well as the sale of under-utilized assets. Net one-off costs of approximately \$1.5m are expected in the first half.

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*The Atlas Group is Australasia's leading distributor of specialty metals with a growing presence in Asia-Pacific. Its Australian Bisalloy operation is the only local producer of wear resistant, structural and armour plate, supplying the resources, transport, construction and defence sectors.*

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**Atlas Group Holdings Limited**  
www.atlasgroup.com.au

5. See 1 above.
6. The Company confirms that it continues to comply with Listing Rule 3.1.

Regards

A handwritten signature in black ink, appearing to read 'David Cleland', written over a light blue rectangular background.

**David Cleland**  
Company Secretary

**Competency, Consistency and Growth**



7 December 2007

Mr David Cleland  
Atlas Group Holdings Limited  
Brooklyn, Vic 3012

By e-mail only

Dear David

ASX Limited  
ABN 98 008 624 691  
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525 Collins Street  
Melbourne VIC 3000  
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**Atlas Group Holdings Limited (the "Company") - Price Query**

We have noted a change in the price of the Company's securities from \$0.785 at the close of trading yesterday 6 December 2007 to a high of \$0.92 today. We have also noted an increase in the volume of securities traded today.

In light of the price change and volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the net operating result attributable to members so that the figure for the half year ending 31 December 2007 would vary materially from previous guidance provided to the market (if any) or from the previous corresponding period? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2007? If so, please provide details
5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return email. It should not be sent to the Company Announcements Office.

Australian Securities Exchange

Australian Stock Exchange  
Sydney Futures Exchange

Australian Clearing House  
SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
Aspac

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and in any event not later than half an hour before the start of trading (ie before 9.30 a.m. EDST) on Monday 10 December 2007.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

*[Sent electronically, without signature]*

Julia Kagan  
Senior Adviser, Issuers