

22 May 2015

ATLAS SUBSIDIARY SALE TERM SHEET WITHDRAWAL

Atlas Pearls and Perfumes Ltd (ASX: ATP) ("Atlas") advises that following the Company's previous ASX announcement of 17 April 2015 "Atlas Sells Subsidiary Company", Atlas and its now 50% owned subsidiary Essential Oils of Tasmania Pty Ltd ("EOT") have received a notification from Capital Mining Limited (ASX: CMY) of their decision not to proceed with the transaction as described in the term sheet for the sale and purchase of 100% of the share capital of Cannabidoid Extracts Australia Pty Limited ("CEA") in accordance with the terms of the agreement.

CEA is a wholly owned subsidiary of EOT. Atlas' ownership of EOT has reduced to 50% as a result of a successful strategic investment into EOT with the objective to open new markets and opportunities for EOT as detailed in the ASX announcement of 21 April 2015.

EOT and CEA have applied for licenses from both the Tasmanian and Federal governments to grow, manufacture and process Industrial Hemp for the production of cannabidiol (CBD) and cannabidoid with significant therapeutic potential.

EOT will retain CEA as a wholly owned subsidiary and will continue to pursue the licence application.

ABOUT ATLAS PEARLS AND PERFUMES LTD

Atlas Pearls and Perfumes ("Atlas") is an Australian based pearling and perfume business established in 1992. Atlas has earned an enviable reputation as a world leading pearl producer of "nature's most precious gift", the South Sea pearl, specialising in highly sought after white and silver pearls. Atlas operates pearl farms spread across the Indonesian archipelago, including Bali, Flores, and West Papua. Atlas is a fully integrated pearling business. The Company has its own high quality grading and loose pearl distribution business, a jewellery manufacturing capability and sells direct to customers through wholesale partners and via its retail outlets. In 2012, the Company expanded its operations into perfumes and is currently developing a range of propriety products which include pearl powder (cosmetics and nutraceuticals), pearl proteins (cosmetics), pearl volatiles and boronia (perfumes) for supply into the global luxury supply chain.

For more information please visit: www.atlaspearlsandperfumes.com.au

For further information please contact:

Claudia Bertorello-Kell, Communications Manager

Atlas Pearls and Perfumes Pty Ltd

T: (08) 9284 4249

M: 0433 114455

E: claudia@claudiabpromotions.com