



5 May 2010

ATLAS TO SHIP ADDITIONAL TONNES THROUGH PORT HEDLAND PORT AHEAD OF UTAH START-UP

Atlas Iron (ASX:AGO) is pleased to announce that the Port Hedland Port Authority has granted it permission to make additional shipments between June and September 2010 via Berth 1, enabling the Company to boost its sales at a time of strong iron ore prices.

Atlas will export up to one shipment per month in panamax vessels, each containing in the order of 60,000 tonnes, during this period. The combined tonnage available to Atlas in the next four months is expected to be in the order of 180,000 to 240,000 tonnes starting in June 2010.

These shipments will take place while Atlas accumulates a substantial ore stockpile for the new Utah Point port facility at Port Hedland as we work to start exports from Utah later in the year.

Atlas Managing Director David Flanagan said that even after allowing for the modest additional costs of using smaller ships, the Company expects to generate strong operating cashflows.

"With the current high iron ore prices, every tonne we can get into the market will capture current high prices and make a big difference to our bottom line," Mr Flanagan said.

"We would like to acknowledge the assistance of the Port Hedland Port Authority in achieving this short term measure as we work toward putting first ore on ships through the new 17Mtpa Utah port facility".

Following its recently announced capital raising and Wodgina mine startup, Atlas has started building a significant ore stockpile in Port Hedland in the lead-up to exports from the Utah Point port facility. The stockpile will allow Atlas to maximise iron ore shipments of iron ore in what is anticipated to be a period of very strong iron ore prices.

The ongoing shipments through Berth 1 are subject to, complying with PHPA's normal EPA operating requirements and conditions, performance of its first trial shipment in June ongoing berth capacity and compliance with berthing protocols,

In addition to the exports via Berth 1, Atlas is continuing to seek clarification as to the extent and duration of the previously notified capacity constraints at the FMG Anderson Point facility. Atlas will take advantage of additional exports through this facility when capacity is available.

BACKGROUND ATLAS IRON LIMITED

Atlas Iron Limited is mining and exporting from its 100%-owned Pardoo Iron Ore project, located 75 kilometres by road from Port Hedland in the Pilbara region of Western Australia. Atlas shipped over 1 million tonnes of Pardoo Direct Shipping Ore (DSO) in its first year of operation. Atlas is working to further expand its production following commissioning of the Utah Point port facility expected in late Q3 2010. When combined with additional export tonnages from its Wodgina DSO Project, the Company is targeting exports at an annualised rate of 6 million tonnes by the end of 2010, growing to 12 million tonnes by 2012.

For further information please contact

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