

5 September 2007

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bridge Street
Sydney NSW 2000

Sale of Option to Purchase Interest in Kookynie Joint Venture, WA

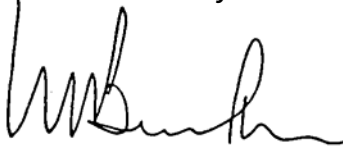
Atlantic Gold NL (ASX: ATV) is pleased to announce that it has exchanged a letter of intent with Barmenco Investments Pty Ltd and Kookynie Resources Pty Ltd ("Kookynie Partnership") for the Kookynie Partnership to acquire an option to purchase Atlantic Gold's interest in tenements M40/3, M40/8, M40/101, M40/110 and P40/989 ("Kookynie Tenements").

Under the proposed terms of the option Kookynie Partnership will pay Atlantic Gold \$50,000 on the first anniversary of signing the agreement, a further \$50,000 on the second anniversary of the agreement and \$500,000 on the earlier of a decision to mine or the third anniversary of the agreement.

A production royalty of 1.5% based on the average quarterly gold price is payable to Atlantic Gold quarterly in arrears after production of the first 5,000 ounces from the Kookynie Tenements.

In the event that Kookynie Partnership does not exercise its option to purchase Atlantic 50% interest in the Kookynie tenements then ownership will revert to Atlantic holding 50% equity and the Kookynie Partnership holding 50% equity with Atlantic being manager of the joint venture, as previously.

Yours sincerely



Wally Bucknell
Executive Director

For more information contact
Wally Bucknell Ph (612) 9929 6633