

Atlas Pacific Ltd



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south sea pearl ACN 009 220 053

SHAREHOLDER UPDATE No. 35 June, 2007



Models Angie & Ratin

Dear Shareholder,

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Welcome to our first update for 2007, a year which is already proving to be an exciting one for the Company with our share price continuing to be strong and an interim dividend having been paid in May. Thank you to those shareholders that attended our AGM on May 10, 2007 and a reminder to all shareholders that a recording of the AGM and presentations that were delivered by the Chairman, Mr George Snow, Lead Scientist Dr Dean Jerry from James Cook University and I, is available on the Boardroom Radio website: www.brr.com.au or via the link at the Atlas South Sea Pearl website: www.atlassouthseapearl.com.au.

CORPORATE

Pearl sales so far this year are encouraging and the Company is currently on budget for revenue. The 2007 interim dividend was paid on May 28 at 2 cents per ordinary share, fully franked. An announcement on a final dividend for 2007 will be made latter in the year. The strong Australian Dollar has resulted in lower revenue on a per unit basis as our pearls are sold in Japanese Yen. The AUD has appreciated 30% against the Japanese Yen in the last three years resulting in lower AUD return from pearls sold despite the high quality of production. This is offset by an increase in production by the Company at a significantly lower unit cost compared with prior years and we expect to meet our profit forecasts for the year.

OPERATIONAL

Hatchery/Grow-out

Despite the El Niño conditions that effected Indonesia during late 2006 and early 2007, your Company managed to maintain good performance from our hatchery projects and we are confident of reaching our production targets over the next 12 months. The 2006/2007 hatchery season is finished and we are currently working on drying and cleaning the facilities in preparation for next season.

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Handwritten signature and date 6/26

