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INITIAL DRILLING OF SEITAPERÄ KIMBERLITE SHOWS “SIGNIFICANT DIAMOND CARRYING CAPACITY”

- **Massive Hypabyssal Core Surrounded By 50 metre Brecciated Zone**
 - **Overall Shape And Size Of Pipe Now Better Defined**
 - **Kimberlite Sample Collected For Micro-Diamond Analysis**
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Karelian Diamond Resources plc (Karelian) is pleased to announce that first phase drilling of the known diamondiferous Seitaperä pipe on its licences near Kuhmo, Finland, has been highly encouraging. It has shown the pipe to have a massive hypabyssal kimberlite core surrounded by a 50m-wide zone of explosively emplaced breccia comprising 30p.c.-70p.c. kimberlite.

Two angled holes totalling 172.8m were drilled over the geophysical anomaly at Seitaperä by the Geological Survey of Finland (GTK), operating under contract to Karelian.

Detailed logging of the rock types encountered, particularly those in the explosive breccia zone, shows that the original magma had a high volatile content, indicating a significant mantle diamond carrying capacity. In addition, the GTK has undertaken temperature studies on pyrope garnet indicator mineral grains, particularly those of G10 composition, which it collected from the Seitaperä area. These indicate that significant sampling of the mantle within the diamond stability field took place as the kimberlite from which the indicators are derived rose to surface.

A 10kg sample of kimberlite has been taken from the second drill hole and will be sent for micro-diamond analysis

The Seitaperä pipe has a surface area of approximately 4 hectares and was subject to very limited drilling by the previous licence holders who completed a few shallow vertical holes on the property. The angled holes now completed by Karelian have delineated the northern and southern extent of the kimberlite body in the drilled area, thus helping to define the overall shape and size of the pipe.

This was one of the three objectives of the Company’s drilling programme, the other two being to estimate the relative diamond-bearing capacity of the rock types and to obtain sufficient sample material for micro-diamond testing.

Commenting today, Karelian chairman, Professor Richard Conroy, said: “The success of the first phase of our drilling programme on the Seitaperä pipe is very encouraging. We look forward, subject to the result of the micro-diamond analysis, to further possible drilling at Seitaperä and, of course, to drilling our other diamond targets in the highly prospective Kuhmo area of Finland.”

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Further Information:

*Professor Richard Conroy, Chairman Karelian Diamond Resources plc. **Tel:** +353-1-661-8958*

*Charles Dampney, City Capital Securities Limited. **Tel:** + 353 - 20-7822-7107*

*Jeffrey Coburn/Simon Clements, John East & Partners Limited **Tel:** +44-20-7628-2200*

*Ron Marshman/John Greenhalgh, City of London PR Limited. **Tel:** +44-20-7628-5518*

*Don Hall, Corporate and Public Relations, **Tel:** +- 353-1-660- 9377*

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