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KARELIAN REPORTS FURTHER PROGRESS ON APPRAISAL OF DIAMONDIFEROUS SEITAPERÄ PIPE

- **Potential For Substantial Volumes Of Kimberlite In Multi-Phase Pipe**
 - **Pipe-Wall Rock Boundary Now Well Defined At Two Locations**
 - **Two Mineral Indicator Trains Traced To Immediate Sources In Kuhmo Area**
 - **Final-Phase Till Sampling Planned To Identify Drill-Ready Targets**
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Karelian Diamond Resources plc (**AIM: KDR**) is pleased to announce continuing progress from its diamond exploration programme near Kuhmo in Finland, including evaluation of the known diamondiferous Seitaperä kimberlite pipe where the pipe-wall rock boundaries are now well-defined at two locations.

The Company has recently completed the re-inspection and evaluation of diamond drill core from two angled holes it drilled early last year at Seitaperä, confirming the (combined) intersection of 115.5m of kimberlite to a maximum vertical depth of 74m, the limit of the drill rig used. Karelian says these drill holes demonstrate the presence of both tuffisitic kimberlite breccia (TKB) facies, and at least two events of kimberlite magma emplacement.

Commenting today, Karelian Chairman, Professor Richard Conroy said: “We are very pleased with the progress we are making at Seitaperä, particularly the identification of TKB facies which typically represents the near-surface section of a kimberlite pipe. Its presence at Seitaperä indicates the potential for substantial preservation of the underlying diatrema facies, and thus of a significant volume of kimberlite. Multiple magma emplacements significantly increase the likelihood that the kimberlite sampled a diamondiferous mantle source”.

CORES FROM HOLES COMPLETED IN 1990S TO BE RE-LOGGED

As part of its ongoing programme to evaluate the 4.2ha Seitaperä pipe, Karelian has arranged for drill core from holes completed in the 1990s and now held by the Geological Survey of Finland, to be re-logged. These results will be integrated with the Company’s own data to construct a detailed internal facies model of the pipe to assist in the proposed comprehensive sample selection for micro-diamond analysis. The outcome of this work will determine if the programme moves on to the collection of a mini-bulk sample from selected facies of the kimberlite.

The Seitaperä kimberlite pipe has been previously sampled on a very limited basis from drill holes, and returned a grade of 1.09 carats per hundred tonnes from one spot location within the pipe. Any future sampling programme will therefore be determined by micro-diamond results, and will take into account the distribution of the various facies, with the objective of being representative of the pipe as a whole.

Elsewhere in the Kuhmo area, new till sampling results have further refined two indicator mineral trains within the Company's licences. This data suggests that both trains originate within very localised areas over which Karelian also has ground magnetic survey coverage showing several concomitant anomalies. The Company is now planning a concluding programme of deep basal till sampling over these areas prior to any decision on drilling the previously identified geophysical anomalies.

Further Information:

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