

KARELIAN DIAMOND RESOURCES PLC

AWARDED TWO DIAMOND LICENCES AT KUHMO IN FINLAND

- **Licences cover known Kimberlite bodies to the North of Seitaperä Diamondiferous Pipe**
- **Reassessment of area is justified in view of consistently good geochemistry and diamondiferous results at Seitaperä**

Karelian Diamond Resources plc (“Karelian”) (AIM:KDR, ESM: KDRI), is pleased to announce that the Company has been awarded licences over two kimberlite bodies in the Kuhmo area of Eastern Finland.

The claims cover kimberlite occurrences at Havukkasuo (Kimberlite 18) and Lentiira (Kimberlite 24) to the north of the Seitaperä kimberlite pipe where the Company has shown a significant increase in size and increased diamond potential.

Work has been carried out by previous operators on these kimberlites including seventeen drill holes in Havukkasuo (340 metres), five of which are reported as intersecting kimberlite and twelve into Lentiira (182 metres), eleven of which intersected kimberlite.

However, in view of the positive results obtained by the Company on the Seitaperä kimberlite and the overall prospectivity of the Kuhmo area which has demonstrated consistently good mineral chemistry the Board believes that a reassessment of these known kimberlites is merited.

Karelian Chairman, Professor Richard Conroy commented:

“I am delighted with the award of these licences and look forward to the results of our work on them. The Company’s objective remains to make a major diamond discovery in Finland comparable to the world class discoveries already made on the Russian side of the structure.”

Further Information:

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc

Tel: +353-1-661-8958

Simon Clements/Virginia Bull, Merchant Securities Limited (Nomad)

Tel: +44-20-7628-2200

John Tuite, IBI Corporate Finance Limited (ESM Adviser)

Tel +353-1-637-7800

Charles Dampney, City Capital Corporation Limited (Broker)

Tel: +44-20-3178-3399

Michael Padley/Michael Spriggs, Lothbury Financial Services Limited

Tel: +44-20-7868-2010

Don Hall, Hall Communications

Tel: +353-1-660-9377

<http://www.kareliandiamondresources.com>