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KARELIAN PROJECTS POSSIBLE INCREASE IN SURFACE AREA OF SEITAPERÄ KIMBERLITE PIPE TO 6.9 HECTARES

- **Zones With Potentially Diamond-Bearing Mantle Material Encountered**
 - **Significant Pipe Extension Confirmed To The South-West**
 - **Largest Known Kimberlite Pipe In Finland Is 620m Long And 40m-160m Wide**
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Karelian Diamond Resources plc (**AIM: KDR**) is pleased to announce completion of a four-hole drilling programme on the Seitaperä kimberlite pipe in the Kuhmo region of Finland which was designed to delineate the pipe boundaries at depth in the central and south-western areas. Kimberlite material was intersected in 224.8m of the 294.3m drilled.

Combined with previous Company drilling results (two holes for 172.8m of which 103.9m intersected kimberlite) and re-logging of archive core held by the Geological Survey of Finland (nine holes for 221.5m – all in kimberlite), drilling at Seitaperä has now yielded total kimberlite intersections of 550m, including five wall rock contacts at depths between 45.9m and 76.6m depth (average 52.7m).

Based on the above, the Company has calculated the minimum area of the pipe to be 5.22ha at 50m depth. Its total strike length exceeds 620m and pipe width varies between 40m and 160m (average 90m). When recent surface mapping and recent and past surface trenching (12 trenches into surface kimberlite) are included and taking into account associated kimberlite dykes and a probable pipe extension to the south-west into Lake Kylmälahti, a surface expression of up to 6.9ha is possible for Seitaperä. This would represent an increase of 65 per cent over the previous size estimate of 4.2ha which itself was the largest known diamondiferous kimberlite in Finland.

Drill hole SP4 (101.8m of which 85.0m in kimberlite) intersected a significant zone (+20m) of kimberlite carrying abundant garnet-peridotite xenoliths. This potentially diamond-bearing mantle material represents between 20 per cent and 40 per cent of the total core. Evaluation of this material will include a mineral chemistry study of the pyrope garnets and other diamond indicator minerals present, to determine diamond-bearing potential. If the results are sufficiently positive, this will be followed by large diameter drilling of this zone to extract sufficient material for micro-diamond analysis.

This release has been approved by the Company's technical staff who include; Stephen Grimmer, who holds a PhD in Geochemistry/MSc in Exploration Geology, in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies, which outlines standards of disclosure for mineral projects.

Further Info: *Professor Richard Conroy, Chairman Karelian Diamond Resources plc. Tel: 00-353-1-661-8958*
Charles Dampney, City Capital Corporation Limited. Tel: 020-7842-5867
Jeffrey Coburn/Simon Fox, John East & Partners Limited Tel: 020-7628-2200
Ron Marshman/John Greenhalgh, City of London PR Limited. Tel: 020-7628-5518
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