

KARELIAN DIAMOND RESOURCES

July 8, 2008

MICRO-DIAMOND RESULTS PROVIDE CONCLUSIVE EVIDENCE THAT SEITAPERÄ KIMBERLITE PIPE IS DIAMONDIFEROUS

- **67 Diamonds Recovered From 100 kg Seitaperä Kimberlite Sample**
- **Diamond Population Includes 61 Micro-Diamonds and Six Macro-Diamonds**
- **Stones Show Good Colour Characteristics And High Level Of Preservation**
- **Good Access And Infrastructure Enhance Overall Status Of Project**

Karelian Diamond Resources plc (AIM: KDR) is pleased to announce highly positive results from micro-diamond analysis of the 100 kg sample from its Seitaperä kimberlite in Finland. In total 67 diamonds were recovered in the sample, of which 61 were micro-diamonds and the remainder were macro-diamonds, the largest of which measured 0.63mm by 0.48mm by 0.38 mm. The analysis was carried out by SGS Lakefield Research Limited (“SGS Lakefield”) in Canada.

The diamond colour is largely white (42%) or off-white (52%) with the remainder grey. In addition, the micro-diamonds exhibit high levels of preservation – greater than 75p.c. in the case of 91% of the diamonds measured.

The material analysed consisted of 100.20 kg of drill core taken from holes SP10 & SP10A which were drilled in March 2008. This material contained zones of up to 50% mantle xenoliths, but the overall content of mantle material in the sample was estimated at about 20%. Micro-diamond counts from the mantle-rich intersections alone could potentially be significantly higher.

The micro-diamond size distribution is shown in the table below:

Size Fraction	No. of Stones
+300 µm*	7
+212 -299 µm*	4
+150 -211 µm*	28
+105 -149 µm*	28
Total	67
*1000 µm = 1 millimetre	

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The diamond population included six macro-diamonds, defined as crystals with one dimension in excess of 0.5mm (500µm). Details of the macro-diamonds are shown below:

Stone #	X (mm)	Y (mm)	Z (mm)
1	0.63	0.48	0.38
2	0.57	0.43	0.38
3	0.54	0.48	0.33
4	0.60	0.43	0.29
5	0.68	0.43	0.22
6	0.54	0.37	0.29

The Company is currently awaiting the physical receipt of the recovered diamonds from SGS-Lakefield, and will then undertake a preliminary statistical evaluation of the stones.

A future drilling programme with the objective of expanding the currently inferred boundaries of the diamondiferous kimberlite facies is now being planned.

Professor Richard Conroy, Chairman of Karelian, commented: “This is a very positive result which, together with the previously announced favourable mineral chemistry, provides conclusive evidence that the Seitaperä kimberlite pipe is diamondiferous. The preliminary diamond potential of a kimberlite is often expressed in terms of the number of micro-diamond crystals per kilogram of kimberlite: on this basis, the Seitaperä kimberlite compares well with many recent discoveries world-wide. Given our project’s attractive location in terms of access and infrastructure, and its significant surface area of 6.9ha, such a high micro-diamond count is very encouraging”.

This release has been approved by Dr. Stephen Grimmer, who is a member of the Company’s technical staff, 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 Information:

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