

September 15, 2008

DELINEATION DRILLING COMMENCED AT SEITAPERÄ KIMBERLITE PIPE

- **1,000 metres of drilling planned in 7+ hole programme**
- **Drilling will extract approximately 500kg of samples for micro-diamond analysis**
- **Work to concentrate on delineating the central portion of the kimberlite pipe where previous high micro-diamond counts were obtained**

Karelian Diamond Resources plc (AIM:KDR), the AIM-listed diamond exploration company focussed on Finland, is pleased to announce commencement of an exhaustive delineation drilling programme on its Seitaperä kimberlite. The drilling is intended to accurately delineate the central portion of the kimberlite pipe, which has previously yielded (as announced on 8 July 2008) a high micro-diamond count (67 diamonds from 100kg including six macro-diamonds with one dimension greater than 0.5mm) from a single 100kg sample. Drilling is being undertaken by the GTK, Geological Survey of Finland, and is being supervised on-site by the Company.

In total, approximately 1,000 metres of drilling is planned at seven or more locations. The objective is to thoroughly test the shape of the pipe and the extent of the diamond-bearing kimberlite facies on a nominal 25 metre line spacing to a depth of approximately 100 metres. This drilling is also intended to provide approximately 500kg of representative sample material, distributed throughout the central portion of the kimberlite, for additional micro-diamond analysis.

This will give a sufficient population of micro- and macro-diamonds to enable statistically reliable grade modelling to be undertaken from the diamond population size distribution statistics. At the same time the Company will use the lithological data from the extracted core to plan a large diameter bulk sampling programme (anticipated at 500 tonnes or more) in the event that the modelled grade data warrants such a programme.

Samples will be sent to SGS Lakefield Research Ltd in Canada for micro-diamond analysis on completion of the drilling, provisionally intended to be in early October 2008. A further announcement setting out the results of this testing will be made in due course.

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Professor Richard Conroy, Chairman of Karelian, commented:

“Our work on the Seitaperä kimberlite continues to forge ahead. We are now moving from the exploration phase into the evaluation phase following the encouraging results from the central portion of the kimberlite obtained previously. This drill programme will hopefully confirm and expand on these initial positive results and enable grade modelling to commence.”

This release has been approved by Dr. Stephen Grimmer 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.

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