

OCTOBER 29, 2008

## **DELINEATION DRILLING AT SEITAPERÄ FINDS PIPE EXTENSION**

- **Eight Holes Intersect Mantle-Bearing Kimberlite In Central Portion Of Main Pipe**
  - **Similar To Material That Yielded High Micro- And Macro-Diamond Count In July**
  - **Detailed Examination Of Core Prior To Despatch Of Samples For Diamond Analysis**
- 

Karelian Diamond Resources plc (AIM:KDR) announces that it has discovered a significant north-east extension to its Seitaperä diamondiferous kimberlite pipe in Finland during the previously announced delineation drilling programme. Seitaperä is already the largest known kimberlite pipe in Finland, with a surface area of 6.9ha.

The new north-east extension, which coincides with a discrete, circular magnetic anomaly 100m in diameter, was previously thought to be a kimberlite dyke after sampling returned a positive micro-diamond result in April this year. However, the latest drilling returned a continuous 80m intersection of kimberlite across this structure, suggesting that it represents a further small kimberlite, or “blow”, within the Seitaperä complex.

The main objective of the extensive delineation drilling programme was to accurately delineate the central portion of the Seitaperä pipe which yielded 61 micro- and 6 macro-diamonds in July from a single 100kg sample of kimberlite. A total of 947m of drilling was completed in 14 holes to a maximum depth of 115m, intersecting 583m of kimberlite, representing about 2 tonnes of material.

Eight holes drilled across the central portion of the main pipe intersected substantial zones of primary kimberlite containing abundant mantle xenoliths, similar in nature to the material which yielded the positive diamond result in July.

The delineation drilling has now been completed and all the core has been provisionally logged and photographed. Results are being integrated into a detailed three-dimensional computer-generated model of the Seitaperä pipe’s structure. Following more detailed examination of the core, representative intersections will be selected for micro-diamond sampling, and these will be submitted for analysis in due course.

The drilling was laid out in a series of parallel lines 25-30 metres apart, with holes drilled mainly at an inclination of 50 degrees, perpendicular to the strike of the kimberlite pipe. Visual examination of the core has enabled the Company to establish kimberlite/wall-rock contacts at 15 locations, at true vertical depths of between 15 m and 65 m.

## **KARELIAN DIAMOND RESOURCES 2**

Professor Richard Conroy, Chairman of Karelian, commented: "Completion of the latest drilling adds to our understanding of the structure of the Seitaperä kimberlite, and has provided significant volumes of material for analysis as part of our detailed evaluation of this body. All the drilling intersected parts of the kimberlite body as anticipated, and the significant extension to the existing pipe is an unexpected bonus."

**Further Info:**     *Professor Richard Conroy, Chairman Karelian Diamond Resources plc*  
*Charles Dampney, City Capital Corporation Limited*  
*Jeffrey Coburn/Virginia Bull, John East & Partners Limited*  
*Ron Marshman/Michael Padley, Lotbory Financial*  
<http://www.kareliandiamondresources.com>

***Tel:*** + 353-1-661-8958  
***Tel:*** + 44-20-7842-5867  
***Tel:*** + 44-20-7628-2200  
***Tel:*** + 44-20-7011-9411