

9 November 2009



**Karelian Diamond Resources Plc
("KDR" or the "Company")**

Further re: Related Party Transaction

Further to the final results announcement released on 5 November 2009, Karelian (AIM: KDR), diamond exploration company focused on Finland, announces the further terms of the loans advanced by Professor Conroy to support the working capital requirements of the Company.

As set out in the Chairman's statement dated 5 November 2009, during the year ended 31 May 2009 Professor Conroy advanced aggregate loans of €238,022. These loans were made in accordance with a letter of support dated 12 November 2008, which was renewed on 4 November 2009. The renewed letter of support provides confirmation of support from Professor Conroy for the current financial period ending 31 May 2010.

The loans have been and will continue to be made on normal commercial terms. The interest on the loans is currently accruing at a rate of 8.25 per cent per annum. The loans may be repaid at anytime but Professor Conroy has confirmed that he will not request repayment, other than in exceptional circumstances, within a period of less than one year.

Further enquiries:

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