

**INDICATOR MINERAL ANALYSIS INDICATES THAT THE RIIHIVAARA
KIMBERLITE IS LIKELY TO BE DIAMONDIFEROUS.**

- **A NUMBER OF GARNETS ANALYSED INDICATED THE KIMBERLITE HAD SAMPLED THE DIAMOND STABILITY FIELD**
- **GEOTERM PROSPECTIVE FOR DIAMONDS**
- **KIMBERLITE HAS SAMPLED WELL INTO THE DIAMOND STABILITY FIELD**

Karelian Diamond Resources plc (“Karelian”) (AIM: KDR, ESM: KDRI), is pleased to announce that analysis by Rio Tinto Mining and Exploration Limited (“Rio Tinto”), with whom the Company has a Confidentiality Agreement (with back in rights), on samples collected by Karelian geochemically show that the Riihivaara kimberlite will likely be diamondiferous. The garnet population analysed indicated diamond potential. The geotherm is prospective for diamonds and the kimberlite has sampled to a modelled depth of greater than 200km, within the diamond stability field.

355 garnet analyses on samples provided by Karelian from the Company’s Riihivaara prospect in Finland were carried out by Rio Tinto in their Melbourne laboratories in Australia. The samples provided were from outcrop and till. The garnet analysis comprised kimberlite indicator methods of MLA (Mineral Liberation Analysis) screening followed by laser-ablation ICP-MS (Inductively Coupled Plasma - Mass Spectrometry) analysis.

Lherzolitic (“G9”) garnets were dominant but scattered high interest harzburgitic (“G10”) garnets were also present. Some evidence of metasomatism was associated with the G9 and G10 populations. Eclogitic garnets, with restricted range in chemical composition of potential diamond-association, were reported from the outcrop sample.

Garnet thermobarometry was also calculated to estimate the geotherm in the Riihivaara area. The results indicate that the geotherm is prospective for diamonds. The geotherm in Riihivaara is similar to that in the Kaavi-Kuopio kimberlite field in Finland and to kimberlite fields in Southern Africa.

This release has been approved by Andrew Murrells PGeo, a member of the Company's technical staff, who holds a BSc in Earth Science, 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.

Professor Richard Conroy, Chairman commented:

“The news that the Riihivaara kimberlite which we have discovered is likely to be diamondiferous is exciting news. It is very encouraging for our diamond exploration programme in Finland, which we believe has the potential to become a new diamond province – the first in Europe outside Russia”

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