



27 July 2010

**Karelian Diamond Resources plc**  
("Karelian" or "the Company")

**Holdings in Company**

The Company announces, following notification received today, that Gartmore Investment Limited now holds 4,592,333 ordinary shares in the capital of the Company, equivalent to 7.59 per cent. of the voting share capital of Karelian. The shares are held via Gartmore Fund Managers Limited, A/C Gartmore UK & Irish Smaller Companies.

Further Information:

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John Tuite, <b>IBI Corporate Finance Limited</b> (ESM Adviser)	<b>Tel +353-1-637-7800</b>
Charles Dampney, <b>City Capital Corporation Limited</b> (Broker)	<b>Tel: +44-20-3178-3399</b>
Michael Padley/Michael Spriggs, <b>Lothbury Financial Services Limited</b>	<b>Tel: +44-20-7868-2010</b>
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<http://www.kareliandiamondresources.com>