



PROGRESS AT LULO DIAMOND CONCESSION

Lucapa Diamond Company Limited (ASX: LOM) is pleased to advise on recent progress with the Company's kimberlite drilling program at the Lulo Diamond Concession in Angola.

Bauer Technologies resumed drilling at Lulo with its specialist Prakla rig on 16 January after the holiday break and delays caused by heavy rains.

Bauer is currently drilling a narrow diameter (diamond) hole in the Se18 kimberlite target (Figure 1) at Lulo, where resedimented volcanoclastic kimberlite and primary volcanoclastic kimberlite have been encountered. Lucapa expects to follow up this diamond drilling with wide diameter (reverse circulation) drilling at Se18 for sampling through the Company's Dense Media Separation (DMS) plant.

Se18 was selected for drilling because it is located near a sealed road, providing ease of access.

Lucapa's geological team continues to evaluate core from previous diamond holes drilled at kimberlite targets Se002 and Se220. The Company continues to treat both kimberlite and alluvial samples through its DMS plant.

Lucapa is also pleased to report positive discussions with joint venture partner Endiama regarding a two year extension of the Company's alluvial licence at Lulo. The Company believes this licence will be extended in the normal course of business. Lucapa will also seek to extend its kimberlite licence at Lulo, which runs until June 2013.

Lucapa also looks forward to the arrival on site from South Africa of the remainder of the new 50 tonne per hour DMS plant and sort house, which will enable the Company to scale up its diamond sampling and recovery operations.

The new DMS equipment is currently being dismantled for shipping to Angola after Endiama completed its inspection earlier this month. Lucapa has made arrangements for the new DMS equipment to be shipped to Angola next month. The front end of the new 50tpa DMS plant (feed hopper, conveyors, scrubber etc) arrived on site at Lulo in late 2012.

Meanwhile, Fugro Airborne Surveys is scheduled to fly a new aeromagnetic survey in April 2013 over the two-thirds of the Lulo concession which were not flown in the original survey in 2008. The areas to be covered by Fugro include a high-priority ~70km² strip (Figure 1) covering most of the alluvial sampling area where Lucapa has recovered world-class alluvial diamonds of up to 131.4 carats.

This aeromagnetic survey is expected to increase the number of priority kimberlite targets at Lulo to be drill tested and excavated in the current kimberlite exploration program.

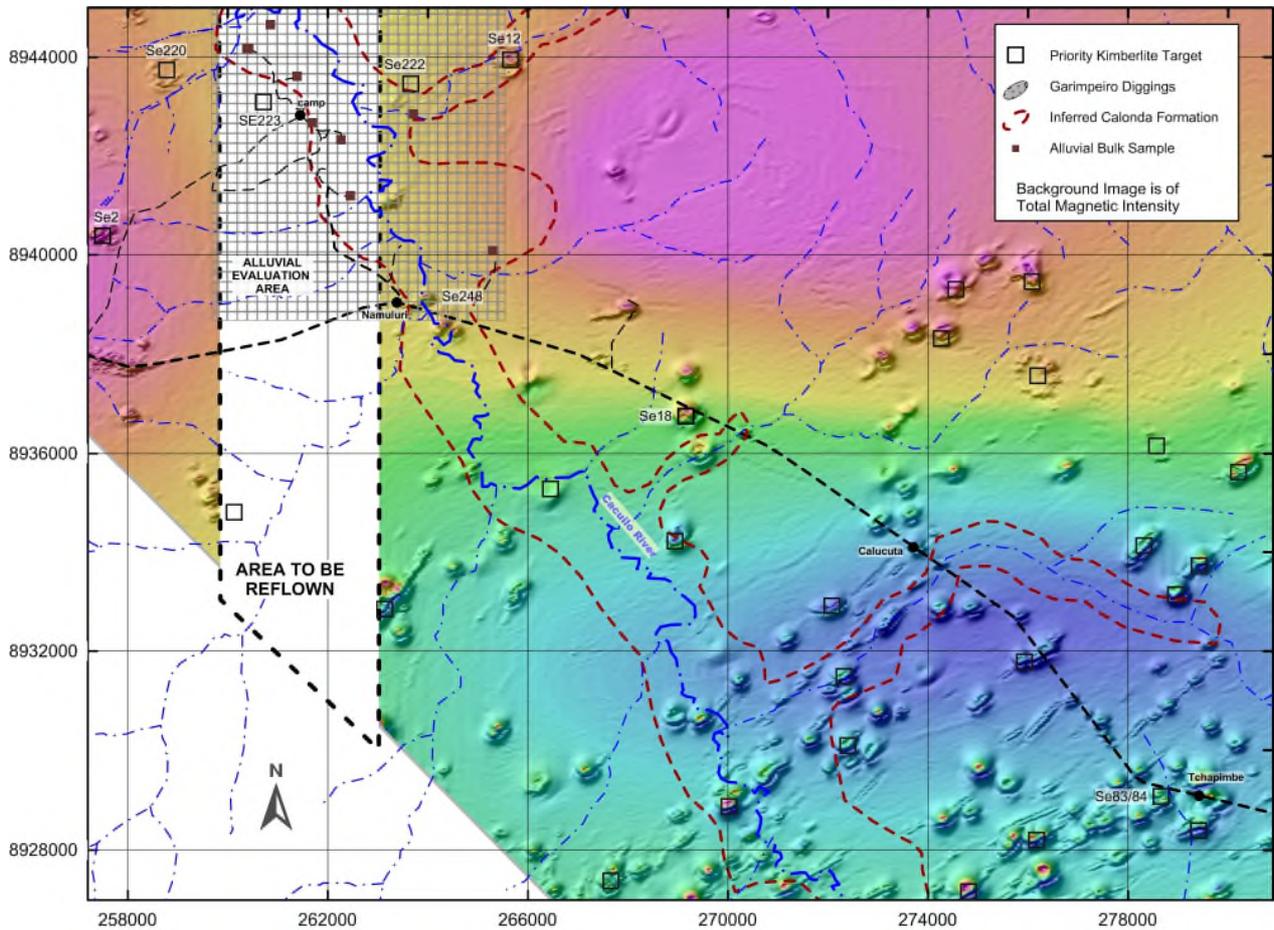


Figure 1: Kimberlite targets at Lulo

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