

11 July 2014

Dear Shareholder,

Lucapa Diamond Company Limited
Notice of Non-Renounceable Entitlements Issue – Ineligible Shareholder

We are writing to you in relation to your shareholding in Lucapa Diamond Company Limited (**Company**) (ASX:LOM).

As previously announced to ASX, the Company is undertaking a pro rata non-renounceable offer of listed options to shareholders (**Offer**). The Offer is on the basis of one (1) new listed option (ASX:LOMO) (**New Option**) for every two (2) shares held by shareholders of the Company as at 5.00pm WST Friday, 18 July 2014 (**Record Date**), at an issue price of \$0.005 per New Option to raise up to a maximum of approximately \$401,233 (before costs and based on the shares on issue on 8 July 2014) (**Entitlements Issue**).

Each New Option will be exercisable at 30 cents (\$0.30) at any time before 5.00pm WST on 29 August 2015.

In accordance with ASX Listing Rule 7.7, the Company has determined that the Entitlements Issue will not be extended to shareholders with registered addresses outside of Australia, New Zealand, Hong Kong, Singapore and the United Kingdom as the Company has decided that it would be unreasonable to extend the offer to shareholders in other countries having regard to:

1. the number of shareholders outside Australia, New Zealand, Hong Kong, Singapore and the United Kingdom as a proportion of the total shareholders of the Company;
2. the number and value of securities to be offered to shareholders outside of Australia, New Zealand, Hong Kong, Singapore and the United Kingdom; and
3. the costs of complying with the legal requirements and requirements of regulatory authorities in other overseas jurisdictions.

Accordingly, as you are a shareholder whose registered address is outside of Australia, New Zealand, Hong Kong, Singapore and the United Kingdom the Entitlements Issue will not be extended to you and you will not be entitled to participate in the Entitlements Issue.

If you have any questions concerning this letter please contact the Company Secretary on +61 8 9489 9200, the Company's share registry on + 61 8 9315 2333, or contact your stockbroker or professional advisor.

Yours faithfully,

MILES KENNEDY
MANAGING DIRECTOR