



BROOKING DIAMOND PROJECT, WEST KIMBERLEY LAMPROITE PROVINCE

Lucapa Diamond Company Ltd (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to announce the Company has, under the terms of a Heads of Agreement (“HoA”) signed with Leopold Diamond Company Pty Ltd (“Leopold”), agreed to acquire an 80% interest in Leopold’s diamond exploration project in the West Kimberley lamproite province, Western Australia.

Leopold is a privately owned company which owns the prospective Brooking Diamond Project, comprising two exploration licences (E04/1936 and E04/2317) covering 128km².

The Brooking project is located within ~40km of the Ellendale diamond field, which was formerly the world’s leading producer of rare, fancy yellow diamonds (Figure 1). The project is immediately south of the Big Spring kimberlite cluster which, in 1976, provided the first unequivocal evidence of lamproite being a source rock for diamonds.¹

Lucapa has agreed to acquire 80% of the Brooking project after the Company’s preliminary technical due diligence indicated significant exploration potential. This due diligence included field sampling programs, the results of which are expected to be received this month.

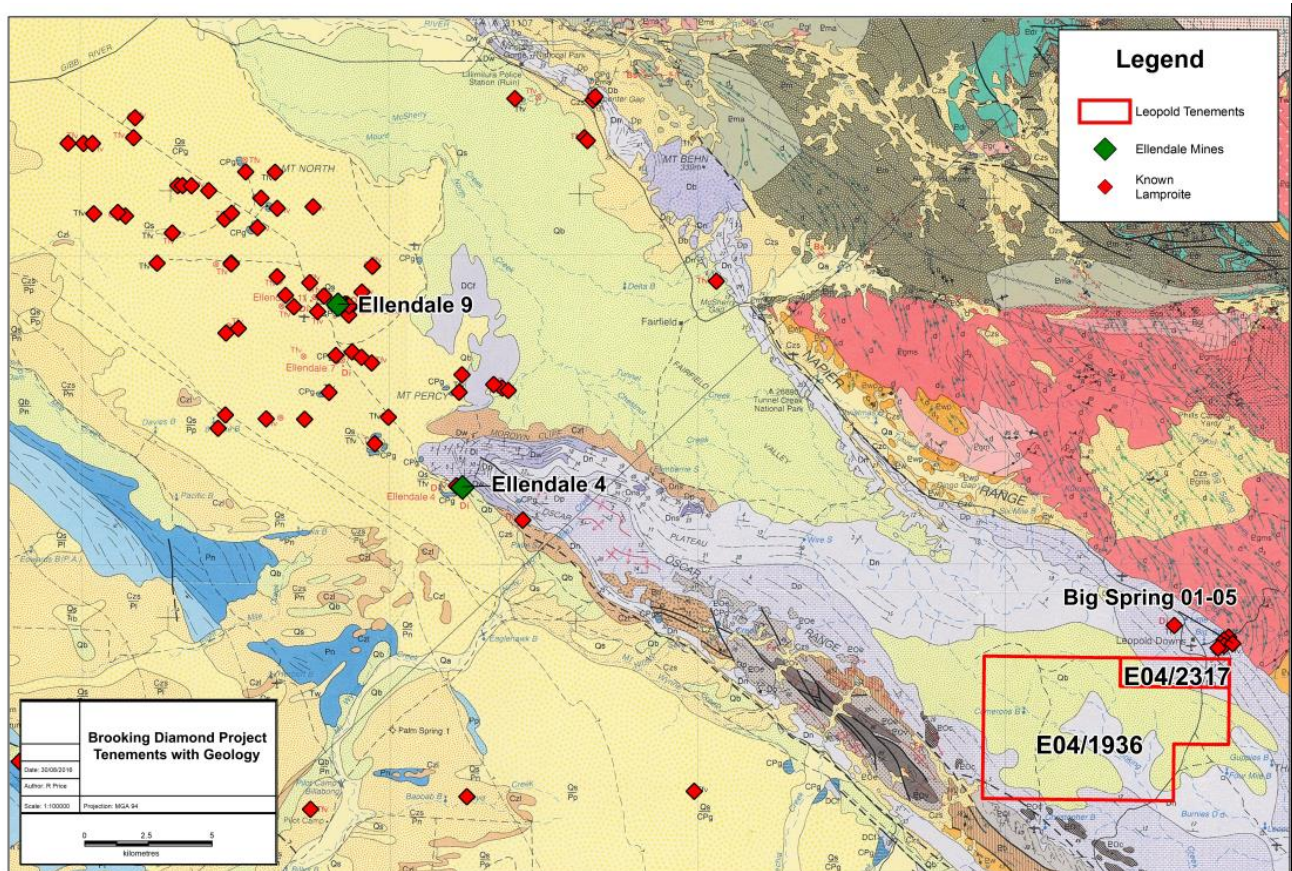


Figure 1: Location of the Brooking Diamond Project in proximity to the Ellendale diamond project and the Big Spring kimberlite cluster

¹ GSWA Bulletin 32; The Kimberlites and Lamproites of Western Australia; AL Jaques, JD Lewis and CN Smith.

Under the HoA, Lucapa will, subject to the finalisation of the usual legal documentation, acquire an 80% interest in, and operate, the Brooking project for a cash consideration of A\$140,000, the issue of 250,000 fully-paid ordinary Lucapa shares and 500,000 Lucapa options exercisable at 53c (representing a 50% premium to the Lucapa share price at time of signing the HoA) within two years of issue. The shares and options will be escrowed for a minimum period of 12 months.

The acquisition is in line with Lucapa's stated objective of assessing global opportunities with the potential to position the Company for continued growth in the diamond sector.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER