



# DiamonEx Limited

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## **BSE ANNOUNCEMENTS BOTSWANA STOCK EXCHANGE**

3 November 2008

### **LERALA MINE SALES UPDATE**

In the Company's quarterly report, released on 31 October 2008, DiamonEx advised that the initial sale of 10,613 carats of diamonds from its Lerala Diamond Mine in Botswana achieved an average price of US\$20 per carat for the whole run of mine parcel. This is much less than the preliminary valuation of the parcel and reflects the current difficult market conditions.

WWW International Diamond Consultants, the Company's sales agent and advisor, reported that the value achieved for the first tender of Lerala production was deeply disappointing but not surprising in the context of the current market, where trading in rough diamonds has effectively ground to a halt as the general economic uncertainties and in particular the liquidity shortages have taken effect. However, once the extraordinary and unforeseen economic turmoil has worked its way through the system, WWW is confident that the long term prognosis for the diamond industry remains favourable

DiamonEx is currently undertaking a detailed assessment of short, medium and long term forecasts of diamond prices and assessing the potential impact of the market price volatility on the profitability and the continuing operations of the Lerala Diamond Mine.

Historical prices of Lerala diamonds, together with data compiled during the feasibility study indicate that current prices are not representative of longer term diamond price expectations.

The results of this assessment will be advised to the market in due course.

The next diamond sale is scheduled for mid-November. The Company will proceed with this sale.

For further information, contact:

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