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NEWS RELEASE

LUCARA REPORTS DIAMOND VALUE FOR MOTHAE PROJECT, LESOTHO

July 28, 2009 (LUC – TSXV) … Lucara Diamond Corp. is pleased to report diamond valuation results for the full diamond parcel recovered from the 100,000 tonne bulk sample recently completed on the Mothae project in Lesotho. A valuation of the 3,890 carat parcel was carried out by Mr. Shlomo Tidhar of Galaxy Diamond Expertise SA ('Galaxy') in June.

The bulk sample is valued at a price of US$437 per carat, based on Galaxy's best estimate for current market prices, for an overall value of US$1.7 million. This figure compares to a price of US$422 per carat from the smaller initial sample of 1,672 carats valued in December 2008, based on the same June 2009 price book.

Galaxy noted that, "The value result for Mothae diamonds continues to be highly influenced by the presence of large, high value stones, like a stone of 24.59 carats being valued at over $320,000. The presence of stones of this type is highly unusual given the small size of the sample and demonstrates the potential for exceptionally high value stones."

A modeling exercise on the diamond parcel yielded a model price of US$549 per carat which is lower than the modeled value obtained in December 2008, due in part to lower current market prices, a reduction in the expectation of large stone frequency based on increasing sample data, and to a more conservative approach to valuing potential stones in the modeled population.

In commenting on the modeled diamond value, Galaxy noted, "It is conceded that there is much potential upside due to the possibility of obtaining high value large stones. In this context, six diamond fragments totaling 45 carats were recovered from an initially >60 carat diamond. It is estimated that if this stone had remained intact, the overall diamond parcel would have been increased by US$400,000; the value per carat for the parcel would have been US$540, with a modeled value of US$684 per carat."

The Mothae bulk sample, totaling 99,959 wet tonnes, was processed through a dense media separation (DMS) plant designed to recover diamonds in various size fractions ranging from 2 mm to 18 mm. Heavy mineral concentrate produced by the DMS plant was processed over a continuous grease belt for primary diamond recovery, with the exception of the very coarse fraction (+16 mm) which was hand sorted in a secure glove box. All grease belt tailings material was audited through an EVE X-ray diamond recovery unit.

Mr. William Lamb, President and COO of Lucara commented, "The result of this recent valuation is encouraging. The results obtained have confirmed the presence of large high value stones at Mothae These high value stones, together with a higher than expected diamond grade for the bulk sample of 4.7 carats per hundred tonnes, provide sufficient encouragement to continue our development on the Mothae project."

The technical contents of this release have been reviewed by Dr. Tom Nowicki of Mineral Services Canada, a Qualified Person in terms of NI43-101.

On Behalf of the Board,

William Lamb
President and COO

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