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AIM: STEL

Stellar Diamonds plc
(“Stellar” or the “Company”)

COMPLETION OF ACQUISITION OF KONO DIAMOND PROJECT, SIERRA LEONE

Further to the announcement made on 4 May 2010, Stellar, the London listed (AIM:STEL) diamond mining and exploration company focused on West Africa, announces that it has now signed the share purchase agreement with Petra Diamonds Limited (“Petra”) in respect of the acquisition of 51% of the Kono kimberlite project (“Kono”) in Sierra Leone.

Stellar has issued 4,500,000 new ordinary shares to Petra as consideration for the agreed purchase price of £900,000, at a price of 20 pence per share. Petra, which now holds shares representing 4.45% of the issued capital, has agreed (subject to certain exceptions) not to dispose of any of these shares for 12 months. Application has been made for the new ordinary shares to be admitted to trading on AIM and Admission is expected to occur on 27 May 2010.

Further background on Kono and the Co-operation Agreement between Stellar and Petra can be found in the announcement dated 4 May 2010 or on the Company’s website www.stellar-diamonds.com.

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About Stellar Diamonds plc

Stellar Diamonds plc is a London (AIM: STEL) quoted diamond mining and exploration company that has a portfolio of projects in West Africa. Two projects in Guinea are in production, Mandala and Bomboko, which provide cash flow to the Company.

Stellar also owns rights over four high-grade kimberlites that are the focus of further development. In Sierra Leone the Tongo and Kono projects comprise a series of kimberlite dykes, with the Kono project having produced 4,200 carats of diamonds through underground trial mining. In Guinea the Droujba kimberlite pipe and the Bouro kimberlite dykes are located in proximity to the Mandala mine and demonstrate grades of up to 200cpht and 500cpht respectively.