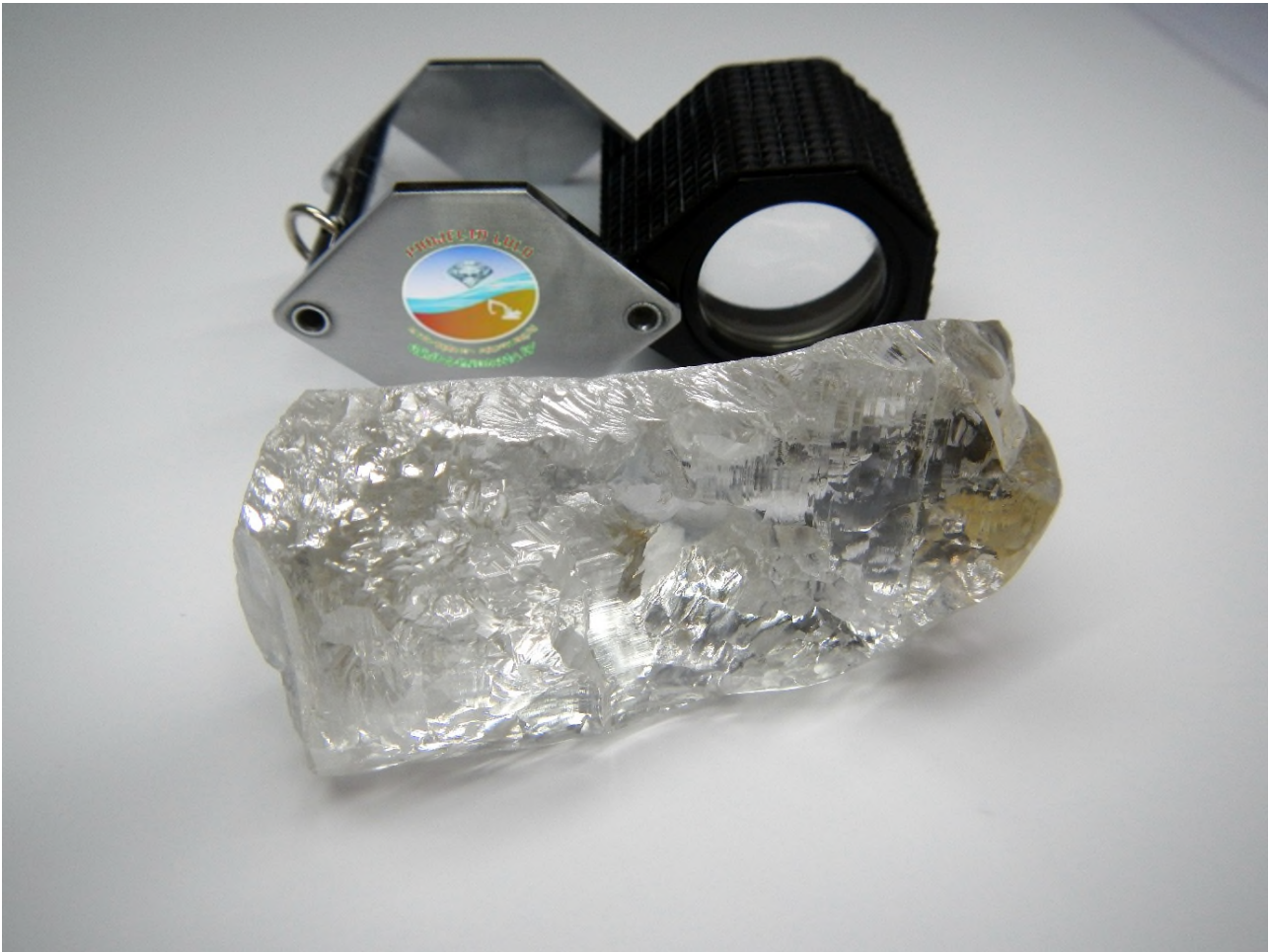




404 CARAT LULO DIAMOND SELLS FOR A\$22.5 MILLION

- Sale represents a spectacular price of A\$55,585 per carat



The 404 carat Lulo diamond which sold for gross proceeds of A\$22.5 million

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa”), Endiama E.P (“Endiama”), Angola’s national diamond mining company and private local partner Rosas & Petalas are pleased to announce the sale of the 404 carat diamond recovered recently from the Lulo Diamond Project in Angola (See ASX announcement 15 February 2016).

The 404 carat Lulo alluvial diamond sold for gross proceeds of A\$22.5 million (US\$16 million).

This represents a spectacular average price of A\$55,585 (US\$39,580) per carat, which is a record price for a white diamond recovered from Lulo and is further evidence of the positive sentiment in the market for large high-quality gems like those being recovered at Lulo.

For personal use only

404 CARAT LULO DIAMOND SELLS FOR A\$22.5 MILLION

Lucapa Chief Executive Stephen Wetherall said Lucapa and its partners were delighted to have achieved a record sale price for the 404 carat Lulo diamond.

"The sale of a single diamond for US\$16 million underlines the huge potential of the Lulo diamond field to regularly produce gems which are both large and of world-class quality," said Mr Wetherall.

"We look to the future with tremendous excitement at Lulo as we continue mining these exceptional alluvial diamond areas, growing our alluvial mining capability and advancing the kimberlite exploration program to locate the primary source or sources of these gems."

Lucapa is the operator of the Lulo project and has a 40% interest in the alluvial diamond mining operations. Endiama has a 32% interest with private Angolan partner Rosas & Pétalas holding 28%.

Alluvial mining operations commenced at Lulo in 2015 following the awarding of a mining licence in November 2014. Lulo is located within 150km of the Alrosa-operated Catoca, which is the world's fourth biggest diamond mine and accounts for about 75 per cent of Angola's annual diamond production.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

For personal use only

Competent Person's Statement

The information reported is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm MSc F.Aus.IMM (CP), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr. Thamm is a Director of Lucapa Diamond Company Limited. Mr. Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr. Thamm consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been included in previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the prior relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward-Looking Statements

This announcement has been prepared by Lucapa Diamond Company Limited. This document contains background information about Lucapa Diamond Company Limited and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Lucapa Diamond Company Limited. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Lucapa Diamond Company Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.