



MEDIA RELEASE - HISTORIC LULO DIAMOND SALE

Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) provides the following transcript of a joint media release issued in relation to the historic international competitive bid process for the sale of diamonds from the Lulo mine in Angola, closing on 31 January 2019.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

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MEDIA RELEASE

ANGOLAN DIAMOND PRODUCTION IN HISTORIC COMPETITIVE BID SALE

LEADING GLOBAL DIAMANTAIRES INVITED TO PURCHASE EXCEPTIONAL ANGOLAN DIAMONDS AS PART OF NEW MARKETING POLICY

The significant diamond sector reforms being enacted by the President of Angola, His Excellency Joao Lourenco, to grow investment into the Angolan mining sector, will take another major step forward this month as the inaugural competitive bid sale of large and premium-quality diamonds from the high-quality Lulo diamond mine takes centre stage in the Angolan capital of Luanda.

The sale will mark a significant milestone for the Angolan diamond mining industry, being the first diamonds offered for sale in a competitive process under the new diamond marketing policy enacted by President Lourenco and the Angolan Council of Ministers.

The historic Lulo competitive bid sale, which is scheduled to close on 31 January 2019, is being organised in Luanda by SODIAM, the state-owned company responsible for the trading of diamonds in Angola.

The new diamond marketing reforms have generated significant interest from some of the world's leading diamantaires and large stone manufacturers, who will participate in the inaugural event.

Seven exceptional Lulo diamonds, showcasing some of the high-quality production of Angola, will be offered individually, including a 46 carat pink and six top-colour Type IIa white gems ranging from 114 carats to 43 carats.

The diamonds are being offered for sale by Sociedade Mineira Do Lulo ("SML"), which holds the alluvial mining licence to the prolific Lulo concession in Angola's diamond-rich Lunda Norte region. SML boasts the world's highest average US\$ per carat alluvial diamond production.

SML is a successful and long-running partnership between ASX-listed Lulo mine operator Lucapa Diamond Company Limited ("Lucapa"), Angolan diamond mining company, Empresa Nacional de Diamantes E.P. ("Endiama") and local partner, Rosas & Petalas.



46 carat pink

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114 carats



85 carats



75 carats



70 carats



62 carats



43 carats

The new diamond marketing policy is among the measures being introduced by President Lourenço's Government to increase foreign direct investment into Angola's diamond sector.

Minister of Mineral Resources and Petroleum, Diamantino Azevedo, stated:

"It is a unique moment of great importance that marks the turning point in the trading of diamonds in our country, reflecting greater flexibility and transparency in this sensitive and vital industry for our economy."

Laureano Receado Paulo, ENDIAMA'S Strategic Planning and Mining Operations Executive, said:

"The tender means transparency in the trading of diamonds and it is an inducement for attracting several investors in the diamond sub-sector. In this way, Angola's diamonds will be increasingly valued, sold at fair prices, maximizing revenues and concomitantly increasing the tax contribution to the state."

Eugénio Bravo da Rosa, Chairman of the Board of Directors of SODIAM, said:

"This event in the national diamond sub-sector, reinforces - with local businessmen, foreign direct investors and all the agents within the international diamond industry - a commitment to transparency. This commitment is necessary for the sustainable development of the national diamond industry, so that foreign investors look at the Angolan market and its agents as credible partners for the development of new projects."

"This first tender organized by SODIAM in Angola, is important because it meets the Government guidelines to transform Angola into a country that is increasingly opened to foreign direct investment. This tender and the others that are going to follow regularly, mark a turning point in the trading of diamonds in Angola."

Stephen Wetherall, Lucapa Diamond Chief Executive Officer, commented:

"Thanks to the positive marketing reforms introduced by Angolan President Lourenço and his Government, the competitive event scheduled to close on 31 January will mark a significant milestone for both the Lulo mine and Angola's diamond mining sector."

"Lulo diamonds have already established a reputation as being among the highest quality gems in the world. Together with our Angolan partners, Lucapa is delighted that SML will now start showcasing these exceptional diamonds to the strong interest shown by the world's leading diamantaires."

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