

LETTER FROM THE CHAIRMAN OF

Pangea DiamondFields plc

(Incorporated and registered in the Isle of Man, with registered number 113016C)

Directors:

William Alan Nairn (*Non-Executive Chairman*)
Robert George Still (*Non-Executive Deputy Chairman*)
Boris Kamstra (*Chief Executive Officer*)
Brett Thompson (*Non-Executive Director*)
Miles Kennedy (*Non-Executive Director*)
Ashley Dunster (*Non-Executive Director*)

Registered Office:

Falcon Cliff
Palace Road
Douglas
Isle of Man
IM2 4LB

19 April 2010

Dear Shareholder

1. Background

On 22 February 2010, Pangea announced that it had entered into a legally binding conditional sale and purchase agreement with International Gold Exploration AB ('IGE') whereby Pangea would merge its diamond interests with IGE by the disposal of the entire issued share capital of Efidium Limited, its principal operating subsidiary.

Following the completion of the disposal, Pangea now holds 495,399,067 IGE shares and subject to shareholder approval at an extraordinary general meeting of the Company scheduled for 28 April 2010, has stated its intention to distribute the majority of these shares to its shareholders as soon as possible as part of a members voluntary liquidation process.

The IGE Shares are traded on the Oslo Stock Exchange where shares are traded only in electronic form through the Euroclear/ VPS system. In order to receive IGE shares as part of the planned distribution described above, shareholders will therefore require access to the Euroclear/ VPS system to facilitate settlement in any such distribution.

In a shareholder circular dated 6 April 2010 I stated that Pangea was in discussions with various parties who may be able to assist shareholders in obtaining access to the Euroclear/ VPS system. I am pleased to inform you that Terra Markets, a leading Norwegian brokerage firm, has agreed to offer Pangea shareholders the opportunity to open a brokerage account, providing access to the Euroclear/ VPS system and the opportunity to trade IGE Shares in the future. Shareholders who already have access to the Euroclear/ VPS system or who wish to make alternative arrangements are of course under no obligation to take advantage of the Terra Markets offer.

Whether or not you wish to open an account with Terra Markets you should read paragraphs 2 and 3 below which explain the process you will need to go through to register for the anticipated distribution of IGE shares. In particular, once you have obtained access to the Euroclear/ VPS system you should complete and return Form A.

Shareholders should note that, subject to shareholder approval, the Company will shortly commence a members voluntary liquidation process and that it is intended that the liquidation process will conclude as quickly as possible. Shareholders who do not promptly provide details of a valid VPS account to facilitate the distribution of IGE shares to them may be prejudiced. For example, they would not be able to sell the IGE shares which would otherwise be distributed to them ("unclaimed IGE shares").

It should also be noted that the proposed liquidator reserves the right (subject to applicable law and regulations) to take whatever steps he sees fit so as not to unduly delay the completion of the liquidation process. These steps could involve transfer of unclaimed IGE shares to a trust or similar vehicle or a sale of unclaimed IGE shares or a change to Pangea's articles to avoid disproportionate expense having to be incurred in relation to small numbers of unclaimed shares. Shareholders should not assume that if they do

nothing they will be “cashed out”, or that if they are “cashed out” the proceeds they receive will be equivalent to the underlying value of their unclaimed IGE shares.

2. Summary of Action Required

- 2.1 Pangea shareholders who already have access to the Euroclear/VPS system and do not wish to open a brokerage account with Terra Markets should read paragraph 3 below and complete and send Form A to Computershare in order to receive their IGE shares.
- 2.2 Pangea shareholders who do not have access to the Euroclear/VPS system and wish to open a brokerage account with Terra Markets should read paragraphs 3, 4 and 5 below and complete the Terra Markets Customer Agreement Form and send it to Terra Markets. Once they have a VPS account number from Terra Markets, they will need to complete and send Form A to Computershare in order to receive their IGE shares. If they wish to sell their IGE shares through Terra Markets they should complete and send the Equity Order Form to Terra Markets.
- 2.3 Pangea Shareholders who already have access to the VPS /Euroclear system but who wish to open a brokerage account with Terra Markets should read paragraphs 3, 4 and 5 below and complete the Terra Markets Customer Agreement Form and send it to Terra Markets. You should at the same time complete and send Form A to Computershare. Should you wish to sell your IGE shares through Terra Markets you should also complete and return the Equity Order Form to Terra Markets.

3. Procedure for Registering for the Distribution of IGE Shares

- 3.1 Once shareholders have obtained access to the Euroclear/ VPS system they should notify the details to the Company by completing and returning Form A to Computershare at the following address:

Computershare Investor Services PLC
Corporate Actions Projects
Bristol
BS99 6AH

- 3.2 When returning Form A to Computershare, shareholders who hold their Pangea shares in certificated form should enclose a copy of their Pangea share certificate as evidence of ownership and tick the box in Part 5 of Form A. Shareholders should not send original share certificates which should be retained as evidence of ownership of Pangea shares going forward. Alternatively, if you hold your Pangea shares in uncertificated form (i.e. in CREST), CREST members should enter their Participant ID and the relevant Member Account ID in Part 5 of Form A.

4. Procedure for Opening a Brokerage Account with Terra Markets

- 4.1 Shareholders wishing to open an account with Terra Markets should complete the Terra Markets form entitled “Customer Agreement For the Provision of Investment Services” (“Terra Markets Customer Agreement”) and return the completed form together with proof of identification as described below to:

Terra Markets AS
P.b. 236 sentrum
0103 Oslo
NORWAY

- 4.2 All of the information requested in the Terra Markets Customer Agreement should be completed in accordance with the guidance notes below. It is particularly important to include a valid email address and when providing details of your bank account to include a SWIFT and IBAN reference in order for any remittances to be settled in UK Sterling.

4.3 When returning the completed Terra Markets Customer Agreement, shareholders should enclose a **certified** document confirming proof of identity. Suitable forms of identification include:

- Current full signed passport
- Resident permit issued to EU nationals by Home Office
- Current photo driving licence
- Firearms certificate
- HM Revenue & Customs Tax Notification

4.4 There is no fee or opening an account with Terra Markets. Terra Markets currently charge a commission of 0.5 per cent. of the value of shares traded (with a minimum commission charge of NOK450 – approximately £49) should you wish to trade IGE shares in the future. Provided that you have supplied a valid SWIFT and IBAN reference, any proceeds from the sale of IGE shares will be remitted in UK Sterling and a small commission will apply for the remittance of overseas funds.

5. Guidance for Completing the Terra Markets Customer Agreement

5.1 Shareholders should complete all sections of the form to the extent possible and other than where specifically noted below.

5.2 Shareholders with questions in connection with the form or with the account opening process should contact Terra Markets at Email: pkb@terramarkets.no or of@terramarkets.no.

Box 1

- Shareholders acting as individuals need not complete the sections “Personal no./ organisation no” or “Company name”.
- It is particularly important that shareholders provide a valid email address which will be the primary method through which Terra Markets will communicate with you.
- Shareholders should not complete the section entitled “VPS account no” unless they already have a valid VPS account and wish to use Terra Markets to provide trading services only. By leaving this section blank, Terra Markets will open a VPS account for you and will notify you of your account details.
- It is particularly important that in the section entitled “Bank account no” you provide a valid SWIFT and IBAN code. These will be required for Terra Markets to settle any remittances in UK Sterling.

Box 2

- You should not complete Box 2 unless you are acting as an authorised person on behalf of the registered account holder.

Box 3

- Persons resident outside of Norway should select “Custody account”.

Box 4

- This section should not be completed.

Box 7

- Information provided in this section will be used by Terra Markets to classify you appropriately as a customer. For reference, shareholders should be aware that the GBP: NOK exchange rate is approximately GBP1: NOK10.

Box 8

- You must remember to sign the completed form.

Yours faithfully

William Nairn