

Regulatory Announcement

Company [Pangea DiamondFields PLC](#)
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Headline Loan Settlement and Extension of Option
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Pangea DiamondFields plc ("PDF" or "the Company")

Panex Loan Settlement and Extension of Option

Pangea DiamondFields plc (AIM: PDF), the mid-tier diamond producer and exploration company is pleased to announce that it has repaid in full, its obligations relating to a loan of \$2 million ('the Loan') with Pangea Exploration (Proprietary) Limited ('Panex') and in turn has received an extension of the option agreement over its South African assets, the terms of which are noted below.

The Loan was provided to Pangea Diamonds (Pty) Ltd ('PDL'), the holding company for Pangea's interests in its South African projects including Bakerville and Harts River. Pangea has a 74% interest in PDL through its wholly owned subsidiary, Efidium Ltd ('Efidium'). The remaining 26% interest is held by Panex.

Following the successful fundraising through an Open Offer announced on 15 December 2008, and as planned in the proposed allocation of funds at that time, PDF has used some of the proceeds of the Open Offer to settle in full the outstanding loan obligations it had with Panex.

In addition to its existing 74% interest in PDL, Efidium held an option, which was due to expire on 31 March 2009, to acquire the remaining 26% interest in PDL from Panex for a consideration of US\$2.175 million. This option was cancelled upon signing of the Loan agreement. However, upon repayment in full of the Loan, Panex has granted a new option to Efidium, expiring on 30 June 2010, to acquire the remaining 26% interest in PDL from Panex for a consideration of US\$2.5 million.

PDF's Chief Executive Brett Thompson commented, "Repayment of the Panex loan was an important milestone for the Company after the successful capital raising through the Open Offer. With this obligation now behind us, the reissue of an extended option over our valuable South African assets and our working capital strengthened, the Company can continue its focus on developing near-production assets whilst reducing non-essential expenditure wherever possible to conserve our cash reserves."

The Company has a portfolio of eight projects located in the Central African Republic, Democratic Republic of the Congo, Angola and South Africa.

For more information on PDF, please visit: <http://www.pangediamondfields.com/>

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