

Regulatory Announcement

Company Pangea DiamondFields PLC
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Headline Pangea Expands Portfolio
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Pangea DiamondFields plc
("PDF" or "the Company")

PDF Adds another CAR Project to its Portfolio
Update of South African and DRC Activities

Pangea DiamondFields plc (AIM: PDF), the mid-tier diamond exploration company takes this opportunity to detail the successful execution of a second Mining Development Agreement ("MDA") in the Central African Republic ("CAR"), as mentioned in the Company's Audited Results on 15th May 2007 and provide an update on activities at the DRC and South African projects.

CAR - Etoile Project

Following the successful signing of the Dimbi MDA in February 2007, this second MDA pertains to the Etoile Project which covers an area of 3,872 km² and is located some 300km northeast of Dimbi, within the Mouka Quadda diamond province. The highlights of this agreement are as follows:

- A phased payment amounting to US\$1 million will be made to CAR government over a 30 month period
- The CAR government will acquire a 10% non-contributory participation interest in Etoile Diamants
- Concessions on the importation of capital goods and services and tax incentives

As with the Dimbi MDA, this comprehensive agreement covers much of the future operational and fiscal regime for the Etoile concession.

The successful execution of a MDA over a second CAR project area further strengthens PDF's tenure in the country, and through our developing partnership

with the CAR government, further opportunities for expansion are now being considered.

Reconnaissance phase exploration has commenced in the new Etoile project area.

South Africa - Bakerville Project

In the Bakerville Project area, more than 800 boreholes have been drilled to date delineating at least 34 million tonnes of potentially diamondiferous gravels. A newly acquired mobile 20tph Dense Medium Separation plant ("the Bakerville plant") which is currently in the process of being commissioned, will process the gravels extracted from both the Malmani and Patsema areas.

Malmani area

On the Driehoek farm, bulk sampling is currently testing a 21 million tonne gravel deposit. A 4,500 tonne bulk sample has been excavated and stockpiled, with processing to commence in the next few weeks once the commissioning of the Bakerville plant is complete.

The extraction of the Stiglingspan bulk sample is progressing well, where a 20,000 tonne sample is being extracted from the 7 million tonne pothole resource at a depth of up to 35m. The gravel contained within the sample is up to 20m thick.

The results from the processing of both the Driehoek and Stiglingspan samples are expected in Q3 2007.

Patsema area

The Patsema area was the subject of a diamond rush in the late 1920s, during which time the potholes yielded diamond grades of up to 500 ct/100t. The PDF objective is to find similar potholes in areas which had been previously sterilised. To date, less than 10% of the licence area has been investigated. Five potholes with an aggregate of at least 1.5 million tons of pothole gravel have already been delineated from exploratory drilling. Follow-up drilling is continuing, and a Bauer large diameter drill ("LDD") rig has been contracted to commence the drilling of large (2.5m) diameter boreholes. The material recovered from this drilling will be treated through the Bakerville plant which will be re-located after the Malmani samples have been processed.

DRC - Tshikapa Project

The bulk sampling plant for the Tshikapa Project has been constructed and is awaiting mobilisation to site in south eastern DRC. The first truck with equipment will depart from South Africa within the next week and travel to the

LDC shareholders, and unvested share options in terms of the Executive Share Option Scheme, PDF has no warrants, convertible notes or options in issue.

For more information on PDF, please visit: www.pangeadiamondfields.com/

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