

Regulatory Announcement

Company Pangea DiamondFields PLC
TIDM PDF
Headline Progress Report
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**Pangea DiamondFields plc
("PDF" or "the Company")**

Progress Report:

**Conditional Offer to Acquire a Strategic Equity Stake in Lesotho Diamond Corporation plc
("LDC")
48 % Acceptances to date**

Following the announcement of the conditional offer to acquire a strategic stake in LDC issued on 2 May 2007, PDF reports progress to date.

Key Highlights

- PDF has received irrevocable acceptances of the PDF Offer from LDC shareholders representing 112 million shares. These acceptances represent approximately 48 % of the undiluted issued shares of LDC computed from the 233 million shares in issue as disclosed by LDC in their recent press release.

These acceptances include that of the PDF offer as detailed in the 2 May 2007 press release, and as extended to all LDC shareholders and further offers which vary from the original PDF offer but equate in aggregate to a similar 25p per LDC share. The details of these offers and their rationale will be set out in a circular and sent to shareholders in due course.

- Further acceptances of the PDF offer are expected. However, PDF is informed that a UK based fund, whose interests in LDC are significant, intends to sell its entire interest in LDC to entities associated with Mr Alan Bond, who currently is reported by the LDC board as holding 38% of LDC in family trusts.
- LDC has a number of warrants, options and convertible notes which are exercisable in the future and will as a consequence dilute PDF's effective shareholding. It is thus pertinent to point out that PDF is neither anticipating nor targeting absolute control of LDC. Rather, as previously announced, and now as the largest single shareholder (subject to consummating the acceptances received to date), PDF intends to do what ever is necessary to enable it to participate in the board and in the management of LDC and its Kao project to the benefit of all stakeholders.
- The existing LDC board has announced by press release and letter to its shareholders that it intends acquiring a series of Kimberlite prospects and alluvial mining licenses in the DRC ("DRC Assets"), the consideration for which will be settled by the issue of a significant number of LDC shares. PDF will not support this transaction until full disclosure of this transaction including all related party and fiduciary issues and independent valuations of these DRC Assets, have been

submitted to the LDC shareholders for their consent in general meeting and subject to PDF's analysis of the transaction following such disclosures.

Rob Still, Chief Executive of PDF, stated: "PDF looks forward to working closely with the LDC board in the future. As previously stated, I would like to reiterate that the LDC/Kao transaction is an exciting opportunity for PDF and LDC shareholders alike.

Shareholders should, however, be aware that this transaction may not ultimately be successfully consummated and should therefore exercise caution in dealing in PDF shares."

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Notes to Editors:

About Pangea DiamondFields PLC

Pangea DiamondFields plc (AIM: PDF) is a mid-tier diamond producer and exploration company with an initial portfolio of nine projects, comprising of 25 distinct resource target areas, located in the Central African Republic, Democratic Republic of the Congo, South Africa and Angola. The company's aim is to minimise risk by diversifying its projects geographically.

PDF's projects are located within highly prospective diamond geological environments. Exploration results to date remain positive, one project has advanced to pilot mining, three to bulk sampling, with the target of seven by year end. At present the remaining projects are at differing stages of exploration.

PDF listed on AIM in October 2006.

PDF has 117 million shares in issue. With the exception of the conditional Warrants to be issued to Accepting LDC shareholders as set out in this announcement 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: <http://www.pangeadiamondfields.com/>

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