

Cape Diamonds plc (the "Company")

Director Share Dealing

5 July 2007

The Company has today been notified that Mr Masoud Alikhani, Non-Executive Chairman of the Company, has today purchased 100,000 ordinary shares of 10p each in the Company ("Ordinary Shares") at 51p per share.

Following this transaction, Mr Alikhani has a beneficial interest in 2,981,420 Ordinary Shares representing 8.62 per cent. of the Company's issued share capital.