

Cape Diamonds plc (the "Company")  
Director Share Dealing

17 July 2006

The Company has today been notified that Mr Masoud Alikhani, Executive Chairman of the Company, has today purchased 35,000 ordinary shares of 10p each in the Company ("Ordinary Shares") at 146p per share.

Following this transaction, Mr Alikhani has a beneficial interest in 2,881,420 Ordinary Shares representing 8.78 per cent. of the Company's issued share capital.

END