

Lucara Announces African Diamond Acquisition Closed

VANCOUVER, BRITISH COLUMBIA--(Marketwire - Dec. 21, 2010) - Lucara Diamond Corp. (TSX VENTURE:LUC) ("Lucara" or the "Company") is pleased to announce that the acquisition of African Diamonds PLC ("AFD") has closed. The acquisition was carried out by way of an English court-approved Scheme of Arrangement. All court and regulatory approvals have now been received and AFD has ceased trading on the AIM exchange.

Pursuant to the Scheme of Arrangement, Lucara has acquired all of the issued and outstanding shares of AFD on the basis of 0.80 of a common share of Lucara for each AFD common share (see news release dated October 4, 2010). Lucara now holds a 100% interest in the AK6 project, an advanced, high-value diamond development project located in the Orapa/Letlhakane kimberlite district of Botswana.

William Lamb, President and CEO, commented, "This acquisition consolidates ownership of the AK6 project, benefiting all shareholders, and creates a new premier diamond developer in Africa. Development of the AK6 mine is continuing at a rapid pace and is one of the few new diamond mines coming into production in the near term. AK6 is known for its high quality stones and is expected to have a long life mine of 12+ years with substantial expansion opportunities from additional resources at depth."

The AK6 project development is on schedule for commissioning in Q4 2011. Site earthworks, which commenced in September, are well advanced with all major plant terraces being established. The civils contract has been awarded and site establishment will be completed for initial concrete pours by end January. Off-site, the mine access road upgrade is progressing well. The re-alignment is done and the first completed section of the road is open to traffic. Engineering progress is advancing in support of the major contract awards and the construction schedule. A full update will be provided early in the New Year.

On Behalf of the Board,

William Lamb, President and CEO

Forward-looking statements: This press release contains statements about expected or anticipated future events, including the development and production activities on the AK6 project, that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as: general economic, market and business conditions; the regulatory process and actions in Botswana; the availability of financing on commercially reasonable terms; technical issues; new legislation in Botswana; competitive factors and conditions; the uncertainties resulting from potential delays in development or changes in plans; the occurrence of unexpected events and management's capacity to finance, execute and implement its future plans. Actual results may differ materially from those projected by management.

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