Lucara Diamond

Lucara Increases Private Placement to $110 Million

VANCOUVER, BRITISH COLUMBIA--(Marketwire - Dec. 3, 2009) -

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Lucara Diamond Corp. ("Lucara" or the "Company") (TSX VENTURE:LUC) is pleased to announce that it has increased the private placement announced on December 1, 2009 from Cdn $100 million to an aggregate of up to Cdn $110 million.

Subscription receipts ("Subscription Receipts") are being sold by a syndicate of agents, led by GMP Securities L.P. and including Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Cormark Securities Inc., Haywood Securities Inc. and PI Financial Corp., on a "best efforts" private placement basis at a price of Cdn $1.00 per Subscription Receipt (the "Issue Price"), for aggregate gross proceeds of up to Cdn $110 million. Each Subscription Receipt will, upon satisfaction of the escrow release conditions, entitle the holder thereof to receive one common share (the "Common Shares") of the Company without further payment or action on the part of the holder. In the event that the escrow release conditions are satisfied prior to the closing of the offering, the Company shall issue Common Shares at the Issue Price in lieu of Subscription Receipts in connection with the offering.

The gross proceeds of the offering will be held in escrow pending receipt of (i) the satisfaction of all conditions precedent to the AK6 diamond project acquisition (the "Acquisition") by Lucara from De Beers previously announced by the Company on November 10, 2009 including, without limitation, the approval of the Government of the Republic of Botswana of the Acquisition, and (ii) all required shareholder and regulatory approvals in connection with the offering. Following satisfaction of the escrow release conditions, the Company intends to use the net proceeds of the offering to fund commitments related to the AK6 diamond project acquisition, for ongoing exploration and development activity and for general corporate purposes.

The offering is subject to normal regulatory approvals, including approval of the TSX Venture Exchange. Closing of the offering is expected to occur on or about December 16, 2009 or such other date as the Company and the agents may agree. In the event that the escrow release conditions are not met by January 31, 2010, the escrowed proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

In connection with the offering, the agents will receive a commission equal to 5% of the gross proceeds of the offering placed by the agents. The agents have agreed to make a charitable donation to "Lundin for Africa" in an amount equal to 0.5% of the aggregate gross proceeds placed by the agents.

The Subscription Receipts and the Common Shares issuable on exercise thereof will be subject to a four-month hold period in accordance with applicable Canadian securities laws.

On Behalf of the Board,

William Lamb, President and COO

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward-looking statements: This press release contains statements about expected or anticipated future events that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as the ability of the Company to meet the escrow release conditions, the intended use of proceeds, receipt of all necessary regulatory approvals in connection with the acquisition, completion of the acquisition, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Actual results may differ materially from those projected by management.
