

**STAR - ORION SOUTH DIAMOND PROJECT
COMPLETION OF THE FIRST TRENCH CUTTER BULK SAMPLING PROGRAM HOLE**

George H. Read, P. Geo., Senior Vice President Exploration and Development of Star Diamond Corporation (“Star Diamond” or the “Corporation”) is pleased to announce that Rio Tinto Exploration Canada (“RTEC”) have completed the drilling of the first bulk sample hole on the Corporation’s Star Kimberlite, using the Trench Cutter Sampling Rig. The Star Kimberlite is located within the Corporation’s Star - Orion South Diamond Project, in the Fort à la Corne diamond district of central Saskatchewan, Canada, on mineral dispositions held 100 percent by Star Diamond. RTEC refers to Star Diamond’s mineral dispositions in the Fort à la Corne diamond district as Project FalCon.

The Trench Cutter Sampling Rig drilled hole FALCCT001 to total depth of 228.4 metres, and intercepted a total of 117.4 metres of kimberlite. This hole produced 704 bulk bags of kimberlite over 15 sample intervals. The Trench Cutter Sampling Rig consists of a Bauer BC 50 Cutter mounted on a Bauer MC 128 Duty-cycle Crane. The redesigned Kimberlite Separation Unit (“KSU”) and accompanying desanding unit have also been fully commissioned. Kimberlite collected will be stored in a secure storage area, until the on-site Bulk Sample Plant (“BSP”) has been assembled and commissioned. Final diamond recovery will then be conducted by RTEC at a secure off-site facility.

Senior Vice President Exploration and Development, George Read, states: “The completion of the first Trench Cutter hole of this bulk sample program is an important milestone in the evaluation of the Star Kimberlite by RTEC. The successful use of this new Trench Cutter Sampling Rig technology for the recovery of kimberlite bulk samples has the ability to revolutionize future bulk sampling and mining of kimberlites, particularly for kimberlites characteristic of the Fort à la Corne diamond district of central Saskatchewan, Canada.”

Star Diamond Corporation is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of the Corporation trade on the TSX Exchange under the trading symbol “DIAM”. The Corporation’s Fort à la Corne kimberlites (including the Star - Orion South Diamond Project, or “Project”) are located in central Saskatchewan in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

All technical information in this press release has been prepared under the supervision of George Read, Senior Vice-President of Exploration and Development, a registered Professional Geoscientist in the Provinces of Saskatchewan and British Columbia and Mark Shimell, Project Manager, a registered Professional Geoscientist in the Province of Saskatchewan, who are the Corporation’s “Qualified Persons” under the definition of NI 43-101.

Caution Regarding Forward-Looking Statements

This news release contains forward-looking statements as defined by certain securities laws, including the “safe harbour” provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “forecast”, “target”, “project”, “guidance”, “may”, “will”, “should”, “could”, “estimate”, “predict” or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding the Corporation’s future operations, future exploration and development activities or other development plans constitute forward-looking statements. By their nature, statements referring to mineral reserves, mineral resources, PEA or TFFE constitute forward-looking statements. Forward-looking statements contained or implied in this press release include, but are not limited to, RTEC’s and the Corporation’s objectives for the ensuing year, including the proposed bulk sampling program.

These forward-looking statements are based on the Corporation's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific.

Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, developments in world diamond markets, changes in diamond prices, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of the Corporation or its partners, the effects of competition in the markets in which the Corporation operates, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in the Corporation's most recently filed Annual Information Form, annual and interim MD&A. The Corporation's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although management considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to the Corporation, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities law, the Corporation does not undertake to update any forward-looking statement that is made herein.

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