

DIAMOND VENTURES NL

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20 October 2003

The Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bridge Street
SYDNEY NSW 2000

RIGHTS ISSUE

The Company is pleased to advise that it is undertaking a one for four non-renounceable rights issue of partly paid ordinary shares at an issue price of 20 cents per share and paid to 3 cents on application (with each three partly paid shares having an attaching free option to subscribe for a further share at 12 cents to be exercised no later than 31 October 2004). If fully subscribed the offer including provision for oversubscriptions will raise approximately \$860,000.

The Record Date for determining entitlements to the Partly Paid Shares will be 26 November 2003 and the Closing Date for acceptances and payment will be 18 December 2003. A copy of the Prospectus has been lodged with the Australian Securities and Investments Commission and Australian Stock Exchange Limited together with Appendix 3B.

All three directors, who in total hold approximately 25 million shares (26% of issued capital), have indicated that they will be taking up their full entitlement under the offer. Directors have also indicated that they will not be exercising any of the existing options they hold in the Company prior to the Record Date of the offer.

Yours faithfully,



Walter R Bucknell
Executive Director