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IGE: Cassanguidi mine preparing for increased diamond production

IGE Resources AB (OSE: IGE) today announced that it has successfully put in place and commissioned improvements in the operations which prepares its Cassanguidi mine in Angola for increased diamond production. Operations in the diamond mine have been reconfigured to run 24 hours a day seven days a week. The mine has been operated at this rate for the last three weeks without interruptions and with consistent daily diamond production.

Additional equipment necessary for increasing the production capacity has reached the mine and is now in service. Further equipment needed to reach full capacity will be shipped from South Africa to the Angolan mine in June and will be commissioned through July. The monthly output from Cassanguidi is expected to be more than 5,000 carats by the third quarter 2010.

In April, IGE conducted its first diamond sale when a parcel of Cassanguidi diamonds was sold at an average price of USD 162 per carat. The price confirms an upward price trend for rough diamonds. IGE estimates that the Cassanguidi project holds more than 1.3 million carats of rough diamonds in the ground (verified and estimated resources combined). At current prices this represents a gross value of more than USD 215 million in the ground, making it IGE's highest valued asset in Angola in terms of reserves.

Cassanguidi is the first of IGE's diamond projects coming on-stream. IGE's nine diamond projects in Southern Africa represent an estimated resource base of more than 13.5 million carats (verified and estimated resources combined).

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IGE Resources AB (publ) is a Scandinavian company mainly focusing on diamonds exploration and production in Southern Africa. IGE's portfolio also includes one of Northern Europe's largest nickel deposits and gold exploration projects in Kenya. IGE is headquartered in Stockholm and its shares are listed on the Oslo Stock Exchange (ticker: IGE). Please refer to www.ige.se for more detailed information.