



DIAMOND ROSE NL

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15 December 2005

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Company Announcement Office
Australian Stock Exchange Limited

Change of circumstances

As forecast at its recent Annual General Meeting, the company advises that it has agreed with Vageta Pty Ltd [a company owned by the Feldman family] to terminate the company's agreement to pay, by instalments through to October 2009, \$1.8 million in settlement of any possible claims by former directors of the company, or by Vageta, Australian Gemstone Mining Pty Ltd or associated parties.

This adjustment will be reflected in the Company's accounts at 31 December 2005.

Pursuant to a Deed of Termination and Release concluded yesterday, Vageta and its associates have disposed of all their interests in Global Gold SA which holds a 63.87% interest in the Company.

The company will release the relevant Form 604 (Notice of change of interests of substantial holder) as soon as it is received.

Henry Kinstlinger
Company Secretary