

MANAGING DIRECTOR EMPLOYMENT CONTRACT

(ASX: KDL) Kimberley Diamonds Ltd ("KDL" or "Kimberley") is pleased to announce that it has agreed the terms of an employment contract with its Managing Director, Noel Halgreen.

The following sets out the key terms of the contract:

Commencement of employment

23 May 2014

Remuneration

Mr Halgreen will be paid total fixed remuneration of \$485,589.16 per annum (inclusive of superannuation) which will be reviewed by the Board at least once every 12 months. Mr Halgreen will also be eligible for bonuses at the discretion of the Board.

Mr Halgreen is entitled to 20 days annual leave per annum (in addition to public holidays).

Term and Termination

Mr Halgreen's employment will continue until one of the following circumstances occurs:

- if in the first 12 months of his employment, KDL gives Mr Halgreen 3 months notice (or payment in lieu of notice) or thereafter, if KDL gives Mr Halgreen 6 months notice (or payment in lieu of notice);
- if in the first 12 months of his employment Mr Halgreen gives KDL 3 months notice or thereafter, if he gives KDL 6 months notice; or
- KDL terminates the contract due to actions of Mr Halgreen, including serious or persistent misconduct. This can be done immediately, without notice.

On termination, any accrued remuneration and statutory leave entitlements are payable, together with reimbursement of properly incurred work related expenses.

Restraint

During the term of his employment and for the 3 months following the termination of his employment, Mr Halgreen is restrained from being engaged or involved in any competing businesses in Australia and Botswana without the prior written permission of KDL.

For further information please contact:

Alex Alexander
Chairman
T: +61 2 8243 7501
alex@kdl.com.au

Noel Halgreen
Managing Director
T: +61 2 8243 7514
noel.halgreen@kdl.com.au

About Kimberley Diamonds Limited

Kimberley Diamonds Ltd owns the Lerala Diamond Mine in Botswana and is the owner and operator of the Ellendale Diamond Project in Western Australia. The mine is the world's leading source of rare fancy yellow diamonds and contributes around half of the world's supply. Kimberley also owns the Argyle Smoke Creek Alluvial Diamond Project in the Kimberley region of Western Australia; eDiamond BVBA, a marketing office for rough diamonds that uses an independent online trading platform for rough diamond sales and also has interests in a portfolio of other mining tenements in Canada, New South Wales and Western Australia. Kimberley Diamonds Ltd has offices in Sydney and Perth and is listed on the ASX under the code KDL.