



News Release

Toronto, 10 October 2008

Archangel Diamond Corporation has become aware of press reports which indicate that the Russian government has given a consent for its acquisition of a 49.99% equity interest in AGD under the new foreign investment law

Archangel Diamond Corporation ("Archangel" or the "Corporation") (TSXV : AAD) announces that, in connection with the Corporation's proposed acquisition of a 49.99% equity interest in OAO Arkhangel'skoe Geologodobychnoe Predpriyatie ("AGD") from OAO LUKOIL ("LUKOIL") (the "Transaction") described in the Corporation's news release dated 16 April 2008, it has been reported by press agencies that the newly appointed Russian Government Commission has today given its consent to the Transaction pursuant to the Russian law concerning foreign investment in strategic assets (see Archangel's news release dated 7 May 2008). Accordingly, Archangel is seeking to obtain official confirmation of these reports from the Russian Federal Anti-monopoly Service ("FAS") as well as full details of the decision of the Commission (including what conditions are attached to such consent).

Archangel is also continuing its efforts to obtain information from FAS in regard to its application for approval of the Transaction under the Russian law on protection of competition, the final condition precedent to the Transaction.

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