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PRESS RELEASE

**FIRST DIAMOND SALE FROM DUAS BARRAS RETURNS US\$1.05 MILLION
6,421.77 Carats Sold For US\$164.16 Per Carat**

VaalDiam Resources Ltd. (VAA – TSX) reports it has completed its first sale of diamonds from its 100%-owned Duas Barras Mine for US\$ 164.16 per carat, yielding total gross proceeds of US\$1,054,227.74. This first production parcel contained 24,730 diamonds with a total weight of 6,421.77 carats, and represented production generated during the commissioning of the production plant at Duas Barras during the period from late May to August, and the first ten days of commercial production which commenced on September 1, 2007. An additional 17,538.39 carats of diamonds are currently in the process of being granted a Kimberley Certificate to allow the remaining 2007 production to be exported from Brazil to Antwerp, Belgium for sale.

The 6,421.77 carats of diamonds contained in this first sales parcel were recovered from 26,519.54 bank cubic metres (bcm) of gravel at a recovered diamond grade of 0.24 carats per bcm. The following table provides an unaudited summary of the gross revenues and estimated direct operating costs (net of estimated gold proceeds) for the sales period based on the sale of the diamond parcel, and the projected sale of the gold concentrate at current market prices.

Average Recovered Diamond Grade for the Sales Period	0.24	ct / bcm
Average Recovered Gold Grade for the Sales Period	0.33	gm / bcm
Sales Value Diamonds US\$	\$ 164.16	per carat
Projected Sales Value Gold US\$ ¹	\$ 26.28	per gram
Value per bcm Gravel Processed (diamonds only) US\$	\$ 39.75	per bcm
Estimated Value per bcm Gravel Processed (gold only) US\$	\$ 8.77	per bcm
Estimated Ore Value Diamonds + Gold (US\$)	\$ 48.52	per bcm
Estimated Operating Cost per Carat Produced Net of Estimated Gold Proceeds US\$ ²	\$ 52.93	per carat
Estimated Operating Margin per Carat US\$	\$111.23	per carat

1. Gold sales price estimated at US\$845 per troy ounce.

2. Estimated direct operating costs for the sales period not including amortization.

Total production during 2007, including production recovered during the commissioning of the processing plant, amounted to 93,225 diamonds totalling 23,960.16 carats and 22.63 kilograms (727.58 troy ounces) of gold from 118,461.96 bcm of gravel. The following table provides a monthly summary of the diamond and gold production at Duas Barras since start up to December 31, 2007.

Month	Ore Volume (bcm)	Diamonds Recovered	Total Weight (carats)	Average Stone Size (cts)	Recovered Diamond Grade (cts/bcm)	Gold Recovered (kilograms)
May	91.00	313	54.67	0.17	0.60	Not Recovered
June	1,037.46	2,556	447.73	0.18	0.43	Not Recovered
July	4,014.09	6,610	1,240.33	0.19	0.31	0.85
August	15,644.38	10,197	3,161.81	0.31	0.20	4.99
September	22,837.82	15,139	4,303.78	0.28	0.19	5.90
October	24,243.96	19,366	5,081.96	0.26	0.21	4.34
November	25,835.70	22,207	5,770.75	0.26	0.22	3.55
December	24,757.45	16,837	3,899.13	0.23	0.16	3.00
Totals	118,461.86	93,225	23,960.16	0.26	0.20	22.63

* Production for May, June & July reflects production using a bottom screen of 1.4 mm square mesh, which was changed to a 2.0 mm square mesh bottom screen in late July resulting in a decrease in recovered grade and a corresponding increase production and in the average stone size of the diamonds during the subsequent months. Commercial production commenced on September 1, 2007.

Ken Johnson, President and Chief Executive Officer of Vaaldiam commented that *“the first sale of diamonds produced at the Duas Barras mine is another significant milestone for the Company. The results achieved since startup of operations are excellent, with diamond and gold recoveries being well above the parameters used in our feasibility study. The first sale of diamonds achieved an estimated operating margin of US\$111 per carat, which reinforces the Duas Barras mine as a highly profitable operation.”*

In addition to production from its new Duas Barras Mine, Vaaldiam holds 100% interest in the Chapada Diamond Mine in Mato Grosso State, Brazil. The Chapada Mine has produced over 28,000 carats of high quality diamonds, at an average sales value of US\$400 per carat. Vaaldiam intends on utilizing cash flow from its alluvial operations to fund the Company's kimberlite exploration projects in Brazil. Vaaldiam is currently developing its 100% owned Braúna kimberlite project which is advancing towards a feasibility study later this year, and its 100% owned Pimenta Bueno project where the Company is currently mini-bulk sampling two of the 38 kimberlite pipes that have been discovered on the property.

This release has been reviewed by José Ricardo Pisani, Vice President, Exploration who is a qualified person under National Instrument 43-101. For additional information regarding Vaaldiam please visit www.vaaldiam.com, or contact Ken Johnson, President and Chief Executive Officer or Janet Reid, Manager, Investor Relations at (416) 363-6927.

This press release contains certain forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations; risks related to joint venture operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined, future prices of resources; possible variations in reserves, grade or recovery rates, accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.