

29 July 2010

Conroy Diamonds and Gold Plc
("Conroy" or "the Company")

**SUCCESSFUL RESULT FROM FIRST DRILL HOLE ON STEP OUT
DRILLING PROGRAMME AT CLAY LAKE GOLD TARGET**

- **Step out drill programme commences with positive results**
- **24 metres of 0.49 grammes per tonne ("g/t") gold and 0.6g/t silver, including 3 metres of 2.74g/t gold and 0.6g/t silver**
- **Also intersections of 4 metres of 2.29g/t gold, and 3 metres of 1.53g/t gold in separate lodes**

Conroy (AIM: CDG; ESM: CDGI) is pleased to announce that the first drill hole in a step out drilling programme, in the north-western corner of its Clay Lake gold target in Co. Armagh, has returned positive results with three zones of mineralisation intersected. The step out programme follows on from previous positive gold results which demonstrated the presence of a broad zone of gold mineralisation. The step out programme is ongoing and further drill holes are planned.

The first drill hole was an inclined hole, which was 94.4 metres in length to a vertical depth of approximately 67 metres, intersected 4 metres of 2.29g/t gold from 12 metres. This was followed by 3 metres of 1.53g/t gold from 38 metres followed by a 24 metres intersection of 0.49g/t gold and 0.6g/t silver from 47 metres, including 3 metres from 48.5 metres which averaged 2.74g/t gold and 0.6g/t silver. 31 metres out of the 94.4 metres drilled contained gold mineralisation.

Arenites and argillites (shales) were the main lithologies in this hole.

Drill Hole	From (m)	Intercept (m)	Au (g/t)	Ag (g/t)
Intersection:	12	4	2.29	-
Intersection:	38	3	1.53	-
Intersection:	47	24	0.49	0.6
incl.	48.5	3	2.74	0.6

The 24 metres zone of mineralisation in this hole occurred in a sequence of argillites with quartz stockwork and is approx 65 metres away from similar material encountered in drilling earlier this year and over 350 metres away from similar stockwork material seen in outcrop.

Two lode style mineralised zones were encountered above the stockwork zone. The highest gold value intersected in this drill hole over a single metre was 4.57g/t in the first lode.

The Clay Lake anomaly covers an area of about 141 hectares (“ha”) and has returned the highest gold-in-soil values ever recorded by the Company on its Irish exploration licences. It is larger

than that at Clontibret (125ha), 7km to the south-west, where the Company has established a JORC-compliant gold resource of over 1 million ounces on only 20 per cent. of the target. Both targets are located along the 50km (30 mile) gold trend outlined on its licences.

This release has been approved by Kevin McNulty PGeo, who is a member of the Company’s technical staff, who holds a BSc/MSc in Geology and Remote Sensing, in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies, which outlines standards of disclosure for mineral projects.

Commenting today, Chairman, Professor Richard Conroy said:

“These are excellent results from Clay Lake. They show we are starting to see continuity of the stockwork, which will help to build a resource in this area which we believe to be even more prospective than Clontibret. Also, having a drill hole with nearly one third of it in mineralisation is extremely encouraging.”

Further Information:

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