

FOR IMMEDIATE RELEASE

**DIADEM INTERSECTS 4.16 G/T GOLD OVER 10.3 METERS
IN NEW DRILLING PROGRAM ON *DUQUESNE WEST* GOLD PROJECT**

TORONTO, September 26, 2006 - Diadem Resources Ltd. (TSX-V: "DRL") announced today that it has received the first assays from the 5,000 meter diamond drilling program on its *Duquesne West* gold project in the Destor-Porcupine fault zone near Rouyn-Noranda, Quebec.

The first hole, DQ06-01, intercepted the Liz Zone and returned a composite intersection of 4.16 grams gold per tonne over a core length of 10.3 meters between 361.7 and 372.0 meters down the hole. This is interpreted to represent a true width of about 7 meters. This intersection included a section which assayed 7.55 grams gold per tonne over 3.5 meters (an estimated true width about 2.4 meters). The mineralized structural zone is comprised of an altered quartz-carbonate-sericite schist with minor pyrite. The first drill hole targeted the Liz Zone midway between two holes previously drilled by Kinross Gold, with intersections which were about 100 meters apart and which assayed 6.9 grams per tonne gold over 11.2 meters (DQ02-02) and 5.5 grams gold per tonne over 11.4 meters (DQ02-10). The new hole also targeted the deeper Fox Zone where a previous hole assayed 28.4 grams gold per tonne over 3.25 meters.

More assays are expected back from the deeper sections of the initial hole later this week

The current drill program commenced on August 14th and a total of 1,563 meters have been drilled to date, completing 2 holes with a third hole currently in progress.

Hole No.	Easting	Northing	Az (deg)	Dip (deg)	Length (m)	Comments
DQ06-01	L27+50E	8+00N	003	-60.5	626	Completed Aug 29 th
DQ06-02	L26+00E	10+00N	003	-76.5	535	Completed Sept 7th
DQ06-03	L28+00E	7+40N	006	-75.0	402	Started Sept 8 th , in progress
			Total meters		1,563	

The *Duquesne West* claims cover approximately three kms of the Destor Porcupine Fault Zone which represents a major gold-bearing structure with numerous gold deposits scattered along its 240 km strike length. Gold mineralization has been interpreted by previous operators as being hosted by five significant semi-continuous zones that all strike roughly east-west and dip from 65° to 90° south.

John P. Thompson, P.Eng. is the Qualified Person under NI 43-101 who is supervising the exploration program for Diadem on the *Duquesne West* gold project.

Diadem continues to transition itself from having primarily a diamond and gold exploration focus to an expanded focus which includes production and near-production mining opportunities, especially those related to gold. The acquisition of the option to acquire up to a 57.5% interest in the *Duquesne West* gold project is a step in that transition. The Company also currently is considering other such opportunities. At the same time, Diadem continues work on the *Franklin* diamond exploration project in the Northwest Territories, Canada.

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