

FOR IMMEDIATE RELEASE:

DIADEM ENGAGES INTERNATIONAL FUND FOR \$6 MILLION FINANCING

TORONTO, October 15, 2008 – Diadem Resources Ltd. (TSX-V: “DRL”) is pleased to announce that it has entered into an agreement to retain Wakabayashi Fund LLC of Tokyo, Japan to assist Diadem in structuring and arranging one or more financings over a six month period. This will provide the Company with funding for general corporate purposes and to carry out a drilling program at its Franklin Diamond Project located on the Parry Peninsula in the Canadian Arctic. The plan is to raise \$1.5 million for working capital in the next 30 days towards a total of \$6 million within the six month contract period. Specific financings will be subject to regulatory review and approval when details are available.

Wakabayashi Fund is a private equity consulting firm that provides institutional corporate finance and international investor relations services. It invests on a principal basis and acts in an agency capacity to procure capital for both profitable and emerging small cap and mid cap companies. From its headquarters in Tokyo, an office in New York and representatives in other financial capitals, over the last 20 years Wakabayashi Fund management has generated institutional investments in the \$1 million to \$100 million range for companies in a multitude of sectors.

Under the agreement with Wakabayashi Fund, Diadem will pay a 7% cash fee on all capital raised by the fund. In addition, Diadem will pay a work fee of \$50,000 currently, with additional work fees of \$50,000 on each of November 30, 2008 and January 31, 2009. Diadem has the right to make payment of the work fees by issuing treasury common shares at \$0.10 per share and plans to do so with the current work fee, thus resulting in the current issue of 500,000 treasury common shares. In addition, Diadem will grant to Wakabayashi Fund an agent’s option to purchase an additional 500,000 treasury common shares at a price of \$0.15 per share until September 30, 2009 and, if not previously exercised, thereafter at a price of \$0.25 per share. If Wakabayashi Fund has not raised at least \$1 million of funding by October 31, 2008, Diadem has the right to terminate the agreement and any ongoing obligations thereunder.

Paul Carroll, Chairman and CEO of Diadem said “We are pleased to be able to attract the interest of this global fund in these times when junior resource explorers are especially exposed to the current state of the capital markets. In addition to its relationships in North America, Wakabayashi Fund has extensive institutional relationships in Asia and the Islamic world where the growth of the diamond market is outstripping that of the West.”

In the first half of 2008 Diadem completed a ground magnetic survey on its Franklin Diamond Project. The location of the Project and the Company’s claims are shown on previously published maps which may be viewed on the Diadem website at www.diademresources.com. The survey was designed to more precisely locate and define a number of airborne magnetic anomalies on the ground that Diadem management determined was necessary prior to initiating a diamond drilling program. Collectively, a total of 327.7 line km of survey was carried out over 13 individual control grids overlying 16 separate airborne magnetic anomalies. These anomalies are part of the 28 exploration targets referred to in earlier news releases and other disclosure by Diadem.

Preliminary, unrefined field data suggests that several of the airborne magnetic anomalies that were surveyed on the ground have magnetic signatures similar to those recorded by previous ground surveys over known diamond-bearing kimberlite pipes. The ground magnetic anomalies are characterized by well-defined, circular magnetic low and magnetic high signatures that appear to be spatially related to major structural features. The magnetic expressions of the known kimberlite pipes enable recognition of potential kimberlite pipes with a high confidence level. Diadem plans to finalize its drilling program for the Project which it expects will be carried out later this year or in the spring of 2009, subject to permitting.

The technical information in this press release has been reviewed and approved by Thomas Skimming, P.Eng., a Director of Diadem and a Qualified Person as defined by NI 43-101.

Diadem has completed its earn-in to a 50/50 joint venture with Darnley Bay Resources Ltd. ("DBR"). The Company has the right to carry out a feasibility study for a diamond mine and if it does so its interest will increase to 75% and that of DBR will dilute to 25%. The Inuvialuit Regional Corporation also has the right to back into the Project for a participating 10% working interest when a decision is made to place a diamond mine into production. In such eventuality, the dilution will be shared equally between Diadem and DBR.

Management of Diadem continues to be focused on acquiring and developing production or near-production mining opportunities in North America, especially those related to gold and diamonds. This objective is exemplified by Diadem's diamond exploration activities in the Franklin Bay area of the Northwest Territories. If a suitable opportunity arose, and if funding and good sponsorship were available, Diadem would consider an investment outside North America.

For further information, please contact:

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