



SUPERIOR *Diamonds Inc.*

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News Release

SUPERIOR PROPOSES A \$10 MILLION PRIVATE PLACEMENT FINANCING

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April 20, 2007

Vancouver, BC – **Superior Diamonds Inc. (SUP-TSX.V)** (“Superior” or the “Company”) has entered into an agreement with MGI Securities Inc. and Haywood Securities Inc. (the “Agents”) to raise up to \$10 million in a private placement financing consisting of a combination of units (“the Units”) at \$0.60 per Unit and flow-through common shares (“the Flow-Through Shares”) at \$0.65 per Flow-Through Share. Each Unit will consist of one common share plus one common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one common share at a price of \$0.75 expiring 24 months from the closing date.

Net proceeds will be used to advance the Ville Marie and Lespérance diamond projects in Quebec and the North Thelon uranium joint venture project in Nunavut, as well as general corporate purposes. Closing is expected on May 16, 2007.

The Units and Flow-through Shares will be offered by way of private placement exemptions from the prospectus requirements in such provinces of Canada as the Agents may designate. The Units may also be offered in the United States and other jurisdictions outside of Canada by way of private placement in accordance with applicable laws.

The Company will pay the Agents a fee equal to 7% of the gross proceeds of the offering and will issue the Agents non-transferable warrants (the “Broker Warrants”) equal to 7% of the aggregate number of Units and Flow-through Shares issued under the offering. The Broker Warrants will be exercisable for 24 months from the closing date at a price equal to the Unit issue price.

Any participation by insiders of Superior in the offering, which participation will be subject to the approval of independent directors of the Company, will be on the same terms as arm’s length investors, and shareholdings of insiders in the Company will increase as a result of any such participation. The private placement may close before 21 days following the filing of the material change report regarding this announcement, if management determines it is necessary or desirable for sound business reasons.

This press release will not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. The shares have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States without registration or an applicable exemption from the registration requirements.

About Superior Diamonds

Superior Diamonds is a junior Canadian exploration company, primarily searching for diamonds in the under-explored and highly prospective regions of the Canadian Shield within the provinces of Ontario and Québec. Superior’s highly skilled team has defined a number of promising target areas through grass roots exploration, and is now focused on prioritizing these targets for drilling. To diversify risk and balance its portfolio, the Company has adopted a strategy to explore for other commodities where it has a proven track record of expertise, including uranium. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Québec, and trades on the TSX Venture Exchange under the symbol SUP.

Forward-looking Statements

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" in the Company's periodic filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statements.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.