



SUPERIOR *Diamonds Inc.*

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News Release

SUPERIOR CLOSSES \$10 MILLION PRIVATE PLACEMENT FINANCING

May 28, 2007

Vancouver, BC – **Superior Diamonds Inc. (SUP-TSX.V)** (“Superior” or the “Company”) has closed the private placement financing announced on April 20, 2007, raising aggregate gross proceeds of \$10 million.

The financing consisted of 5,422,100 units (the “Units”) at \$0.60 per Unit and 10,379,600 flow-through common shares (the “Flow-Through Shares”) at \$0.65 per Flow-Through Share. Each Unit consists of one common share plus one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one common share at a price of \$0.75 expiring in 24 months. The securities are subject to a four-month hold period expiring September 26, 2007.

Net proceeds will be used for exploration and development at the Company’s mineral projects and for general corporate purposes.

MGI Securities Inc., lead agent, and Haywood Securities Inc. acted as agents for this financing (the “Agents”) and were paid a cash commission and received 1,106,119 brokers warrants (the “Broker Warrants”). Each Broker Warrant is exercisable for 24 months from closing at a price of \$0.60.

The directors of Superior approved the participation by insiders of the Company in the private placement on the same terms as arm’s length investors, and shareholdings of certain insiders in the Company increased after such participation. The Company has been advised that these shares were acquired for investment purposes.

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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