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For Immediate Release

PEREGRINE ANNOUNCES COMMENCEMENT OF 2009 DIAMOND EXPLORATION PROGRAMME AT CHIDLIAK, BAFFIN ISLAND, CANADA

Peregrine Diamonds Ltd. ("Peregrine" or "the Company") is pleased to report that the 2009 diamond exploration programme has commenced on the 9,800 square kilometre Chidliak property ("Chidliak" or "the Property"), Baffin Island, Nunavut, Canada. Since the programme commenced on April 15, activities completed include over 800 line kilometres of ground geophysics, construction of a second exploration camp and mobilization of equipment and supplies to the Property.

As announced on February 12, 2009, the approved \$9.2 million 2009 Chidliak exploration programme includes the following key elements:

- **Core Drilling.** Known kimberlites and new kimberlite targets will be drilled. Kimberlite core will be logged at a secure facility in Iqaluit and select intervals will be analyzed for microdiamonds by caustic fusion.
- **CH-1 Mini-bulk Sample.** A 50 tonne mini-bulk sample from the CH-1 kimberlite will be collected and processed to obtain additional commercial-size diamonds.
- **Heavy Mineral Sampling.** Over 1,200 kimberlite indicator mineral samples will be collected throughout the Property.
- **Ground Magnetic and Electromagnetic Geophysical Surveys.** Ground surveys were completed over 37 geophysical anomalies in May.
- **Construction of a second 24-person camp.** There is now capacity at Chidliak for up to 48 people.
- **Initiation of an Environmental Baseline Study.** Initial baseline work will include wildlife surveys, an initial habitat assessment, a preliminary hydrology study and an archeological survey.

Camp Construction and Mobilization

To date, exploration at Chidliak has been conducted from an exploration camp, named Discovery, with a gravel airstrip suitable for the landing of Twin Otter aircraft in the summer. In April and May, a second exploration camp, named Sunrise, was constructed near a lake which currently hosts an ice airstrip capable of accommodating DC-3 and Twin Otter aircraft. Each of the two exploration camps have capacity to support up to 24 people.

Boart Longyear Canada has mobilized an LM55 core drill to Iqaluit for use at Chidliak. The drill and associated equipment is currently being mobilized to the Property in preparation for the drill programme scheduled to start in late June. A Caterpillar® Multi-Terrain loader was transported to Chidliak overland by two Bombardier Sno-Cats. Approximately 140 barrels of Jet A fuel and 60 barrels of diesel fuel will have been mobilized to the Property by the end of May. Additional fuel required for the 2009 programme will be shipped to Iqaluit on the sealift in early July.

Ground Geophysics

Over 800 line kilometres of ground magnetic surveys and over 20 line kilometres of ground electromagnetic surveys were completed in May. The ground surveys currently cover 37 geophysical anomalies selected for follow-up this season from the 190 anomalies that were identified in the 11,700 line kilometre airborne geophysical survey that was completed in 2008. Upon completion of the interpretation of the ground geophysical data, high-priority kimberlite targets will be selected for drilling this summer. Anomalies currently not covered by ground geophysical surveys will be further prioritized this year through ground checking supported by geochemical and kimberlite indicator mineral sampling. To date, airborne geophysical surveys

have been flown over only 15 percent of the Property and additional airborne surveys will be considered as part of the 2010 exploration programme.

CH-1 Mini-Bulk Sample

The collection of a 50 tonne mini-bulk sample from the CH-1 kimberlite that was originally scheduled for May has been deferred to July or August after the snow has melted. The site was evaluated during May and found to have approximately four metres of snow covering the kimberlite outcrop area. The sample collected in the summer will be processed for commercial-size diamonds and results are still expected in the fourth quarter of this year. A 2.28 tonne sample collected from CH-1 in 2008 returned a diamond content of 1.56 carats per tonne for diamonds larger than the 0.85 mm sieve size. A 2.01 carat, gem quality diamond was recovered from the sample. The diamond results from the 50 tonne sample, together with geological information and diamond results obtained from core drilling this summer, will allow for a continuing assessment of the diamond content, quality and tonnage potential of CH-1.

Photographs from this year's Chidliak programme and images of four geophysical anomalies over which ground geophysical surveys have been completed are available at <http://www.pdiam.com/i/pdf/chidliak6.pdf>.

Peregrine is the operator of the approved Chidliak exploration programme which will be fully funded by BHP Billiton. As announced on November 24, 2008, BHP Billiton has elected to exercise its earn-in rights for Chidliak and under the terms of the earn-in agreement, must incur a total of \$22.3 million dollars in exploration expenditures in order to earn a 51% interest in the Property.

Mr. Peter Holmes, P. Geo., Peregrine's Vice President, Exploration, is a Qualified Person under NI 43-101 and is responsible for the design and conduct of the programs carried out by the Company at Chidliak. Mr. Holmes has reviewed this release and approves of its contents.

For further information, please contact Brooke Clements, President, Eric Friedland, CEO, or Peregrine Diamonds Investor Relations, at 604-408-8880 or at investorrelations@pdiam.com.

Forward-Looking Statements: This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the proposed exploration program, funding availability, anticipated exploration results, resource estimates, and future exploration and operating plans) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to the availability and cost of funds, timing and content of work programs, results of exploration activities, interpretation of drilling results and other geological data, world diamond markets, future diamond prices, reliability of mineral property titles, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain required project approvals, any changing budget priorities of BHP Billiton, operational and infrastructure risks, and other risks involved in the diamond exploration business. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty.