

**ADVANCED DIAMOND TECHNOLOGIES CLOSES SERIES B FINANCING—  
FUNDING MARKET INTRODUCTION OF  
TWO THIN-FILM DIAMOND ENHANCED PRODUCTS**

Romeoville, Illinois—November 13, 2006—Advanced Diamond Technologies, Inc. (ADT), the world leader in developing and applying diamond thin-films for industrial, electronic, mechanical and medical applications announces the successful close of its Series B financing for an undisclosed amount. LaSalle Investments and Illinois Ventures led this funding round which also included Nomad Ventures as well as individual investors.

ADT plans to use its new capital to bring two applications of its thin-film diamond enhanced products to market. The first application dramatically improves the friction and wear characteristics of mechanical seal faces improving reliability and performance. ADT's diamond-enhanced mechanical seals are market ready. The second product integrates ADT's ultrananocrystalline diamond (UNCD™) into microelectronic devices enabling diamond-based micro-electromechanical systems (MEMS). ADT anticipates MEMS market introduction in 2007.

“We were pleased with the investor response received during our Series B round of funding. We see the continued interest and investment in ADT as a key milestone to our successful future,” said ADT president Neil Kane. “Series B funding is critical to bringing our next-generation diamond MEMS products and diamond-enhanced mechanical seals to market, both based on our UNCD material.”

About UNCD

UNCD, synthesized in thin-film form using a patented growth process originally developed at Argonne National Laboratory, is known for its ability to seamlessly integrate with other materials. Comprised of diamond grains that are 2-5 nm in diameter—a billion-fold smaller than in traditional diamond films—UNCD has many of the desirable characteristics associated with diamond, such as hardness, conductivity and inertness, as well as several distinctive properties including mirror smoothness and low-temperature synthesis that is compatible with traditional semiconductor manufacturing processes.

About Advanced Diamond Technologies, Inc.

Formed in December 2003 to commercialize the ultrananocrystalline diamond technology developed at Argonne National Laboratory, ADT is the licensee to the Argonne portfolio of application and process patents for synthesizing and using UNCD films. ADT is the recipient of the 2006 Frost & Sullivan's Product Innovation of the Year award, the Nanotech Briefs' Nano 50™ Award, and a runner-up in this year's *Wall Street Journal* Technology Innovation Award program.

Learn more online at [www.thindiamond.com](http://www.thindiamond.com).

This press release contains forward-looking statements about Advanced Diamond Technologies, Inc. that involve risks and uncertainties. These statements are developed by combining currently available information with ADT's beliefs and assumptions. Forward-looking statements do not guarantee future performance. Because ADT cannot predict all of the risks and uncertainties that may affect it, nor control the ones it does predict, ADT's actual results may be materially different from the results expressed in its forward-looking statements.

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