



29 October 2008

Dwyka Resources Limited ('Dwyka' or the 'Company')

Dwyka to Focus on Muremera Nickel Project and Preserve Cash

Highlights

- **Focus on Muremera Nickel Project in Burundi - 100% funded by BHP Billiton**
 - **Withdrawal from relatively high risk, high cash burn Daguma/Bonanaza Coal Project to preserve cash**
 - **Renegotiation of Swazigold work programme**
 - **End September 2008 cash balance GBP7.6million**
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The directors of Dwyka announce a change in the Company's strategy as an immediate action to optimise its cash position to ensure that the Company is best placed for future growth, when global market and commodity conditions stabilise.

Philippines

The directors have decided that in order to halt the cash expenditure associated with the Philippines-based Daguma/Bonanaza Coal Project, the Company, via ACRL, will cease work with immediate effect. The vendors have been advised that Dwyka does not intend to make further payments for the acquisition of equity in the project. Continuing with the current work programme and acquisition timetable would deplete Dwyka's cash reserves to approximately GBP2.4m by the end of January 2009 with the requirement for a further acquisition payment to be made at that stage. Further, recent movements in the AUD:USD exchange rates have meant that the cost of making such acquisition payments has increased by approximately 25% since funds were raised for the project in May 2008.

Dwyka's current beneficially earned equity position in the Daguma/Bonanaza Projects is 8%.

Burundi

The Company will remain focused on its Muremera Nickel Project in Burundi where, as announced by Dwyka on Monday, drilling has recently recommenced with two massive

sulphide intersections of 4.27 metres and 6.99 metres made in one borehole returning an average composite nickel equivalent grade of approximately 1 per cent Ni.

Pursuant to a Shareholders and Earn-in Agreement, there are very few costs associated with the project which are to be borne by Dwyka. BHP Billiton is responsible for sole funding the project through to completion of a concept study in order to earn a maximum 50% indirect interest in relation to the project.

Swaziland

An extended timetable for the SwaziGold Project in Swaziland has been renegotiated with the vendors and the current work programme will be extended out until February 2009. By that time Dwyka will have satisfied the US\$750,000 total project expenditure required for it to be able to increase its interest in the project from 50% to 70% by the payment of US\$200,000 and the issue of US\$1 million worth of shares to the vendors.

Dwyka's Chief Executive Officer, Melissa Sturgess, commented: "In these uncertain times the directors of the Company feel that it is in the best interests of all shareholders to preserve cash and concentrate on the Muremera Nickel Project which has returned early, encouraging results and which is sole funded by BHP Billiton. This places the company in the enviable position of having a strong cash balance and owning a world class prospective nickel project which is funded 100% by external means".

The technical exploration and mining information contained in this Notice has been reviewed and approved by Ed Nealon. Mr Nealon is a Dwyka Resources Limited Director and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Guidance Note for Mining, Oil and Gas Companies. Mr Nealon is a member of the Australian Institute of Mining and Metallurgy.

Mr Nealon consents to the inclusion in this announcement of such information in the form and context in which it appears.

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