



12 December 2007

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

Dwyka holds 48% of KimCor Diamonds Plc

The directors of Dwyka Resources Limited ("Dwyka" or "the Company") and the directors of KimCor Diamonds Plc ("KimCor") today announce that Dwyka has reduced its shareholding in KimCor from 50.09% to 48.2% of KimCor's issued share capital, via the sale of 5,050,000 shares to institutional and high net worth clients of Ambrian Partners Limited and Strand Partners Limited.

In the period since KimCor acquired the assets of Dwyka Diamonds Holdings it has successfully commenced a capital expenditure programme to build its diamond production to 200,000 carats per annum. The Board of Dwyka is of the view that KimCor's management is on track with its objectives and has therefore, in consultation with KimCor, elected to reduce its holding to below 50% to reflect KimCor's independence and Dwyka's confidence in its Board.

The sale has realised gross proceeds of GBP 293,106 for Dwyka, which will be used for general working capital purposes.

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