



20 May 2008

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

Dwyka signs Services Agreement in connection with Philippines Daguma and Bonanza coal projects

Further to Dwyka's announcement on 7 May 2008 that it had entered into an option giving it the ability to acquire an interest in the Daguma and Bonanza coal projects (collectively, the "**Project**"), the Company is pleased to announce that it has now concluded a services agreement with Tomori Enterprises Limited ("**Tomori**") to provide ongoing liaison and facilitation services for the life of the Project ("**Services Agreement**").

The Services Agreement will only come into effect if Dwyka decides to proceed to acquire an initial interest of 30% in the Project (which is subject to the approval of the Company's shareholders) and will remain in force for the life of the Project unless terminated earlier by the Company.

Tomori, a company connected to the MAA Group of companies, has agreed to assist Dwyka with a range of Project-related tasks and logistics. The Services Agreement will allow Dwyka to benefit from the expertise of Tomori which includes identification of and negotiation with international parties for off-take agreements in relation to the coal planned to be produced by the Project, assistance with the establishment of infrastructure requirements, liaison with key Project stakeholders and service providers (in particular those unfamiliar with doing business in the Philippines) and other persons having an interest in or being affected by the Project. It is envisaged that Tomori will also assist with identifying local Philippine companies that can appropriately assist the Project's operating companies with submissions and filings to the relevant government departments and agencies in the Philippines in a manner consistent with all applicable rules and regulations.

As full consideration under the Services Agreement, Dwyka is to issue ordinary shares to Tomori to the value of US\$6 million (at a deemed value of GBP0.26 per ordinary share) on the date at which Dwyka elects to exercise its option to acquire an initial interest of 30% in the Project.

Speaking today in relation to the signing of the Services Agreement, Melissa Sturgess, Chief Executive Officer of the Company said:

"This agreement will give us access to the expertise of a proven investor group in the resources industry with a wealth of experience of establishing brown field projects and the procuring of off-take agreements, and with access to in-country expertise which will greatly assist in the smooth and efficient implementation of the Project. We are determined to make the Project a success for our shareholders and consider that the prospect of such a success is strengthened through the assistance of Tomori".

For further information please contact:

Melissa Sturgess
Dwyka Resources Limited
(+44) 7825 555 1307 or melissa@dwykresources.com

In United Kingdom
Richard Brown
Ambrian Partners Limited
(+44) (0)20 7634 4700

Press enquiries
Charlie Geller or Leesa Peters
Conduit PR
(+44) (0)20 7429 6604/ (+44_ (0)79 7006 7320

Or visit: <http://www.dwykresources.com>

Notes to editors:

Dwyka is focusing on the diversified minerals sector in order to achieve maximum value for shareholders during the ongoing resource boom.

In addition to the coal opportunity announced by the Company on 7 May 2008, Dwyka's focus is primarily on nickel and gold.

Nickel

To that end, Dwyka has a major nickel exploration project underway in Burundi, as well as an exciting gold exploration programme in Swaziland. Dwyka acquired all of the shares in Danyland Limited ('**Danyland**'), the owner of the Muremera Nickel Project in Burundi, Africa, in January 2007. The Muremera project is located within one of the world's principal nickel provinces, only 2 kilometres from, almost adjacent to and in the same geological sequence as, the giant Xstrata/Barrick Kabanga deposit in Tanzania.

The Kabanga deposit is thought to be the world's largest undeveloped nickel sulphide deposit and has similar geophysical anomalies to those at Muremera. An exploration permit has been granted in relation to Muremera and access for exploration activities is good. The project's prospectivity has led to a commitment from BHP Billiton to spend at least US\$5.2 million as part of sole funding arrangements to earn up to a 50% interest in Danyland.

Gold

Pursuant to a Shareholders and Earn-in Agreement dated 16 July 2007, Dwyka has the right to earn up to a 90% interest in Swaziland Gold (Pty) Ltd ('**SwaziGold**'), which in turn owns the Swazigold Project in Swaziland, Africa. The project is a large (435 square kilometre) gold exploration play in the highly prospective Archaean Barberton Greenstone Belt in Swaziland, historically a producer of 11.5 million ounces of gold.

In the Barberton Greenstone Belt, extensive, shallow, historic workings, plus a lack of modern exploration, have presented Dwyka with an ideal opportunity. Previous owners drilled some 13,500 metres of the project area, providing the Company with a drill database

that includes numerous gold intersections. These have allowed Dwyka to establish immediate targets for both infill drilling and the development of extensions to established zones of mineralization. In the current favourable resources climate, it is believed that Dwyka's gold exploration activities will accelerate.

Diamonds

Dwyka has a shareholding of 48.2% in KimCor Diamonds Plc, an AIM-listed diamond explorer and producer with a portfolio of projects in Southern Africa.