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Dwyka moves to 70% ownership of De Beers Tailings Joint Venture as part of BEE restructure

Dwyka Diamonds Limited (“**Dwyka**” or “the **Company**”), the AIM and ASX quoted diamond developer and producer, announced today that it will move to 70% ownership of the De Beers Tailings joint venture, under the terms of a letter agreement with Kolong Investment Holdings (Pty) Ltd (“**Kolong**”), the Company’s preferred South African black economic empowerment (“**BEE**”) partner. The restructure of Dwyka’s South African investments will result in Kolong controlling a 30% interest in each of the Company’s underground mines, the Nooitgedacht Alluvial Mine, the Industrial Division and the Tailings joint venture, with Dwyka controlling the remaining 70%. The restructure will result in Dwyka being fully compliant with the South African BEE legislation.

The key terms of the letter agreement, which is being documented more fully in a formal share sale agreement, are:

- Kolong’s existing 60% interest in the De Beers Tailings re-treatment project will be reduced to 30%;
- the existing 30% BEE interest in each of the Bosele Exploration Project and the Kimberley-based bricks business operated by Dwyka’s subsidiary Biz Afrika 546 (Pty) Ltd, will be unchanged;
- Kolong will acquire a 30% interest in each of the Kimberley-based cement business operated by Dwyka’s wholly-owned subsidiary Supermix Mining (Pty) Ltd, the Nooitgedacht Alluvial Mine and the Blaauwbosch, Newlands and New Elands underground diamond mines; and
- Kolong will be paid a once-off cash payment of R2,000,000.

The restructure will be effected through the creation of a South African subsidiary company which will be owned 70% by Dwyka and 30% by Kolong. All operations will then be owned 100% by this entity.

Speaking today in relation to the restructure, Adrian Griffin, Dwyka’s CEO, said: “The signing of this letter agreement is an important step in Dwyka’s plans for its South African operations. The formalisation of our partnership with Kolong and the BEE empowerment of each of our assets will not only benefit Dwyka in terms of the continued development of our existing projects, but will also provide us with a strong platform to take advantage of future opportunities in South Africa.”



Dwyka
Diamonds
Limited

For further information please contact:

In Australia

Adrian Griffin/ Melissa Sturgess

Dwyka Diamonds Limited

(+618) 9324 2955

In United Kingdom

Laurence Read/ Leesa Peters

Conduit PR

(+44) 20 7429 6605/ (+44) 7979 955 923

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