



26 February 2007

### **Dwyka subsidiary Danyland Limited concludes agreement with resource major to earn an interest in Muremera nickel project**

- BHP Billiton to invest US\$5,200,000 worth of exploration expenditure on the Muremera nickel project in Burundi to earn an interest of up to 50% in Danyland Limited (“**Danyland**”), Dwyka’s wholly-owned subsidiary.
- Investment to be carried out in accordance with agreed exploration programme.
- BHP Billiton equity to be earned in stages (10% + 20% + 20%) on completion of investment obligations attributable to the relevant stage.
- Investment expected to carry project through to concept study.

Dwyka Diamonds Limited (“**Dwyka**” or “the **Company**”) (London AIM & ASX) today announced that it had signed an Earn-in and Shareholders Agreement (“**Agreement**”) with BHP Billiton pursuant to which BHP Billiton has agreed to spend US\$5,200,000 on the Muremera nickel project in Burundi in order to earn a shareholding of up to 50% in Danyland which holds the exploration rights for nickel and associated minerals in a target known as Muremera. The Muremera target area is located within 2 km from the Xstrata/Barrick Kabanga Project, one of the largest known undeveloped nickel sulphide deposits in Africa.

Under the Agreement, BHP Billiton investment will be done in 3 stages as follows:

- during the first stage, BHP Billiton will invest US\$1,200,000 on initial exploration activities in order to earn a 10% equity in Danyland;
- during the second stage, BHP Billiton will invest US\$2,000,000 on target testing in order to earn a further 20% equity (total 30%); and
- during the third stage, BHP Billiton will invest a further US\$2,000,000 on resource definition and the completion of a concept study in order to earn the remaining 20% equity (up to a total of 50% interest in Danyland).

BHP Billiton may withdraw from the project during or after completion of any of the stages, but if it withdraws during a particular stage it retains only the equity earned by virtue of having completed the previous stage. The project will be managed by the Danyland board of directors on which Dwyka and BHP Billiton will have equal representation.

Once BHP Billiton has fully satisfied its earn-in obligations, the parties will contribute to further development of the project in proportion to their percentage shareholdings in Danyland. Normal default and dilution provisions apply where a party fails to meet its share of project funding.

Commenting on the signing of the Agreement, Melissa Sturgess, Executive Chairman of Dwyka said:

“The conclusion of a deal such as this with BHP Billiton is excellent news for Dwyka shareholders and vindicates our enthusiasm for Danyland’s Muremera project. This agreement enables Danyland to fast track the exploration programme and it also provides access to BHP Billiton’s technical and other expertise.”

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