



20 August 2008

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

**Daguma Coal Project
Engineering Pre-Feasibility Study Progress Update**

Highlights

- Engineering site visit undertaken with very positive results.
- Mining area, haulage road route and port area inspections completed and preliminary locations for facilities identified.
- Contract for preliminary engineering and costing of port facilities awarded to Metaphil, a local construction company with a strong track record for such works.

The directors of Dwyka, together with their local Philippine partner MANA Resources Development Corporation, Inc. ("MRDC"), are pleased to announce that the Pre-Feasibility on the Daguma Coal Project is progressing ahead of expectations and according to schedule. The study manager, Sedgman Limited ("Sedgman") has visited the Philippines for an inspection of the project areas and for meetings with local construction companies and haulage contractors.

The outcomes of the site visit were extremely positive.

Preliminary locations for the mine site, haulage road route and port area were inspected. The terrain is well suited to the establishment of the required facilities and this bodes well for project development.

Haulage Road

Indications are that a competent and robust haulage road from the proposed minesite to the port area can be built with relative ease. At this stage it is anticipated that a haulage road will be constructed for coal transport during production ramp-up with a later move to a conveyor or pipeline system once full production levels are reached. Meetings and discussions have been held with a number of local haulage contractors, one of whom visited the port area and the first section of the proposed haulage road. These discussions suggest a strong level of interest in coal transport and haulage road maintenance for the Daguma Project.

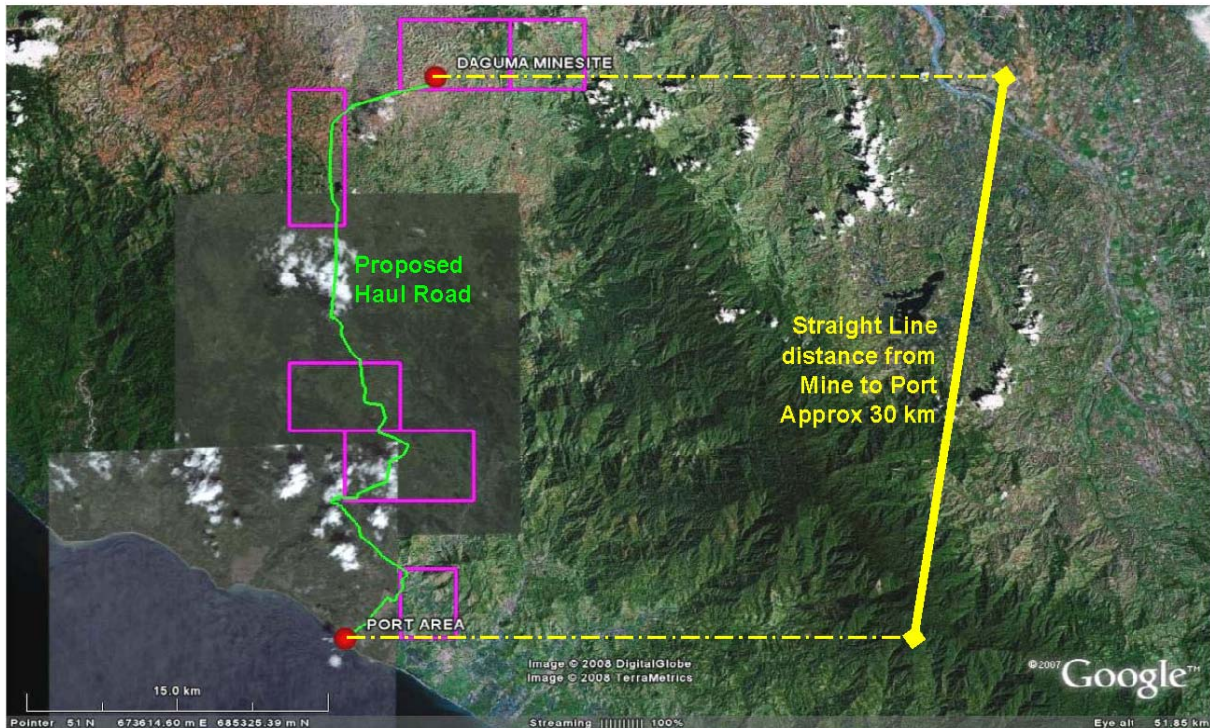


Figure 1: Proposed haulage road during coal mining ramp up

Port Construction

A contract for the conceptual design study and costing of port facilities has been awarded to Metaphil (Aboitiz Construction Group, Inc.) a Philippines construction company. They will undertake a conceptual design study and cost estimate for a causeway with travelling shiploader. Metaphil has extensive experience with the design, construction and permitting of port facilities in the Philippines.

Pre-feasibility Study

Sedgman remains on schedule to report the final results of a pre-feasibility study by 12 September. The study covers the coal handling & processing plant (CHPP), coal transport, stockpiling & blending, port & ship-loading facilities, and infrastructure requirements of the Project.

Speaking today in relation to the progress report, Melissa Sturgess, Chief Executive Officer of Dwyka, said:

“We are delighted to see the logistics of this coal project exceeding our expectations and that the delivery of the pre-feasibility study remains on schedule which will enable us to continue to move forward with the project. At this early stage we remain confident in our ability to readily deliver production from Daguma to the coast for transport to export markets.”

Speaking from Manila, MRDC President Mr Evaristo Narvaez, Jnr commented:

“We are delighted with the progress that has been made at site in the past few weeks. Local Philippine contractors are showing a high level of interest in assisting us with Daguma, and we will continue to work closely with all stakeholders to ensure the continued success of the project.”

Ends

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Notes to editors:

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

Coal

Dwyka is entitled to progressively acquire an indirect interest of up to 100% in each of two Filipino companies which own the Daguma and Bonanza coal deposits, located in southern Mindanao, The Philippines (“**Daguma Coal Project**”). The Daguma Coal Project comprises 10 coal Blocks, each having an area of approximately 10 square kilometres (giving a total project area of approximately 100 square kilometres). Two of the Blocks (the Daguma Blocks) have been the subject of significant historical drilling (32 holes) and other work, including the completion of a scoping study. The remaining 8 Blocks (the Bonanza Blocks) are also located within the same geological coal basin, termed the Cotabato Basin, and have recently been proven to be coal bearing through a combination of drilling, pitting and trenching. Dwyka considers these Blocks to be highly prospective, with the potential to be of similar size or even exceeding the two main Blocks. The Company is planning to initiate an extensive grid drilling programme on the remaining 8 Blocks, which will enable resource estimation and classification to occur within the next 12 months.

Analysis of the coal located at the Daguma Coal Project suggests that it is of medium calorific value, approximately 5,300 Kcal/kg, making it suitable for both the export market to India and China and for in-country power stations and industrial (cement) purposes. The Philippines has ready demand for coal for power stations and other coal miners in The Philippines are already exporting similar calorific value coal to India, China and Hong Kong.

Nickel

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.