



19 March 2007

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

Issue of Replacement Employee Options

The Directors of Dwyka Resources Limited ("Dwyka" or "the Company") announce that in accordance with the shareholder approval received on 5 January 2007, it has today issued 950,000 replacement options under the terms of the Dwyka Resources Option Plan to certain Dwyka Group employees.

The options were granted at an issue price of \$0.52 and will expire on 30 June 2010. The exercise price for the options is intended to be not less than the weighted average of prices at which Dwyka shares were trading on ASX during the five day trading period immediately preceding the date on which the options are granted.

The employees may only exercise their Options in the following tranches:

in respect of:

- (i) one half of the options issued, 12 months after the deemed date of the issue of the options (19 March 2008); and
- (ii) the remaining half of the options issued, 24 months after the deemed date of the issue of the options (19 March 2009).

Shares which are issued as a result of the exercise of options granted under the Option plan will rank pari passu in all respects with all shares on issue, and the Company will apply for quotation of those shares on ASX and AIM.

For further information please contact:

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

DWYKA RESOURCES LIMITED

ABN

98 060 938 552

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 950,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options exercisable at \$0.52 each on or before 30 June 2010, subject to restrictions referred to in section 4 below. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The options will not be quoted on ASX or AIM, and may not be transferred without written approval of the Board of Dwyka. The employees may only exercise their options in the following tranches.</p> <p>in respect of:</p> <ul style="list-style-type: none"> (i) one half of the options issued, 12 months after the deemed date of the issue of the options (19 March 2008); (ii) the remaining half of the options issued, 24 months after the deemed date of the issue of the options (19 March 2009); and
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The options were issued pursuant to the Dwyka Resources Option Plan, which was established to ensure that the company has appropriate incentives to continue to attract and retain the services of directors and employees of a high calibre.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>19 March 2007</p>

Number	+Class
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+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	103,450,149	Ordinary Shares						
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">950,000</td> <td>DWYAS – Option Expiring 30.06.10 at \$0.52 each.</td> </tr> <tr> <td style="text-align: center;">750,000</td> <td>DWYAS – Option Expiring 30.06.09 at \$1.00 each.</td> </tr> </tbody> </table>	Number	+Class	950,000	DWYAS – Option Expiring 30.06.10 at \$0.52 each.	750,000	DWYAS – Option Expiring 30.06.09 at \$1.00 each.	
Number	+Class								
950,000	DWYAS – Option Expiring 30.06.10 at \$0.52 each.								
750,000	DWYAS – Option Expiring 30.06.09 at \$1.00 each.								
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)								

Part 2 - Bonus issue or pro rata issue - not applicable

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents	
	<p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	

+ See chapter 19 for defined terms.

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New issue announcement

- | | | |
|----|---|--|
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities - not applicable

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought

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39 Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date: 19 March 2007

Print name: Michael Langoulant

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