



Dwyka
Diamonds
Limited

12 January 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
Sydney NSW 2000

Dear Sir,

RE: De Beers diamond tailings retreatment project

The Directors of Dwyka Diamonds Limited ("Dwyka") and its empowerment partner Kolong Investment Holdings ("Kolong") are pleased to announce they are involved in final stage negotiations with De Beers in relation to a diamond tailings retreatment project in Kimberley, South Africa.

The Directors of Dwyka and Kolong will inform the market as negotiations progress.

Yours faithfully
Dwyka Diamonds Limited

Melissa Sturgess
Chief Executive Officer

For further information please contact:

In Australia:
Melissa Sturgess
Dwyka Diamonds Limited
(+618) 9324 2955

In United Kingdom:
Joe Nally
Williams de Broë Plc
(+44) 20 7588 7511

Laurence Read/ Leesa Peters
Conduit PR
(+44) 20 7936 9095 / (+44) 7979 955 923