



Dwyka
Diamonds
Limited

22 December 2005

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

Dear Sir,

RE: Issue of Shares, CEO Remuneration Package and Appendix 3B

Consultancy fees

Dwyka Diamonds Limited ("Dwyka" or "the Company") announces that it has today issued 749,137 fully paid ordinary shares in the company to consultants in relation to services rendered to date in connection with the Company's De Beers tailings retreatment project and the recently completed transaction with De Beers to secure ownership of two diamondiferous kimberlites in Tanzania. The shares have been issued at a deemed issue price of A\$0.685 per share.

Application has been made to the AIM Market of the London Stock Exchange plc ("AIM") for 749,137 fully paid ordinary shares to be admitted to trading on AIM. Admission of the shares to trading on AIM is expected to occur at 8.00 a.m. on Tuesday, 3rd January 2006.

CEO remuneration package

The Company further announces, in accordance with an Australian Stock Exchange ("ASX") disclosure obligation, concerning the remuneration package of Mr Adrian Griffin, the Chief Executive Officer of Dwyka, who was appointed as CEO of the Company on 1 December 2005. Mr Griffin will receive an annual salary of A\$125,000 and the Company has also made an offer to Mr Griffin to apply for 1,000,000 shares under the terms of the Dwyka Diamonds Replacement Share Plan.

The issue price of the shares offered under the Replacement Share Plan is A\$1.00 per ordinary share. The average weighted trading price of shares on the ASX during the five trading days immediately before the date of the offer was A\$0.64 cents. The invitation under the Replacement Share Plan is subject to shareholder approval which will be sought at a forthcoming general meeting of shareholders.

Shares offered under the Replacement Share Plan may not be transferred or otherwise dealt with, and will not be quoted on the ASX until any loan in respect of the shares has been repaid and 12 months (in relation to one third of the shares offered), 24 months (in relation to the another third of the shares offered) and 36 months (in relation to the final third of the shares offered) has passed from the date of issue.

Appendix 3B

Please see the attached appendix 3b form.

Yours faithfully
Dwyka Diamonds Limited



Mike Langoulant
Company Secretary

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 DIAMONDS 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 | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 749,137 |
| 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) | Shares will rank equally with current fully paid ordinary shares in the company. |

+ 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>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.685 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The shares were issued in relation to services rendered to date, on the company's De Beers tailings retreatment project and the recently completed transaction with De Beers to secure ownership of two diamondiferous kimberlites in Tanzania.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>TBA</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="716 1360 997 1392">Number</th> <th data-bbox="997 1360 1274 1392">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1392 997 1596">82,955,999</td> <td data-bbox="997 1392 1274 1596">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	82,955,999	Ordinary Shares
Number	+Class				
82,955,999	Ordinary Shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	6,833,334	DWYAI – Ordinary Fully paid Employee Shares.
	2,000,000	DWYAQ – Option Expiring 30.06.06 at \$1.47 each.
	1,100,000	DWYAS – Option Expiring 30.06.07 at \$0.52 each.
	2,747,802	Voluntary escrowed shares until 30.08.06.
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 <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	

+ See chapter 19 for defined terms.

Appendix 3B
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? | |
| 32 | How do +security holders dispose | |

+ See chapter 19 for defined terms.

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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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 (<i>including</i> 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: 22 December 2005

Print name: Michael Langoulant

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+ See chapter 19 for defined terms.