



27 October 2008

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

Muremera Nickel Project intersects Nickel in Second Phase Drilling

Highlights

- **Drilling complete on the first 6 holes of the Phase Two programme**
- **Two massive sulphide intersections of 4.27 metres and 6.99 metres made in one borehole returning an average composite nickel equivalent grade of approximately 1 per cent Ni.**
- **Downhole EM surveys of recently drilled holes to commence within the next month**

The directors of Dwyka are pleased to announce that excellent progress has been made with the Phase Two exploration programme at the Muremera Nickel Project in Burundi ("Project").

Dwyka's partner, BHP Billiton, has confirmed that the Phase One programme identified 24 priority targets warranting further drilling and downhole EM geophysical surveys. To date a total of 6 holes have been drilled resulting in one target, producing two intersections of massive sulphide of 4.27m and 6.99m at depths between 132.61m to 136.88m and 144.8m to 151.79m, respectively, returning an average weighted composite grade of approximately 1 per cent Nickel equivalent.

Drill Hole (No)	Depth From (m)	Depth To (m)	Intersection (m)	Ni (% wt avg)	Cu (% wt avg)	Co (% wt avg)
RUJA D001	132.61	136.88	4.27	0.68	0.3	0.11
RUJA D001	144.8	151.79	6.99	0.73	0.33	0.11
RUJA D001	132.61	153.8	21.19	0.49	0.21	0.08

The 6 targets drilled to date, together with the remaining targets, will also be tested using downhole EM geophysics. The EM survey will enable the exploration team to generate 3D models and more accurately pinpoint potential new conductors that can subsequently be drilled with a much higher degree of confidence. The BHP Billiton geophysical survey crew is provisionally scheduled to commence the survey within the next month.

The geological environment at Muremera is similar to that at the nearby Kabanga deposit, which is currently estimated to contain a resource of 48.1 Mt @ 2.72% Ni, 0.38% Cu, 0.51 g/t PGM (3.05% Ni eq.).

BHP Billiton has the option to spend a minimum of US\$5.2 million on the Project, to earn up to a 50% interest in Danyland Limited, the Dwyka subsidiary which holds the exploration rights for the nickel and associated minerals within the Project area. As reported in Dwyka's Quarterly Report announced on 29 July 2008, BHP Billiton spent a total of approximately US\$4.2 million in relation to the Project during Phase One.

Melissa Sturgess, Chief Executive Officer of Dwyka, said:

"Achieving two substantial intersections of massive sulphide mineralisation at this early stage of the new drilling programme is extremely encouraging and we look forward to reviewing the results from the remaining 18 holes in the current programme.

The additional information likely to result from the downhole EM surveys will be particularly helpful and has the scope to identify potential conductors located in a wider area around the individual boreholes. It is the intention that the surveys pick up any additional targets that may exist and provide the basis for future drilling to define any potential resource".

Ends

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The technical exploration and mining information contained in this Notice has been reviewed and approved by Ed Nealon. Mr Nealon is a Dwyka Resources Limited Director and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Guidance Note for Mining, Oil and Gas Companies. Mr Nealon is a member of the Australian Institute of Mining and Metallurgy. Mr Nealon consents to the inclusion in this announcement of such information in the form and context in which it appears.

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. 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.