



Dwyka
Diamonds
Limited

8 October 2003

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

Dear Sir,

Re: Continued success in South India Diamond Exploration

Dwyka Diamonds Limited ("Dwyka") is pleased to report continued success in its diamond exploration programme with BHP Billiton in Southern India. Exploration in July and August has focused on detailed follow-up of four prime target areas within the Chigicherla region of Andhra Pradesh.

In the Chigicherla area, detailed ground magnetic and electro-magnetic surveys have been completed over an entire kimberlitic indicator mineral rich drainage only 2 kilometres from Dwyka's known Pipe 4 (grades to 35 cpht). Four primary targets have been identified with similar responses to the known Pipe 4. Detailed geochemistry is now underway on the targets; positive results will lead to a drilling and pitting programme.

In July, Dwyka reported the discovery of the 017 anomaly area. Follow-up sampling has continued to return kimberlitic indicator minerals. Detailed ground magnetics of the entire region has located three targets with potential kimberlitic signatures. Geochemical sampling of the targets is complete and analysis is now underway using the proprietary BHP Billiton FOXY technology. The results are imminent and will be reported upon receipt.

Ground magnetic surveys and target definition is also underway in two other prime regions where indicator minerals have been recovered from stream sediments. Drainage sampling on four other recently granted licences in Andhra Pradesh and Madhya Pradesh, including licences partially covering the known Narayanpet Kimberlite Field (41 kimberlite intrusions known in total), will commence in the coming month.

Yours faithfully
Dwyka Diamonds Limited

Grant Button
Company Secretary

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