



Dwyka
Diamonds
Limited

23 March 2005

US\$360,000 SALE OF EXCEPTIONAL STONE FROM SOUTH AFRICA

The Directors of Dwyka Diamonds (“Dwyka” or “the Company”) announce today the sale of a single 54 carat diamond for US\$360,000 (US\$6,666 per carat) from the Company’s Nooitgedacht Mine in South Africa.

The diamond was sold at tender in Kimberley.

This follows a sale last week (17 March) by Dwyka of a 576 carat parcel of diamonds from Nooitgedacht worth US\$200,000 to Diamdel, De Beers rough diamond trading subsidiary. The recent high grades at the project are the result of a restructuring and retooling exercise undertaken by Dwyka in 2004 to bring the operation to optimum production. Following the introduction of new extraction methods and sorting equipment at Nooitgedacht, costs have been significantly reduced and higher value diamonds have been recovered.

Commenting on the sale, Dwyka’s CEO Melissa Sturgess said; “With regular large diamonds being recovered and high average values such as the US\$347/ct from our sale last week, the Nooitgedacht Mine is a solid producing asset in our portfolio. With a clear commitment to expand production Dwyka continues to pursue exploration in India with our alliance partner BHP. We are also finalizing the evaluation of a number of near-term production possibilities in Southern Africa.”

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