



Dwyka
Diamonds
Limited

16 November 2006

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

Dear Sir,

Re: Lapse of Options Under 2003 Option Plan

Dwyka Diamonds Limited ("**Dwyka**" or the "**Company**") wishes to announce that 150,000 options to acquire shares in the capital of the Company ("**Options**"), that were issued under the Dwyka Diamonds Option Plan (approved by shareholders on 28 November 2003) ("**Plan**"), and exercisable at \$0.52 on or before 30 June 2007, have lapsed in accordance with the terms of the Plan. This leaves a balance of 950,000 Options granted under the Plan that are exercisable at \$0.52 on or before 30 June 2007.

Yours faithfully
Dwyka Diamonds Limited

Mike Langoulant
Chief Financial Officer