
NAMAKWA STRENGTHENS BOARD WITH KEY APPOINTMENT

SENIOR MINING EXECUTIVE RICHARD LINNELL APPOINTED

Namakwa Diamond Company NL (**ASX: NDC**) has further strengthened its board ahead of the development of the Namakwa Diamond Project on South Africa's west coast with the appointment of a senior South African mining executive to provide specialist experience in the areas of liaison with black empowerment partners and government approvals.

Mr Richard Linnell, who has acted for Namakwa as a consultant over the past year and played an instrumental role in brokering its recently announced Black Economic Empowerment (BEE) transaction, will join the Namakwa Board as a non-executive director with immediate effect.

Namakwa's Chairman, Mr Karl Simich, said Mr Linnell had already made an outstanding contribution to Namakwa as a consultant, bringing to the Company an exceptional knowledge and contact base and depth of experience in operating effectively in the South African business environment.

"We are delighted to welcome Richard to the Board, and we look forward to his significant input in the months and years ahead as Namakwa makes the important transition from diamond explorer to operating diamond producer," Mr Simich said.

Mr Linnell – who is based in Johannesburg – was until his retirement from a full-time role at BHP Billiton three years ago responsible for Billiton PLC's Exploration and Development activities within Africa. This followed a lengthy career as General Manager of the Manganese Division of Samancor, a joint venture between Billiton PLC and the Anglo American Corporation.

Mr Linnell is still actively involved with BHP Billiton on special assignments relating to risk amelioration and risk management in the African context, and has interacted with the World Bank and its associates the IFC and MIGA. He was an originator of the Bakubung Initiative, a Forum designed to revive the South African mining industry which led to the establishment of the New Africa Mining Fund.

Mr Linnell is a non-executive Director of BHP Billiton SA Ltd and holds a number of other senior Board positions including as a Director of D Group (SA) Ltd and a Director of the Businessmap Foundation. He is also non executive Chairman of Golden Valley Mines, non executive Chairman of Gold Mines of Algeria and Enor and sits on the Board of GRD Minproc SA Limited and was the Chairman of the Executive Council of ESKOM, South Africa's electricity supply utility.

Mr Simich said Mr Linnell would be issued with a tranche of Namakwa shares separately to his appointment to the Board in consideration for services rendered to Namakwa as a consultant in brokering the Company's recently announced BEE transaction. This will effectively be based on 2.5% of the value of the BEE transaction.

On 2 July Namakwa announced an agreement with Mr Themba Vilakazi's Zaico Pty Ltd, a consortium of historically disadvantaged South Africans (HDSA's) for Zaico to acquire 26% in Namakwa's South African subsidiary company and join with Namakwa in a new company seeking additional diamond project opportunities.

The shares are to be issued under pre-agreed terms and conditions and will be escrowed until Namakwa and its BEE partner achieve certain milestones in terms of the BEE agreement and Namakwa's progress towards Stage 1 Mining at the Namakwa Diamond Project.

BACKGROUND INFORMATION

Namakwa is exploring and developing the Namakwa Diamond Project, comprising 49 square kilometres of highly prospective ground in three adjacent Concessions on South Africa's West Coast, 350 kilometres north of Cape Town.

The Project is located in the heart of one of the world's most prolific diamond-producing regions - with major historic and current diamond mines located to the north and south.

The diamonds within the rich onshore gravels being exploited by these operations are thought to have been transported to the coast by the major drainage systems of the interior - the Olifants, Buffels and Orange Rivers. Namakwa's Concessions are located just north of the mouth of the Olifants River.

Between 1994 and 2000, South Africa's West Coast yielded 5.8 million carats, worth an estimated US\$900 million at an average grade of 14 cpht. The run of mine diamond values ranged between US\$80 and US\$220 a carat.

Namakwa recently announced the second sale of diamonds from bulk sampling activities at the Namakwa Diamond Project, comprising a total of 2,926.17 carats which realised an average value of US\$103.20/carat.

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