

NAMIBIAN RESOURCES PLC (“the Company” or “Namibian”)

Signing of option to acquire offshore diamond recovery ship and proposed capital raising to fund the purchase.

Namibian Resources Plc is pleased to announce, further to the announcement on 19 October 2009, that, through its 100% owned subsidiary Sonnberg Diamonds (Namibia) (Pty) Ltd, it has entered into an exclusive three month option agreement for a nominal sum with the owner, in Namibia, of an offshore diamond recovery ship to purchase that ship. The option is solely at the Company’s call and is *inter alia* subject to completion of due diligence and raising the necessary finance. The purchase price is NAM\$13m (£1.1 million). The ship, which is in full working order and currently actively mining, will, on completion of the acquisition, provide Sonnberg with immediate diamond production. Based upon past records, the Directors estimate that the ship is capable of a long-term average rate of production of over 1000 ct per month.

The ship is equipped with an integrated diamond mining and recovery system based around a 10 t per hour Dense Media System. Mining is by 250 mm (approximately 10”) dredge pump, operated remotely (i.e. without diver guidance). The ship is fully self-contained and operates a three-week per month cruise schedule on the inner continental shelf mining at depths of between 20 and 40 m. Once acquired, it is proposed to upgrade the ship by fitting a real-time, sea-bed visualisation system which will result in more efficient mining and increased diamond production.

The ship has been operating for over five years on contract to the Namdeb Diamond Corporation with whom Sonnberg has its existing onshore diamond mining and prospecting contract. Namdeb are fully apprised of Sonnberg’s intention to purchase the ship and negotiations to provide Sonnberg with a contract to operate the ship are well advanced. The ship was subject to production restrictions during 2009 because of the weak diamond market; however the owner of the ship reported diamond sales of NAM\$14.4m (£1.2 million) year ended 28 February 2009.

Sonnberg Diamonds will thus establish a marine diamond mining division to complement its onshore operations and provide a diversity of diamond production. A very experienced offshore diamond mining professional has been identified as manager of Sonnberg’s marine division.

At its Pomona onshore contract area, Sonnberg has resumed limited operations and taken on additional staff in early January. It has been engaged in bringing the mining and processing equipment back to an operational level and mining is due to start this month although it is unlikely that any revenue will be earned in the year ending 28 February 2010. The pick-up in diamond prices in US dollar terms in the second half of 2009 has been offset by a strengthening during 2009 of the Namibian dollar against the US dollar such that a return to full mining operations at Pomona is not currently justified.

However, while the diamond market recovers Sonnberg will focus on limited production from small, high-grade areas and carry out prospecting operations to better define resources for future mining. The Board remains confident that the Pomona contract area will support a viable diamond mining operation in the years to come.

In order to fund the purchase and upgrade of the ship and carry on operations at Pomona, Namibian is seeking to raise £2 million by means of a placement. When final terms of purchase are agreed, the Company will seek shareholder approval to increase the authorised capital. A further announcement will be made in due course.

Namibian's Board is excited by this development which they believe has the potential to:

- double the company's diamond producing capacity;
- provide immediate, operationally profitable production despite the current diamond market conditions;
- diversify the sources of production, thus reducing risk; and
- enhance the Company's long-term relationship with Namdeb.

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