

30 November 2011



**Namakwa Diamonds Limited (LSE: NAD)
("Namakwa" or the "Company")**

Lesotho Litigation Against Namakwa Dismissed

Namakwa is pleased to announce that the claim by Batla Minerals SA and, its subsidiary, Toro Diamonds (Pty) Ltd for 50% of the Company's 62.5% equity interest in Storm Mountain Diamonds (Pty) Ltd, the operating company of the Kao kimberlite project in Lesotho, has today been dismissed by the High Court of Lesotho, with costs awarded in favour of Namakwa.

Pursuant to an order of court granted on 8 August 2011, Namakwa has undertaken not to deal or otherwise encumber its 62.5% equity interest in Storm Mountain Diamonds (Pty) Ltd for a period of 14 calendar days to allow the claimants the opportunity for the right of appeal under Lesotho law. However, the Company remains confident that this undertaking will be lifted following today's judgement and a further update will be provided to the market in due course.

With financing for the ramp-up of Kao to Phase I commercial production in place from long-term committed shareholder and financier, Jarvirne, the Company expects the Kao to produce c.200,000 carats during the financial year to 31 August 2012. The first sale of diamonds recovered as part of the commissioning phase is expected to be held in the New Year.

Commenting on the court judgement, Richard Collocott, CEO of Namakwa said: "We were always of the belief that this case was without merit and I am delighted to have received the court's determination this morning. The Lesotho team can now focus on the commissioning and ramp-up of operations at the Kao project, without distraction. Early indications are positive, with the commissioning process well underway and the recovery of a number of high quality diamonds, including a 13.27ct diamond yesterday. We look forward to the mine being in commercial production in the first quarter of the 2012 calendar year, and the first sale of Kao diamonds in January 2012."

For further information please visit www.namakwadiamonds.com or contact:

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About Namakwa Diamonds Limited

Namakwa is a diamond resource group, which seeks to extract maximum value from the marketing, distribution and sale of Group mined and contracted production through a Trading & Beneficiation platform with access to the international wholesale markets.

The Group's Mining Division is focused on the Kao Project in Lesotho, the 4th largest individual kimberlite pipe in South Africa and Lesotho, anticipated to come into commercial production in the first quarter of the calendar year in 2012, and the only one mining at or near surface. Operated by Storm Mountain Diamonds and its leading hard-rock mining team, with a proven track record in the construction and development of Lesotho's leading kimberlite pipes, the Kao kimberlite project presents a 186Mt resource of c.13m carats (c.4m indicated and c.9m inferred), of which Namakwa holds a 62.5% interest.

The Group also maintains alluvial mining operations in the North West Province of South Africa and a portfolio of exploration and development projects in the Northern Cape Province of South Africa (alluvial) and offshore concessions in Namibia (marine), with a combined resource base of c.7m carats (indicated and inferred).

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