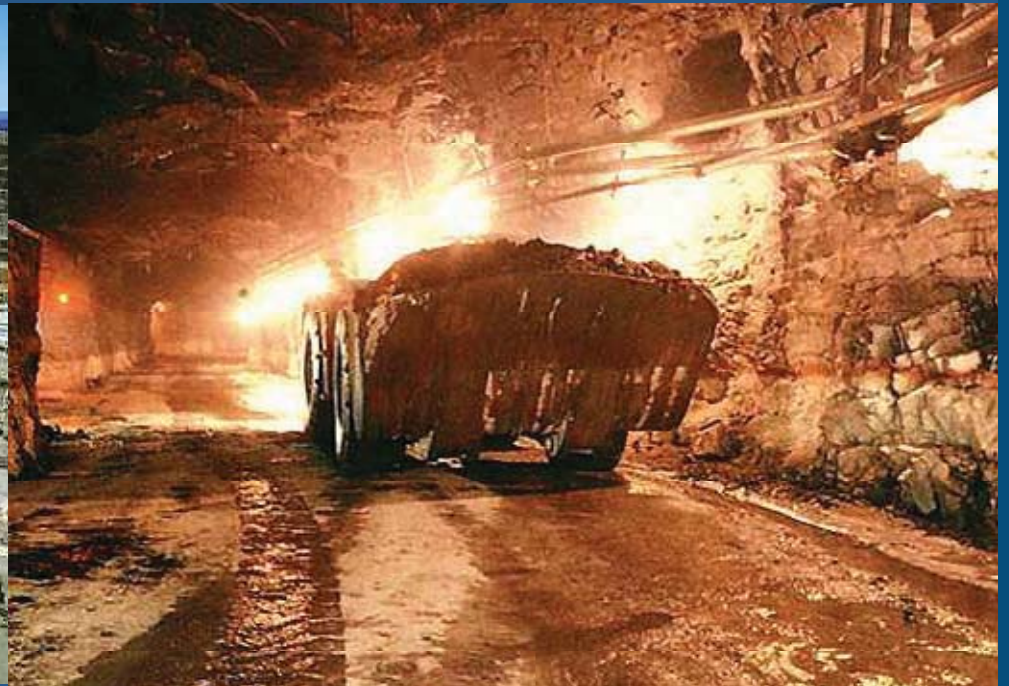




PetraDiamonds



Interim Results (6 Months to 31 December 2010)

21 February 2011

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Interim Highlights



FINANCIAL HIGHLIGHTS

- **Group mine revenue: US\$90.0m** (H1 FY 2010: US\$48.4m)
- **Profit from mining activity: US\$24.5m** (H1 FY 2010: US\$8.0m)
- **Operating cashflow: US\$11.9m** (H1 FY 2010: US\$4.8 million outflow)
- **Group EBITDA: US\$20.2m** (FY 2010: US\$38.1m incl. Cullinan fair value adjustment of US\$31.0m)
- **Profit after tax: US\$24.5m** (H1 FY 2010: US\$37.9m)
- **EPS: 6.79 cents; 353.3m shares** (H1 FY 2010: US\$17.77 cents; 208.6m shares)
- **Cash position (31 Dec 10): US\$20.8m** (H1 FY 2010: US\$65.0m)

OPERATIONS HIGHLIGHTS

- **Gross production: 582,102 carats** (H1 FY 2010: 614,594 carats)
 - Lower due to planned termination of production at Williamson (whilst expansion plan underway) and depletion of higher grade OSP tailings at Cullinan
- **Unit costs flat** despite inflationary pressures
- **Capex: US\$47.7 million** (H1 FY2010: US\$15.6 million) reflecting increased pace of major capital expansion programs

Interims Highlights Cont.



CORPORATE HIGHLIGHTS

- **ca. US\$83m debt facilities** in place with IFC and RMB
- **Repayment of Al Rajhi loan** (US\$30.7m) and accrued interest
- **Effective interest in Koffiefontein mine increased from 70% to 74%**
- **BEE partner introduced at Helam mine**; all SA operations now fully BEE compliant

POST PERIOD HIGHLIGHTS

- **Acquisition of Finsch mine** in South Africa agreed with De Beers for R1.425bn (~US\$210m)
- **Fundraising of £205m (~US\$325m)** completed January 2011
- **Strong diamond market** - excellent prices recorded for first tender of 2011

SAFETY

- **Fatality at Koffiefontein mine – Jan 2011**; investigation currently underway in conjunction with DMR
- **LTIFR for the Period 0.6** (FY 2010: 1.03); management focused on safety and targeting improvement

Summary Results – Key Numbers



	6 months to 31 Dec 10 (US\$m)	6 months to 31 Dec 09 (US\$m)	12 months to 30 Jun 10 (US\$m)
Revenue*	90.0	48.4	163.7
Mining & processing costs	(66.8)	(40.5)	(98.9)
Profit from mining activity*	24.5	8.0	67.2
Other operating income	-	6.7	5.4
Exploration expense	(0.4)	(0.3)	1.2
Corporate overhead	(3.9)	(3.3)	(7.5)
Inventory fair value adjustment*	-	(4.0)	(19.0)
Cullinan 37% fair value adjustment*	-	31.0	31.0
Adjusted EBITDA*	20.2	38.1	70.9
Recycling of foreign exchange differences on exploration projects*	-	-	12.3
Depreciation / amortisation	(10.1)	(6.6)	(12.8)
Net unrealised foreign exchange gain	20.9	5.3	0.8
Net finance expense	(3.2)	(2.2)	(0.5)
Tax (expense) / credit	(2.3)	3.9	1.2
Net profit after tax – Group	24.5	37.9	70.2

* Refer to announcement dated 21 February 2011 for detailed notes

Balance Sheet Snapshot



	31 Dec 2010 (US\$m)	31 Dec 2009 (US\$m)
Cash and cash equivalents:		
Bank	20.8	65.0
Diamond inventories	20.2	34.8
Total¹	41.0	99.8
Loans, borrowings and deferred consideration:		
IFC / RMB Debt Facilities (ca. US\$83m in total)	54.1 (gross)	n/a
Al Rajhi loan	n/a	50.7
Deferred Cullinan consideration (coupon 0%) ²	32.9	30.3
BEE loans due to Petra	(68.0)	(45.0)
Other loans and borrowings (average coupon approx. 10%, incl. ZAR debt)	3.0	32.5
Total	22.0	68.5

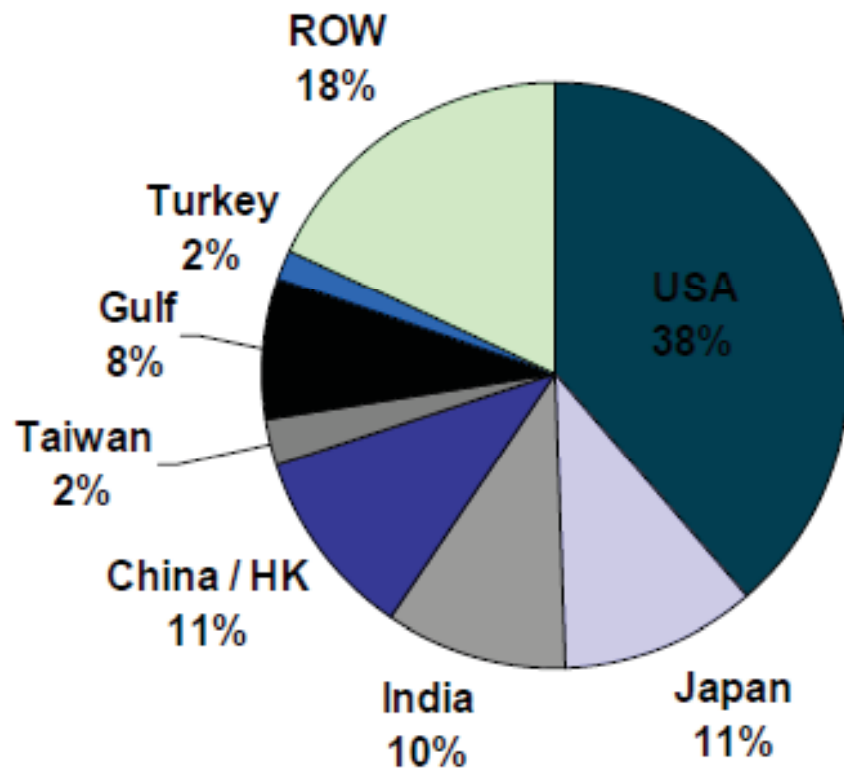
Notes:

¹ Placing proceeds net of Finsch acquisition and costs to add ca. US\$100 million to cash balances

² IFRS fair value of US\$35m deferred consideration due December 2011

Diamond Market Performance - 2010

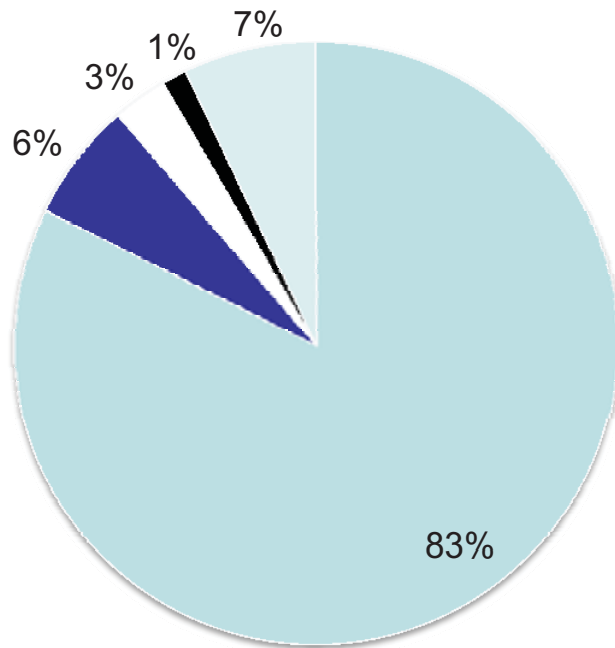
Breakdown of global diamond consumer demand in 2010



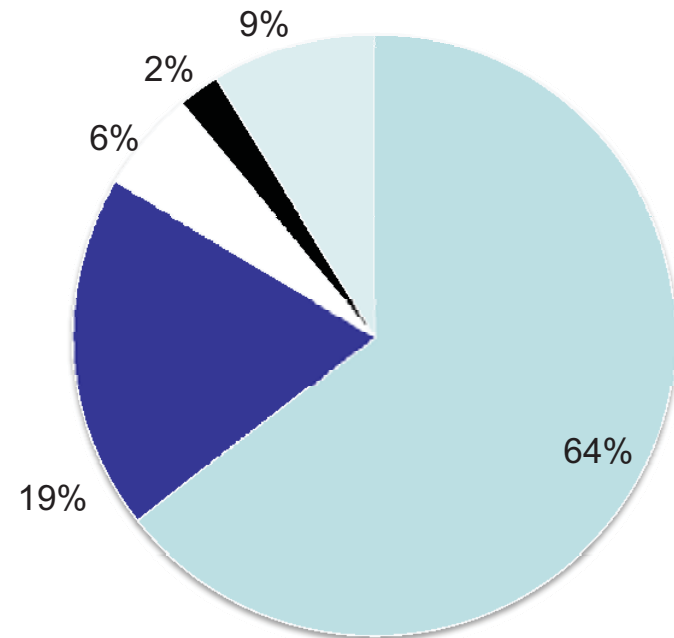
- Diamond market rebounded fully from downturn & prices continued to strengthen throughout year
 - Continued rising trend witnessed in Petra's February 2011 tender (prices up 6 – 8%)
- Market underpinned by retail off-take as well as supply constraints
- Global diamond jewellery market grew +8% in 2010
- US growth of ~+7% also better than expected
- China and India continued exceptional growth, up +25% and +31% in local currency, respectively
- Far East (China, Hong Kong, Taiwan, India and the Gulf) expected to account for ~40% of global demand by 2015

Mine Revenue / Volume Split

Diamonds Sold
584,234 carats

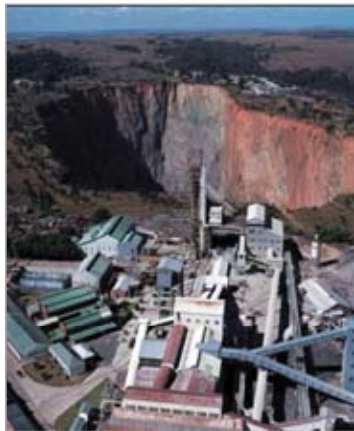


Gross Revenue
US\$90 million



- Cullinan
- Koffiefontein
- Kimberley
- Williamson
- Fissures

Cullinan (South Africa)

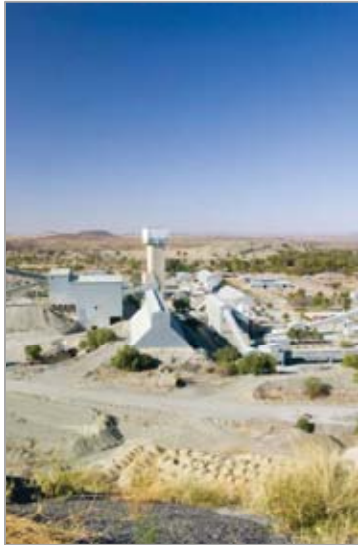


- Source of world's largest gem diamond ever – 3,106 cts
- Produced over 300 diamonds of +100 cts and ¼ of all diamonds +400 cts
- Only reliable source of highly prized, rare blue diamonds
- Capex programme underway to access fresh ore block in western side of the orebody
- +50 yr mine life (20 yr current mine plan)

Ownership 74% Petra; 26% BEE	Unit	6 months ended 31 December 2010	6 months ended 31 December 2009
<u>Sales</u>			
Revenue	US\$M	57.8	40.2
Diamonds sold	Carats	481,049	461,365
Average price per carat	US\$	120	87
<u>Total Production (ROM & Tailings)</u>			
Tonnes treated	Tonnes	1,450,150	1,125,879
Diamonds produced	Carats	468,056	473,406
Grade – ROM	Cpht	37.1	41.8
Grade – Tailings	Cpht	10.7	43.7
<u>Costs</u>			
On-mine cost per tonne	ZAR	162	174
Total Capex	US\$M	12.9	8.7

- Very strong performance from Cullinan – excellent diamond recoveries and prices
- Ramp up of tailings operation to exploit 165 Mt deposit – grade decreased due to depletion of high grade OSP dumps

Koffiefontein (South Africa)



- One of the world's top kimberlite mines by average value per carat
- Renowned for high value white diamonds and a regular producer of coveted pink diamonds
- Expansion programme underway to access fresh blocks of ore
- +21 yr mine life

Ownership: 74% effective interest; 26% BEE	Unit	6 months ended 31 December 2010	6 months ended 31 December 2009
<u>Sales</u>			
Revenue	US\$M	17.2	9.4
Diamonds sold	Carats	36,669	28,008
Average price per carat	US\$	470	337
<u>Total Production (ROM & Tailings)</u>			
Tonnes treated	Tonnes	802,446	516,134
Diamonds produced	Carats	34,500	31,015
Grade – ROM	Cpht	5.9	6.2
Grade – Tailings	Cpht	2.1	4.0
<u>Costs</u>			
On-mine cost per tonne	ZAR	103	147
Total Capex	US\$M	4.2	1.7

- Average value per carat up 40% despite high volumes of lower value tailings
- Plant capacity of 1.7 Mtpa now being fully utilised – ROM & Tailings

Kimberley Underground (South Africa)



- Potential for large and fancy yellow diamonds
- Produced the Kimberley Octahedral – at 616 cts currently the largest uncut diamond in the world
- 12 yr mine life presently
- Petra expects to establish new resources below the current production levels

Ownership 74% Petra; 26% BEE	Unit	6 months ended 31 December 2010	6 months ended 31 December 2009
<u>Sales</u>			
Revenue	US\$M	4.9	n/a
Diamonds sold	Carats	17,271	n/a
Average price per carat	US\$	285	n/a
<u>Total Production (all ROM)</u>			
Tonnes treated	Tonnes	176,527	n/a
Diamonds produced	Carats	24,988	n/a
Grade	Cpht	14.2	n/a
<u>Costs</u>			
On-mine cost per tonne	ZAR	223	n/a
Total Capex	US\$M	2.1	0.9

- Commissioning difficulties with new plant at Joint Shaft adversely affected diamond recoveries; increased production expected for H2
- Costs affected due to lower than planned plant throughput

Williamson (Tanzania)



- Renowned for high value and pink diamonds
- 146 hectare (360 acre) open pit, continuously mined for 70 yrs
- Major expansion programme underway to reshape pit , refurbish existing plant and construct new 10 Mtpa plant incl. autogenous mill
- +20 yr mine life

Ownership 75% Petra; 25% Government of United Republic of Tanzania	Unit	6 months ended 31 December 2010	6 months ended 31 December 2009
<u>Sales</u>			
Revenue	US\$M	2.0	6.9
Diamonds sold	Carats	7,722	48,883
Average price per carat	US\$	264	141
<u>Total Production (Alluvial only)</u>			
Tonnes treated	Tonnes	254,648	1,142,392
Diamonds produced	Carats	10,847	68,358
Grade – ROM	Cpht	n/a	6.3
Grade – Alluvials	Cpht	4.3	4.4
<u>Costs</u>			
On-mine cost per tonne	US\$	n/a	n/a
Total Capex	US\$M	16.4	3.7

- Production from main pit stopped since April 2009
- Capex spent on activities relating to 10 Mtpa expansion project
- No processing facility currently in operation – commissioning of refurbished plant expected to commence Q4 FY 2011

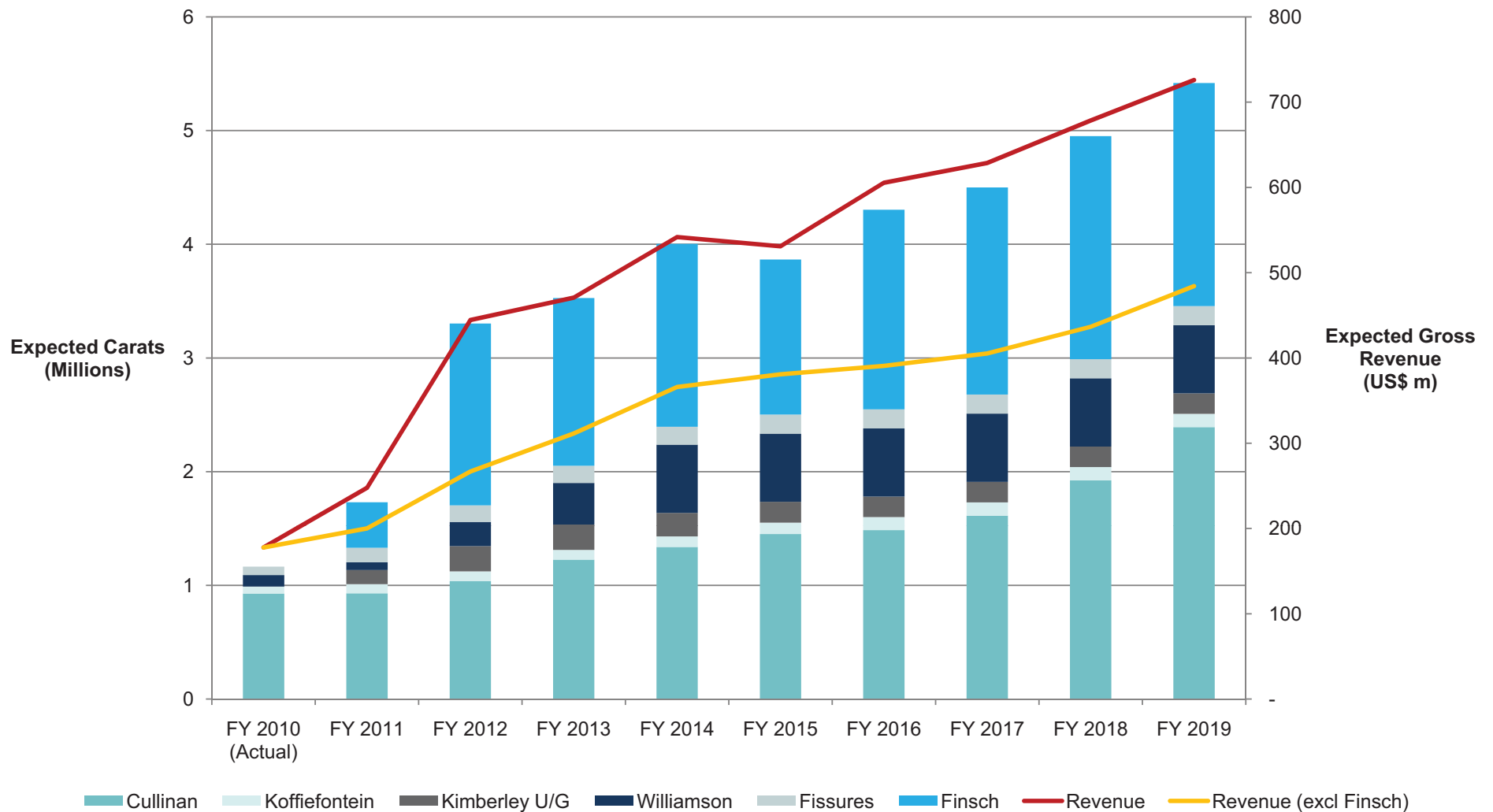
Finsch – A New Flagship Asset



- South Africa's second largest diamond mine by production
- State-of-the-art infrastructure & modern plant
 - (Shaft 4.6 Mtpa; Plant 7.2 Mtpa)
- Resource of 48 Mcts, incl. 26.6 Mcts reserves & 4.7 Mcts tailings
- Av. production of ca. 2 Mcts pa over last 5 yrs
- Petra to operate Finsch at 1.5 Mcts pa initially, rising to ~2 Mcts pa
- Fully staffed going concern
- New order mining right valid until 2038
- First-rate safety record & well managed environmental programme

De Beers' review and prioritisation of capital commitments concluded that a third party would be better placed to extract optimal value from Finsch

Petra Diamonds – An Exceptional Growth Profile

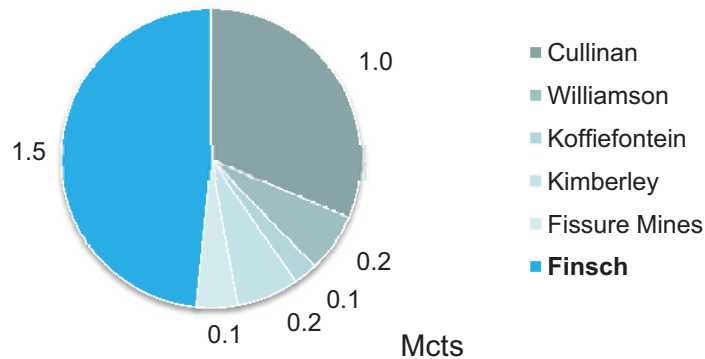


Future production now has potential to rise from 3+ Mcts to 5+ Mcts by FY 2019

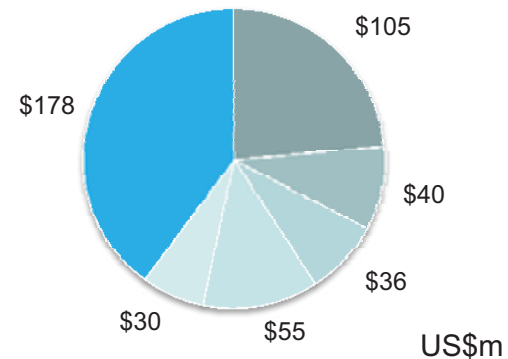
Balanced Production & Revenue



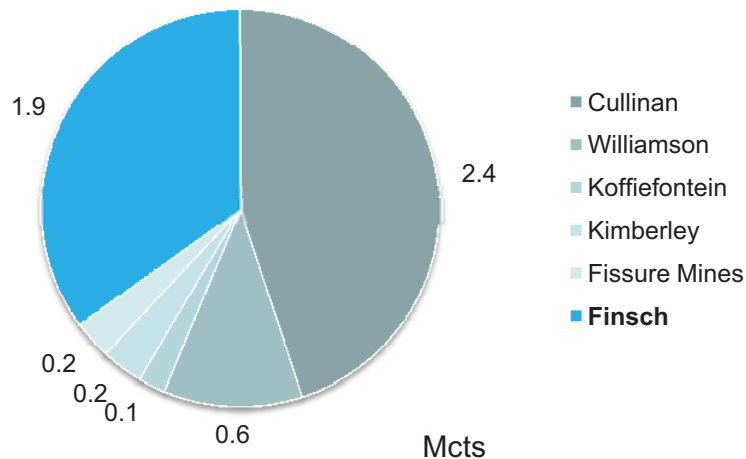
Gross Production FY 2012 ⁽¹⁾⁽²⁾
3.1 Million Carats



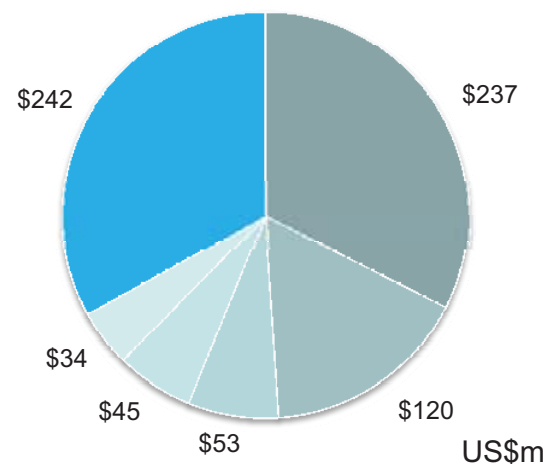
Gross Revenue FY 2012 ⁽¹⁾⁽²⁾
US\$444 million



Gross Production FY 2019 ⁽¹⁾
5.4 Million Carats



Gross Revenue FY 2019 ⁽¹⁾
US\$731 million



⁽¹⁾ Management forecasts (at 2010 money) ⁽²⁾ Assumes Finsch acquisition completes Q4 FY 2011



PetraDiamonds



Appendices

Capital Structure



High Quality Shareholder Base	18 Feb 11
Al Rajhi Holdings W.W.L.	13.4%
Saad Investments Company Ltd/AWAL Bank	12.3%
JP Morgan Asset Management (UK) Ltd	8.7%
Capital Group International, Inc.	7.4%
Scottish Widows Investment Partnership	5.6%
BlackRock Investment (UK) Ltd	4.2%
M&G Investments	3.6%
Global AEGON Asset Management Group	3.3%
Ignis Investment Services Limited	3.0%
Directors	2.9%

Listing	AIM: PDL
Average daily trading volume (shares) – 2011 YTD	2,955,517
Shares in issue	496m
Free float	71.3%
Market cap @ 175p	£868m

Share Price Chart



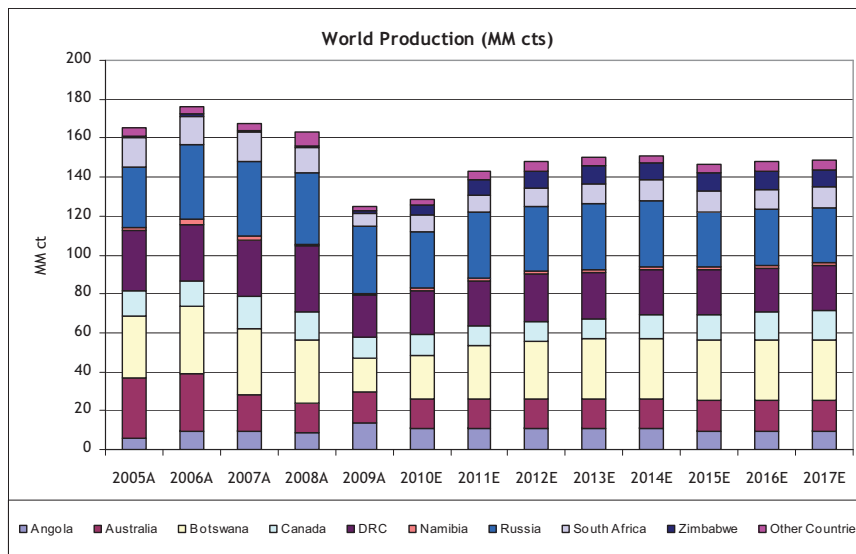
Analyst Coverage (Canaccord & RBC = restricted)	Target price
BMO Capital Markets	230p
Charles Stanley Securities	226p
Canaccord Genuity	205p
Panmure Gordon	185p
RBC Capital Markets	160p

Exposure To Strong Diamond Market



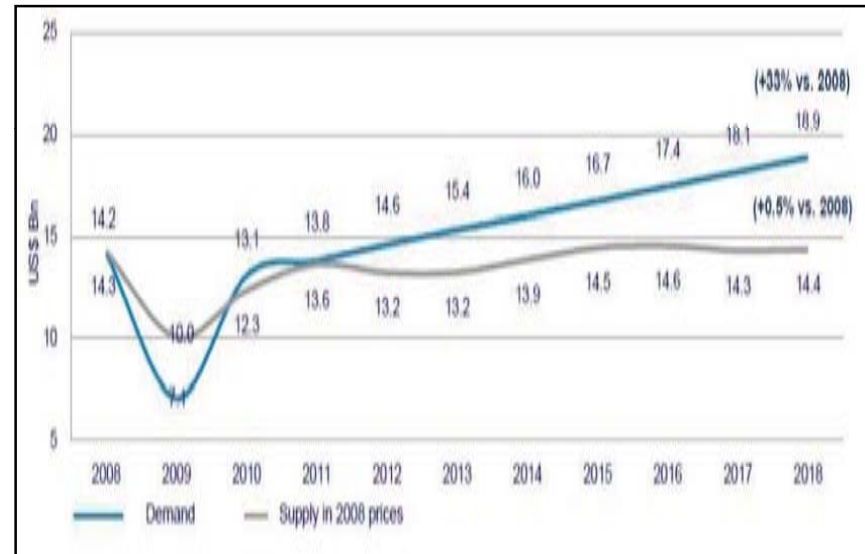
- Diamond supply constraints - world's largest diamond mines are past their peak
- Only around 30 diamond mines of significance globally
- Significant supply / demand deficit expected to emerge in 3 years
- Strong demand growth continues from China & India – urbanisation trend delivers millions of new middle class consumers in emerging markets every year
- Positive seasonal results from diamond retailers; continued strength in prices expected for 2011

Supply Constraints



Source: RBC Capital Markets, September '10

Rising demand



Source: Alrosa, published in RBC Capital Markets note: July '10

The Petra Board



Adonis Pouroulis
Chairman

Successful mining entrepreneur

Founded Petra Diamonds in 1997 and floated first diamond company on AIM

Along with fellow directors, built Petra into pan-African diamond group with over 3,600 employees

Instrumental in raising funds to help finance and structure early stage mining companies in Africa



Johan Dippenaar
CEO

One of South Africa's most successful diamond entrepreneurs with 20 years' experience

Founded diamond group in 1990 and grew portfolio to 3 producing mines before listing as Crown Diamonds on ASX

Merger with Petra in 2005 – now at helm of London's largest diamond company



David Abery
Finance Director

Extensive experience as Chief Financial Officer in South African and UK business environments

In-depth knowledge of London capital markets

Integral to structuring and deliverance of strategic group corporate development, including acquisitions and joint ventures



Jim Davidson
Technical Director

Acknowledged world authority on kimberlite geology and exploration

Over 20 years' experience in mine management

Formerly Head of Diamond Exploration for Rio Tinto across Southern Africa

As Technical Director of Crown Diamonds, managed specialist underground fissure mines over a decade

A Diversified Production Portfolio



Williamson

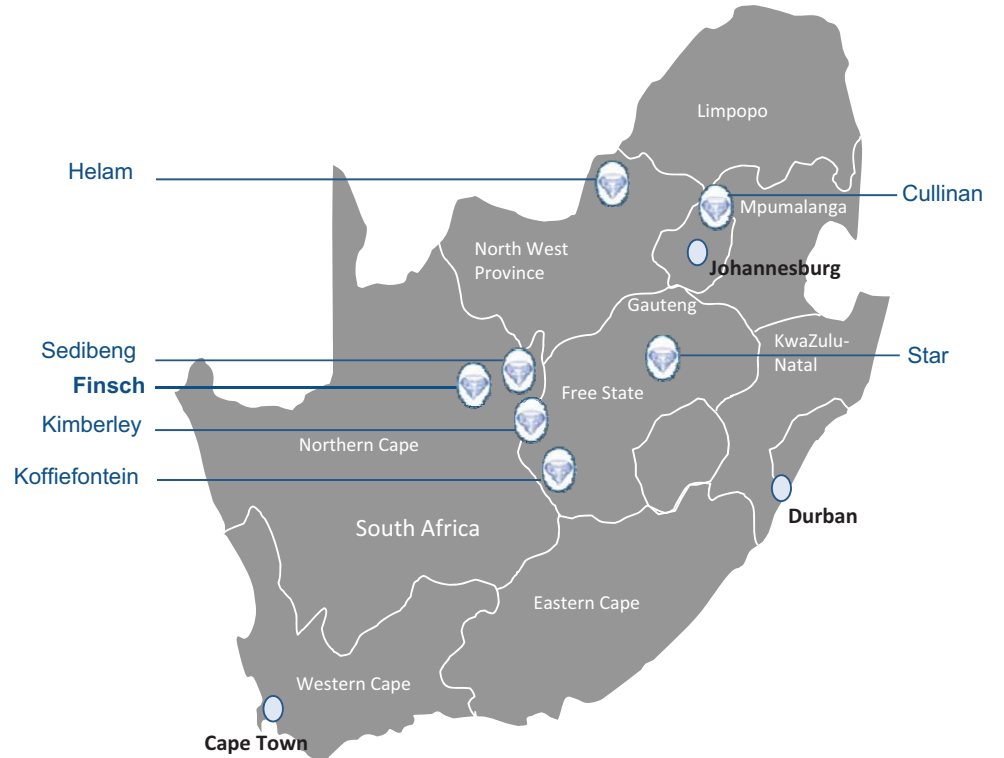
Production

South Africa

- Cullinan
- Koffiefontein
- Kimberley Underground
- Finsch *
- Helam
- Fissures
- Sedibeng
- Star

Tanzania






- Williamson



* Acquisition to complete soon

Building A Leading Diamond Producer



July 2007	July 2008	November 2008	May 2010	Q4 FY2011 (Pending)
Koffiefontein	Cullinan	Williamson	Kimberley UG	Finsch
				
74% Petra 26% Re-Teng Diamonds	74% Petra 14% Thembinkosi / 12% Employee Share Trust	75% Petra 25% Government of United Republic of Tanzania	74% Petra 26% Sedibeng Mining	74% Petra 26% BEE Partners
Front Cave	Block Cave	Open Cast	Block Cave	Block Cave

Exceptional growth – Petra announced further acquisition of Finsch mine in January 2011

Track record – Operational success has been proven on each major asset acquired

Diversified portfolio – 8 producing mines (incl. Finsch)

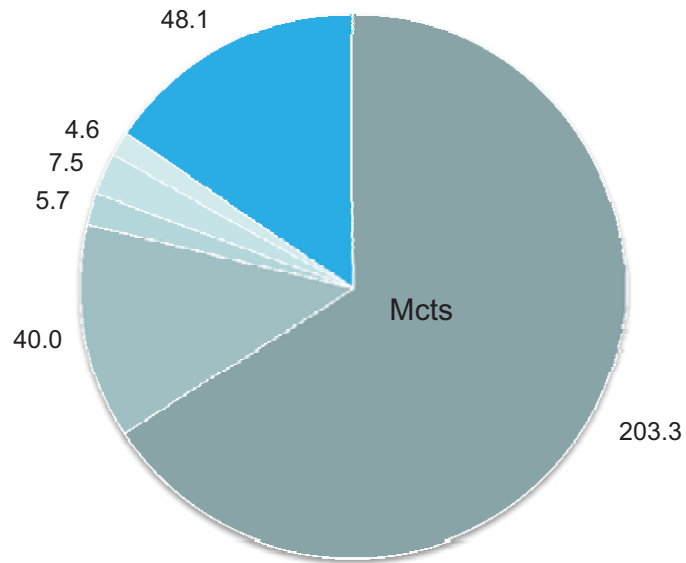
Major resources – Group resource base of 307 million carats (incl. Finsch)

Diamond market – Compelling fundamentals expected to result in strong rough diamond prices

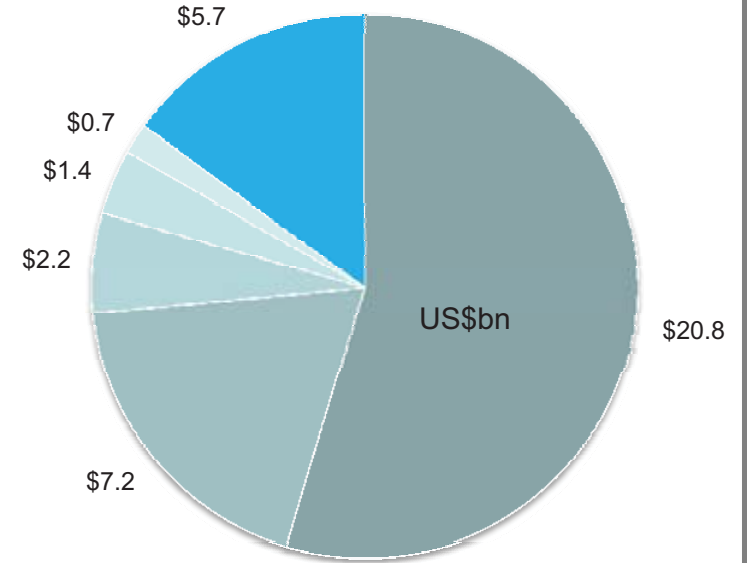
Corporate – US\$325m placing in January 2011, strong platform for move to LSE Main Market

Group Gross Resources

**Gross Carat Base
309.1 Mcts**

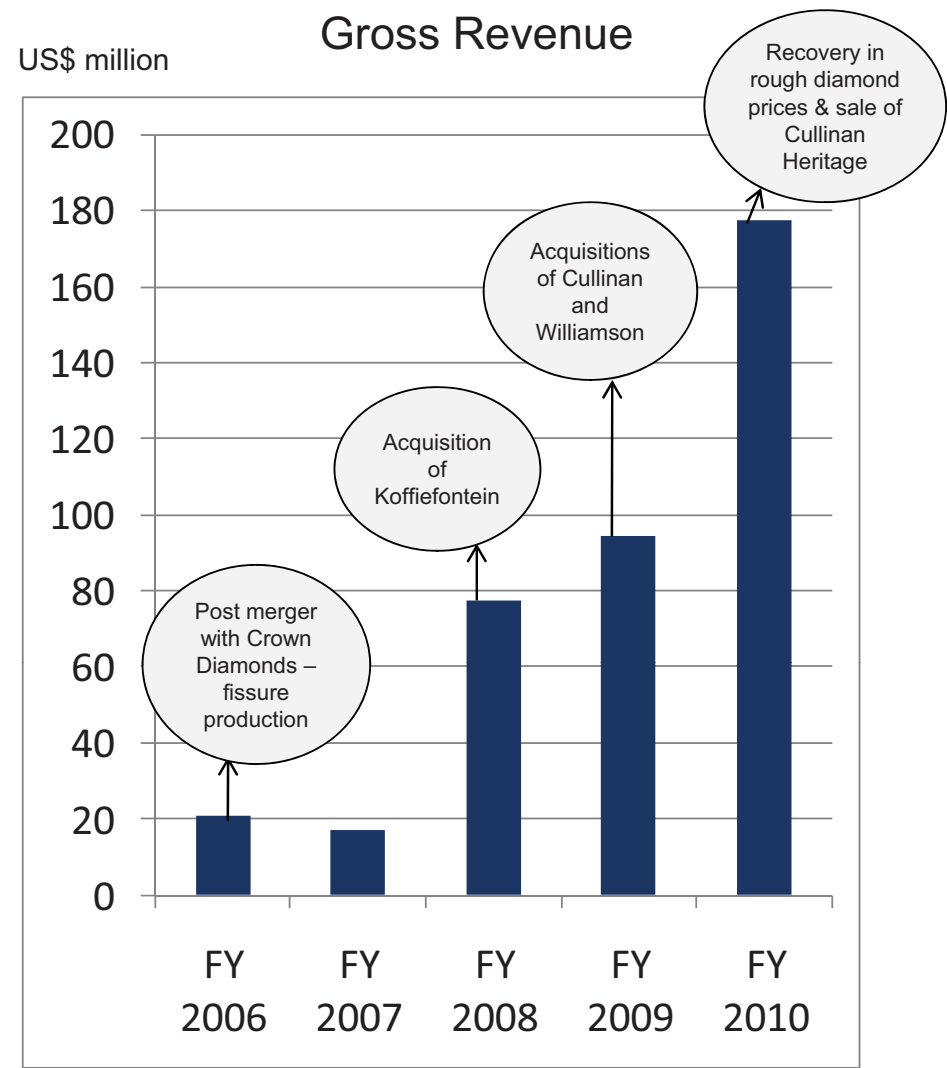
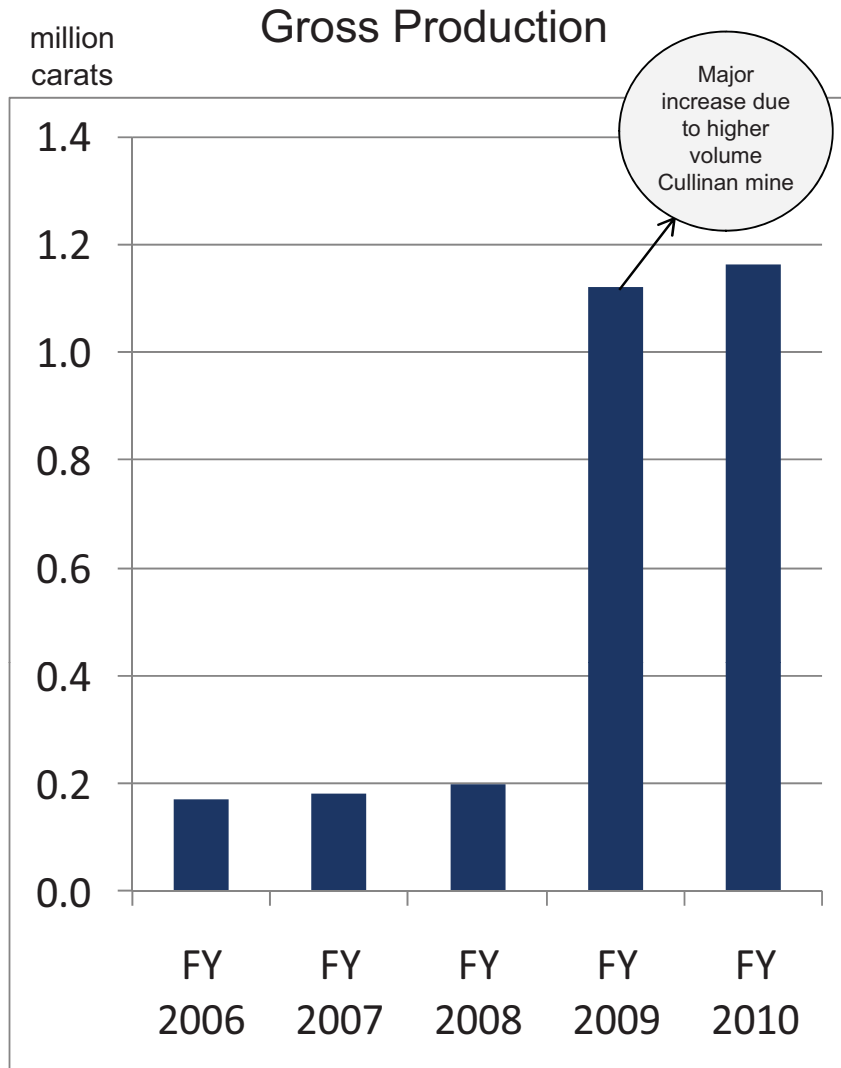


**Gross In-situ Value
US\$38.0 billion**



- Cullinan
- Williamson
- Koffiefontein
- Kimberley
- Fissures
- Finsch

Growth Profile – Historic



Key Economics



	Finsch	Cullinan	Williamson	Koffiefontein	Kimberley U/G	
ROM	Current production rate (Mtpa)	3.2	2.3	2.1	0.9	0.6
	Expansion tonnes (Mtpa)	3.5 (FY2018)	4.0 (FY2019)	10.0 (FY2014)	1.2 (FY2017)	1.0 (FY2012)
	US\$ / carat ⁽¹⁾	135	105	200	480	250
	Grade (cpht) ⁽¹⁾	47.0	50.0	6.0	8.7	18.0
	Cash unit cost per tonne ⁽¹⁾	R 180	R 180	US\$ 7.30	R 140	R 120
Tailings	Expected production rate (Mtpa)	3.3 ⁽²⁾	4.0 (FY2015)	-	0.5 (FY2011)	-
	US\$ / carat ⁽¹⁾	80	70	-	200	-
	Grade (cpht) ⁽¹⁾	18.5 to 2015; then 10.3	10.0	-	2.5	-
	Cash unit cost per tonne ⁽¹⁾	R 15	R 30	-	R 30	-
Expansion plan FY 2019 ⁽³⁾						
Carats pa*	1,960,000	2,400,000	600,000	117,000	180,000	
Revenue pa*	>US\$240m	>US\$235m	>US\$120m	>US\$52m	>US\$45m	

⁽¹⁾ Management medium / long-term forecasts (at 2010 money)

⁽²⁾ Finsch tailings production will cease end FY 2020

⁽³⁾ Refer to slide 28 for a detailed Capex profile

Petra Expansion Profile (incl. Finsch)

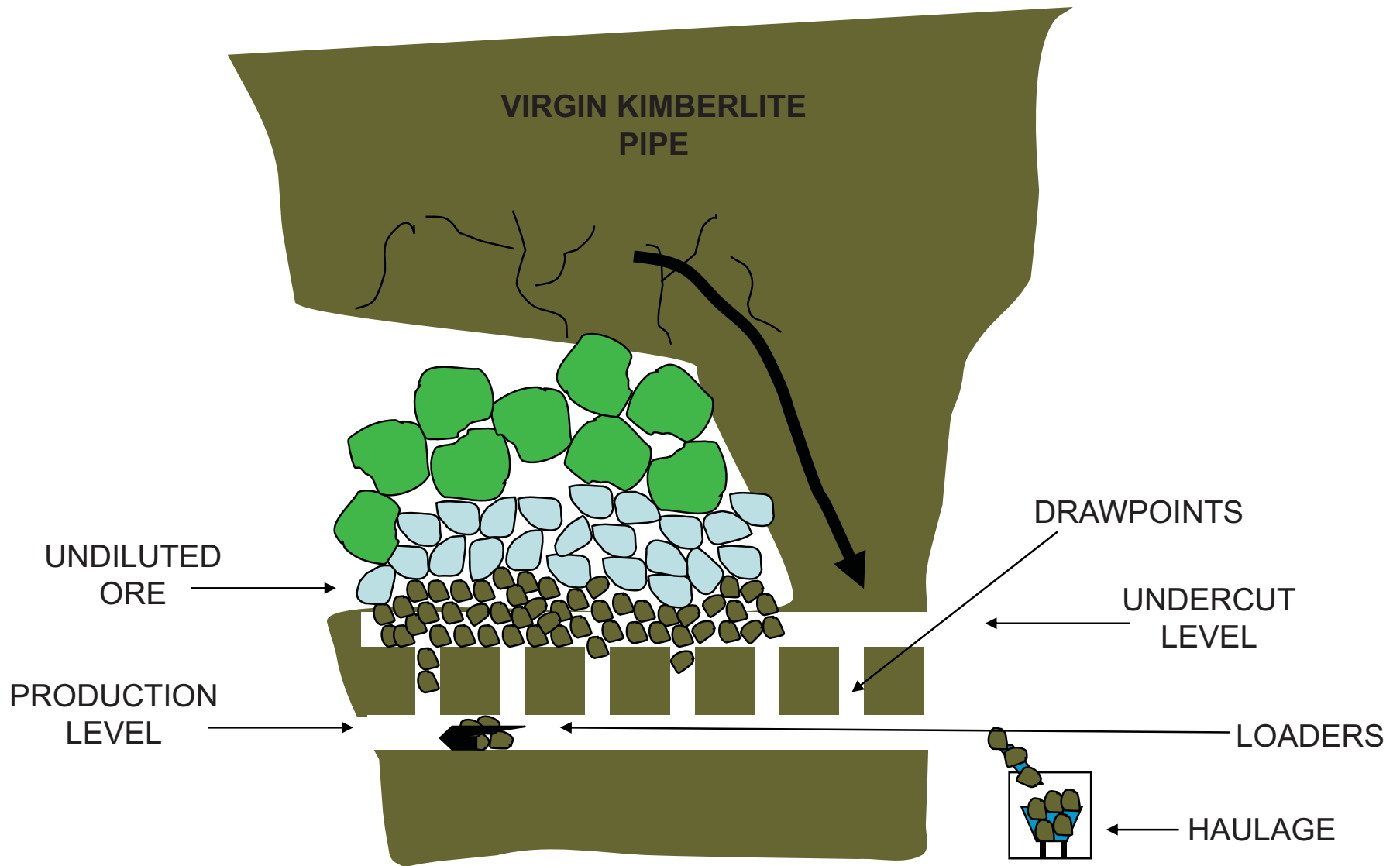


Financial Year		2011	2012	2013	2014	2015	2016	2017	2018	2019	
Operation	Area										
Finsch	Existing Block 4 (630 meter Level)										
	- Block 4 pillars										
	- SLC Block 4 precursor										
	- SLC 770 meter Level										
	- Block 5 880 meter Level										
			<i>Development tonnes</i>								
	ROM Tonnes (Mt)	0.8	3.2	3.2	3.2	3.1	3.2	3.2	3.5	3.5	
	Tailings Tonnes (Mt)	0.6	3.5	3.5	3.8	4.0	3.1	3.1	3.1	3.1	
	Expansion Capex (US\$m)	3.7	58.0	60.1	54.5	108.7	36.0	-	-	-	
Stay-in-business Capex (US\$m)	1.5	6.0	6.2	6.5	6.4	6.5	6.2	6.4	6.4		
Cullinan	ROM Tonnes (Mt)	2.3	2.4	2.4	2.4	2.6	2.6	2.8	3.2	4.0	
	Tailings Tonnes (Mt)	0.4	1.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	
	Expansion Capex (US\$m)	35.4	58.9	58.6	24.8	22.2	18.4	19.1	17.7	16.4	
	Stay-in-business Capex (US\$m)	7.6	4.9	5.2	5.4	5.5	5.4	5.4	5.5	5.6	
Williamson	ROM Tonnes (Mt)	0.9	3.5	5.1	8.0	8.0	8.0	8.0	8.0	8.0	
	Expansion Capex (US\$m)	9.0	28.7	12.0	-	-	-	-	-	-	
	Stay-in-business Capex (US\$m)	0.7	1.0	1.5	3.8	3.6	3.4	3.2	3.1	2.9	
Koffiefontein	ROM Tonnes (Mt)	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2	
	Tailings Tonnes (Mt)	0.8	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.5	
	Expansion Capex (US\$m)	7.2	6.7	5.1	5.3	5.3	7.9	-	-	-	
	Stay-in-business Capex (US\$m)	3.3	3.4	3.4	3.4	2.1	2.1	2.1	2.0	2.0	
Kimberley U/G	ROM Tonnes (Mt)	0.6	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
	Expansion Capex (US\$m)	11.0	6.5	2.7	-	-	-	-	-	-	
	Stay-in-business Capex (US\$m)	1.6	1.8	1.9	1.9	1.8	1.8	1.8	1.8	1.3	
Fissures	ROM Tonnes (Mt)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
	Tailings Tonnes (Mt)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	
	Expansion Capex (US\$m)	1.6	-	-	-	-	-	-	-	-	
	Stay-in-business Capex (US\$m)	1.6	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	
Petra Diamonds (Gross)	ROM Tonnes (Mt)	5.8	11.3	13.0	15.9	16.1	16.2	16.5	17.1	18.0	
	Expansion Capex (US\$m)	67.9	158.8	138.5	84.6	136.2	62.3	19.1	17.7	16.4	
	Stay-in-business Capex (US\$m)	16.2	18.8	19.9	22.6	21.1	20.8	20.4	20.3	19.8	

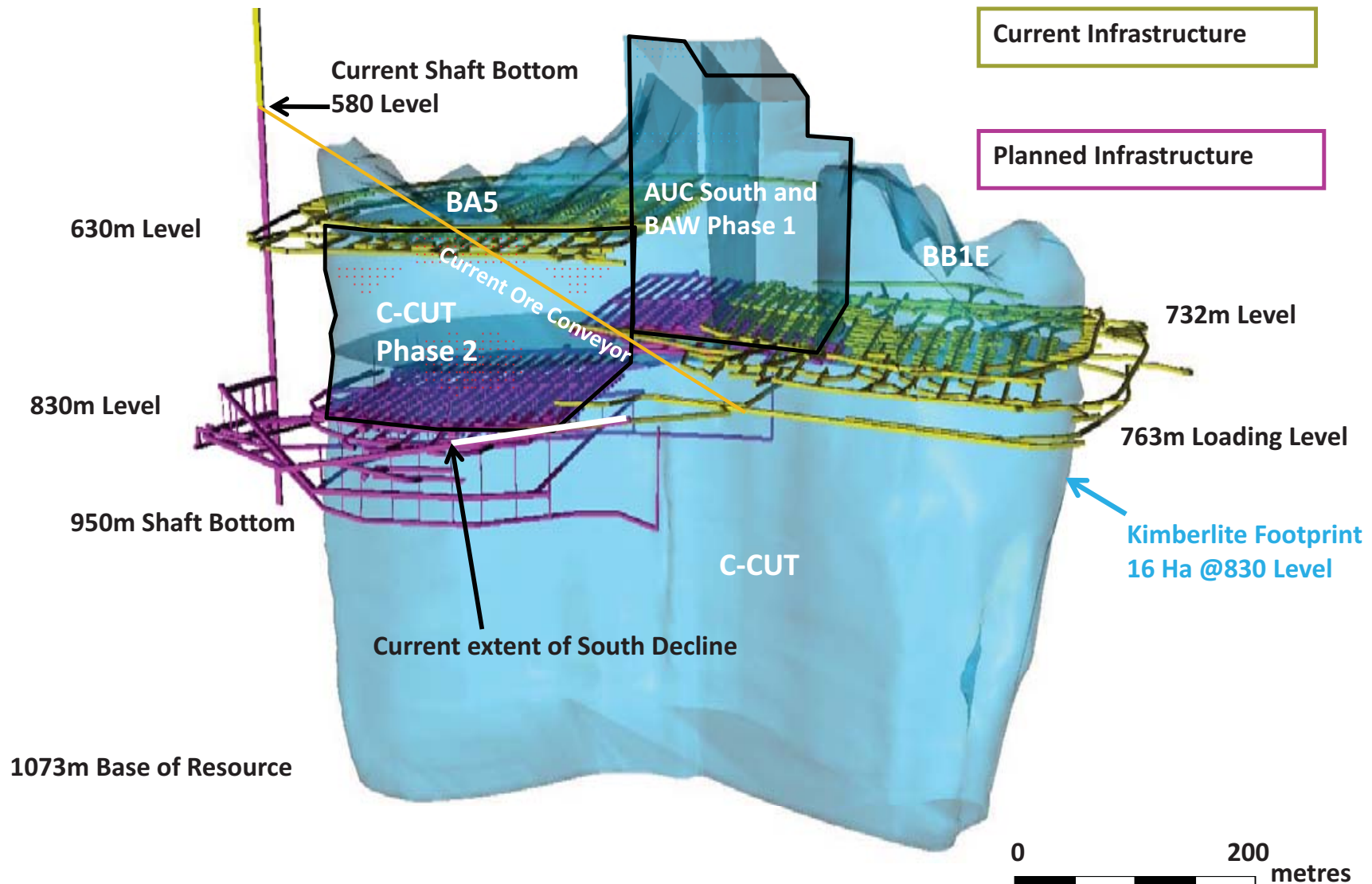
Capital expenditure stated in 2010 money terms

Note: using an exchange rate of US\$1: ZAR7

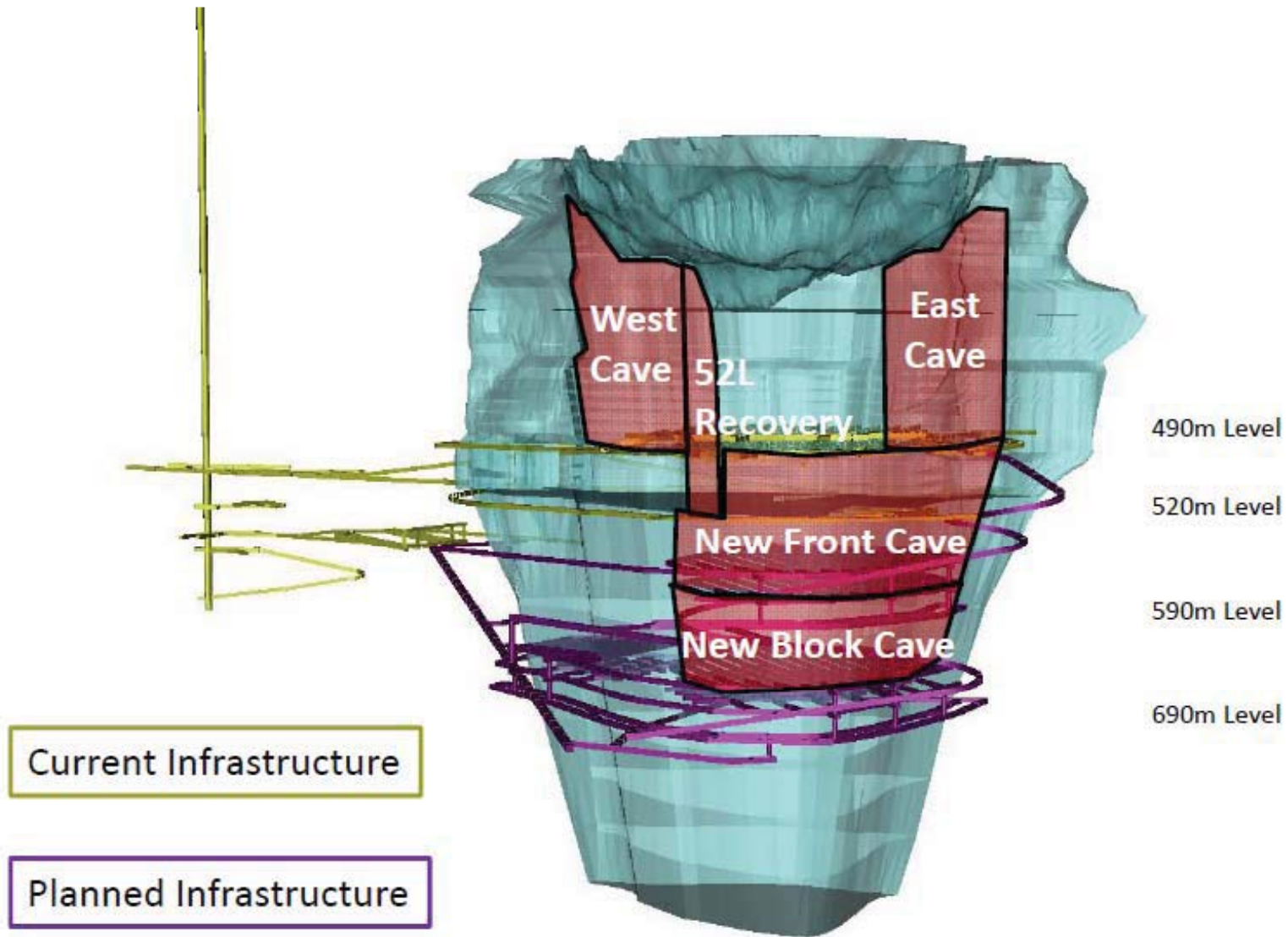
Block Caving – Aim Of Expansion Programmes



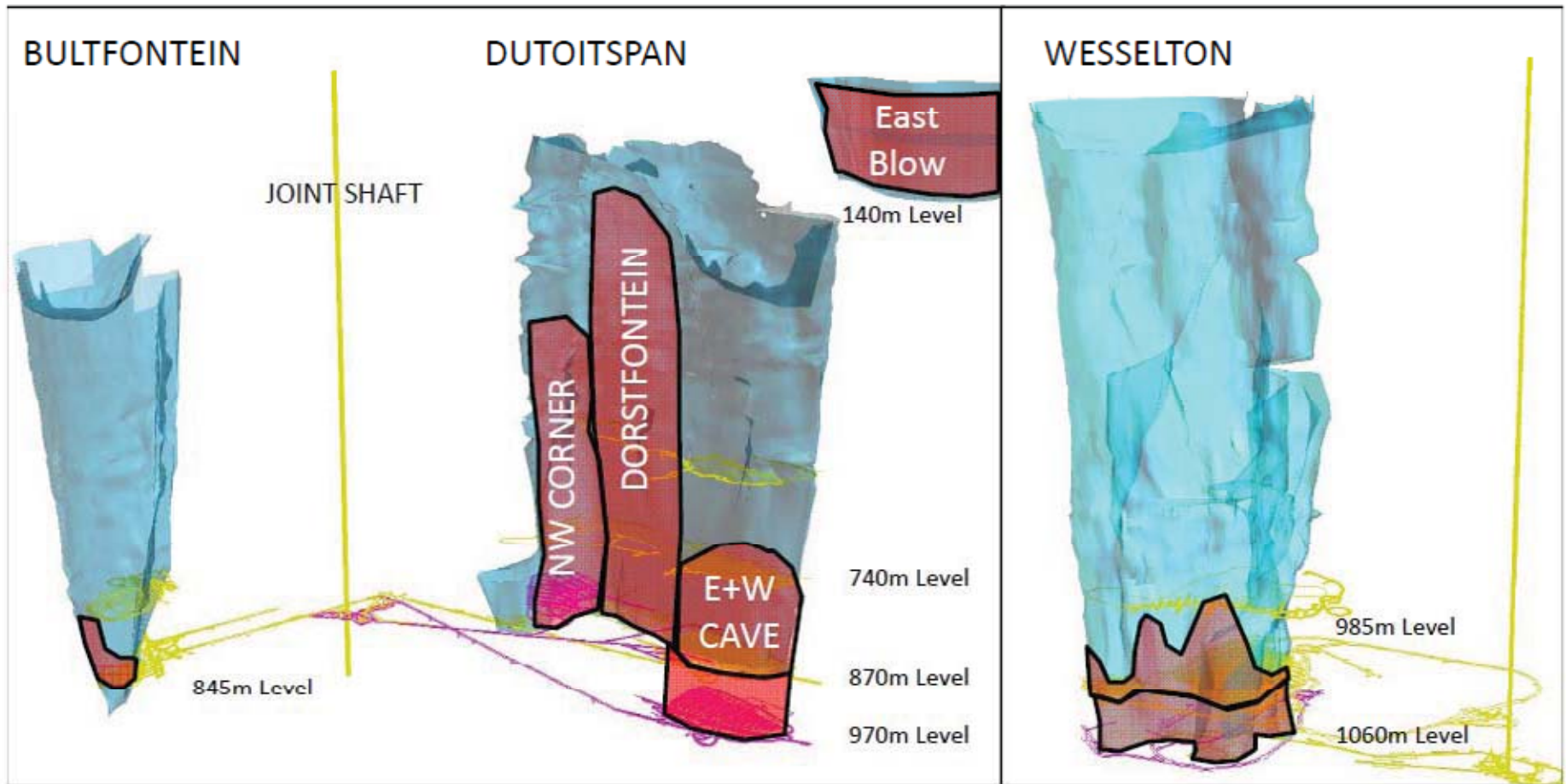
Cullinan Orebody



Koffiefontein Orebody



Kimberley Underground Orebodies

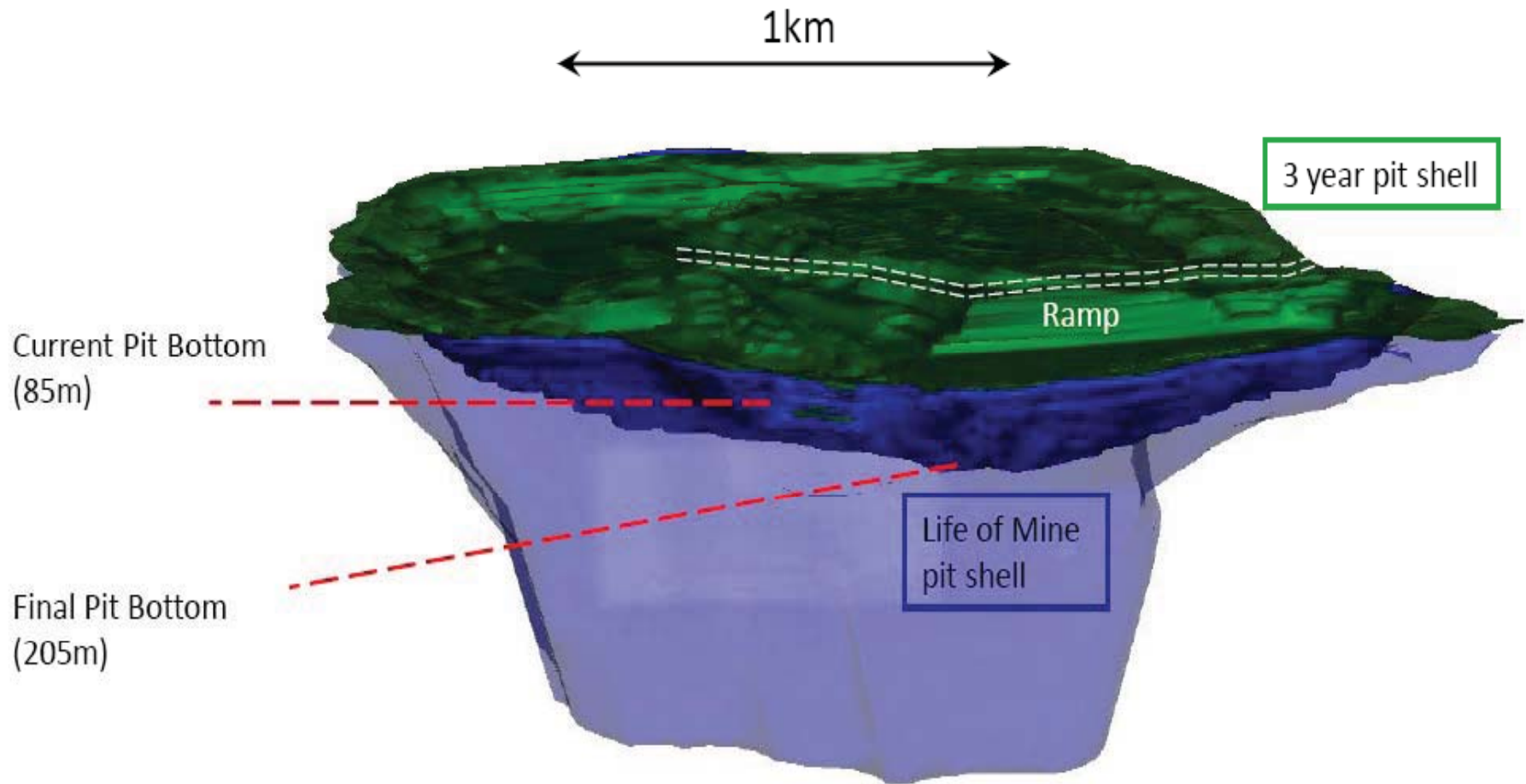


Current Infrastructure

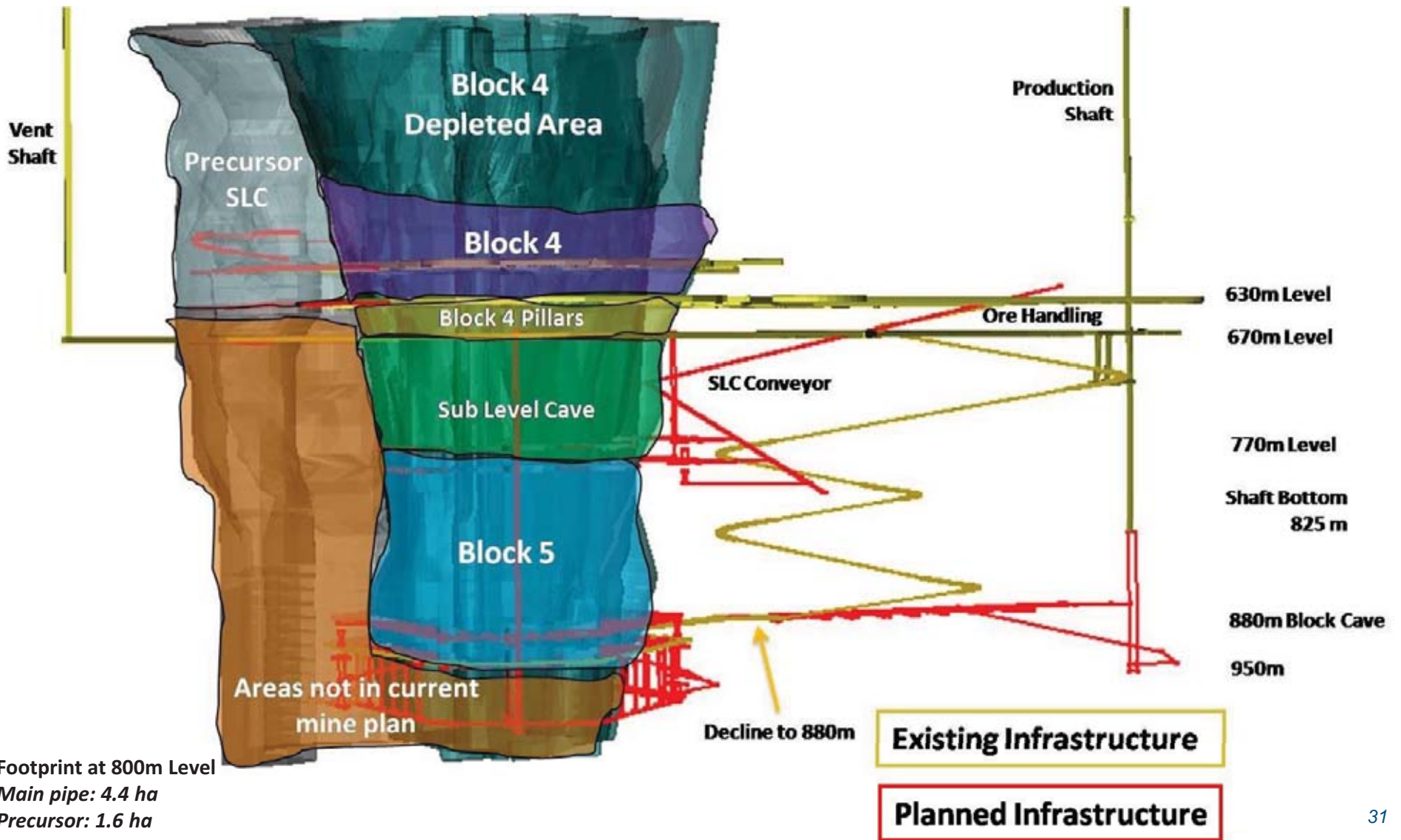
Planned Infrastructure

Areas available for mining

Williamson Orebody



Finsch Orebody





PetraDiamonds



Thank You