



PetraDiamonds



Finsch – A Major Diamond Producer

1 November 2011

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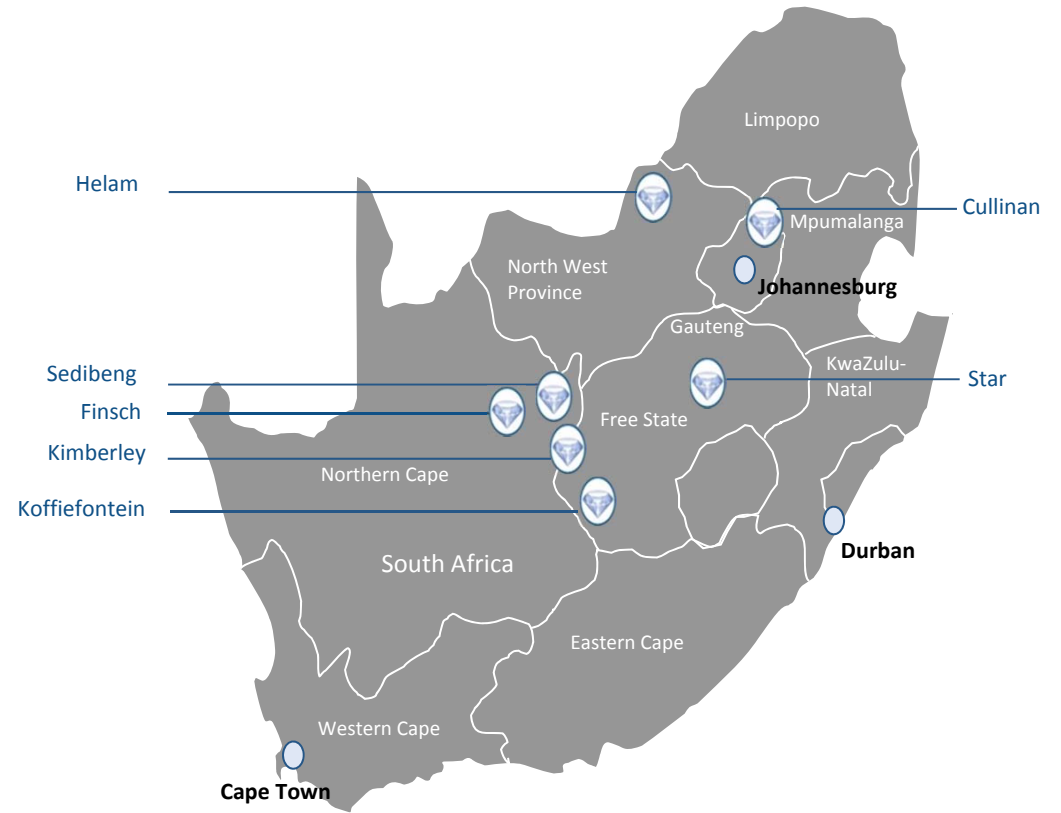
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Petra - A Diversified Production Portfolio



Production

South Africa

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

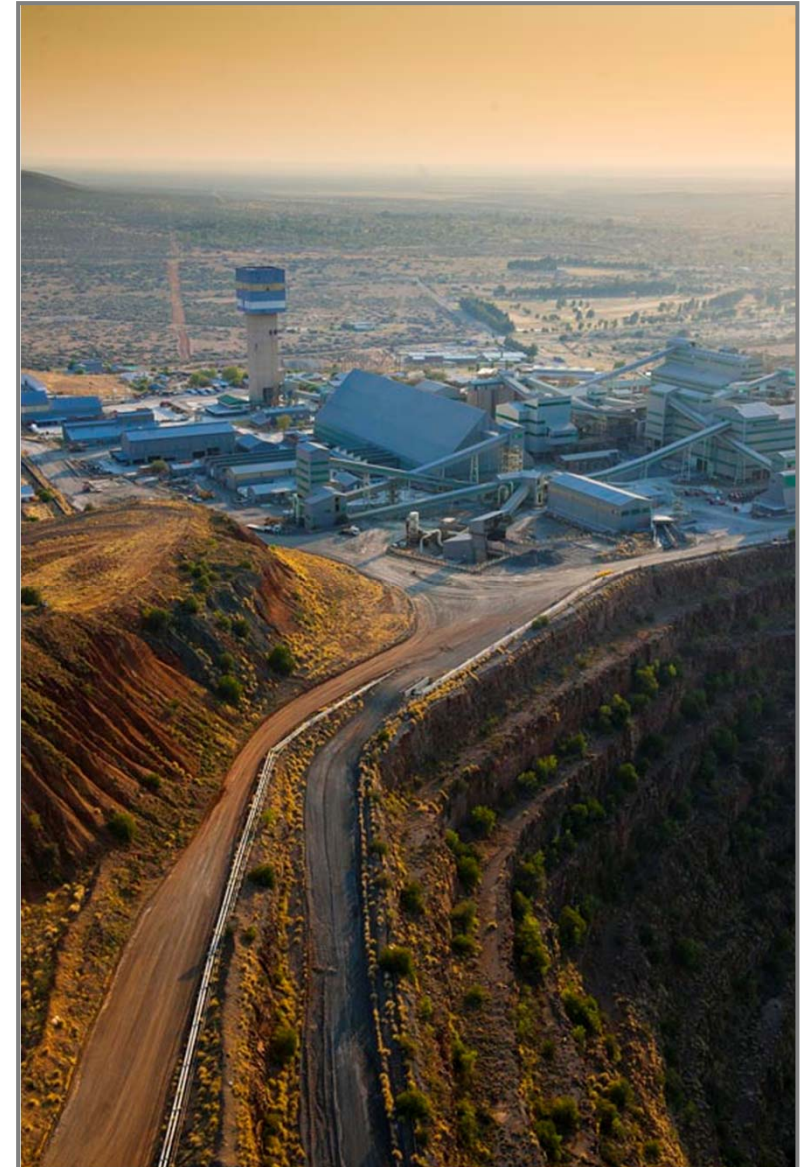
Tanzania

- Williamson

FINSCH OVERVIEW

Overview Of Finsch

- South Africa's second largest diamond mine by production
- World-class operation with best-in-class infrastructure and modern plant
- Block cave mining (high volume, low cost)
- Major resource of 43.7 Mcts, including 25.8 Mcts in reserves and 2.5 Mcts of tailings
- Average production of ca. 2 Mctpa over last 5 years
- Petra expansion programme to take production from ~1.5Mctpa to just under 2Mctpa
- Leading health and safety performance
- Fully staffed going-concern; highly skilled management team



Finsch – History Of Specials



204.7 carats (2003)

- Finsch has produced a number of large, special diamonds in its history
- Recovery of significant large, high-value stones will substantially increase the total value of production in any one year
- Potential for upside to valuation of US\$180 per ROM carat (management forecast)

Selection of specials recovered in last 4 years (average of 27 stones over 50 carats recovered pa in this time period):



109.9 carats (2007)



101.7 carats (2010)



61.2 carats (2008)



49.0 carats (2010)
Light Pink



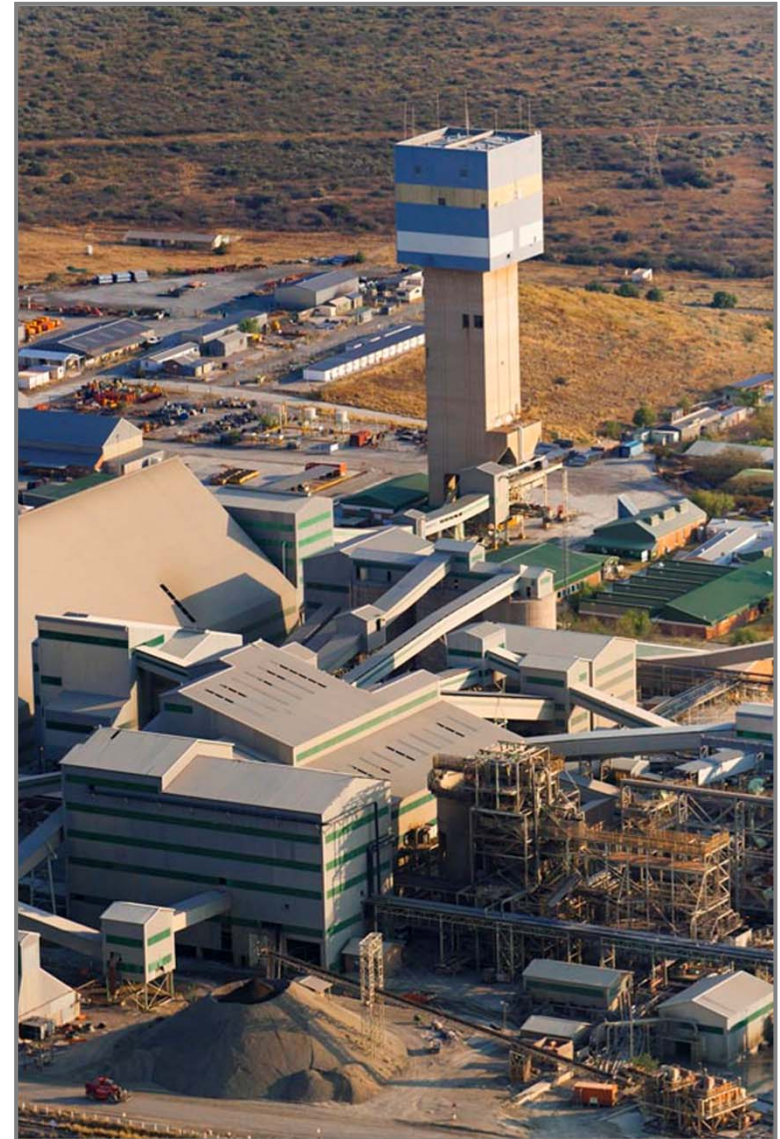
39.3 carats (2008)



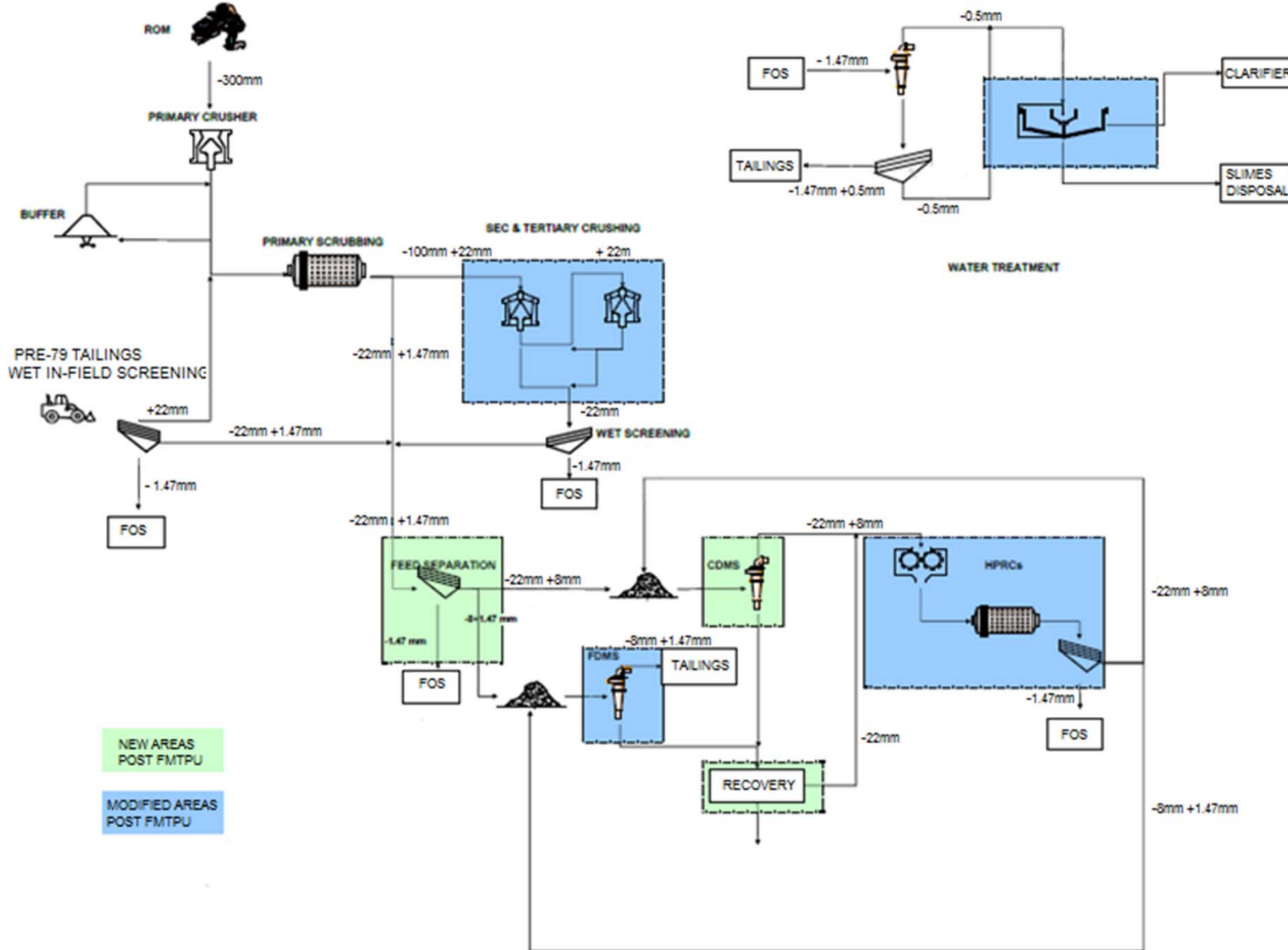
36.5 carats (2010)
Vivid Yellow

World-class Infrastructure

- State-of-the-art, modern mining infrastructure
 - Shaft capacity 4.6 mtpa
 - Plant capacity 7.2 mtpa
- 2007 – Finsch Mine Treatment Plant Upgrade
 - Incorporates latest diamond extraction methods developed by De Beers
 - Allows Finsch to re-treat the Pre-79 TMR on a viable basis
 - Total cost of ~US\$100m



Treatment Plant Flow Sheet



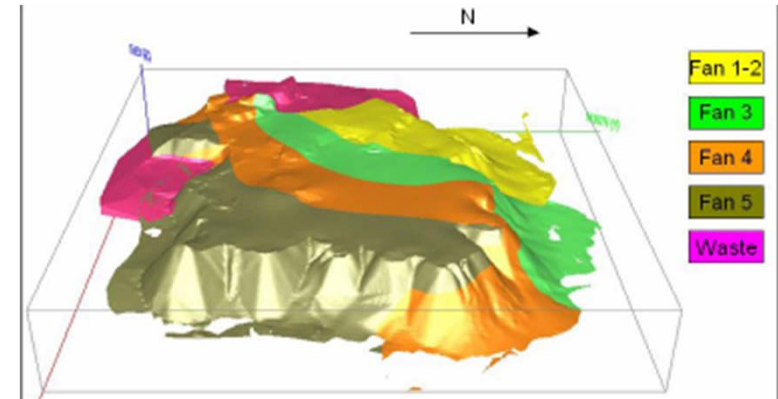
Tailings



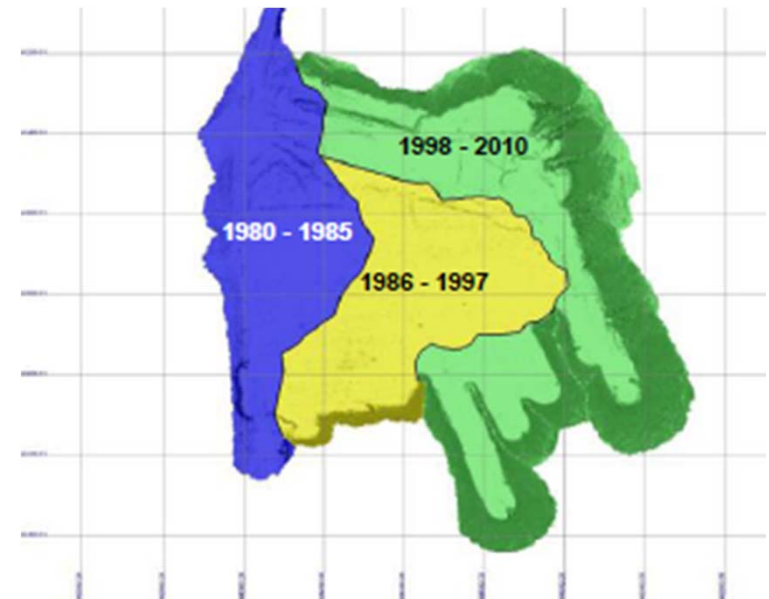
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- Finsch currently treating Pre-1979 Tailings at grade of ~18 cpht
- Pre-1979 tailings expected to be treated at a rate of ~3.5 Mtpa until depleted in FY 2015
- Post-1979 Tailings to be treated thereafter, at lower grade of ~10 cpht
- Tailings production expected to cease in FY 2020

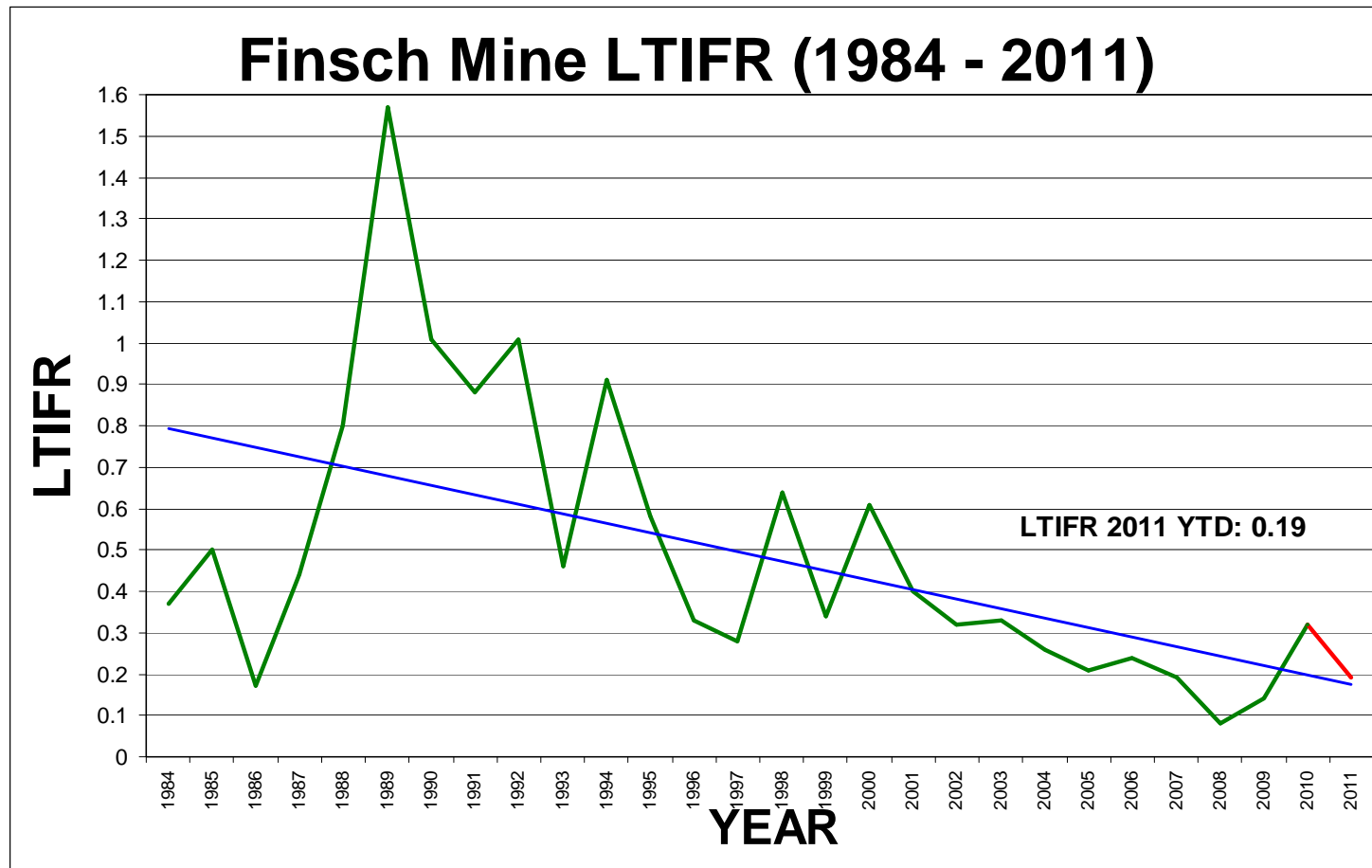
Pre-1979 Tailings



Post-1979 Tailings



SHE Overview



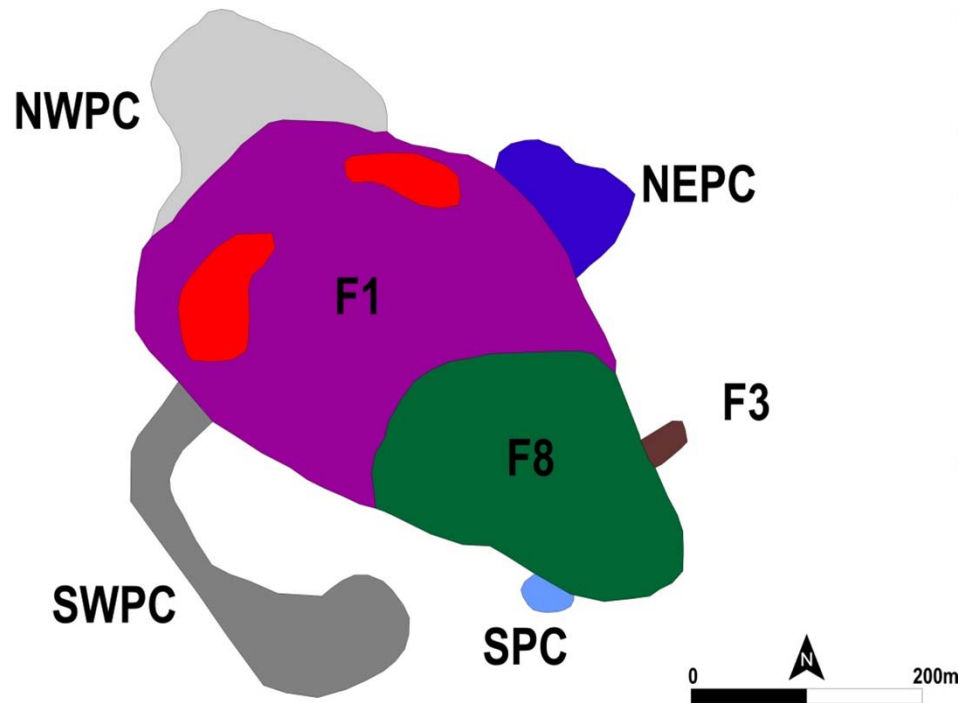
- Impressive safety record – Finsch has won numerous awards over last 10 years, incl. National Occupational Safety Credited Award in 2003 and 2004
- Mine reached an unprecedented 6.5 million fatality free shifts in 2008
- Mine objective of “zero harm”

A Successful Takeover

- Acquisition completed 14 September 2011
- Strong core management team retained
- No takeover issues or unexpected complications
- Underground ROM and tailings production throughput above initial expectations
- Combined grade running above expectations
- Programme to increase tailings throughput to achieve 3.5 Mtpa by FY 2014 progressing well – potential earlier delivery
- Overburden deposit a potential source of large diamonds – under investigation
- Future mine development progressing well

MINING OVERVIEW

Geological Footprint



- Finsch kimberlite pipe is a near vertical intrusion; surface area of 17.9ha; elliptical in outline
- A Group II kimberlite pipe with an age of 118Ma
- Pipe emplaced through thick sequence of Transvaal Supergroup sedimentary rocks comprising dolomites, banded iron formation and shales that overlie the Western part of the Kaapvaal craton
- Preserved within pipe are large fragments of Karoo-aged sediments, lavas and dolerite present at time of emplacement, have subsequently eroded away – the size and concentration of these Karoo-age sediments decreases with depth in the Finsch pipe
- Pipe is made up of 8 kimberlite facies, 2 of which make up majority of the main pipe and are currently being mined
- Significant potential for mining at least one of the precursor kimberlite bodies attached to the main pipe

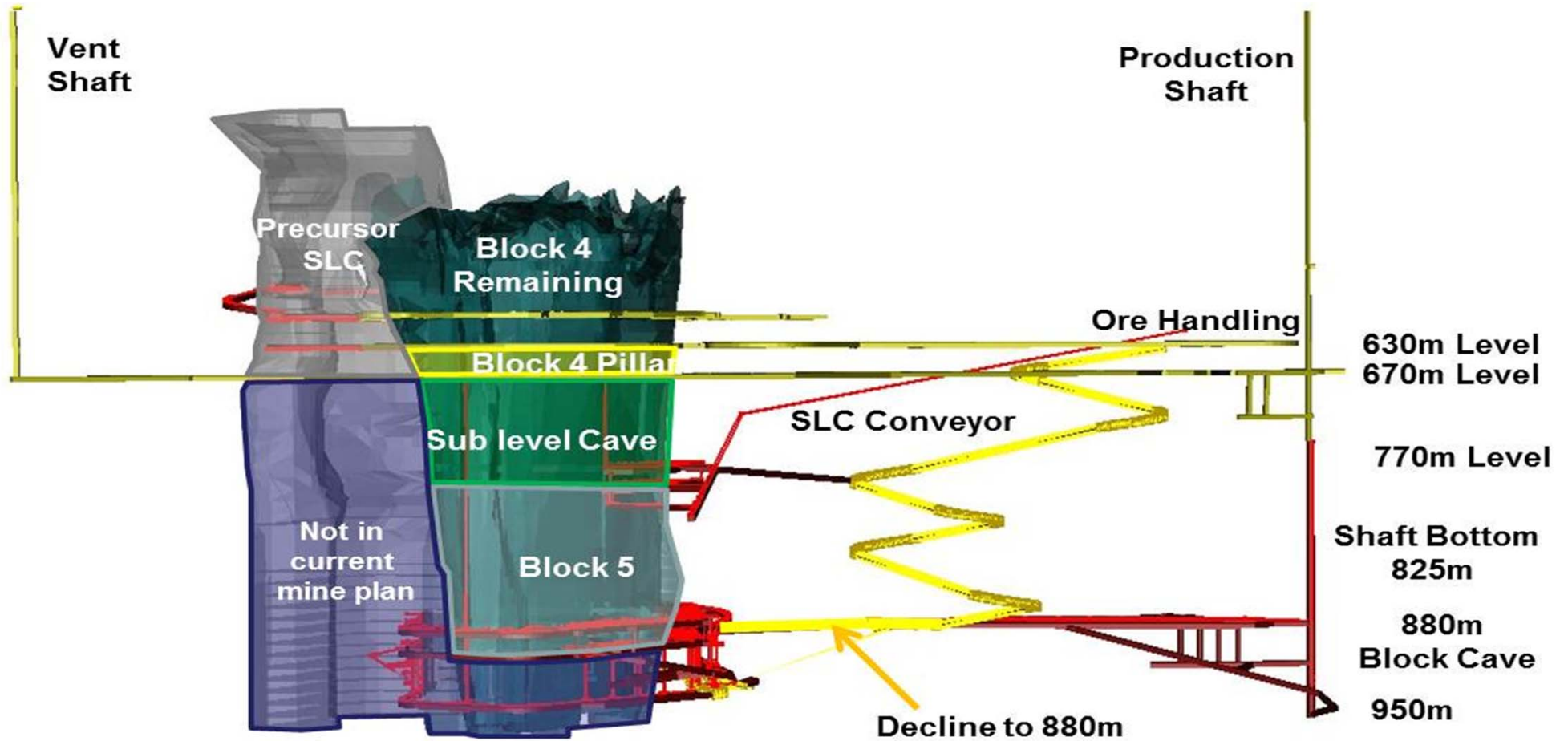
Significant Diamond Resource



Category	Gross			Net attributable		
	Tonnes (millions)	Grade (cpht)	Contained Diamonds (Mcts)	Tonnes (millions)	Grade (cpht)	Contained Diamonds (Mcts)
Reserves						
Proven	-	-	-	-	-	-
Probable	58.598	43.99	25.779	43.362	43.99	19.076
Sub-total	58.598	43.99	25.779	43.362	43.99	19.076
Resources						
Measured	-	-	-	-	-	-
Indicated	43.132	40.71	17.558	31.917	40.71	12.993
Inferred	43.132	40.71	17.558	31.917	40.71	12.993
Total Resources inclusive of Reserves			43.337			32.309

1. Resource bottom cut-off: 1.47mm
2. Reserve bottom cut-off 1.47mm
3. Resource tonnes and grade are based on block cave depletion modelling, and include external waste

Finsch – Underground Schematic



Footprint at 800m Level
 Main pipe: 4.4 ha
 Precursor: 1.6 ha

Current Infrastructure
Planned Infrastructure

Finsch Mine Plan

Objective: initial production of ~1.5 Mctpa (~900,000 ROM carats + ~600,000 tailings carats), increasing with commencement of Block 5 to steady state production of nearly 2 Mctpa

Life of mine plan of 18 years (orebody remains open-ended at depth)

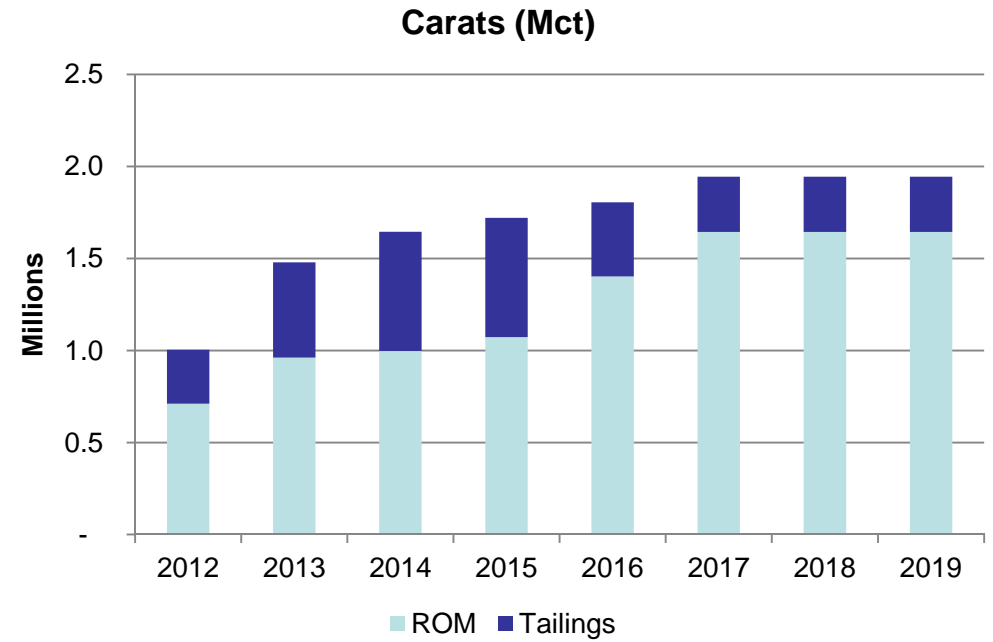
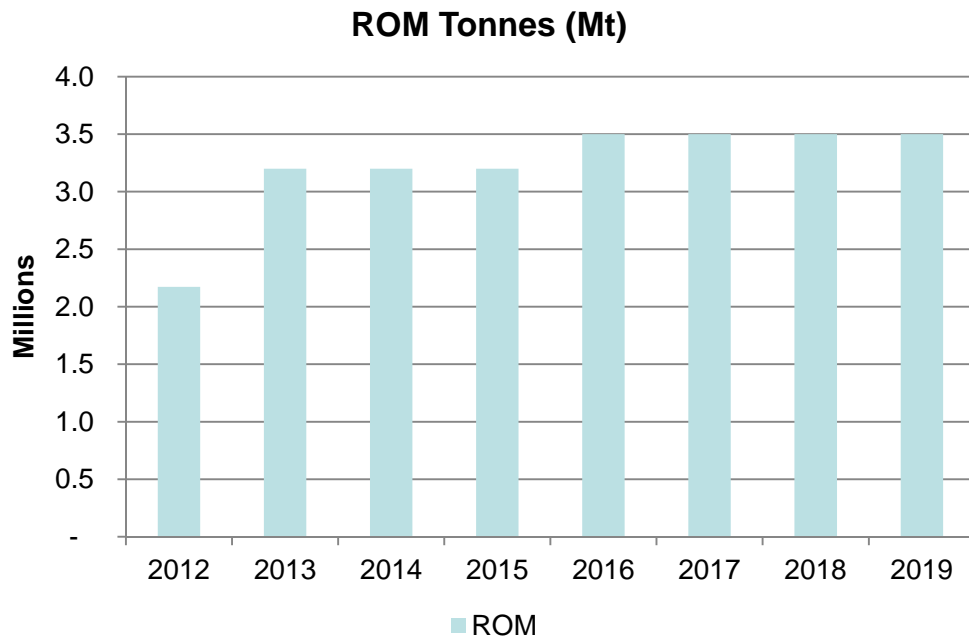
- Petra currently mining Block 4 at 630m - ~3.2 Mtpa at ~35 cpht; expected to be depleted by FY 2015
- Expansion plan to open up new cave in Block 5 - probable reserves of 22.1 Mcts at 47.6 cpht
- Petra will maintain production levels during transition from Block 4 to Block 5 by developing smaller sub-level caves within the Precursor orebody at Block 4 level and within Block 5
- Will enable Petra to maintain underground production at ~3.2 Mtpa, ramping up to ~3.5 Mtpa by FY 2018 once Block 5 cave fully operational

FINANCIALS AND GUIDANCE

Production Forecast



Will take production to 1.9 million carats by 2017



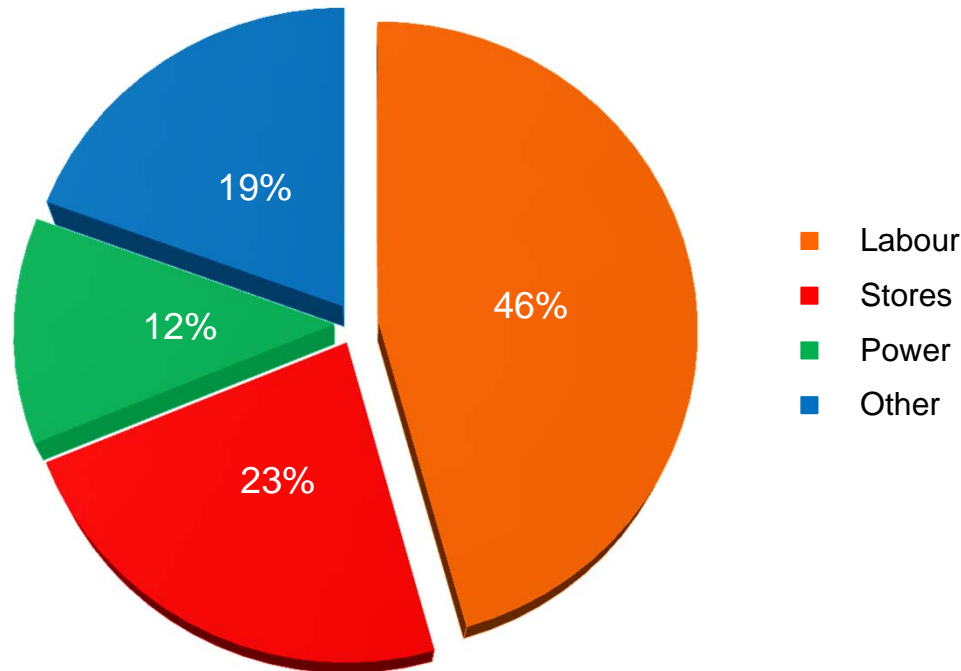
Finsch Guidance



- Finsch LOM: current plant up to 2028; residual Block 6 resource to possibly extending LOM beyond this period
- Ownership: 74%
- LOM environmental closure liability: R200 million
- FY 2011 tax shield estimated: R800 million (due to acquisition of assets)
- Group management fees: R36 million pa
- BEE loans due: US\$56 million

ROM tonnes (Mt)	9 month period FY 2012 mining at 2.2 Mtpa; FY2013 onwards 3.2Mtpa until Block 5 is in place by FY2018, whereafter tonnages will increase to 3.5Mtpa
ROM grade (cpht)	Starting at ~33cpht; FY2013 / 2014 around 31 cpht; increasing to ~47cpht by FY 2018 when mining undiluted Block 5 ore
Tailings tonnes (Mt)	9 month period FY2012 treating 1.6 Mtpa; 2.8Mtpa from FY2013, increasing to 3.5 Mtpa by FY2014; treatment planned to continue until 2020
Tailings grade (cpht)	Starting at 18.5 cpht while treating Pre-79 dumps; diluting to 10 cpht from FY 2016 once portions of Post-79 dumps are treated
Cash on-mine cost / ROM tonnes	Starting at ~R200; diluting to ~R175 due to increased tonnages (high fixed cost base)
Cash on-mine cost / tailings tonnes	Remaining flat at around R15 / tonne

Cost Make-up And Challenges



OPEX for Finsch estimated to be R130/ total tonne treated

Ongoing issues being addressed:

- The rising cost of electricity through effective design, maintenance and management of new and old infrastructure
- Designs to cater for appropriate levels of automation
- Advancement of a group procurement strategy to yield benefits related to economies of scale

Outlook

- First Finsch tender being held now – high quality production
- Adds ~125,000 carats per month to Petra production profile
- Combined production running ahead of schedule
- Increases Petra’s critical mass in terms of personnel and procurement
- Continuing Petra’s strategy to build a world-class diamond miner
 - Excellent track record of extracting value from similar acquisitions
 - Plan to mirror successful Cullinan strategy at Finsch
- Finsch is expected to be immediately accretive to NAV and operating cashflow per share in FY 2012

Accretive acquisition of major, long-life, producing mine

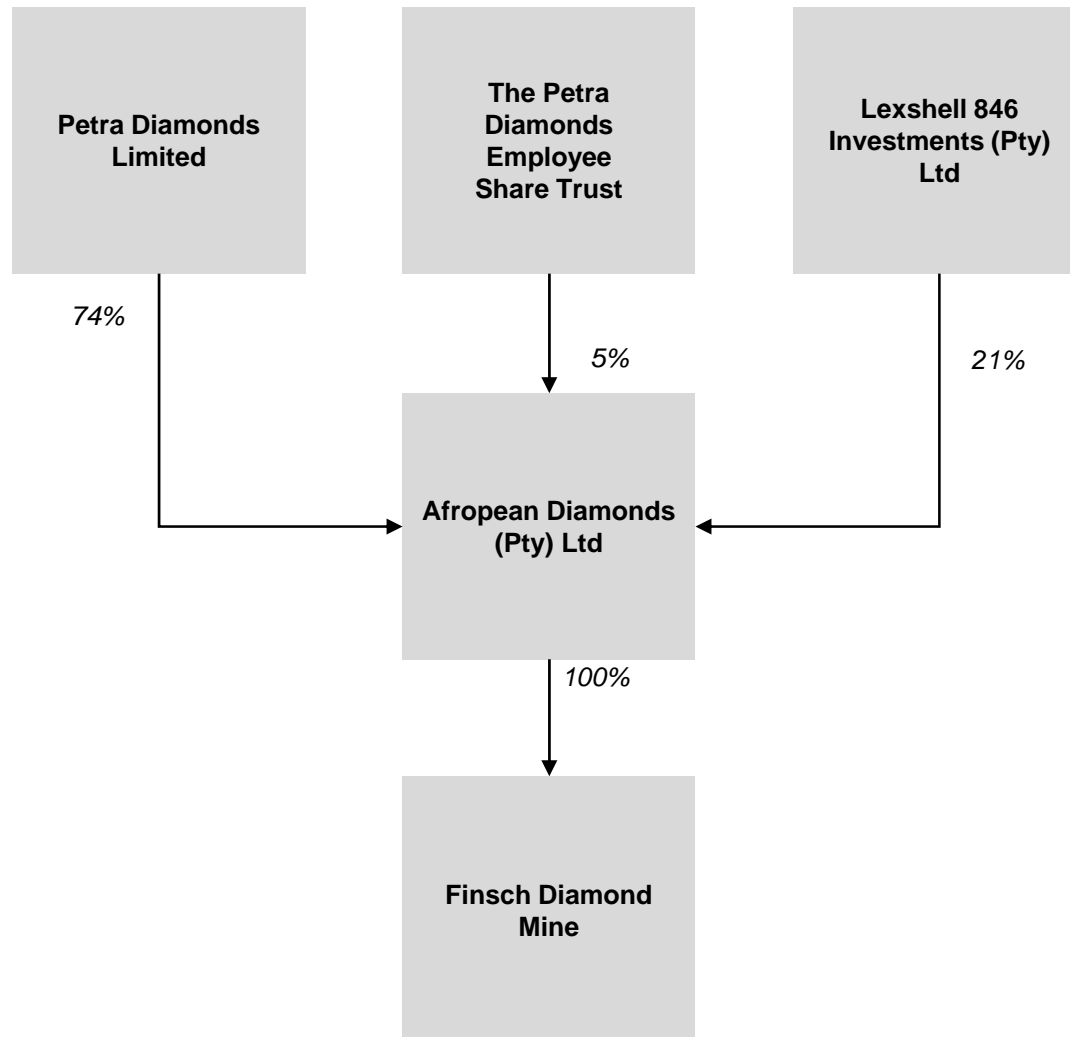


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Thank You

Finsch BEE Structure



- BEE structure similar to that at Cullinan
- BEE partners in Lexshell 846 are Sedibeng Mining, Umnotho Wesizwe newco and Namoise (women’s group) (commercial BEE companies)
- Petra Employee Share Trust represents all Petra SA employees (therefore including all historically disadvantaged South Africans)
- Petra has excellent relationships with all its BEE partners
- Petra has loaned BEE partners their 26% of the consideration for Finsch (R370.5m), with interest at commercial rates
- Loans repaid from cashflow from the mine, giving Petra 100% of cashflow until loans repaid

The History Of Finsch

- 1961 Finsch Diamonds founded by Fincham & Schwabel
- 1964 All shares and rights of Finsch Diamonds acquired by DBCM
- 1967 Official opening of Finsch & establishment of original plant
- 1978 First stage of underground mining with start of decline and construction of shaft
- 1980 Extensive modification of treatment plant
- 1990 Open pit mine operation ceases; opening of decline & start of underground production
- 2001 ISO14001 certification achieved
- 2003 Processing of Pre-79 TMR commences
- 2005 Commissioned world's first fully automated underground trucking system
- 2007 6.0 million fatality free shifts
- 2008 Undercutting of the block cave for Block 4 is completed
Treatment plant upgrade is completed (cost of ~US\$100m)
- 2011 Acquisition by Petra Diamonds – completed 14 September



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