



PetraDiamonds



Building A Leading Diamond Producer

February 2011

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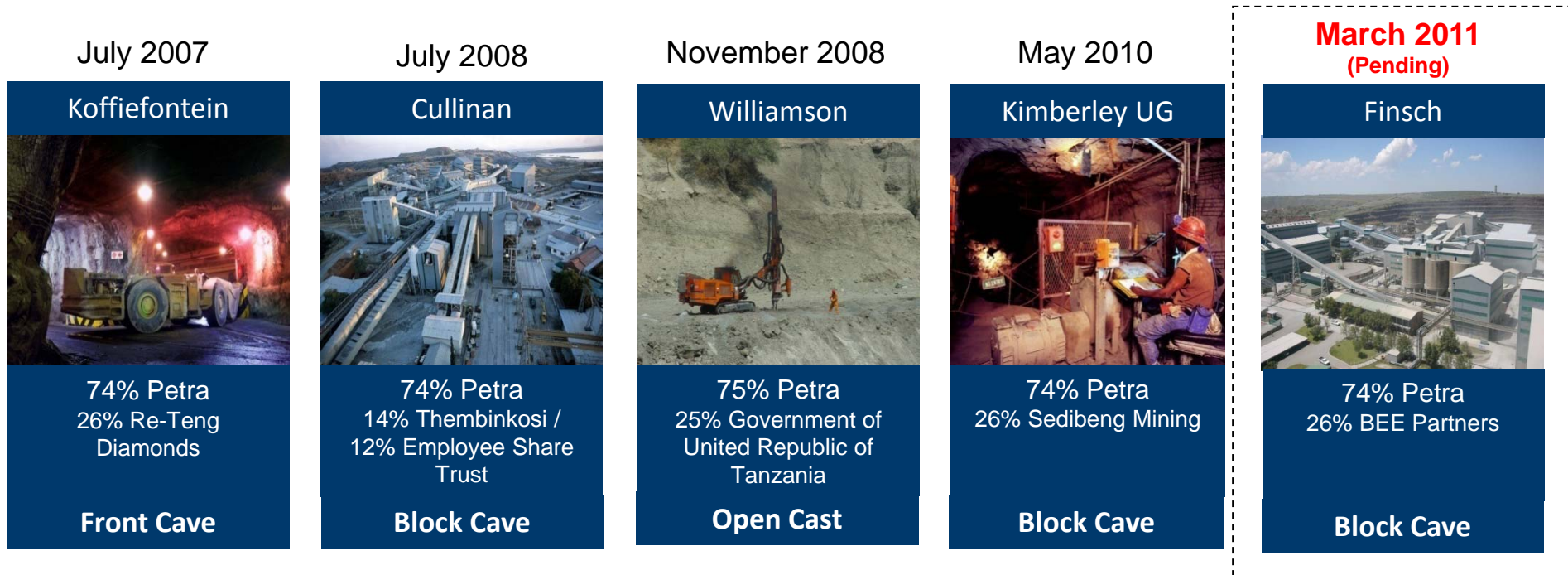
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Building A Leading Diamond Producer



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

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

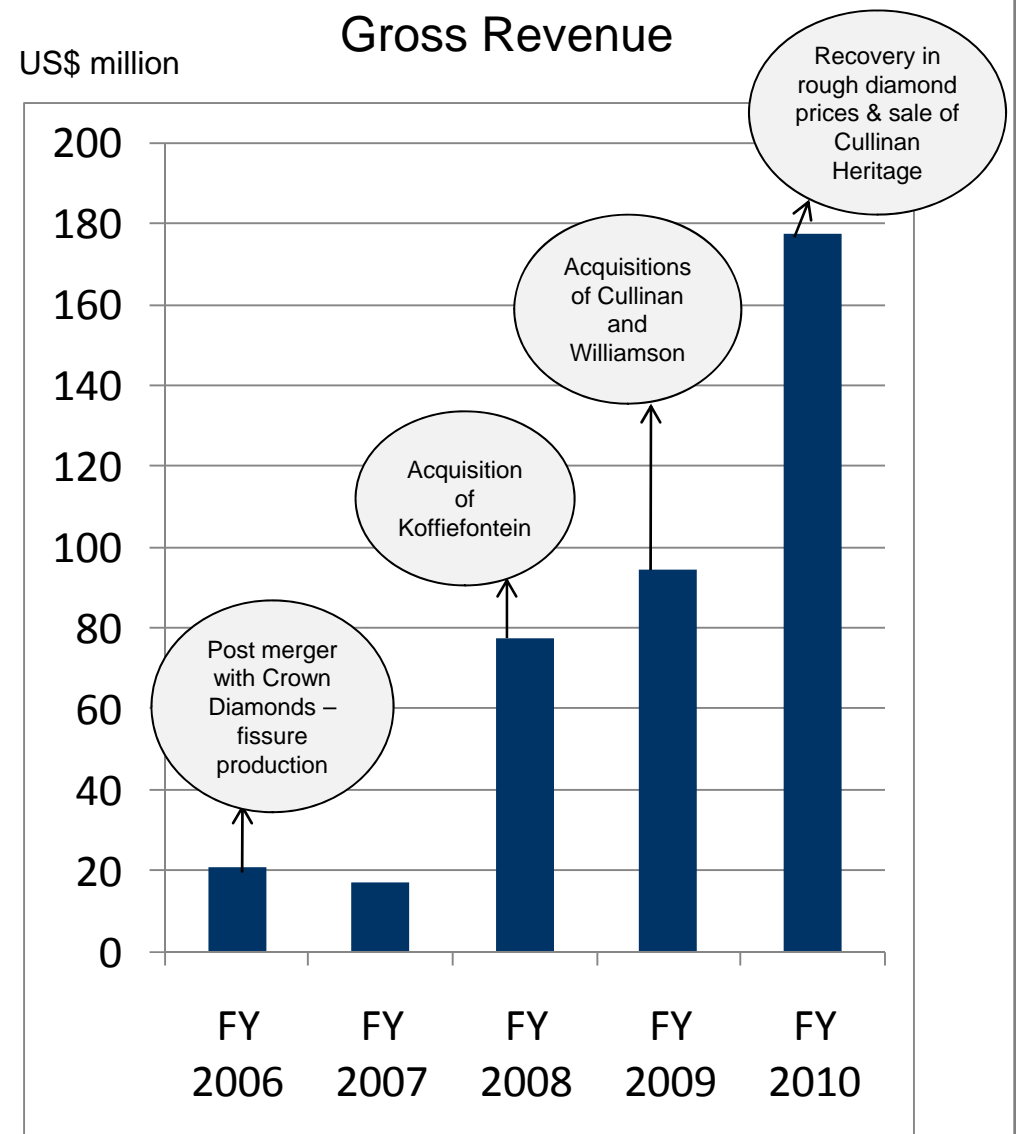
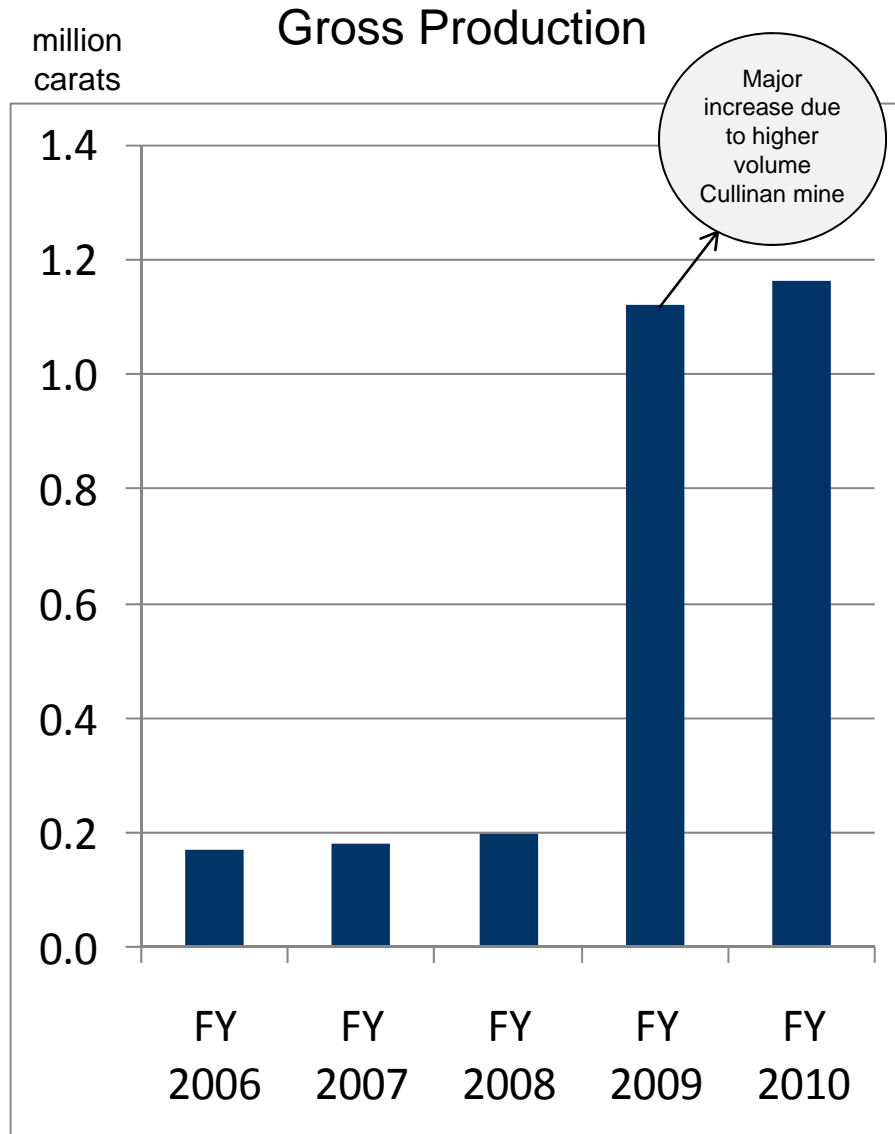
Diversified portfolio – 8 producing mines (incl. Finsch)

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

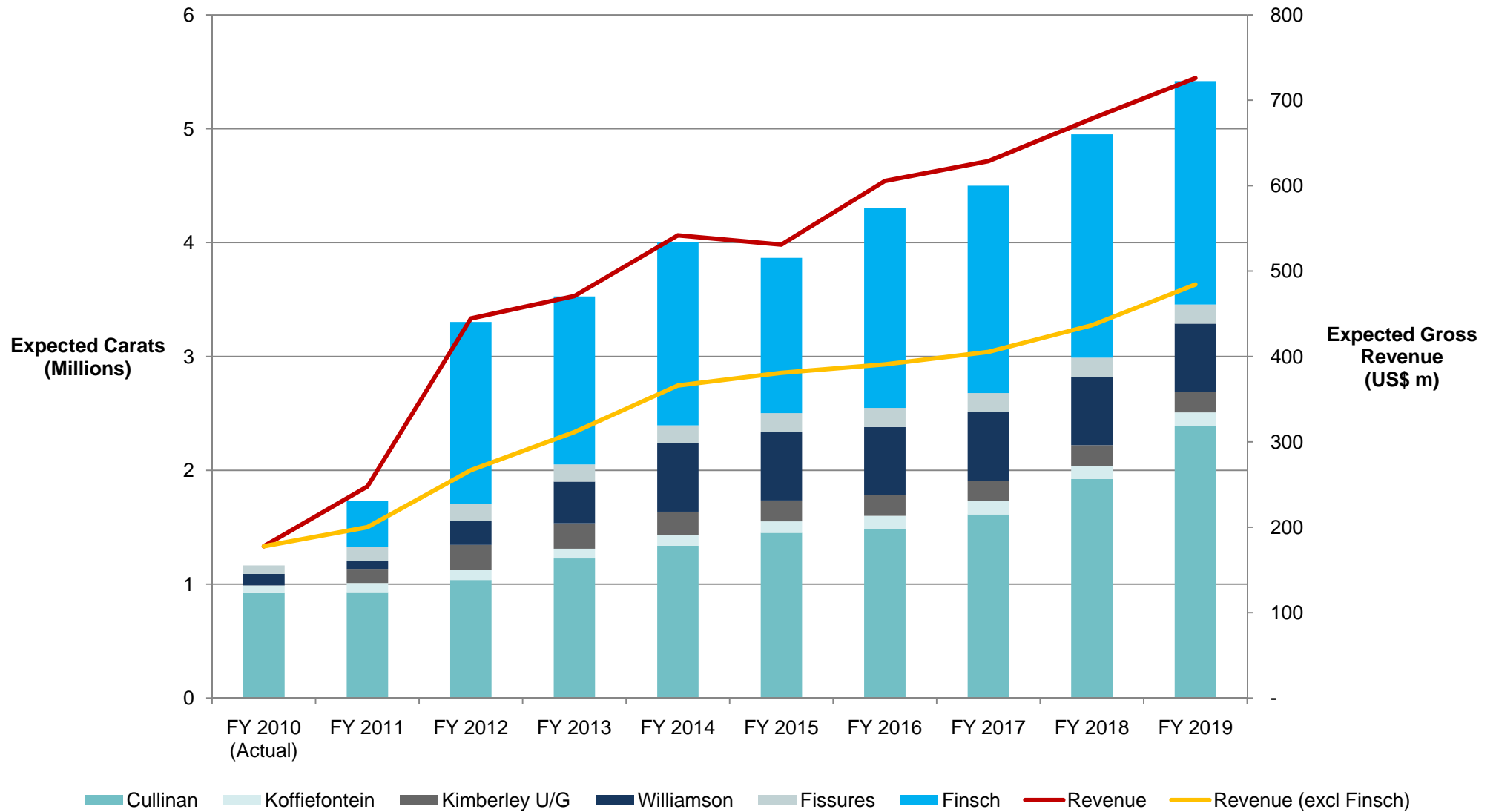
Diamond market – Compelling fundamentals expected to result in strong rough diamond prices

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

Growth Profile – Historic



Growth Profile – Future

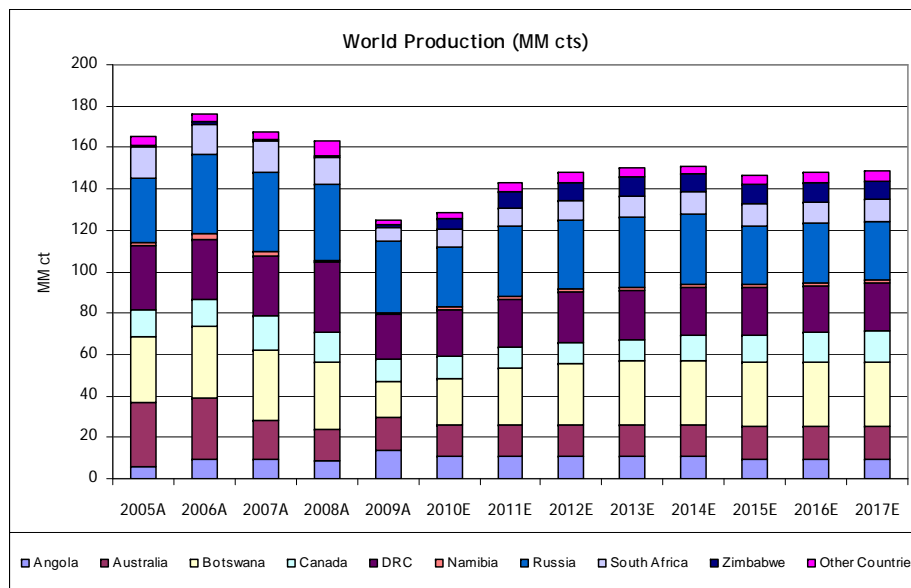


Future production now has potential to rise from 3+ Mcts to 5+ Mcts by FY 2019

Exposure To Strong Diamond Market

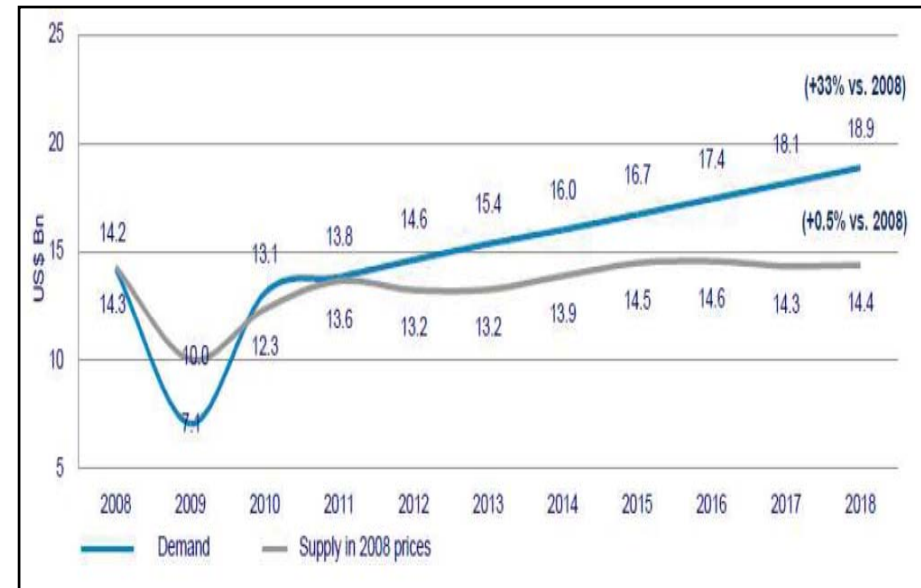
- Diamond supply constraints - world's largest diamond mines are past their peak
- Only around 30 diamond mines of significance globally
- Significant supply / demand deficit expected to emerge in 3 years
- Strong demand growth continues from China & India – urbanisation trend delivers millions of new 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

A Diversified Production Portfolio



Production

South Africa

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

Tanzania

- Williamson

- Finsch further diversifies Petra’s Portfolio
- Seamless fit with other operations
- Increases Petra’s critical mass
 - Personnel
 - Procurement
- Leveraging off previous experience
 - Focus on efficiencies: right-size operation, restructure cost base & empower management teams
 - Importance of accessing fresh ore blocks
 - Utilise in-house capabilities to execute Capex programmes
 - Optimise plant processing & security to ensure recovery of full spectrum of diamonds
 - Achieve best rough diamond prices through open tender system

* Acquisition to complete soon

Finsch – A Major Diamond Producer



- 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 1.5Mcts pa initially, rising to ~2Mcts 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

Finsch – Potential For ‘Specials’



204.7 carats (2003)

- Finsch has produced a number of large, special diamonds in its history
- Recovery of significant large, high-value stones can substantially increase the total value of production in any one year

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



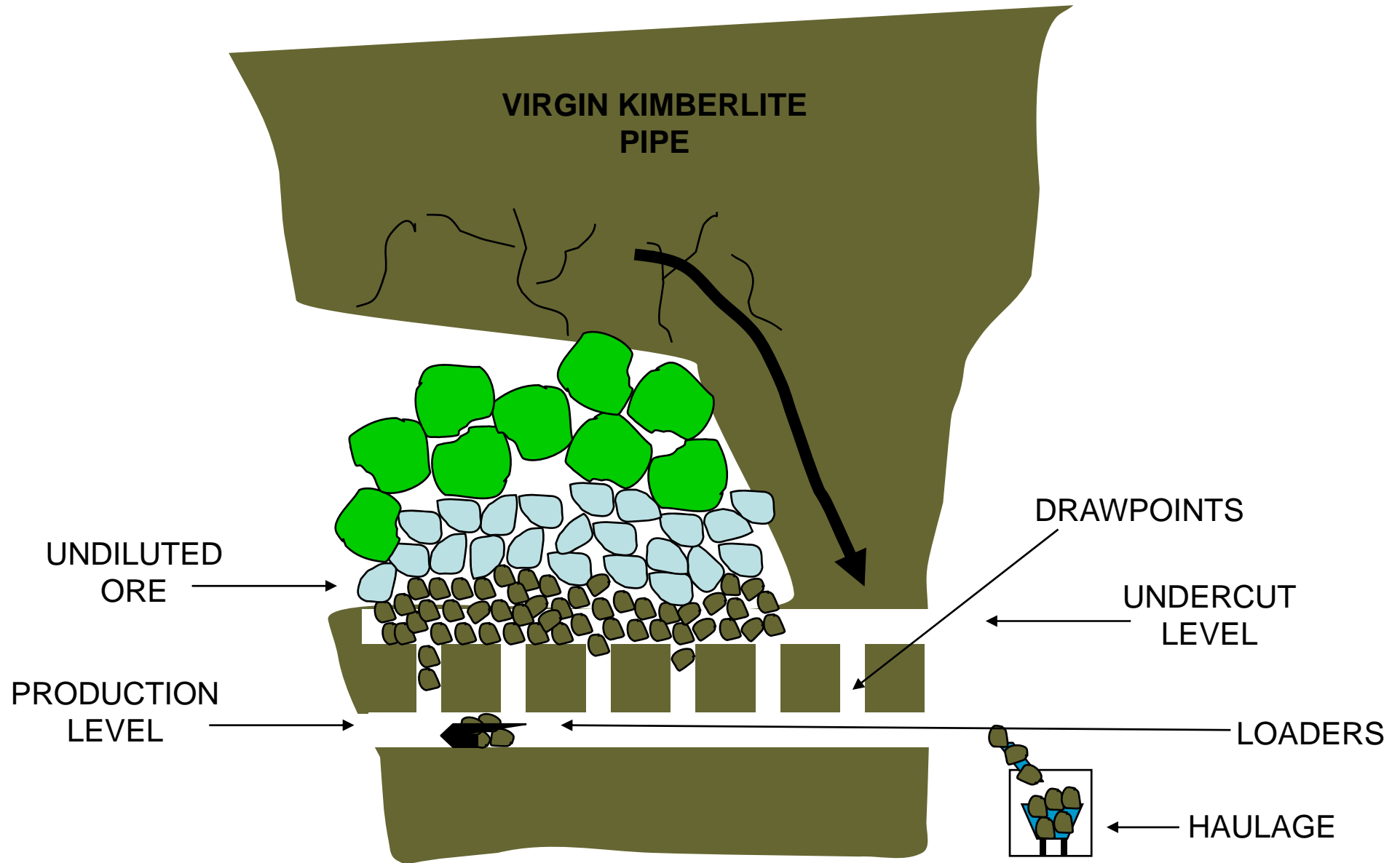
39.3 carats (2008)



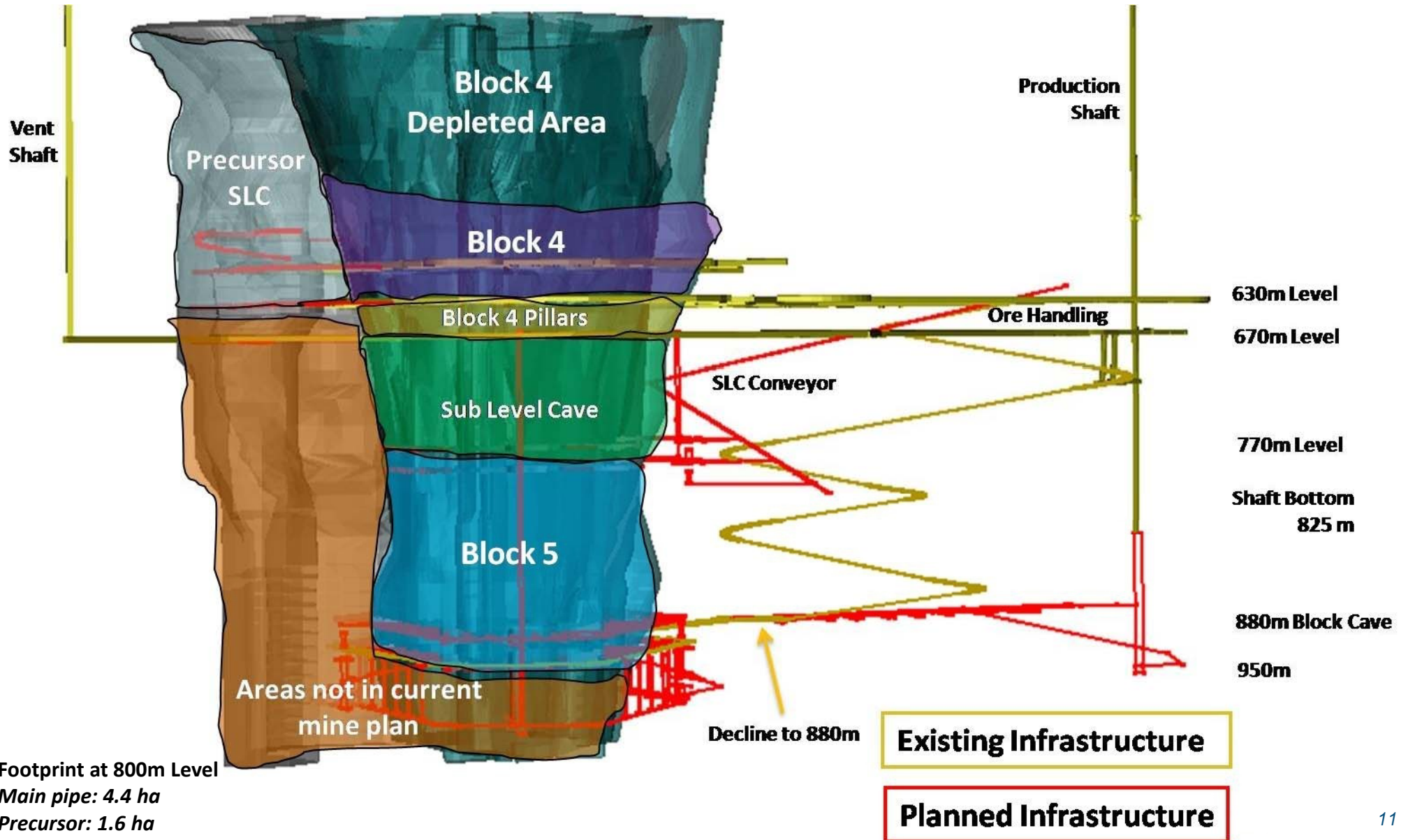
36.5 carats (2010)
Vivid Yellow

Potential to add significant incremental value

Block Caving – Aim Of Expansion Programmes

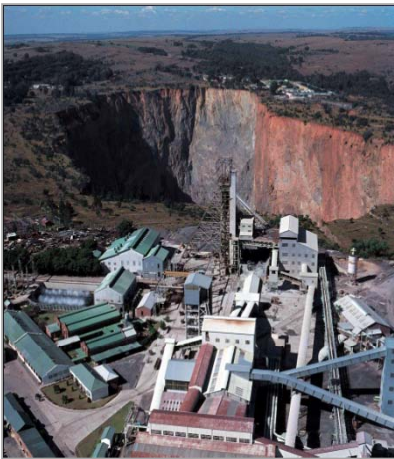


Finsch – Underground Schematic

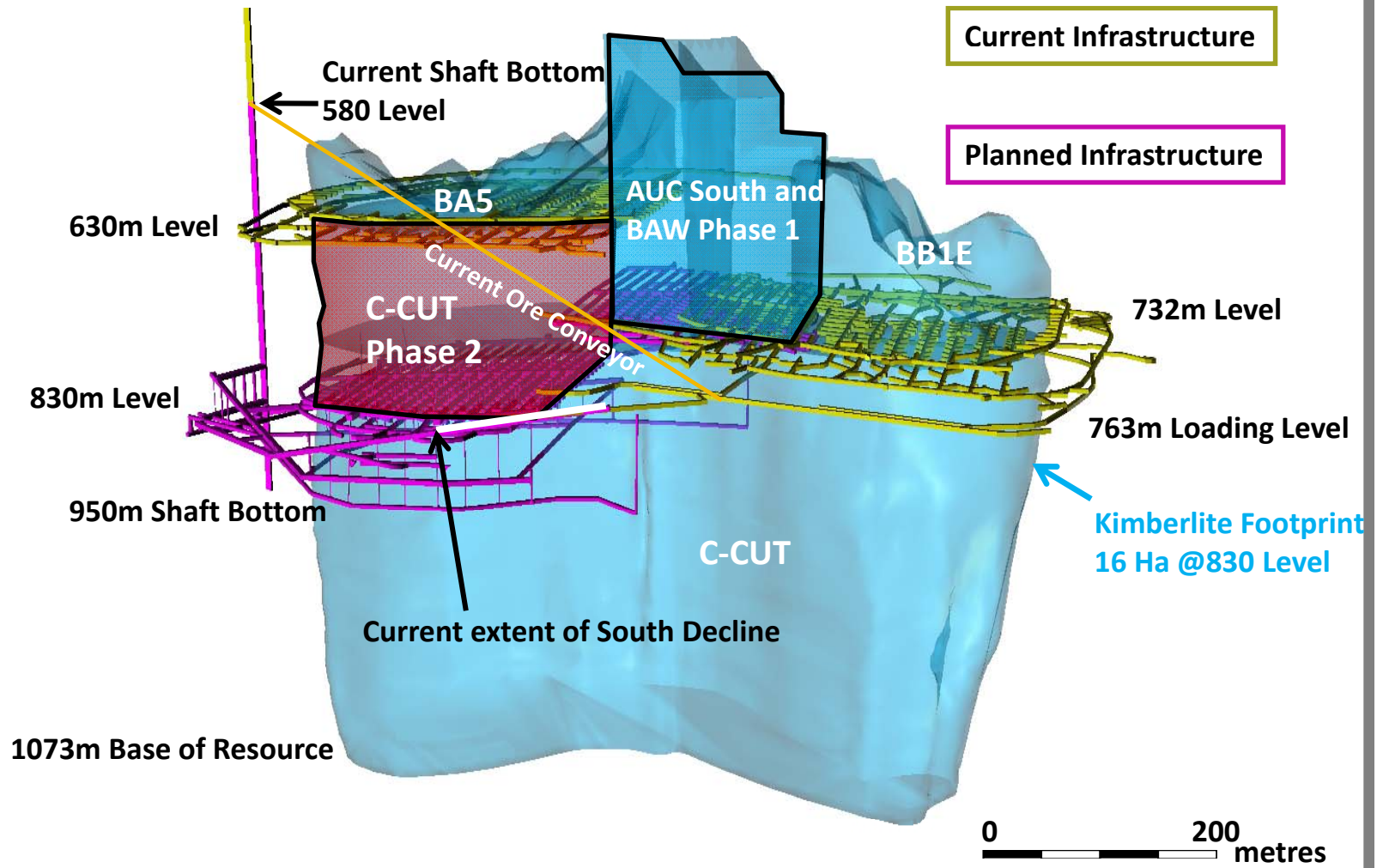


Footprint at 800m Level
Main pipe: 4.4 ha
Precursor: 1.6 ha

Cullinan



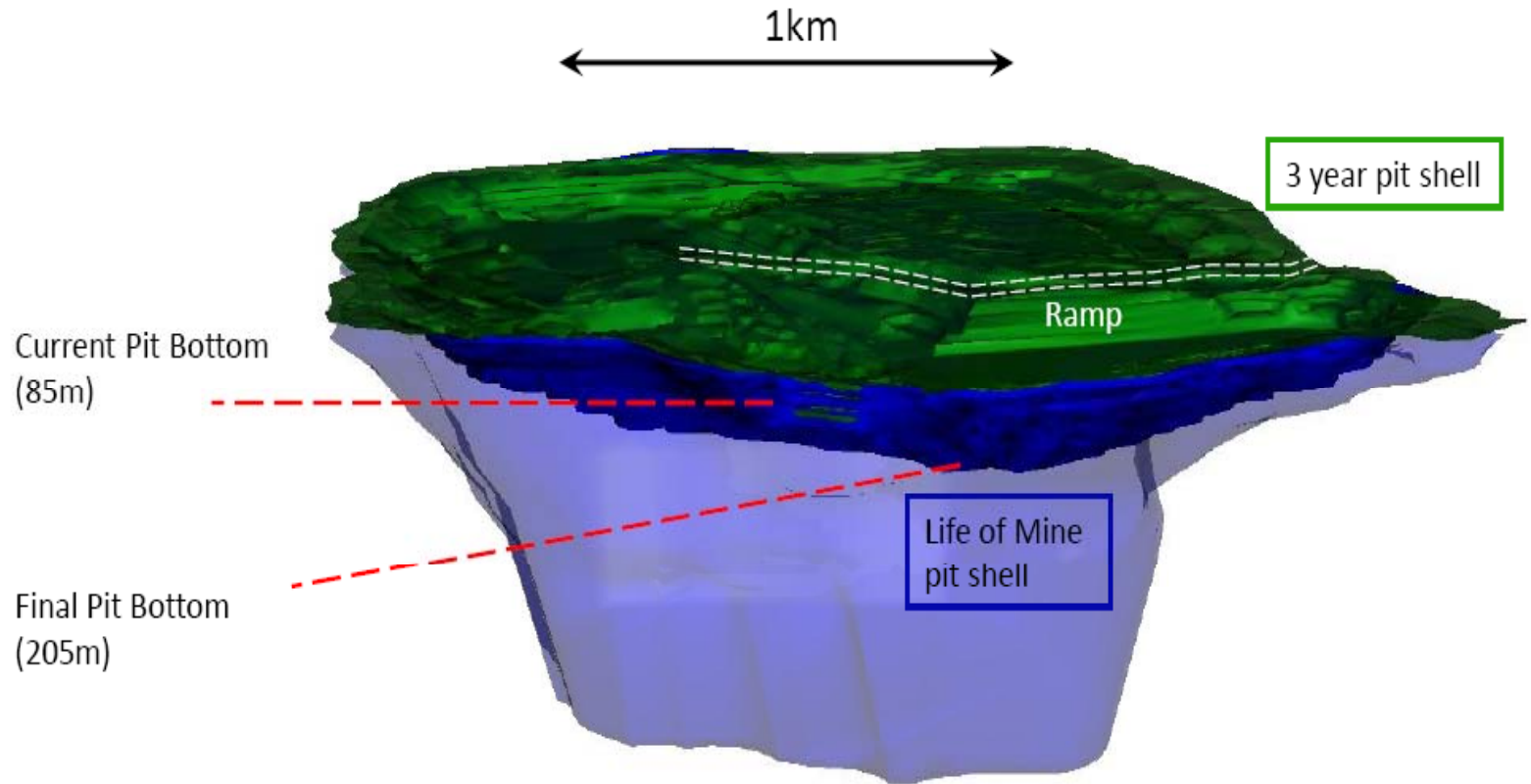
- Source of world's largest gem diamond ever – 3,106 carats
- Produced over 300 diamonds of over 100 carats and a quarter of all diamonds over 400 carats
- Only reliable source of highly prized, rare blue diamonds
- Capex programme underway to access fresh ore block in Western side of the orebody



Williamson



- Renowned for high value and pink diamonds
- 146 hectare (360 acre) open pit, continuously mined for 70 years
- Major expansion programme underway to reshape pit, refurbish existing plant and construct new 10Mtpa plant including autogenous mill



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	

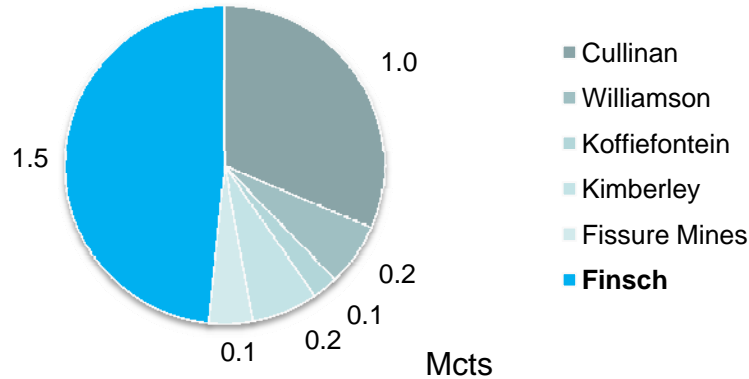
⁽¹⁾ Management medium / long-term forecasts (at 2010 money)

⁽²⁾ Finsch tailings production will cease end FY 2020

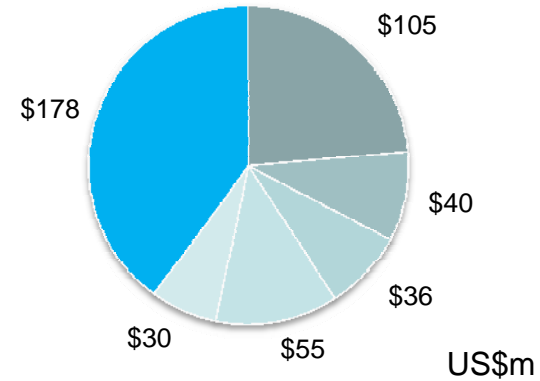
⁽³⁾ Refer to slide 23 for a detailed Capex profile

Balanced Production & Revenue

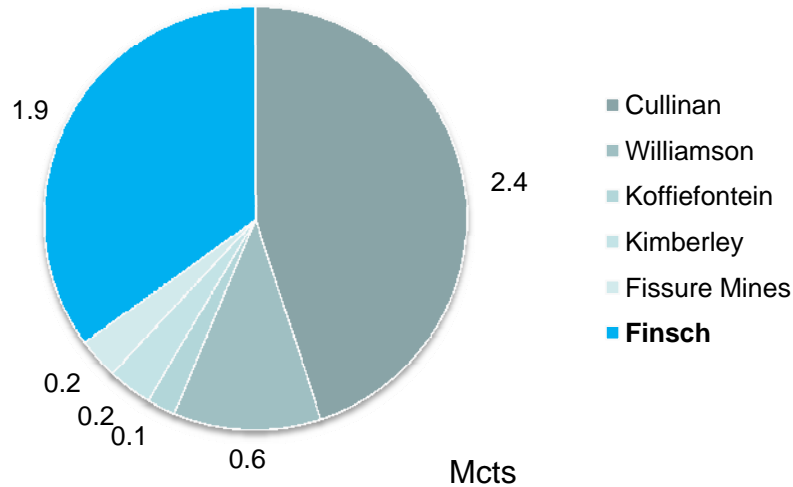
Gross Production FY 2012 ⁽¹⁾⁽²⁾
3.1 Million Carats



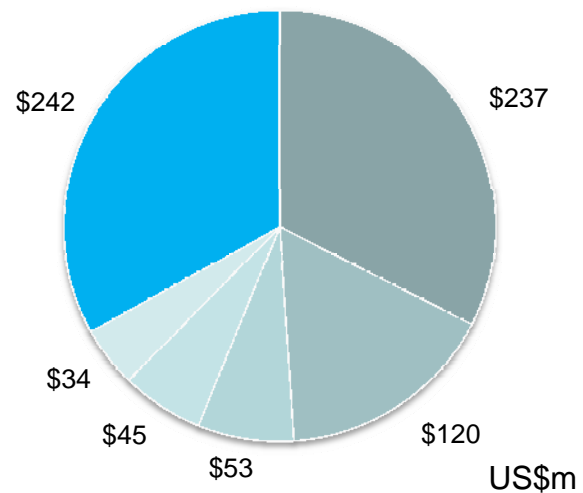
Gross Revenue FY 2012 ⁽¹⁾⁽²⁾
US\$444 million



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 FY 2011

Equity Placing – January 2011

- Placing raised US\$325m from international institutional investor base
- Further strengthened balance sheet
- Broadened very high quality shareholder register
- Heavily oversubscribed – reflected investor interest in diamond market
- Strong financial position to execute Capex programmes

Use of proceeds	US\$ Million
Acquisition of Finsch mine (R1,425m)	210
DMR environmental guarantee and Finsch working capital	40
New funds required for Finsch acquisition	250
Fundraising, underwriting and other transaction costs	18
Accelerated capital expenditure, possible settlement of outstanding Al Rajhi deferred consideration and group working capital	57
Total	325
Finsch transaction expected to close	By end March 2011

Note: using an exchange rate of US\$1: ZAR6.8

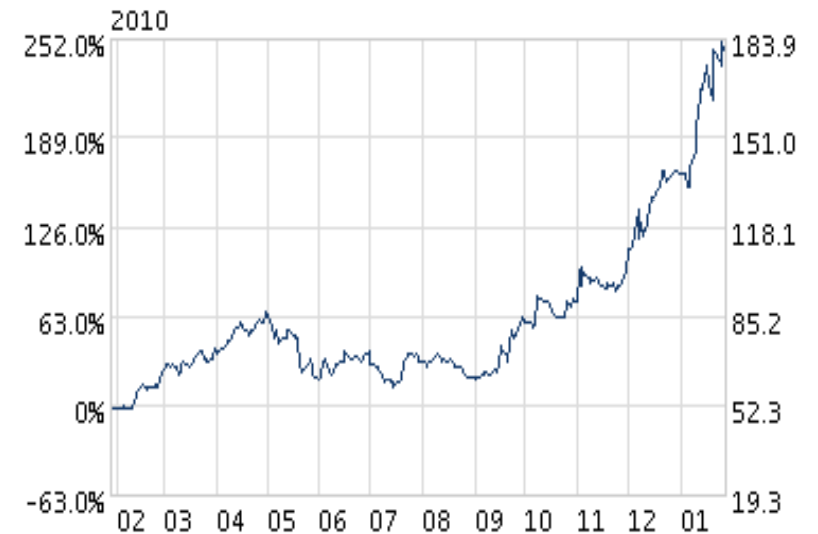
Capital Structure



High Quality Shareholder Base	31 Jan 2011
Al Rajhi Holdings W.W.L.	13.5%
Saad Investments Company Ltd/AWAL Bank	12.3%
JP Morgan Asset Management (UK) Ltd	8.8%
Capital Group International, Inc.	7.4%
Scottish Widows Investment Partnership	5.7%
BlackRock Investment (UK) Ltd	4.2%
M&G Investments	3.7%
Global AEGON Asset Management Group	3.3%
Directors	2.9%

Analyst Coverage	Target price
BMO Capital Markets (25 Jan 2011)	230p
Canaccord Genuity (12 Jan 2011)	205p
Panmure Gordon (12 Jan 2011)	185p
RBC Capital Markets (12 Jan 2011)	160p

Share Price Chart



Listing	AIM: PDL
Average daily trading volume (shares) – last 12 months	995,967
Shares in issue	494m
Free float	71.3%
Market cap @ 177p	£870m



PetraDiamonds



Appendices

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

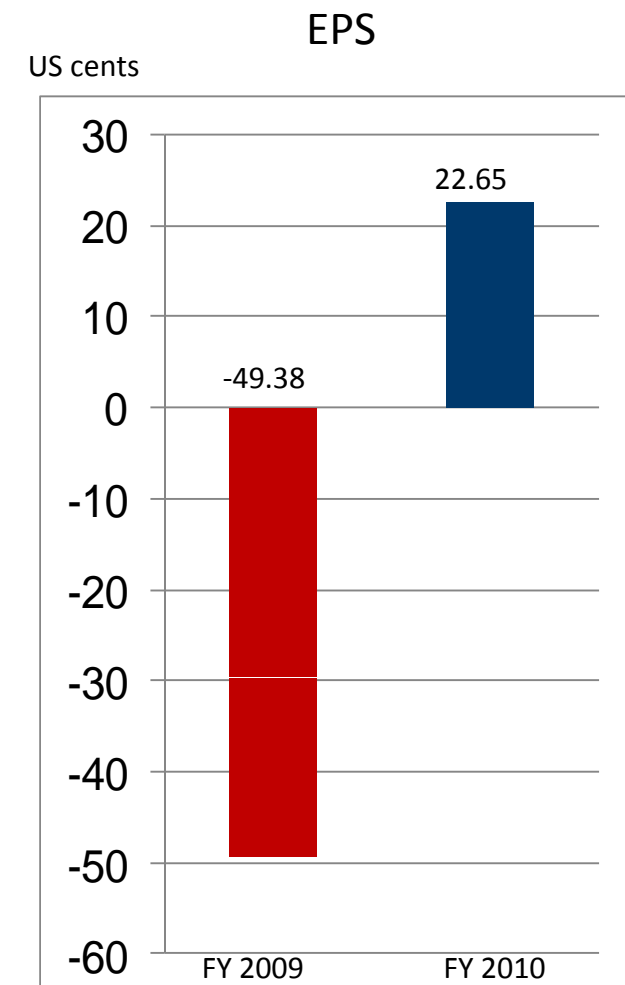
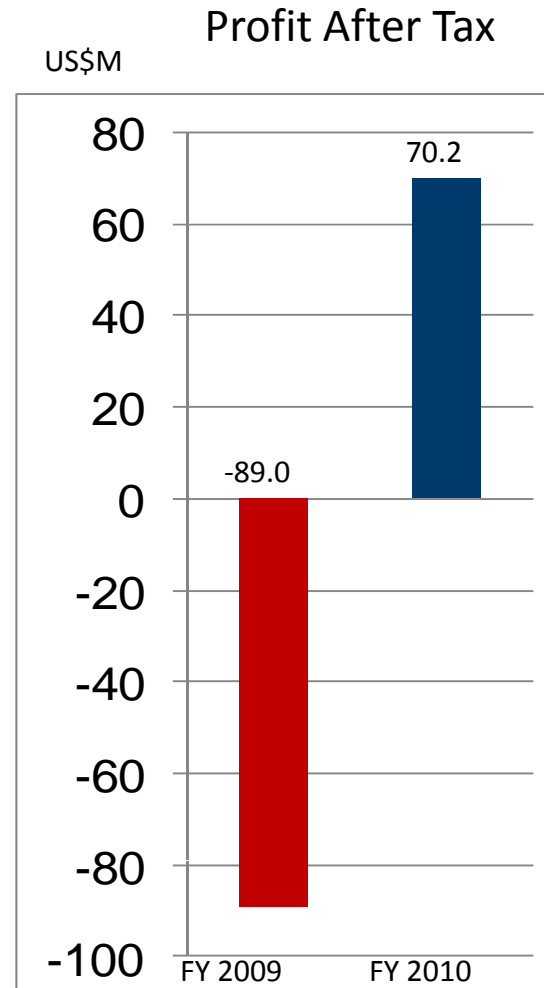
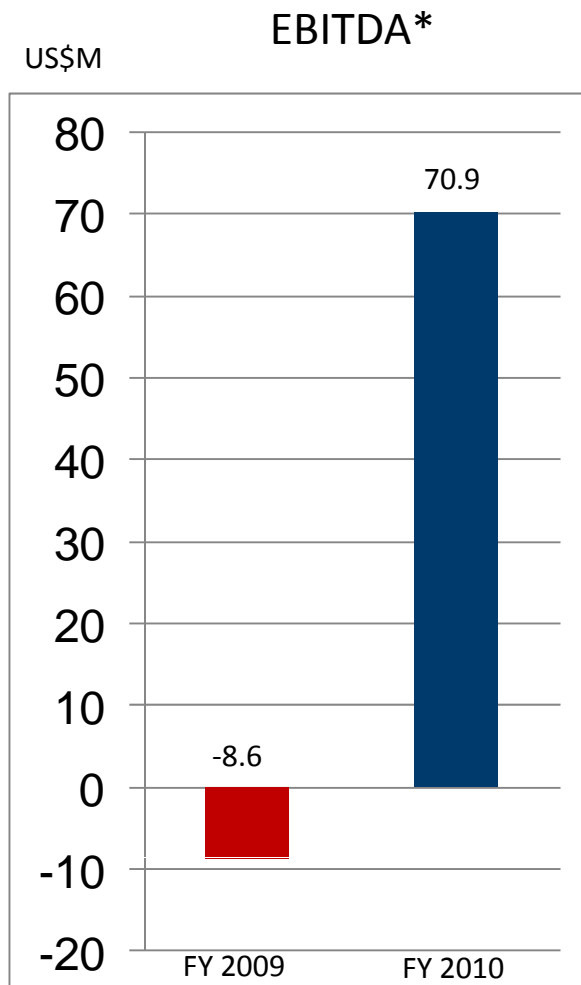
Acknowledged world authority on kimberlite geology and exploration

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

Growth Profile – Delivering Results (FY 2010)



FY 2009 results negatively impacted by low diamond prices & impairment of exploration portfolio

* EBITDA disclosures are “adjusted EBITDA”, being stated before recycling of foreign exchange differences on exploration projects, share based expense, foreign exchange gains and losses and asset impairment charges

Trading Update (6 months to 31 Dec 2010)



	Unit	6 months ended 31 December 2010	6 months ended 30 June 2010	6 months ended 31 December 2009
<u>Sales</u>				
Revenue	US\$m	90.0	115.3 ⁽¹⁾	62.4
Diamonds sold	Carats	584,234	552,871	572,227
<u>Production</u>				
ROM diamonds	Carats	533,912	503,819	547,054
Tailings & alluvial diamonds	Carats	48,190	46,443	67,540
Total diamonds	Carats	582,102	550,262	614,594

All numbers given on a gross basis

⁽¹⁾ Includes the sale of the 507 carat Cullinan Heritage diamond for US\$35.3 million

- Gross mine revenue up 44% to US\$90.0m due to increased production from SA operations & stronger prices
- Decrease in production mainly due to planned refurbishment shut-down at Williamson
- Outlook for H2 FY 2011:
 - Expect strong prices to continue
 - Steady state production, augmented by increased production from Kimberley Underground
 - Limited production from Williamson during Q4 FY 2011 when commissioning of the refurbished plant will commence

Finsch Production Profile



Tonnes Treated (Millions)	FY 2011 (3 mth)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018+
Existing Block 4 & Pillars	0.8	2.9	2.7	2.1	2.0	0.4		
SLC (Precursor & 770 L)		0.3	0.5	0.8	0.8	0.3		
Block 5 - 880m Level				0.3	0.3	2.5	3.2	3.5
UNDERGROUND	0.8	3.2	3.2	3.2	3.1	3.2	3.2	3.5
Tailings ⁽¹⁾	0.6	3.5	3.5	3.8	3.9	3.1	3.1	3.1
TOTAL TONNES	1.4	6.7	6.7	7.0	7.0	6.3	6.3	6.6
Underground Grade (cpht)	35.5	29.7	25.9	29.0	28.4	44.9	47.0	47.0
Tailings Grade (cpht) ⁽¹⁾	18.5	18.5	18.5	17.9	12.1	10.3	10.3	10.3
Carats Recovered (Millions)								
Underground	0.3	0.9	0.8	0.9	0.9	1.4	1.5	1.6
Tailings ⁽¹⁾	0.1	0.6	0.7	0.7	0.5	0.3	0.3	0.3
TOTAL CARATS	0.4	1.5	1.5	1.6	1.4	1.7	1.8	1.9

⁽¹⁾ Tailings production will cease end FY 2020

Notes:

1. Expected price per carat: US\$135 for ROM; US\$115 for Precursor; US\$80 for Tailings
2. Expected operating costs: R180 / tonne for ROM; R15 / tonne for Tailings
3. Provisional operating plans set out above; plans will be reviewed and finalised following a period of operating the mine

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

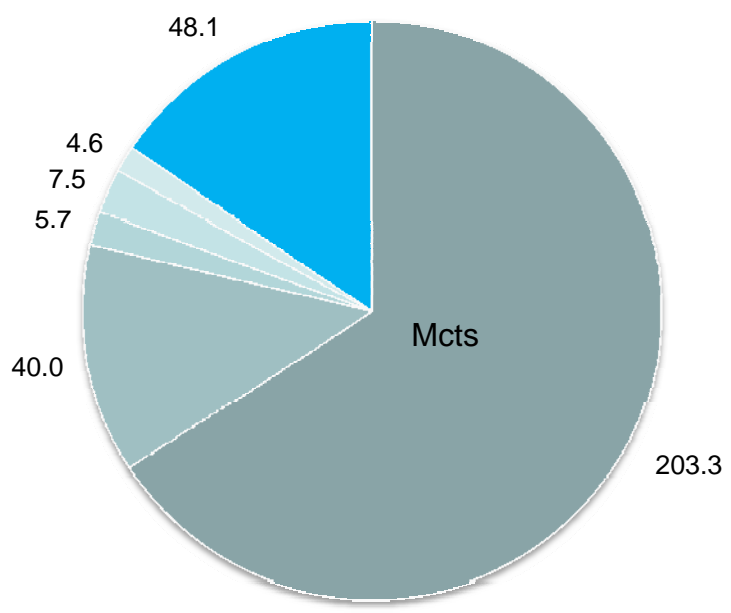
Capital expenditure stated in 2010 money terms

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

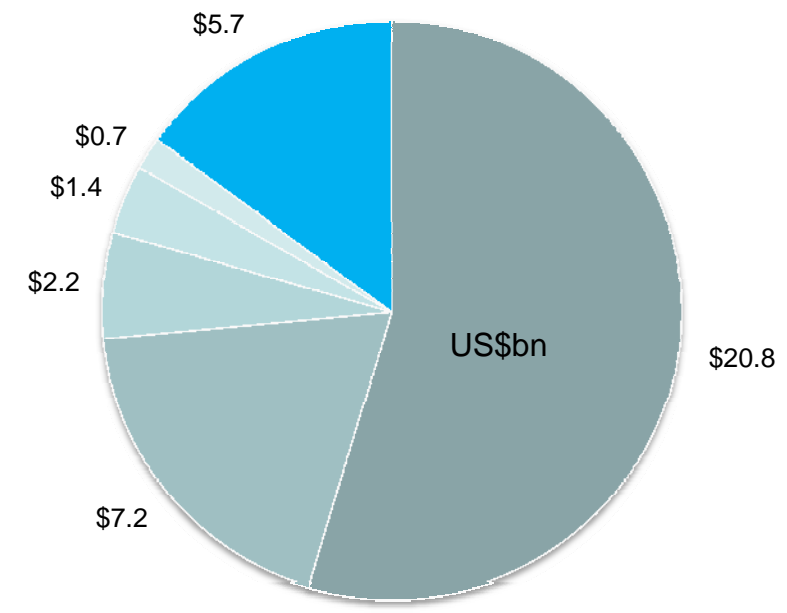
Group Gross Resources

**Gross Carat Base
309.1 Mcts**

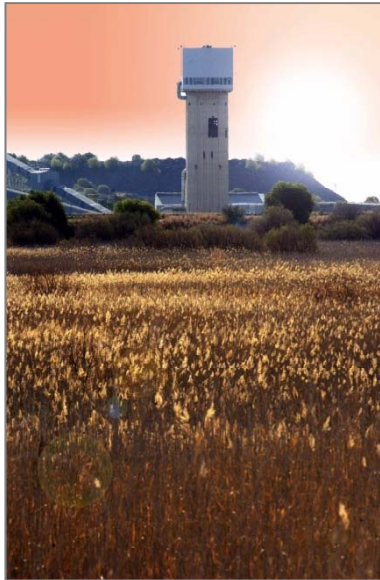
**Gross In-situ Value
US\$38.0 billion**



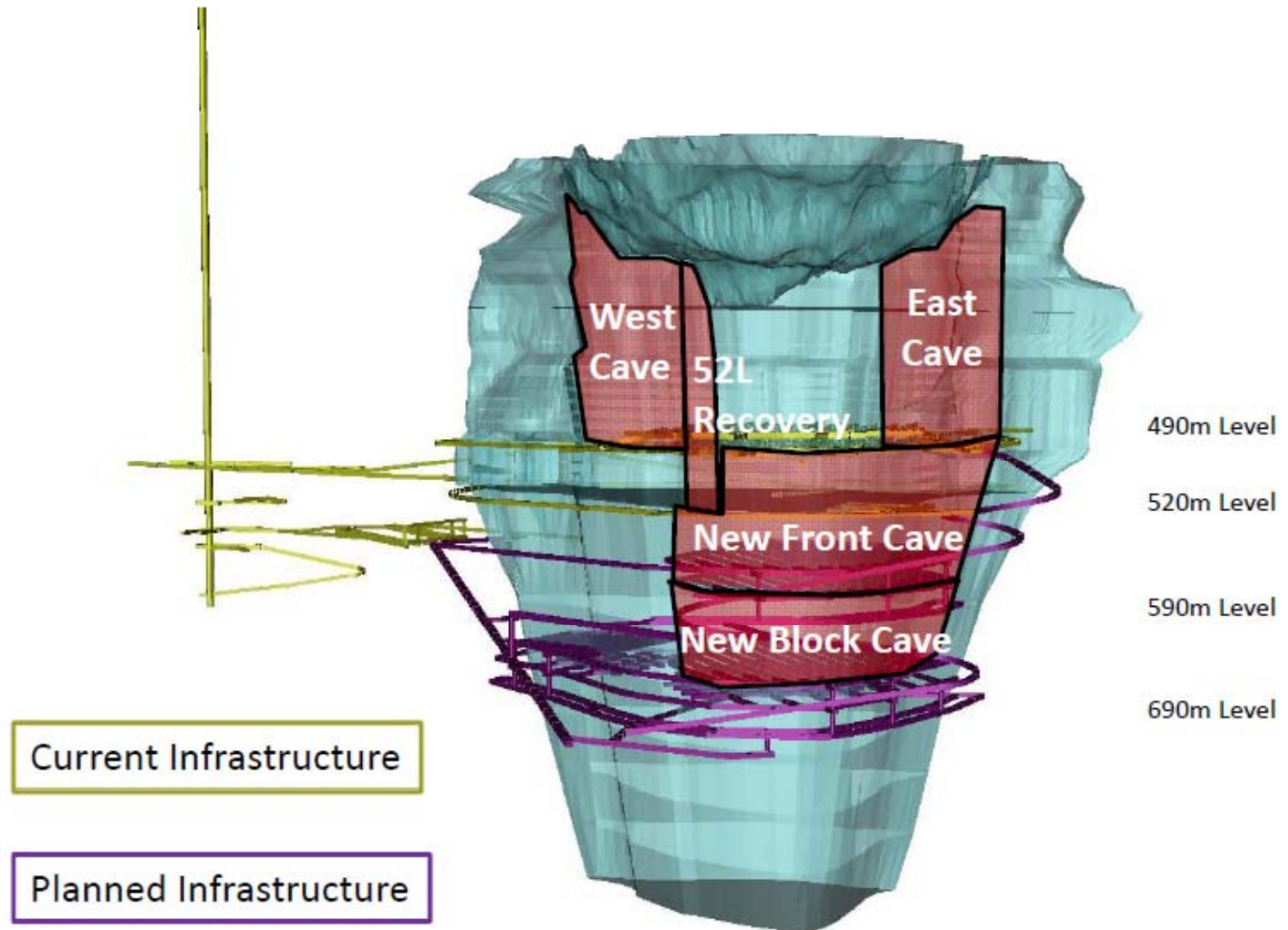
- Cullinan
- Williamson
- Koffiefontein
- Kimberley
- Fissures
- Finsch



Koffiefontein



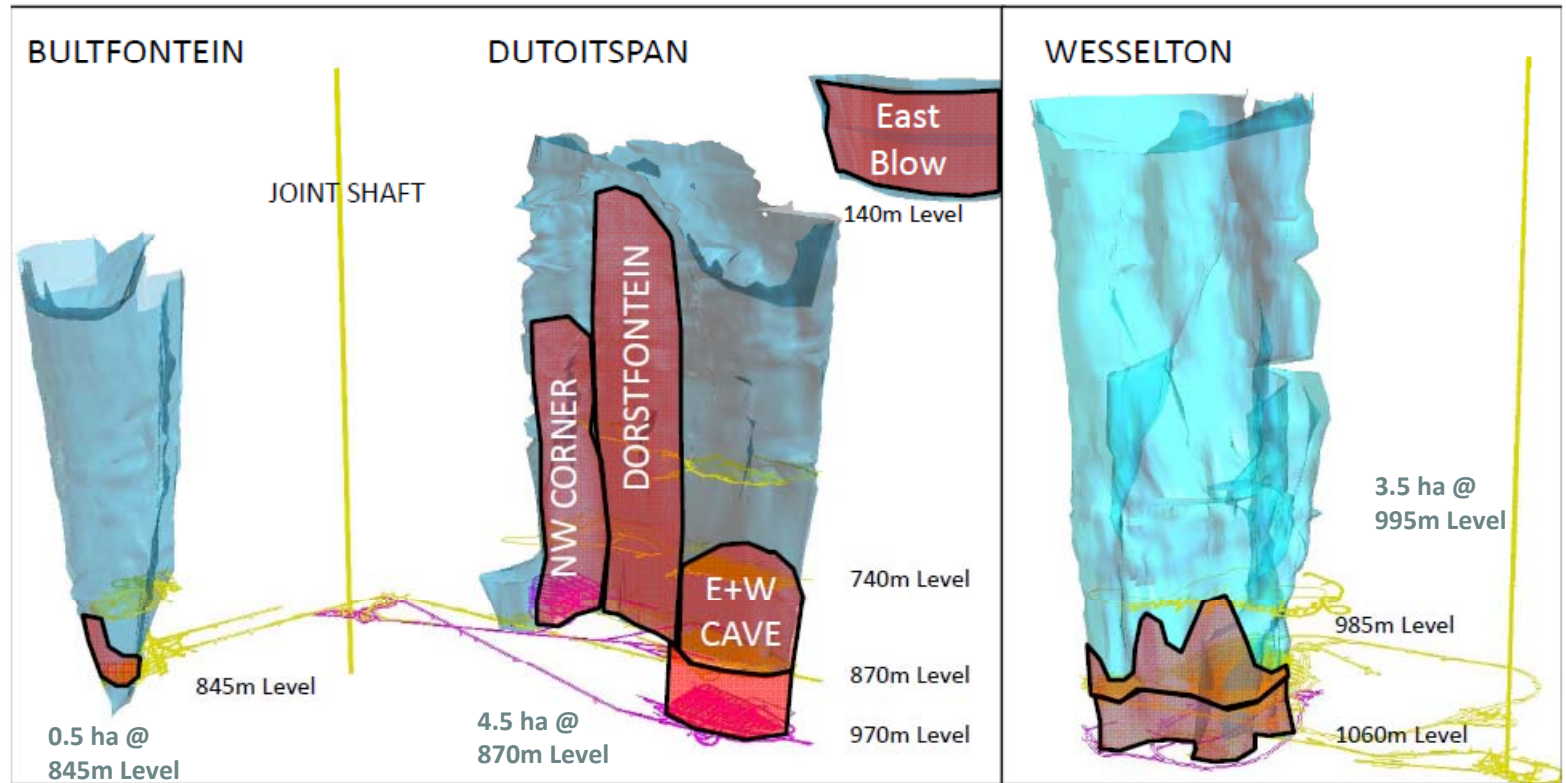
- One of the world's top kimberlite mines by average value per carat
- Renowned for high value white diamonds and a regular producer of coveted pink diamonds
- 5 hectare orebody at 690m Level
- Expansion programme underway to access fresh blocks of ore



Kimberley Underground



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



Current Infrastructure

Planned Infrastructure

Areas available for mining



PetraDiamonds



Thank You