



PetraDiamonds



The 507 carat Cullinan Heritage – sold for US\$35.3m

Petra Diamonds AGM

10 January 2011

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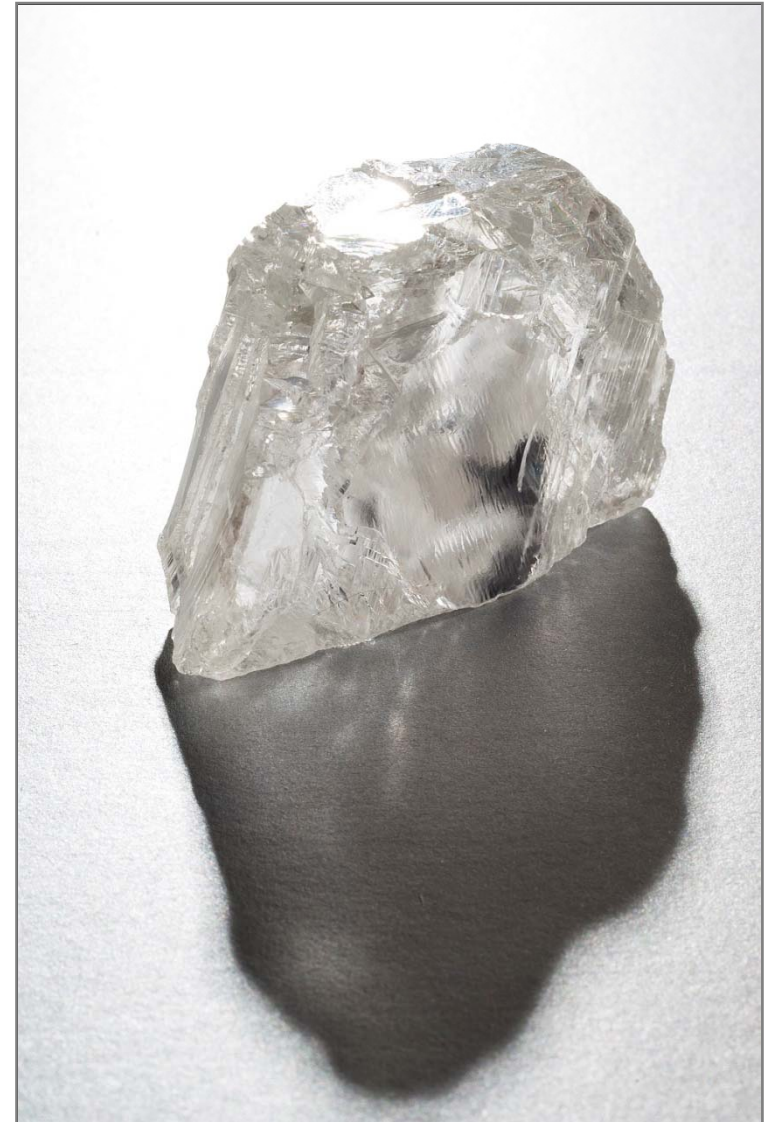
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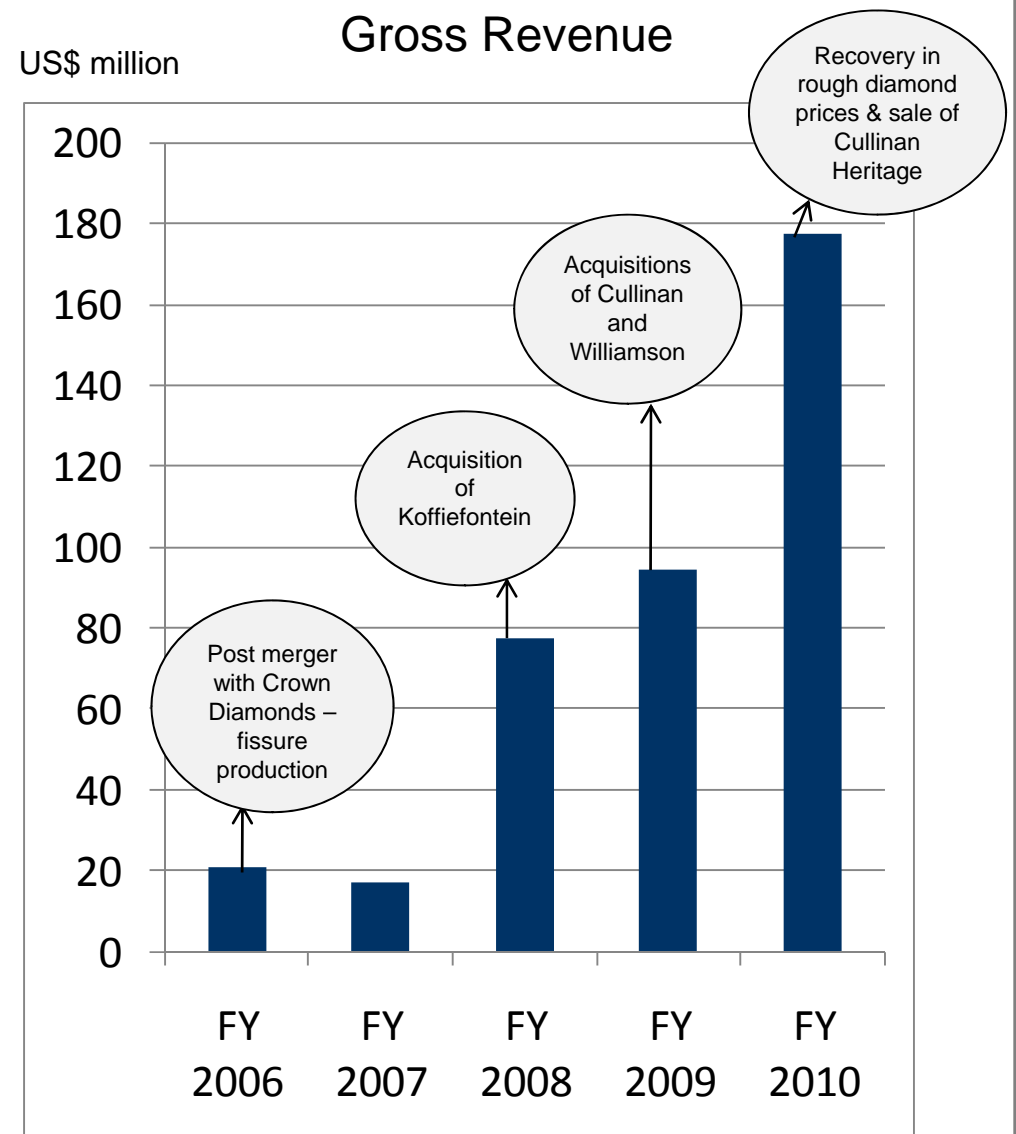
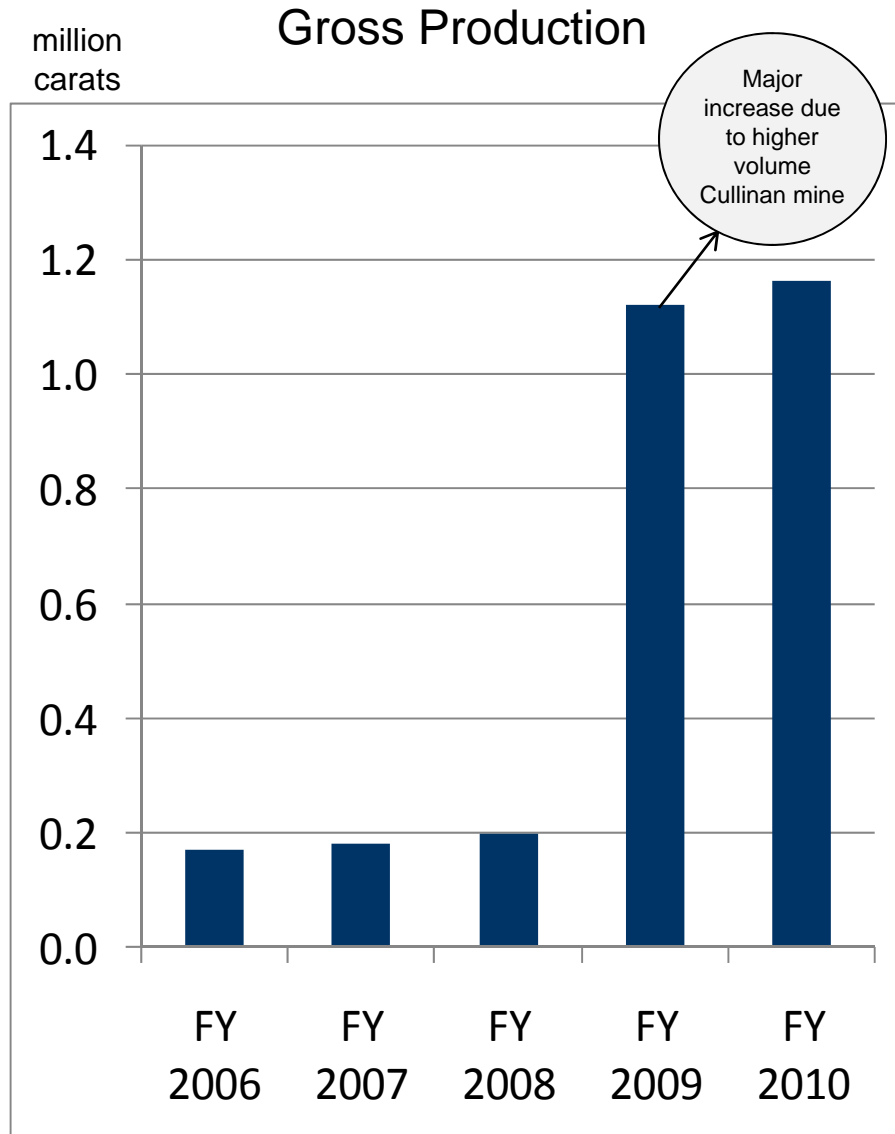
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2010 Highlights (calendar year)

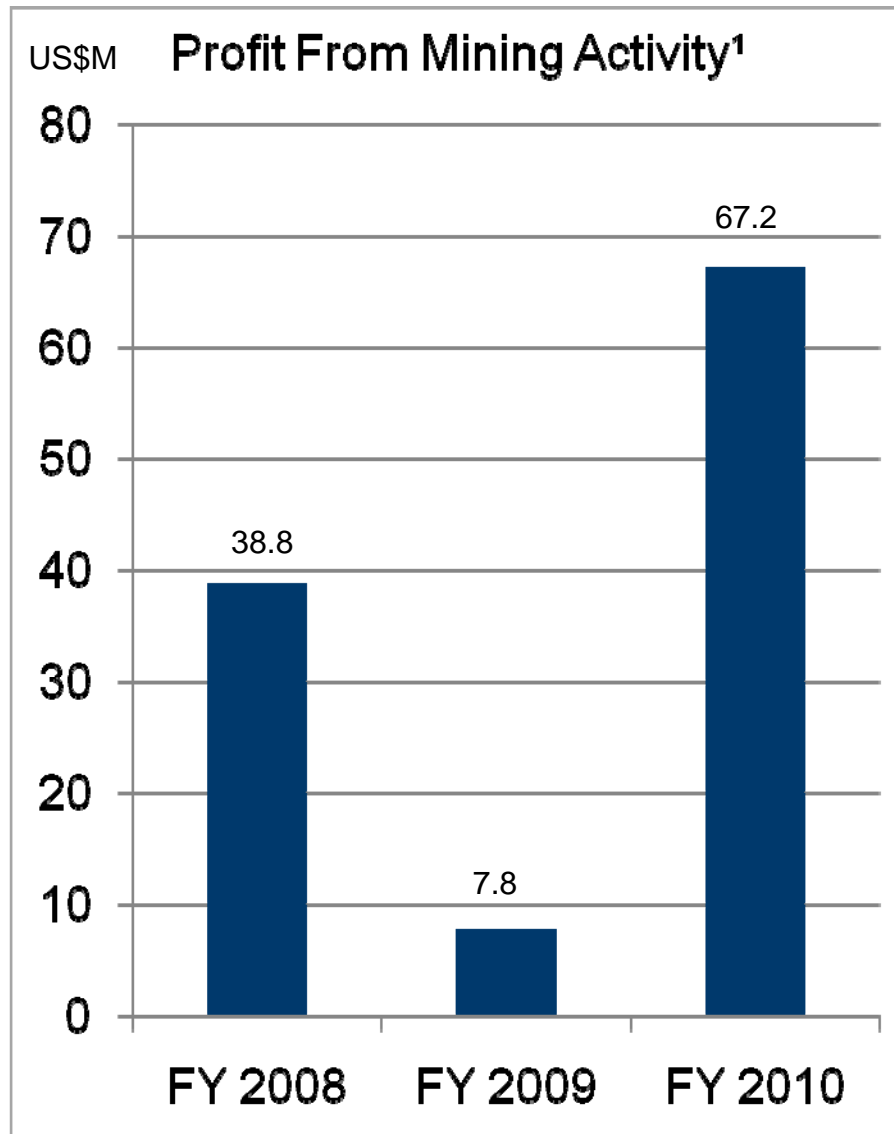
- **Feb 2010:** 507 carat Cullinan Heritage diamond sold for US\$35.3m
- **May 2010:** Acquisition of Kimberley Underground mines in South Africa
- **Nov 2010:** Fully financed expansion programmes
 - New debt facilities of US\$83m supplied by IFC and RMB to assure Petra can more than double production by FY 2014 and more than treble production by FY 2019
- **Nov 2010:** Al Rajhi loan settled in full (US\$30.7 million)
- **Dec 2010:** Effective interest in Koffiefontein increased from 70% to 74%
- **Strong stock price performance** – share price appreciated by 124% (60p to 136p)



A Unique Growth Profile



Track Record – Profitable Mining Operations



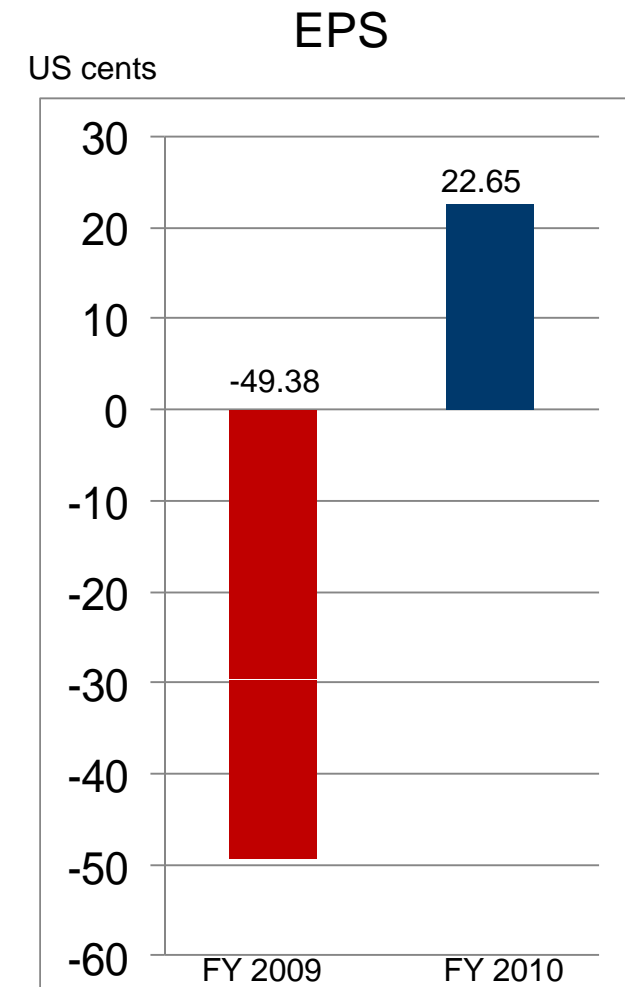
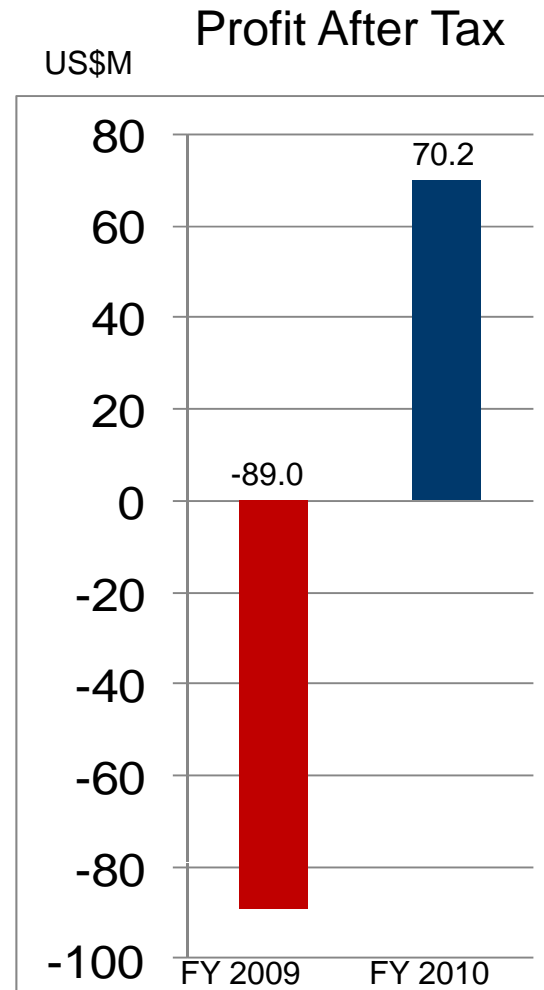
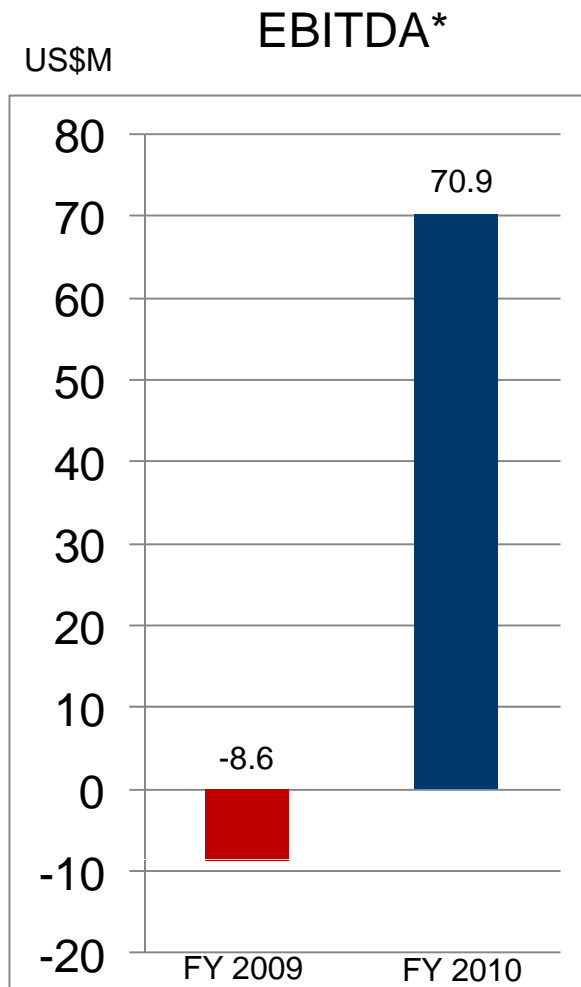
- Building a record of profitable mining activities since 2006
- Profitable division even during downturn & period of very low diamond prices
- Capital intensive exploration activities downscaled to focus on Botswana programme

OUTLOOK

- Robust mining assets & quality management
- Positive fundamentals for diamond market
- Anticipated strong diamond prices in 2011

¹ Stated before depreciation, interest paid, foreign exchange gains and losses, asset impairment charges, inventory fair value adjustment, deferred taxation on inventory fair value adjustment & share based payments

Growth Profile – Delivering Results



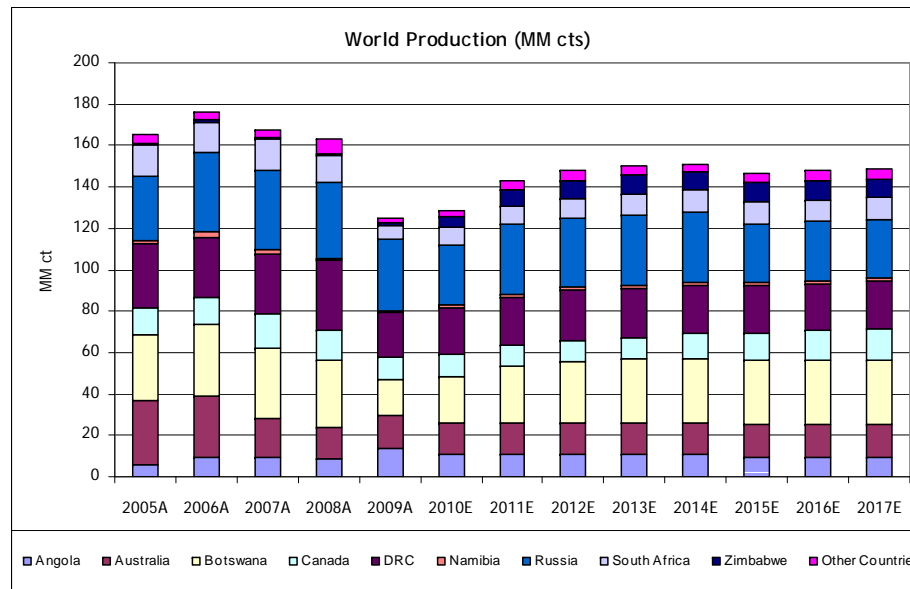
FY 2009 results negatively impacted by low diamond prices & impairment of exploration portfolio

* 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

The Diamond Market

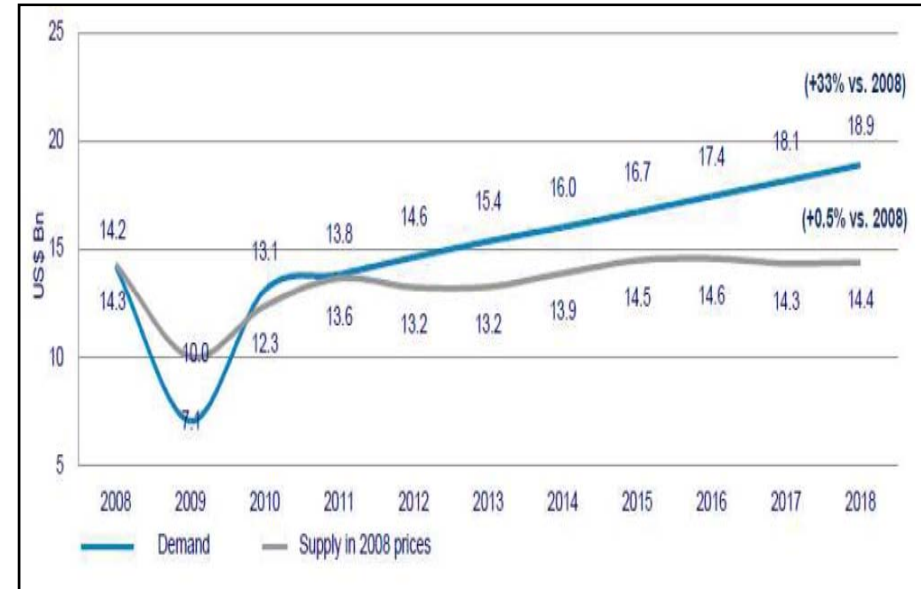
- Diamond supply constraints - world's largest diamond mines are past their peak
- Significant supply / demand deficit expected to emerge in three years
- Rio Tinto comment: "supply side issues facing the diamond industry are '5x worse' than those in copper" (Liberum Capital note – 7 Sep 10)
- Strong demand growth continues from China & India – urbanisation trend delivers millions of new middle class consumers in emerging markets every year
- Prices have recovered since downturn & continued to strengthen to end 2010

Supply Constraints



Source: RBC Capital Markets, September '10

Rising demand



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

Production – Expansion Plans

Mine	Cullinan	Williamson	Koffiefontein	Kimberley
Expected ROM tonnes FY2011 (Mtpa)	2.3	2.1	0.9	0.6
Expansion ROM tonnes (Mtpa)	4.0 (FY2019)	10.0 (FY2014)	1.2 (FY2017)	1.0 (FY2012)
US\$ / ROM carat*	105	200	480	250
ROM grade (cpht)*	50.0	6.0	8.7	18.0
Expected Tailings tonnes (Mtpa)	4.0 (FY2015)	-	0.5 (FY2011)	-
US\$ / Tailings carat*	70	-	200	-
Tailings grade (cpht)*	10.0	-	2.5	-
Expansion plan				
Carats pa*	2,400,000	600,000	117,000	180,000
Revenue pa*	>US\$235m	>US\$120m	>US\$52m	>US\$45m

* Management forecasts (at 2010 money)

Expansion Plans On Track



CULLINAN

- Steady growth from underground production
- Decline already passed 800m Level
- Capex in line with forecasts
- Major tailings programme on track – ramp up underway

WILLIAMSON

- 3 year expansion plan in progress
- Pit-shaping operations underway - stockpile of 750,000 tonnes
- Limited alluvial production in FY 2011
- Refurbishment of existing plant will deliver revenues from early FY 2012

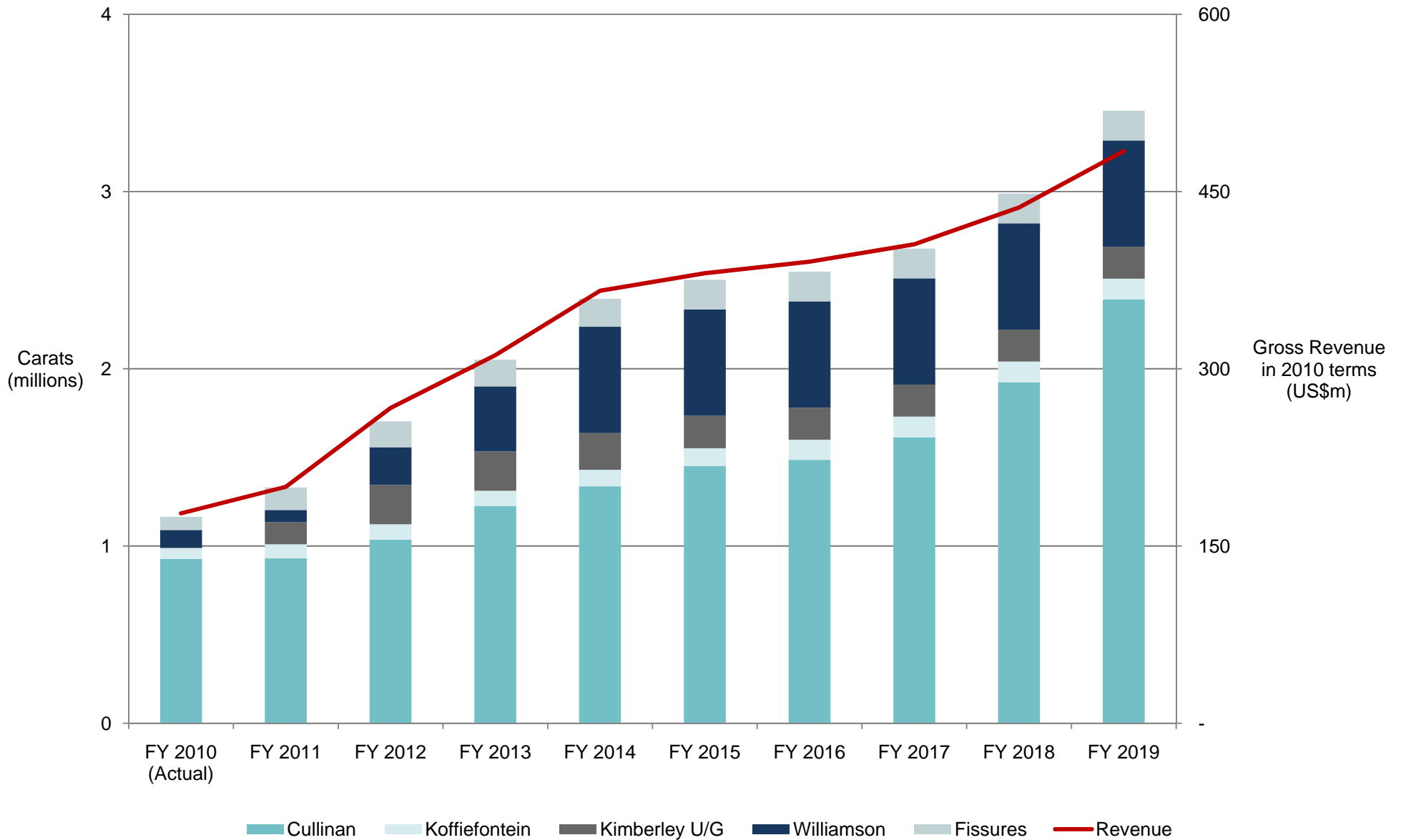
KOFFIEFONTEIN

- Deepening of mine to 580m Level
- Tailings operation successfully commissioned
- Higher tonnages expected to positively impact production and unit costs in FY 2011

KIMBERLEY UNDERGROUND

- Stockpile of 500,000 tonnes
- Production commenced May 2010
- Planned plant throughput being achieved
- Average value to date of US\$285 / ct

Production and Revenue Growth Profile (Gross)



Petra – A Unique Diamond Investment

- **Unique growth profile**
Grow production to 2.5m+ carats by FY 2014
and 3m+ carats by FY 2019
- **Proven track record**
History of delivery on operational targets
- **Production focused**
7 producing kimberlite mines
Minimal exposure to exploration
- **Major resource**
261m carats gross – largest diamond
resource outside De Beers / Alrosa



The Cullinan mine – South Africa

Exposure to exciting supply / demand fundamentals of diamond market



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The 507 carat Cullinan Heritage – sold for US\$35.3m

Thank You

Capital Structure

High Quality Shareholder Base	7 Jan 2011
Al Rajhi Holdings W.W.L.	18.0%
Saad Investments Company Limited	17.2%
JP Morgan Asset Management (UK) Limited	9.3%
Capital Group International, Inc.	7.1%
Scottish Widows Investment Partnership	6.2%
BlackRock Investment (UK) Limited	5.3%
Directors	4.7%

Share Price Chart



Trading at significant discount to:	Target price
Panmure Gordon	185p
RBC Capital Markets	160p
Canaccord Genuity	130p
BMO Capital Markets	115p
Ambrian Partners	111p

Listing	AIM: PDL
Average daily trading volume (shares) – 2010	923,655
Shares in issue	354m
Free float	60.8%
Market cap @ 136p	£482m

The Petra Executive 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 3500 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 AIM'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 AIM

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

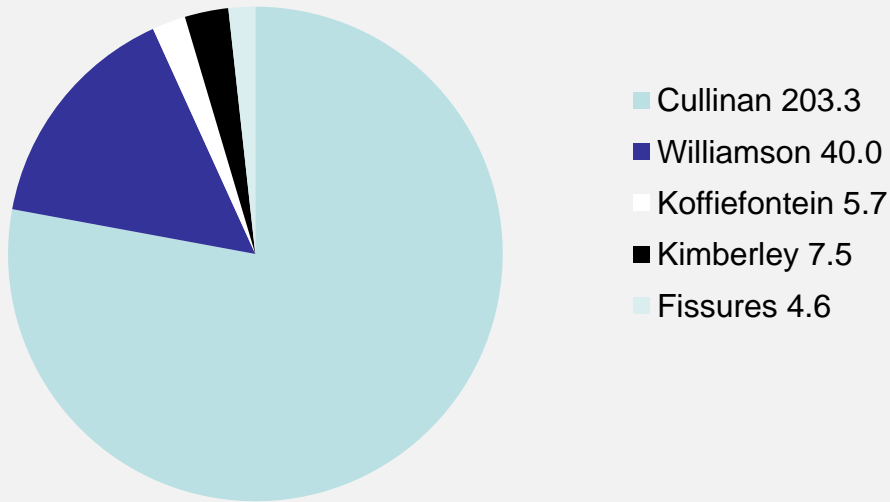
Formerly Head of Diamond Exploration for Rio Tinto across Southern Africa

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

Major Diamond Resource

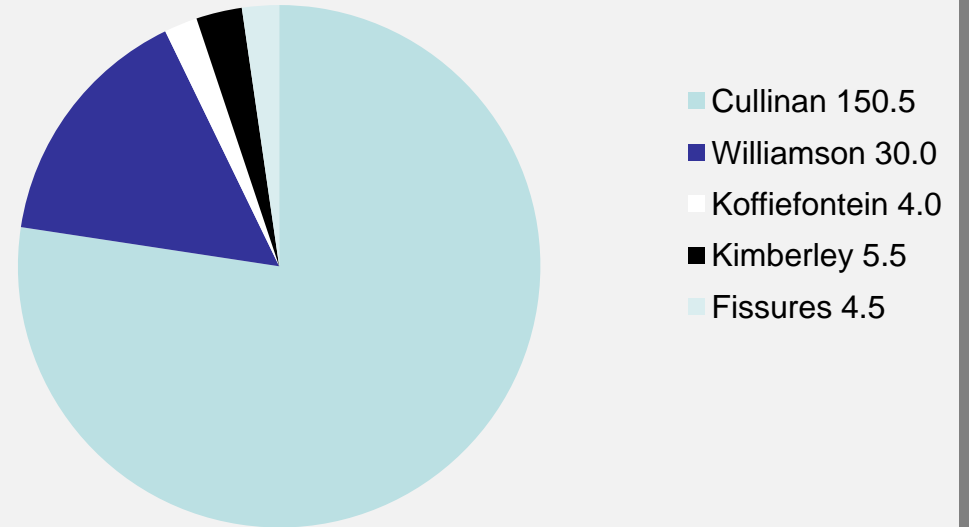


Total carat base



261 million carats

Attributable carat base



194 million carats



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