



PetraDiamonds

This announcement contains inside information

29 January 2018

LSE: PDL

Petra Diamonds Limited
("Petra" or the "Company" or the "Group")

Trading Update for the Six Months ended 31 December 2017

Petra Diamonds Limited announces the following trading update (unaudited) for the six months ended 31 December 2017 (the "Period", "H1 FY 2018" or "H1"), ahead of the publication of the Company's Interim Results for the Period on 19 February 2018.

SUMMARY

- Lost Time Injury Frequency Rate ("LTIFR") improved to 0.24 (H1 FY 2017: 0.25).
- Production up 10% to 2,208,056 carats (H1 FY 2017: 2,015,087 carats), in line with H1 guidance of 2.2 – 2.3 Mcts. This represents record production for any six month period for the Company.
- Petra is guiding for a lower grade at Cullinan, largely offset by a higher average diamond price, resulting in the revenue per tonne remaining materially in line with expectations. Recoveries at Cullinan's new plant to date indicate that a steady state higher grade can be achieved by recovering larger quantities of small, low value diamonds; however, it is Petra's initial assessment that it would be uneconomic to do so and would not be in line with the Company's strategic focus on value rather than volume production. Further information on the Company's assessment can be found in the document 'Cullinan – grade versus value analysis' at <https://www.petradiamonds.com/investors/analysts/analyst-guidance/>.
- Impact on FY 2018 guidance:
 - FY 2018 revenue expected to remain in line with current consensus (including the expected sale of the blocked Williamson parcel in H2).
 - FY 2018 production guidance is reduced to 4.6 – 4.7 Mcts (4.8 – 5.0 Mcts previously), mostly due to the lowered grade guidance at Cullinan, as well as production lost further to the labour action in South Africa in Q1.
 - FY 2018 EBITDA is expected to be negatively affected by ca. 10-15% versus current consensus, primarily due to the recent strengthening of the Rand and its potential impact on Petra's cost base in US Dollar terms; operating costs otherwise remain well controlled.

- Revenue down 1% to US\$225.2 million (H1 FY 2017: US\$228.5 million), mainly due to Williamson's first parcel (ca. 71,000 carats) not being sold during the Period; this parcel remains blocked for export by the Government of the United Republic of Tanzania ("GoT"). Further information on the background and the current status of the blocked parcel can be found here: <https://www.petradiamonds.com/our-operations/our-mines/williamson/blocked-diamond-parcel>.
- Diamonds sold down 5% to 1,811,154 carats (H1 FY 2017: 1,910,113 carats), also impacted by Williamson's first parcel not being sold. In line with past years, H2 is expected to be a stronger sales period, due to the higher number of tenders held (four in H2 versus three in H1).
- Rough diamond prices on a like-for-like basis down ca. 3.5%, compared to H2 FY 2017, split as to down ca. 5% from July to October 2017, before recovering by ca. 1.5% by end December 2017. However, higher average values were realised at Finsch, Cullinan and Koffiefontein further to the improved product mix associated with higher production levels of undiluted ore and lower contribution of tailings carats.
- Underground expansion projects at both Finsch and Cullinan continue to deliver increased volumes of undiluted ore from newly established mining areas.
- New Cullinan Plant throughput ramp-up progressing well, with 1 Mt ROM treated during Q2, achieving planned ROM capacity. Five stones larger than 100 carats (though of poor quality) were recovered through the new plant in H1 (including a 574.15 carat stone, being the largest stone recovered by Petra at Cullinan to date), and a number of other higher value stones, in line with the expected increase in special stones as indicated by historical records as mining from the Western side of the orebody increases. Plant process optimisation is ongoing.
- Capex of US\$77.5 million for the Period (H1 FY 2017: US\$134.9 million), in line with Petra's declining Capex profile. The Company is reviewing its capital profile, with the aim of reducing the short to medium term capital requirements against earlier guidance. More details to follow with the Company's Interim Results on 19 February 2018.
- Net debt of US\$644.7 million (30 September 2017: US\$613.8 million) is at the high end of expected levels as it was impacted by the labour action and working capital locked up in the blocked Williamson parcel; cash and undrawn bank facilities of US\$124.4 million (30 September 2017: US\$146.7 million).
- The Company is currently at peak debt levels in advance of the first tender of H2 but retains US\$30 – 50 million in headroom. Net debt for 30 June 2018 is expected to fall to US\$560 – 600 million.
- As previously guided to the market, Petra expects to be in breach of the 31 December 2017 EBITDA related covenant measurement ratios associated with its banking facilities; the Company has therefore commenced formal discussions with its lender group, evaluating both the December 2017 and June 2018 measurements, bearing in mind the risks to covenant compliance associated with potentially not selling the blocked Williamson parcel and the potential further strengthening of the Rand. These discussions are expected to be concluded during Q3 FY 2018. Petra remains confident that the lender group will continue to support the Company as it progresses towards its targeted production profile.

H1 FY 2018 Sales, Production and Capex – Summary

	Unit	H1 FY 2018 ¹	H1 FY 2017 ¹	Variance	FY 2017 ¹
Sales					
Revenue	US\$m	225.2	228.5	-1%	477.0
Diamonds sold	Carats	1,811,154	1,910,113	-5%	4,006,856
Production					
ROM tonnes	Mt	6.5	5.1	+28%	10.1
Tailings & other ² tonnes	Mt	3.5	4.8	-27%	8.7
Total tonnes treated	Mt	10.0	9.9	+1%	18.8
ROM diamonds	Carats	1,778,145	1,331,615	+25%	2,849,247
Tailings & other ² diamonds	Carats	429,911	683,472	-37%	1,163,966
Total diamonds	Carats	2,208,056	2,015,087	+10%	4,013,213
Capex					
Expansion	US\$m	66.5	124.7	-47%	230.5
Sustaining	US\$m	11.0	10.2	+8%	25.5
Subtotal	US\$m	77.5	134.9	-43%	256.0
Borrowing costs capitalized	US\$m	16.2	22.3	-27%	44.1
Total	US\$m	93.7	157.2	-40%	300.1

Note:

1. Production and sales data are stated on an attributable basis, including 75.9% of KEM JV effective from 1 July 2016.
2. 'Other' includes alluvial diamond mining at Williamson.

Johan Dippenaar, Chief Executive Officer, commented:

“Petra has delivered a record production performance, with 2.2 Mcts being the highest level achieved for any half year period for the Group, and delivered against a solid safety performance, demonstrating the high level of focus on this most important area.

“Petra’s stated strategy is to focus on value as opposed to volume production, which is particularly pertinent to diamond operations, as not all carats are of equal value. Our assessment of optimal recoveries at Cullinan has therefore led us to opt for lower carat volumes, due to the positive impact that not recovering the small diamonds has on the average value per carat. This has led to lowered production guidance for FY 2018, but does not materially impact our expected revenue, further to the positive uplift in Cullinan’s average value per carat. Likewise, we have been very encouraged by the recovery of large diamonds and other higher value single stones through the new Cullinan Plant to date, which was in line with our expectations that the incidence of such stones would increase as they are historically associated with the Western side of the orebody.

“Furthermore, Petra has been undertaking a Capex evaluation in H1 to optimise cashflow without impacting the economics of the longer term business plan. Further information on this process will be released in our Interim Results in February.”

CONFERENCE CALL

Petra’s Chief Executive Officer, Johan Dippenaar, and Chief Financial Officer, Jacques Breytenbach, will host two conference calls at 9.30am and 4.00pm GMT today to discuss the H1 FY 2018 Trading Update with investors and analysts. Participants may join the calls by dialling one of the following numbers shortly before the call:

9:30am GMT call:

From the UK (toll free): 0808 237 0040
From South Africa (toll free): 0800 222 290
From South Africa (toll): 021 672 4008
From the rest of the world: +44 (0)203 428 1542
Participant passcode: 14983617#

A replay of the conference call will be available on the following numbers from 12:00pm BST today:

From UK (toll free): 0808 237 0026
From South Africa and the rest of the world: +44 (0)20 3426 2807
Playback passcode: 694174#

4:00pm GMT call:

Participants are advised to listen to the replay of the first conference call in advance of this call, as the full management commentary on the results will not be repeated.

From the United States (toll free): 1866 928 7517
From the rest of the world: +44 (0)203 428 1542
From the UK (toll free): 0808 237 0040
From South Africa (toll free): 0800 222 290
Participant passcode: 33113637#

COMMENTARY

Health and safety:

- As result of an intensified focus on safety in an effort to improve the safety record, the Group LTIFR has reduced to 0.24 (H1 FY 2017: 0.25), with zero fatalities incurred during the Period. The health and safety of our employees remains the single most important personal and organisational value.

Production

- H1 production increased 10% to 2,205,056 carats (H1 FY 2017: 2,015,087 carats) in line with earlier H1 guidance of 2.2 – 2.3 Mcts, due to increases in ROM production across all mines (ROM production rose 12% to 1.8 Mcts, versus 1.3 Mcts in H1 FY 2017), as expansion projects yielded more undiluted ore. The increase in production was impacted by the labour disruption in Q1 (ca. 60,000 ROM carats), as well as a lower average grade achieved at Cullinan versus guidance.
- FY 2018 production guidance reduced to 4.6 – 4.7 Mcts (4.8 – 5.0 Mcts previously), mostly due to lowered grade guidance at Cullinan, as well as the production lost further to the labour action. However, the lower guided grade at Cullinan is expected to be largely offset by the higher than guided average value per carat, meaning that revenue guidance remains materially in line with consensus.
- Finsch's ROM carat production increased 14% to 931,859 carats (H1 FY 2017: 816,001 carats), driven by improved ROM grades of 59.8 cpht (H1 FY 2017 54.5 cpht) in line with the increase in undiluted tonnes from Block 5 SLC, partially offset by the ca. 55,000 carat adverse effect of the labour disruptions in Q1. Overall production of 1,036,596 carats was flat compared to H1 FY 2017 (1,031,560 carats), due to the planned reduction in tailings production.

- Cullinan’s ROM diamond production increased 68% to 602,594 carats (H1 FY 2017: 358,821 carats), due to the ramp up of both the new C-Cut Phase 1 block cave and the new Cullinan Plant.

The H1 ROM grade of 33.8 cpht was below previous guidance of ca. 43 cpht in H1, mainly due to the lower recovery of fine diamonds. However the lower grade was largely mitigated by the average value per carat being some 16% above guidance. As the plant optimisation phase is ongoing, a ROM grade for H2 FY 2018 of 37 – 42 cpht (versus previous guidance of ca. 50 cpht) and a tailings grade for H2 FY 2018 of 5 – 6 cpht (versus previous guidance of 7 – 8 cpht) are expected. Higher grade expectations are based on volumes mined from undiluted ore (C-Cut Phase 1 and CC1E) increasing from ca. 60% of underground production to over 80%, combined with the treatment of the lower grade ROM stockpile reducing from ca. 250 Kt to ca. 100 Kt during this Period.

1 Mt ROM was treated through the new plant during Q2, achieving planned annualised ROM capacity of 4 Mtpa. Total capacity testing was performed and throughput achieved supports the nameplate capacity of 6 Mtpa (ROM plus tailings).

Petra has been carrying out an investigation into the appropriate processing model for Cullinan, based on its extensive experience of the size and quality distribution of Cullinan’s diamond profile, set against the optimal processing route for the new Cullinan plant. The provisional outcome of these investigations indicated that it is preferable to opt for lower carat recoveries at Cullinan, due to the positive impact that not recovering the fine diamonds (the small, low quality stones of minus 5 DTC sieve size, with an estimated average value of ca. US\$15 per carat) has on the average value per carat.

Diamond price guidance for Cullinan has therefore been raised from US\$113 – 119 to US\$140 - 160 per carat (including Exceptional Diamonds), supported by the lower recovery of the fine diamonds and the higher expected frequency of larger and high value single stones associated with the Western side of the orebody (C-Cut Phase 1).

During the Period, the Company recovered five stones larger than 100 carats (including a 574.15 carat stone of poor quality, being the largest stone recovered by Petra at Cullinan to date), and a number of other higher value stones, in line with the expected increase in special stones as indicated by historical records as mining from the Western side of the orebody increases.

Further information on the Company’s assessment can be found in the document ‘Cullinan – grade versus value analysis’ at <https://www.petradiamonds.com/investors/analysts/analyst-guidance/>.

- Koffiefontein’s ROM production increased 2% to 25,292 (H1 FY 2017: 24,770 carats), negatively impacted by the labour disruptions (ca. 3,000 carats). Commissioning of the new ground handling system in Q3 is expected to yield further improvements to production volumes.
- Kimberley Ekapa Mining JV’s (“KEM JV”) attributable production decreased 16% to 364,099 carats (H1 FY 2017: 432,174 carats), mainly due to the impact of the strike action upon ROM production, though offset to a certain extent by the processing of higher grade tailings.
- Williamson’s diamond production increased 64% to 174,834 carats (H1 FY 2017: 106,831 carats), mainly due to the increase in ROM tonnes treated and a 40% increase in the grade to 7.0 cpht (H1 FY 2017: 5.0 cpht), further to the mill plant being now fully operational and set to deliver full year production guidance.

Two diamonds of record size were recovered at Williamson during the Period: a poor quality stone of 461.5 carats and a near-gem stone of 396.1 carats. The largest diamond previously recovered at the mine was 260 carats in 1959.

- Williamson’s first parcel (ca. 71,000 carats) remains blocked for export by the GoT. Petra management remains in talks with the GoT to release this parcel. Further information on the background and the current status of the blocked parcel can be found here: <https://www.petradiamonds.com/our-operations/our-mines/williamson/blocked-diamond-parcel>.

Sales and Diamond Market

- Revenue decreased 1% to US\$225.2 million (H1 FY 2017: US\$228.5 million), impacted by the blocked Williamson parcel. As usual, Petra held three tenders in H1 and will hold four tenders in H2. Sales volumes of 1,811,154 carats (H1 FY 2017: 1,910,113 carats) were negatively impacted by the blocked Williamson parcel.
- Diamond inventory as at 31 December 2017 was 961,220 carats valued at US\$92.5 million (31 December 2016: 673,031 carats valued at US\$50.8 million).

Diamond Market

- While the diamond market experienced weakness from July to October 2017, which is seasonally the slowest time for the rough diamond market, it started to strengthen before the calendar year end further to positive momentum around the festive selling season. Initial results relating to Christmas sales are generally positive, further to buoyant sales in the US and continued strong growth in the Chinese and Hong Kong markets. Further to expectations of equilibrium in supply versus demand, Petra expects market conditions to remain stable in H2 FY 2018 (January to June 2018).
- The Diamond Producers Association (“DPA”) has announced that its marketing budget will increase to US\$70 million in 2018, allowing it to expand upon its US marketing efforts, as well as supporting its first full year of investment in India (where it launched in November 2017), as well as its commencement of marketing in China in April 2018. Further information on the DPA’s plans for 2018 can be read in an exclusive article with Rapaport magazine here: <http://ow.ly/nNBT30i0VDd>.

Diamond Prices

- Rough diamond prices (on a like-for-like basis, in comparison to H2 FY 2017) fell ca. 5% from July to October 2017, before recovering by ca. 1.5% by December 2017.
- Price performance achieved by Petra was consistent across all size categories.
- However, higher average values were realised at Finsch, Cullinan and Koffiefontein further to the improved product mix associated with higher production levels of undiluted ore and lower contribution of tailings carats.
- The table below summarises diamond pricing achieved in H1 FY 2018 set against the Company’s revised guidance (for Cullinan and KEM JV only) and the last financial year. The full revised diamond price guidance table can be found at: <https://www.petradiamonds.com/investors/analysts/analyst-guidance/>.

Mine	Actual H1 FY 2018 US\$/carat	Revised Guidance ¹ FY 2018 US\$/carat	Actual FY 2017 US\$/carat
Finsch	104	101 - 106	101
Cullinan	140	140 – 160 ²	120 ³
Koffiefontein	511	525 - 550	506

KEM JV	111	105 – 115 ⁴	100 ⁵
Williamson	233	214 - 224	258 ⁶

Notes:

1. Guidance above is based on expected weighted average prices for FY 2018, incorporating all sales of ROM and tailings carats, including Exceptional Diamonds.
2. Price guidance has been changed from US\$113 – 119 (excluding Exceptional Diamonds) to US\$140 – 160 per carat (including Exceptional Diamonds).
3. Excluding Exceptional Diamonds, the average value per carat for FY 2017 was US\$113.
4. Price guidance has been changed from US\$120 – 125 per carat due to a higher percentage of tailings in the product mix.
5. The average value per carat was below expectations due to the higher contribution of tailings carats during the year.
6. Excluding Exceptional Diamonds, the average value per carat for FY 2017 was US\$235.

Expansion projects, Cullinan Plant and Capex

- The execution of the Group's underground expansion projects at Finsch and Cullinan continues as expected; both Finsch's Block 5 SLC and Cullinan's C-Cut Phase 1 projects are ramping up in line with guidance, and continue to deliver increased volumes of undiluted ROM ore as targeted by these projects.
- Capex (excluding capitalised borrowing costs) for H1 FY 2018 was US\$77.5 million (H1 FY 2017: US\$134.9 million), with US\$66.5 million attributed to expansion Capex (H1 FY 2017: US\$124.7 million) and US\$11.0 million to sustaining Capex (H1 FY 2017: US\$10.2 million). H2 Capex is expected to remain in line with H1 in Dollar terms, due to the impact of the stronger Rand.

Corporate

- A summary of the Group's cash, diamond inventories, debtors, borrowings and net debt is set out below.

	Unit	31 December 2017	30 June 2017	31 December 2016
<i>Closing exchange rate used for conversion</i>		<i>R12.38:US\$1</i>	<i>R13.05:US\$1</i>	<i>R13.73:US\$1</i>
Cash at bank	US\$m	119.1	203.7	47.2
Diamond inventories	Carats	961,220	570,264	673,031
	US\$m	92.5	50.2	50.8
Diamond debtors	US\$m	7.5	41.5	1.9
US\$ loan notes (including accrued interest)	US\$m	650.0	650.0	302.1
Bank loans and borrowings	US\$m	113.8	109.0	210.5
Net debt	US\$m	644.7	555.3	465.4
Bank facilities undrawn and available	US\$m	7.4	5.6	57.1

- Net debt at Period end of US\$644.7 million is higher than originally expected due to the labour action and the inability to sell the blocked Williamson parcel.
- As announced on 9 October 2017, Petra expects to be in breach of the 31 December 2017 EBITDA covenant measurement ratios (measurement date 31 March 2018); the Company has therefore commenced formal discussions with the Company's lender group in order to agree a satisfactory resolution, evaluating both the December 2017 and June 2018 measurements, bearing in mind the risks to covenant compliance associated with potentially not selling the blocked Williamson parcel and the potential further strengthening of the Rand. Petra remains confident that the lender group will continue to support the Company as it remains firmly in growth mode.
- The Company's forecasts indicate that the Group continues to retain sufficient liquidity from existing cash resources, operating cashflows and existing facilities to meet its liabilities as they fall due under the forecasts and reasonably possible sensitivities. The Company is currently at peak debt levels in advance of the first tender of H2 but retains US\$30 – 50 million in headroom.
- Net debt expectation for 30 June 2018 is US\$560 – 600 million.

Notes:

1. *The following exchange rates have been used for this announcement:*
 - a. closing rate as at 31 December 2017 US\$1:ZAR12.38 (31 December 2016 US\$1:ZAR13.73)
 - b. average rate H1 FY 2018 US\$1:ZAR13.40 (H1 FY2017 US\$1:ZAR13.98)
2. *The following definitions have been used in this announcement:*
 - a. ct: carat
 - b. cpht: carats per hundred tonnes
 - c. Exceptional Diamonds: stones that sell for more than US\$5 million each
 - d. LTIFR: lost time injury frequency rate
 - e. Kt: thousand tonnes
 - f. Mcts: million carats
 - g. mL: metre level
 - h. Mt: million tonnes
 - i. ROM: run-of-mine, i.e. relating to production from the primary orebody
 - j. SLC: sub-level cave, a variation of block caving
3. *Diamond inventory carrying values are stated at the lower of cost of production on the weighted average basis or estimated net realisable value.*

~ Ends ~

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market. The Company has a diversified portfolio incorporating interests in five producing operations: three underground mines in South Africa (Finsch, Cullinan and Koffiefontein), the Kimberley Ekapa Mining joint venture (including the Kimberley Underground mine and extensive tailings retreatment operations) and one open pit mine in Tanzania (Williamson). It also maintains an exploration programme in Botswana and South Africa.

Petra's strategy is to focus on value rather than volume production by optimising recoveries from its high quality asset base in order to maximise their efficiency and profitability. The Group has a significant resource base in excess of 300 million carats, which supports the potential for long-life operations.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a constituent of the FTSE4Good Index. For more information, visit www.petradiamonds.com.

APPENDIX – MINE BY MINE PRODUCTION TABLES

Finsch – South Africa

	Unit	H1 FY 2018	H1 FY 2017	Variance	FY 2017
Sales					
Revenue	US\$m	100.8	99.3	+2%	216.7
Diamonds sold	Carats	970,446	1,010,015	-4%	2,141,885
Average price per carat	US\$	104	98	+6%	101
ROM Production					
Tonnes treated	Tonnes	1,559,280	1,498,449	+4%	3,212,169
Diamonds produced	Carats	931,859	816,001	+14%	1,818,454
Grade ¹	Cpht	59.8	54.5	+10%	56.6
Tailings Production					
Tonnes treated	Tonnes	515,224	1,041,758	-51%	1,651,089
Diamonds produced	Carats	104,737	215,559	-51%	331,442
Grade ¹	Cpht	20.3	20.7	-2%	20.1
Total Production					
Tonnes treated	Tonnes	2,074,503	2,540,207	-18%	4,863,258
Diamonds produced	Carats	1,036,596	1,031,560	0%	2,149,896
Capex					
Expansion Capex	US\$m	24.0	27.9	-14%	58.4
Sustaining Capex	US\$m	3.4	2.3	+48%	9.1
Borrowing Costs Capitalised	US\$m	7.1	8.9	-20%	18.1
Total Capex	US\$m	34.5	39.1	-12%	85.6

Note:

1. The Company is not able to precisely measure the ROM / tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.

Cullinan – South Africa

	Unit	H1 FY 2018	H1 FY 2017	Variance	FY 2017
Sales					
Revenue	US\$m	61.4	46.0	+34%	91.3
Diamonds sold	Carats	439,012	363,113	+21%	760,957
Average price per carat ¹	US\$	140	127	+10%	120
ROM Production					
Tonnes treated	Tonnes	1,783,229	1,039,417	+72%	1,882,911
Diamonds produced	Carats	602,594	358,821	+68%	679,622
Grade	Cpht	33.8	34.5	-2%	36.1
Tailings Production					
Tonnes treated	Tonnes	37,023	259,831	-86%	506,176
Diamonds produced	Carats	4,640	60,932	-92%	106,887
Grade	Cpht	12.5	23.5	-47%	21.1
Total Production					
Tonnes treated	Tonnes	1,820,252	1,299,248	+40%	2,389,087
Diamonds produced	Carats	607,235	419,754	+45%	786,509
Capex					
Expansion Capex	US\$m	30.0	64.8	-54%	120.9
Sustaining Capex	US\$m	1.4	2.6	-46%	4.3
Borrowing Costs Capitalised	US\$m	9.1	13.4	-32%	26.0
Total Capex	US\$m	40.5	80.8	-50%	151.2

Note:

1. Excluding Exceptional Diamonds, the average value for H1 FY 2018 was US\$103 per carat; H1 FY 2017 was US\$111 per carat; and for FY 2017 was US\$113 per carat.

Koffiefontein – South Africa

	Unit	H1 FY 2018	H1 FY 2017	Variance	FY 2017
Sales					
Revenue	US\$m	11.0	14.8	-26%	28.4
Diamonds sold	Carats	21,555	29,788	-28%	56,068
Average price per carat	US\$	511	495	+3%	506
ROM Production					
Tonnes treated	Tonnes	289,478	359,044	-19%	667,821
Diamonds produced	Carats	25,292	24,770	+2%	51,173
Grade	Cpht	8.7	6.9	+26%	7.7
Tailings / Ebenhaezer Production					
Tonnes treated	Tonnes	-	-	%	-
Diamonds produced	Carats	-	-	%	-
Grade	Cpht	-	-	%	-

Total Production					
Tonnes treated	Tonnes	289,478	359,044	-19%	667,821
Diamonds produced	Carats	25,292	24,770	+2%	51,173
Capex					
Expansion Capex	US\$m	5.5	6.3	-13%	13.3
Sustaining Capex	US\$m	2.3	1.9	+21%	5.5
Total Capex	US\$m	7.8	8.2	-5%	18.8

Kimberley Ekapa Mining JV – South Africa

	Unit	H1 FY 2018	H1 FY 2017	Variance	FY 2017
Sales					
Revenue	US\$m	33.5	38.0	-12%	82.3
Diamonds sold	Carats	300,793	406,667	-26%	821,963
Average price per carat	US\$	111	93	+19%	100
ROM Production					
Tonnes treated	Tonnes	430,188	209,297	+106%	597,025
Diamonds produced	Carats	49,519	30,347	+63%	87,783
Grade	Cpht	11.5	14.5	-21%	14.7
Tailings Production					
Tonnes treated	Tonnes	2,802,785	3,320,376	-16%	6,153,657
Diamonds produced	Carats	314,581	401,827	-22%	712,651
Grade	Cpht	11.2	12.1	-7%	11.6
Total Production					
Tonnes treated	Tonnes	3,232,973	3,529,673	-8%	6,750,682
Diamonds produced	Carats	364,099	432,174	-16%	800,434
Capex					
Expansion Capex	US\$m	6.3	13.8	-54%	23.9
Sustaining Capex	US\$m	1.8	1.8	0%	4.5
Total Capex	US\$m	8.1	15.6	-48%	28.4

Note:

1. Data in the table above represent Petra's 75.9% attributable share (including both ROM production from Kimberley Underground and Tailings production).

Williamson – Tanzania

	Unit	H1 FY 2018	H1 FY 2017	Variance	FY 2017
Sales					
Revenue	US\$m	18.5	31.0	-60%	58.4
Diamonds sold	Carats	79,445	100,712	-21%	226,110
Average price per carat	US\$	233	305	-24%	258
ROM Production					
Tonnes treated	Tonnes	2,403,393	2,014,099	+19%	3,667,781
Diamonds produced	Carats	168,881	101,676	+66%	212,215
Grade	Cpht	7.0	5.0	+40%	5.8

Alluvial Production					
Tonnes treated	Tonnes	193,172	191,362	+1%	403,811
Diamonds produced	Carats	5,953	5,154	+16%	12,987
Grade	Cpht	3.1	2.7	+15%	3.2
Total Production					
Tonnes treated	Tonnes	2,596,565	2,205,461	+18%	4,071,592
Diamonds produced	Carats	174,834	106,831	+64%	225,202
Capex					
Expansion Capex	US\$m	0.7	12.1	-94%	14.1
Sustaining Capex	US\$m	1.5	0.5	+200%	0.9
Total Capex	US\$m	2.2	12.6	-83%	15.0

Capex reconciliation

Capex	Unit	H1 FY 2018	H1 FY 2017	Variance	FY 2017
Finsch	US\$m	34.5	39.1	-12%	85.6
Cullinan	US\$m	40.5	80.8	-50%	151.2
Koffiefontein	US\$m	7.8	8.2	-5%	18.8
Kimberley Ekapa Mining	US\$m	8.1	15.6	-48%	28.4
Williamson	US\$m	2.2	12.6	-83%	15
Helam	US\$m	0.0	0.0	0%	0.0
Subtotal – Capex incurred by operations	US\$m	93.1	156.3	-40%	299.0
Corporate / exploration	US\$m	0.7	1.3	-46%	1.4
Petra internal projects division – Capex under construction / invoiced to operations	US\$m	0.0	(0.2)	0%	(0.3)
Other Corporate – Capex under construction / invoiced to operations	US\$m	(0.1)	(0.2)	-50%	-
Total Group Capex	US\$m	93.7	157.2	-40%	300.1

Notes:

1. Capex for the Period includes US\$16.2 million (H1 FY 2017: US\$22.3 million) of capitalised borrowing costs, which is also included in the applicable mine by mine tables above.
2. Petra's annual Capex guidance is cash based and excludes capitalised borrowing costs. Given that the majority of Petra's debt funding is in relation to its expansion and development programmes, Petra's guidance is to assume that the majority of interest and financing fees will be capitalised for the duration of the project phase and not expensed through the income statement.
3. The Group (Petra internal projects and Other Corporate) incurs capital spend on behalf of the operations and although this spend is reported in the Group's total Capex, it is policy not to account for it on a specific mine's Capex until the work completed is invoiced to the relevant operation. Group Capex includes US\$0 million for the Period (H1 FY 2017: US\$0.4 million), which was incurred and invoiced by the Group's internal projects facility and Corporate division. Therefore, the mine by mine tables plus the internal projects and other corporate Capex will add together to make the Capex total in the relevant sections above.