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Discover Petra…

…a leading independent diamond miner with a diversified portfolio and high quality team

Petra expansion plans expected to:

- Improve grades
- Improve product mix
- Improve operative costs

Driving VALUE

- Production growth to come mainly from higher value ROM carats
- Adj. EBITDA margin expected to increase to 40 – 45% by FY 2019 at prevailing Rand / US$ exchange rates
- Future focus of the Company is on maximising free cashflow rather than volume targets

LSE: PDL; market capitalisation of ca. £333 million / US$475 million (as at 1 February 2018)

1. Adj. EBITDA is net profit after tax stated before KEM JV fair value adjustment, bond redemption premium and acceleration of unamortised costs, depreciation, share-based expense, impairment charges, net finance expense, tax expense, net unrealised foreign exchange gains and losses and loss on discontinued operations, as applicable to previous years
## H1 FY 2018 (six months to 31 December 2017)

<table>
<thead>
<tr>
<th></th>
<th>H1 FY 2018¹</th>
<th>H1 FY 2017¹</th>
<th>Variance</th>
<th>FY 2017¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diamonds sold</td>
<td>Carats</td>
<td>1,811,154</td>
<td>1,910,113</td>
<td>-5%</td>
</tr>
<tr>
<td>Revenue</td>
<td>US$m</td>
<td>225.2</td>
<td>228.5</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROM tonnes</td>
<td>Mt</td>
<td>6.5</td>
<td>5.1</td>
<td>+28%</td>
</tr>
<tr>
<td>Tailings &amp; other² tonnes</td>
<td>Mt</td>
<td>3.5</td>
<td>4.8</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Total tonnes treated</strong></td>
<td>Mt</td>
<td>10.0</td>
<td>9.9</td>
<td>+1%</td>
</tr>
<tr>
<td>ROM diamonds</td>
<td>Carats</td>
<td>1,778,145</td>
<td>1,331,615</td>
<td>+25%</td>
</tr>
<tr>
<td>Tailings &amp; other² diamonds</td>
<td>Carats</td>
<td>429,911</td>
<td>683,472</td>
<td>-37%</td>
</tr>
<tr>
<td><strong>Total diamonds</strong></td>
<td>Carats</td>
<td>2,208,056</td>
<td>2,015,087</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expansion</td>
<td>US$m</td>
<td>66.5</td>
<td>124.7</td>
<td>-47%</td>
</tr>
<tr>
<td>Sustaining</td>
<td>US$m</td>
<td>11.0</td>
<td>10.2</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>US$m</td>
<td>77.5</td>
<td>134.9</td>
<td>-43%</td>
</tr>
<tr>
<td>Borrowing costs capitalized</td>
<td>US$m</td>
<td>16.2</td>
<td>22.3</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>US$m</td>
<td>93.7</td>
<td>157.2</td>
<td>-40%</td>
</tr>
</tbody>
</table>

- Record six month production of 2.2 Mcts
- Record ROM production of 1.8 Mcts, but impacted by lower grade at Cullinan and ca. 60,000 ct impact of labour action in H1
- Revenue of US$225.2 million impacted by Williamson parcel of ca. 71,000 carats remaining blocked from export
- Operational Capex down 43% in line with declining Capex profile

---

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
Cullinan – Grade versus Value Analysis

- Original steady state grade guidance of ca. 50 cpht at Cullinan based on actual mine production records – see Figure 1

- The new plant at Cullinan was commissioned in Q1 FY 2018 – initial indications are that it will not be cost effective to pursue similar liberation of fine (small) diamond recoveries as originally envisaged

- De-risks capacity / opportunity to add new fresh ore feed to the plant

- Figure 2 demonstrates that the diamond profile of the new plant is significantly weighted to diamonds in the larger size fractions, and significantly less to those in the smallest size fraction

Petra Diamonds Limited: February 2018
Impact of New Cullinan Value and Grade Guidance

**FY 2017 vs H1 FY 2018 - Cumulative US$/ct price comparison per size class**

<table>
<thead>
<tr>
<th>Size Class</th>
<th>Cumulative US$/ct FY 2017</th>
<th>Cumulative US$/ct H1 FY 2018</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>+10.8ct</td>
<td>120</td>
<td>140</td>
<td>16.6%</td>
</tr>
<tr>
<td>-10ct +5ct</td>
<td>77</td>
<td>86</td>
<td>11.5%</td>
</tr>
<tr>
<td>-5ct +2ct</td>
<td>57</td>
<td>64</td>
<td>12.8%</td>
</tr>
<tr>
<td>3 - 6 Grainers</td>
<td>41</td>
<td>47</td>
<td>13.7%</td>
</tr>
<tr>
<td>Melee</td>
<td>25</td>
<td>28</td>
<td>11.2%</td>
</tr>
<tr>
<td>-9</td>
<td>8</td>
<td>9</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Stones with a weight of 100 cts or more recovered during H1 FY 2018

<table>
<thead>
<tr>
<th>Weight</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>574.15</td>
<td>Clivage</td>
</tr>
<tr>
<td>356.35</td>
<td>Brown Gem</td>
</tr>
<tr>
<td>281.75</td>
<td>Boart</td>
</tr>
<tr>
<td>147.15</td>
<td>Poor Clivage</td>
</tr>
<tr>
<td>100.4</td>
<td>Poor Clivage</td>
</tr>
</tbody>
</table>

- Increased recovery of diamonds in larger size fractions (including 5 stones of +100 carats) and lack of recovery of low value small diamonds saw average diamond price increase to US$140/ct in H1 (versus guidance of US$113 – 119/ct)

- Substantial improvement in overall prices across entire diamond profile realised, despite weaker diamond market in H1 FY 2018 (like-for-like prices down ca. 3.5%)

- Diamond price guidance for H2 increased to US$140 – 160/ct (continued improvement in product mix expected as the footprint of C-Cut Phase 1 continues to expand in the Western side of the orebody, which is historically associated with a higher incidence of large and special stones, including blue diamonds)

- Diamond grade guidance for H2 of 37 – 42 cpht (increased ore from undiluted areas, depletion of lower grade ROM stockpile)

- Impact on Petra outlook for FY 2018:
  - Revenue guidance remains in line with consensus as at 29 January 2018
  - Production guidance reduces to 4.6 – 4.7 Mcts (from 4.8 – 5.0 Mcts previously)
**Impact of New Cullinan Value and Grade Guidance (ROM)**

**Grade impact**

- **Previous guidance**: 50
- **Current guidance**: 40
- **Grade impact**: -10

**Value per tonne impact**

- **Previous guidance**: 60
- **Current guidance**: 58
- **Grade impact**: -2

*Estimated incremental cost of ca. R20 per tonne to recover these small stones*
Impact of Strong ZAR on Petra

- 70 – 80% of Petra’s operating costs are ZAR based
- Petra FY 2018 consensus figure previously based on R13.40/US$1 for year; Petra now assuming R12.00/US$1 for H2 FY 2018; average of R12.70/US$1 for FY 2018
- Strengthening of the Rand therefore expected to see EBITDA 10 – 15% below consensus as at 29 January 2018
- Movement of R1/US$1 from base case of R12/US$1 would see ca. US$20 million on FY EBITDA and ca. US$20 million on Petra’s consolidated net debt position
**Positive Diamond Market and Prices**

**Calendar 2017 Market**
- Stable rough market – pricing up ca. 2% in H1; pricing saw seasonal weakness in Jul to Oct (down ca. 5%) and recovered ca. +1.5% in December
- Steady demand and price performance experienced across all diamond size ranges
- Higher average ROM prices achieved Jul to Dec for Finsch, Cullinan and Koffiefontein despite weaker market due to expected improvement in product mix

**Petra Sales Timing – FY2018**

**Rough Diamond Index (Jan 2004 to Jan 2018)**

**Calendar 2018 Outlook**
- Market started to strengthen in December 2017 due to positive momentum around the festive selling season
- Initial Christmas results are generally positive, with buoyant sales in the US and continued growth in the Chinese and Hong Kong markets
- Petra guiding for flat diamond pricing for FY 2018, but continued improvement in product mix expected for Finsch, Cullinan and Koffiefontein (less tailings contribution and increasing volumes of undiluted ore)

**Petra – Rough Diamond Prices**

<table>
<thead>
<tr>
<th></th>
<th>Actual Weighted Average US$/ct H1 FY 2018</th>
<th>Revised Guidance¹ Weighted Average US$/ct¹ FY 2018</th>
<th>Actual Weighted Average US$/ct FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finsch</td>
<td>104</td>
<td>101 – 106</td>
<td>101</td>
</tr>
<tr>
<td>Cullinan</td>
<td>140</td>
<td>140 – 160²</td>
<td>120³</td>
</tr>
<tr>
<td>Koffiefontein</td>
<td>511</td>
<td>525 – 550</td>
<td>506</td>
</tr>
<tr>
<td>KEM JV</td>
<td>111</td>
<td>105 – 115⁴</td>
<td>100⁵</td>
</tr>
<tr>
<td>Williamson</td>
<td>233</td>
<td>214 – 224</td>
<td>258⁶</td>
</tr>
</tbody>
</table>

1. Revised guidance now includes Exceptional Diamonds
2. Guidance increased from US$113 – 119 (excluding Exceptional Diamonds)
3. Excluding Exceptional Diamonds, the average value was US$113
4. Guidance decreased from US$120 – 125 due to higher percentage of tailings in product mix
5. Excluding Exceptional Diamonds, the average value was US$235

**Petra Diamonds Limited: February 2018**
## Financial Position

- The Group's forecasts show that Petra has sufficient liquidity to meet its working capital and capital development requirements.
- However, the Company announced on 9 October it is likely to breach the EBITDA covenants related to its bank facilities (see slide 47) at the 31 December measurement period; Petra is in formal discussions with its lender group to agree a suitable resolution and remains confident of continued support as the Company remains firmly in growth mode.

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>31 December 2017</th>
<th>30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing exchange rate used for conversion</td>
<td>R12.38:US$1</td>
<td>R13.05:US$1</td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>US$m</td>
<td>119.1</td>
<td>203.7</td>
</tr>
<tr>
<td>Diamond debtors</td>
<td>US$m</td>
<td>7.5</td>
<td>41.5</td>
</tr>
<tr>
<td>Diamond inventories</td>
<td>Carats</td>
<td>961,220</td>
<td>570,264</td>
</tr>
<tr>
<td></td>
<td>US$m</td>
<td>92.5</td>
<td>50.2</td>
</tr>
<tr>
<td>US$300 million loan notes (issued May 2015)</td>
<td>US$m</td>
<td>-</td>
<td>300.0</td>
</tr>
<tr>
<td>US$650 million loan notes (issued April 2017)</td>
<td>US$m</td>
<td>650.0</td>
<td>-</td>
</tr>
<tr>
<td>Bank loans and borrowings</td>
<td>US$m</td>
<td>113.8</td>
<td>109.0</td>
</tr>
<tr>
<td>Net debt¹</td>
<td>US$m</td>
<td>644.7</td>
<td>555.3</td>
</tr>
<tr>
<td>Bank facilities undrawn and available</td>
<td>US$m</td>
<td>7.4</td>
<td>5.6</td>
</tr>
</tbody>
</table>

1. Net debt is the US$ loan notes and bank loans and borrowings net of cash at bank, but does not include 'Diamond debtors' which were settled shortly after each period end.
FY 2018 Outlook

Transformation continues

• Delivery of production rollout supported by:
  • Increasing mining footprints of new production areas
  • Undiluted ore expected to double from two major projects
  • Addition of new ore handling systems
  • New Cullinan Plant in full operation but optimisation ongoing
• Continue improvement in product mix expected due to higher volumes of undiluted ore and less contribution of tailings

Financial Management Objectives

• Increasing volumes against Petra’s fixed cost base (ca. 70%)
• Review of capital profile underway – aim to optimise cashflow and reduce short to medium term capital requirements – more information to be provided in interim results on 19 February 2018
• Petra is currently at peak debt levels prior to first tender of H2; net debt expected to fall to US$560 – 600 million by June 2018

Risks to Outlook and Guidance

• Risks to FY 2018 performance relate to the potential continued strengthening of the Rand, the potential inability to sell the blocked Williamson parcel and potential variability in grade and value while production ramp up continues
What is a diamond?

- One of the oldest substances known to man - diamonds are as old as the stars

- Thought to have been formed between 1-3 billion years ago, diamonds are time capsules into an era before life began on Earth

- Formed under intense heat and pressure in the upper mantle, 100 miles below ground, diamonds follow a very precarious journey to surface via volcanic eruptions

- True masterpieces of nature, no two diamonds are alike and each carries its own story; the only certainty is it will last longer than a lifetime

- Used correctly, can be a tool of sustainable development worldwide

“A scientist will tell you a diamond is pure carbon. I believe it is much more.”

Marion Fasel
The Adventurine
A brief history of diamond mining

• **4BC** Diamonds believed to be first discovered in Golconda, India – the birthplace of diamonds; until the end of 19th C, it was the source of the finest and largest diamonds in the world, incl. the *Koh-i-Noor* (105.6cts)

• **1400s** Diamonds started to become fashionable amongst Europe’s elite; Archduke Maximilian of Austria proposed to Mary of Burgundy with a diamond ring

• **1668** The *Hope Diamond* (45.5ct blue from India) was sold to King Louis XIV

• **1700s** India’s diamond supplies began to decline; alluvial deposits in Brazil emerged as an important source

• **1869** The *Star of South Africa* (83.5cts) was found on the banks of the Orange River in South Africa, triggering the “diamond rush”; first discovery of hardrock deposits in Kimberley, hence the name “kimberlite”

• **1880** Cecil Rhodes formed De Beers Consolidated Mines

• **1905** The *Cullinan* diamond was discovered at the Premier mine (re-named Cullinan) – at 3,107cts it is the largest rough gem-quality diamond in history

• **1900s** Hardrock deposits enabled a steady supply of diamonds taking global production into the millions of carats for the first time, allowing a mass market to develop

• **1947** ‘A Diamond Is Forever’ campaign created by De Beers

• **1990’s** Diamond market opens up to new producers, but barriers to entry remain high
Diamonds linked to economic development

- ca. 5 million people have access to appropriate healthcare globally thanks to diamond revenues
- ca. 10 million people globally are directly or indirectly supported by the diamond industry
- Diamonds led to the industrialisation of South Africa
- Diamonds account for 33% of the GDP of Botswana
- Diamond mining generates 76% of Botswana’s annual export earnings
- Diamond revenues enable every child in Botswana to receive free education up to the age of 13
- Diamond mining generates >40% of Namibia’s annual export earnings
- The revenue from diamonds is instrumental in the fight against the HIV/AIDS pandemic

A truly scarce commodity

Putting annual production into perspective

Diamond

27 tonnes

US$12 billion

Source: Kimberley Process Statistics

Gold

2,952 tonnes

US$118 billion¹

Source: SNL Metals & Mining

Copper

20 million tonnes

US$98 billion¹

Source: SNL Metals & Mining

Iron ore

2 billion tonnes

US$118 billion¹

Source: SNL Metals & Mining

1. Based on average commodity price over 2016
Putting historical production into perspective

• Only **5.7 billion carats** have been mined since antiquity = 1,150 tonnes

• The specific gravity of a diamond is 3.52 = **327 m³**

• 327 m³ = 8m x 8m x 5m high

• However, if we assume roughly **1/2 of these diamonds are industrial** quality then this = 163 m³

• Circa **60%** of the rough diamond is lost in polishing

• The volume of polished diamonds would equate to **65 m³**
Diamonds are rare…and getting rarer

Only 30 significant kimberlite mines in production today
Exploration has a less than 1% success rate

Diamond exploration results

Only 7 ‘Tier 1’ mines
(+US$20 billion Reserves)

1. Jwaneng
2. Orapa
3. Udachnaya
4. Venetia
5. Catoca
6. Cullinan
7. Mir

Source: De Beers
Diamond supply may already have peaked…

- Production peaked at 177 million carats in 2005 – not expected to reach there again
- 2016 production of 134 million carats (Kimberley Process Statistics)
- Major diamond mines have passed their production peak; once mines go underground, can no longer keep up previous output
- Several mines / development projects recently closed or are due to close soon (e.g. Argyle)
- Three ‘new’ mines came into production in 2016, but these were in development for decades; only add ca. 7 Mcts to world supply
- No new major discoveries in over 20 years

Global Diamond Supply: Historical & Forecast Rough Production

Source: Kimberley Process Statistics / Canaccord Genuity Research
...but demand for diamonds continues to grow

Global diamond jewellery sales of ca. US$80 billion

Share of World Polished Diamond Consumption in Value (US$ PWP)

- US: 47%
- Greater China*: 19%
- Gulf: 6%
- India: 7%
- Japan: 5%
- Rest of World: 16%

Demand is driven by:

- Continued growth in US and developed markets
  - Bridal diamond jewellery is the bedrock
  - Self-purchase by women is an important growing demand category
  - Industry turning its efforts to the ‘millennials’
- Continued urbanisation and strong growth in the middle classes in developing economies, particularly China and India
  - Brides increasingly desire diamonds in their bridal jewellery, as well as traditional gold
- Mass luxury for the middle classes (i.e. affordable jewellery items priced from US$200 to US$2,000+)
- Trend to use diamonds across a wide range of luxury goods, from watches and accessories to pens and digital devices
Petra has grown by acquisitions, not discoveries

- Petra explored for diamonds from 1997 to 2008 in Angola; despite discovery of +200 kimberlites, was not able to identify economic orebody (efforts hampered by GFC and difficulty operating in country)
- These former De Beers mines were the mainstay of world production before the Russian and Botswana mines opened from the 1960s onwards
- Petra will have invested a total of ca. US$1.4 billion over the period FY 2008 to FY 2019 to extend their lives

Date of acquisition by Petra and its partners¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Mine/Location</th>
<th>Date</th>
<th>Location</th>
<th>Plan to</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td>South Africa</td>
<td>July 2007</td>
<td>Koffiefontein</td>
<td>Mine Plan to 2025</td>
</tr>
<tr>
<td>1903</td>
<td>South Africa</td>
<td>July 2008</td>
<td>Cullinan</td>
<td>Mine Plan to 2030</td>
</tr>
<tr>
<td>1940</td>
<td>Tanzania</td>
<td>February 2009</td>
<td>Williamson</td>
<td>Mine Plan to 2033</td>
</tr>
<tr>
<td>1869</td>
<td>South Africa</td>
<td>May 2010</td>
<td>Kimberley UG</td>
<td>Mine Plan to 2035</td>
</tr>
<tr>
<td>1967</td>
<td>South Africa</td>
<td>September 2011</td>
<td>Finsch</td>
<td>Mine Plan to 2030</td>
</tr>
<tr>
<td>1869</td>
<td>South Africa</td>
<td>January 2016</td>
<td>Kimberley Mines</td>
<td>Mine Plan to 2035</td>
</tr>
</tbody>
</table>

Year of first production

| 1870 | 1903 | 1940 | 1869 | 1869 | 1967 | 1869 |

Iconic diamonds from iconic mines

The Greater Star of Africa
Largest polished yield from the Cullinan at 530ct; sits in the Royal Sceptre
Cullinan, 1905

The Golden Jubilee
755.5ct rough
545.6ct polished
Cullinan, 1986

The Blue Heart
100.5ct rough
30.6ct polished
Cullinan, 1908

The Cullinan
3,106 carats rough
Largest gem diamond ever discovered
Cullinan, 1905

The Centenary
599 carats rough
273.8ct polished
Cullinan, 1986

The Williamson Pink
55ct rough; 24ct polished;
gifted to Princess Elizabeth
on her engagement
Williamson, 1947

The Oppenheimer
253.7ct rough
Perfect yellow diamond
Dutoitspan Mine,
Kimberley U/G, 1964

The Taylor Burton
240.8ct rough,
69.4ct polished
Cullinan, 1966

Petra Diamonds Limited: February 2018
Our production profile - the full spectrum

High volumes of lower quality and commercial goods at a typical tender layout

Only ca. 1 in 10,000 diamonds is fancy coloured

Small volumes of higher quality and larger diamonds

World-class gems: The Cullinan Heritage and The Star of Josephine
The health and safety of our people is our priority

- Our mines and mining method are inherently safe, but accidents can happen due to being a heavy industry.
- Our mines are certified OHSAS 18001:2007, the international safety management framework.
- Petra has reinforced its safety procedures to address the tragic fatalities experienced in FY 2017; the Company will strive relentlessly for a zero harm workplace.
- 100% of staff are trained in safety and undergo medical screenings every year.
- All South African employees belong to a medical aid fund; all Tanzania employees are part of the National Social Security Fund.
- Subsidised primary healthcare is provided by the Williamson Diamonds Hospital in Tanzania.
- Various health programmes in Tanzania are provided free of charge to employees, families and community members, such as mother and child health, malaria prevention and HIV/AIDS services.
- Employee wellbeing services focus on mental health and encouraging a healthy lifestyle.
Sustainability – providing stable employment

- By investing its resources in its mines, Petra has put in place long-term, sustainable mine plans
- When Petra acquired mines: +/- 2,500 employees
- Today Petra employs more than 5,600 employees
- And several thousand contractors during expansion programmes
- Using accepted multiplier of x10, ca. 56,000 people are dependent on our operations
Focus on developing our people

- Petra has increased its training spend to US$8.5 million in FY 2017
- Efforts start at grassroots level – improving education standards in local schools
- Bursaries, scholarships and training offered to community members
- Numerous Company programmes to develop our employees

<table>
<thead>
<tr>
<th>Non – Employees</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>School Support</strong></td>
<td><strong>Skills Development</strong></td>
</tr>
<tr>
<td>(Maths &amp; Science)</td>
<td>Core Skills Training</td>
</tr>
<tr>
<td>Scholarships</td>
<td>Soft Skills Training</td>
</tr>
<tr>
<td>One Book One Learner Project</td>
<td>Induction/Refresher Training</td>
</tr>
<tr>
<td>Career Exhibitions and Career Brochures</td>
<td>Skills Programmes</td>
</tr>
<tr>
<td>Sponsorship for N1 and N2 studies</td>
<td>Portable Skills Training</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Tertiary</strong></th>
<th><strong>Career Advancement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bursaries: Full Time</td>
<td>Study Assistance</td>
</tr>
<tr>
<td>Experiential Training</td>
<td>AET</td>
</tr>
<tr>
<td>Minerals Education Trust Fund (METF)</td>
<td>Internships</td>
</tr>
<tr>
<td>Vacation Work</td>
<td>Bursaries: Part Time</td>
</tr>
<tr>
<td>Young Graduate Work Experience</td>
<td>N1 and N2 Studies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Community</strong></th>
<th><strong>Development Programmes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portable Skills Training</td>
<td>Senior Management Development Programme</td>
</tr>
<tr>
<td>Adult Education &amp; Training (“AET”), improving literacy and numeracy</td>
<td>Leadership Development Programme</td>
</tr>
<tr>
<td>Business Development/Supplier Development</td>
<td>Management Development Programme</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Learning Programmes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Learnerships</td>
</tr>
<tr>
<td>Learner Miner Development Programme</td>
</tr>
<tr>
<td>Metallurgy Learnerships</td>
</tr>
<tr>
<td>Full Time Training Programmes</td>
</tr>
</tbody>
</table>
Driving grassroots development

The Petra Foundation funded the construction of a new science laboratory for the Chipa-Tabane High School.

The Williamson mine owns and operates the Mwadui Primary School, providing education to 492 students.

Petra supports My Maths Buddy in South Africa, which focuses on improving maths teaching in association with Education Africa.

Cullinan hosts a careers day for local students.
The Petra Graduation Ceremony 2017

A celebration of the many Petra graduates who completed one of our development programmes
Focus on the development of women

Diversity is proven to result in improved decision making and better results

• Number of Company initiatives aimed at encouraging and developing women at all levels of the business, with women representing:
  • 33% of engineering learnerships
  • 31% of mining learnerships
  • 26% of bursars
  • 28% of leadership development programme
  • 17% of total workforce

• Our Women in Mining Committee has created a platform for women at Petra’s South African operations to share experiences, identify challenges and promote development opportunities
Focus on long-term socio-economic development

- Petra doubled its social spend to US$3.4 million in FY 2017
- Our development work focuses on addressing the most critical needs of our communities in order to drive meaningful sustainable development
- Projects are agreed in consultation with stakeholders
- Each of our mines in South Africa has opened an Enterprise Development Centre to assist in the development of local suppliers who could enter our supply chain

The new multi-sports centre near Cullinan. Sport is considered to play a positive role in society, particularly for young people

The new Enterprise Development Centre at Kimberley will offer formal business mentoring, computer and printing facilities and supply chain opportunities
Minimising our environmental footprint

- Diamond mining is energy and water intensive but it does not use any harmful chemicals – vegetation grows freely on our tailings dumps
- Ongoing initiatives to reduce energy usage, including continual investigation of renewable energy sources
- Continual reduction in carbon emissions per carat
- Carbon sequestration implemented through maximisation of indigenous vegetated areas
- Ongoing initiatives to reduce water usage
  - 52% of water used on mine is recycled
  - Petra has designated protected habitats totalling 10,255 ha adjacent to its mines to ensure preservation of fauna and flora
- In all cases, apart from Kimberley, these protected areas equal or are larger than the footprint of the mining operations
- Environmental impact of our mining activities is not expected to last long after the cessation of operations due to continuous rehabilitation

**CARBON EMISSIONS**
(tCO₂-e/ct)

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>0.23</td>
</tr>
<tr>
<td>14</td>
<td>0.18</td>
</tr>
<tr>
<td>15</td>
<td>0.18</td>
</tr>
<tr>
<td>16</td>
<td>0.16</td>
</tr>
<tr>
<td>17</td>
<td>0.15</td>
</tr>
</tbody>
</table>

-6%

**WATER USAGE**
(m³/ct)

<table>
<thead>
<tr>
<th>Year</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>2.11</td>
</tr>
<tr>
<td>14</td>
<td>2.51</td>
</tr>
<tr>
<td>15</td>
<td>2.23</td>
</tr>
<tr>
<td>16</td>
<td>1.97</td>
</tr>
<tr>
<td>17</td>
<td>2.04</td>
</tr>
</tbody>
</table>

+4%
Ensuring ethical provenance

- Petra will only operate in countries which are members of the Kimberley Process and will only sell diamonds mined at our operations.

- We are fully committed to upholding the human rights of all our stakeholders, including employees, contractors, partners and communities.

- There is no risk of child labour or forced labour at our operations due to rigorous employment and pre-employment vetting processes.

- All our diamonds are traceable directly to their mine of origin.

- 100% of our production is “conflict-free”.

Petra has partnered with GIA on the M2M programme, a consumer app that provides retailers with a new way to tell a diamond's story by shedding light on its journey from mine to market.
Sustaining consumer demand – today and tomorrow

Diamond Producers Association comprises De Beers, ALROSA, Rio Tinto, Dominion, Petra, Lucara, Gem – together 75% of world supply by value

The DPA seeks to actively influence sustainable consumer demand by:

• Promoting the integrity of the diamond industry and maintaining consumer confidence
• Providing generic marketing support, ensuring diamonds remain relevant to the next generation of consumers

DPA budget increases to US$70 million in 2018

• Continued focus on major US market; comprises multi-channel advertising, innovative digital programmes, high-impact PR around the ‘Real is Rare. Real is a Diamond’ campaign
• 2018 will mark first full year of marketing in India and marketing will launch in China in April 2018
• Industry advocacy and trade programmes to support the pipeline, plus challenging misleading synthetics industry narrative and language
The most highly concentrated form of wealth

What happens when you combine incredible rarity, beauty, ethical provenance and heritage?

The 12.03ct Blue Moon of Josephine

Cut from a 29ct rough stone from the Cullinan mine

Fancy vivid blue, internally flawless

12 November 2015: sold to Hong Kong property magnate Joseph Lau for $48.4 million

US$4.0 million per carat, equivalent to

US$20 million per gram
## Capital Structure

### Share Price (1 year to 1 February 2018)

![Share Price Graph]

### As at 1 February 2018

<table>
<thead>
<tr>
<th>Number of voting rights</th>
<th>% ISC</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Investment (UK) Limited</td>
<td>69,987,534</td>
</tr>
<tr>
<td>Standard Life Aberdeen plc</td>
<td>31,535,532</td>
</tr>
<tr>
<td>Prudential (incorporating M&amp;G Group Limited)</td>
<td>28,175,972</td>
</tr>
<tr>
<td>T. Rowe Price Associates</td>
<td>25,956,589</td>
</tr>
<tr>
<td>Directors</td>
<td>20,009,953</td>
</tr>
</tbody>
</table>

### Listing

<table>
<thead>
<tr>
<th></th>
<th>LSE: PDL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average daily trading volume (shares) – (LTM)</td>
<td>4.05m</td>
</tr>
<tr>
<td>Shares in issue</td>
<td>532.5m</td>
</tr>
<tr>
<td>Free float</td>
<td>93.7%</td>
</tr>
<tr>
<td>Market cap @ 62.65p (1 February 2018)</td>
<td>£333.3 / US$475m</td>
</tr>
</tbody>
</table>
## FY 2017 Operational Results

<table>
<thead>
<tr>
<th></th>
<th>Finsch</th>
<th>Cullinan</th>
<th>Koffiefontein</th>
<th>KEM JV</th>
<th>Williamson²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1 FY18</td>
<td>FY 2017</td>
<td>H1 FY18</td>
<td>FY 2017</td>
<td>H1 FY18</td>
</tr>
<tr>
<td><strong>ROM PRODUCTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes Treated (t)</td>
<td>1,559,280</td>
<td>3,212,169</td>
<td>1,783,229</td>
<td>1,882,911</td>
<td>289,478</td>
</tr>
<tr>
<td>Grade (cph)</td>
<td>59.8</td>
<td>56.6</td>
<td>33.8</td>
<td>36.1</td>
<td>8.7</td>
</tr>
<tr>
<td>Diamonds recovered</td>
<td>931,859</td>
<td>1,818,454</td>
<td>602,594</td>
<td>679,622</td>
<td>25,292</td>
</tr>
<tr>
<td>(carats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PRODUCTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes treated (t)</td>
<td>2,074,503</td>
<td>4,863,258</td>
<td>1,820,252</td>
<td>2,389,087</td>
<td>289,478</td>
</tr>
<tr>
<td>Diamonds recovered</td>
<td>1,036,596</td>
<td>2,149,896</td>
<td>607,235</td>
<td>786,509</td>
<td>25,292</td>
</tr>
<tr>
<td>(carats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SALES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diamonds sold (carats)</td>
<td>970,446</td>
<td>2,141,885</td>
<td>439,012</td>
<td>760,957</td>
<td>21,555</td>
</tr>
<tr>
<td>Average price per carat (US$)</td>
<td>104</td>
<td>101</td>
<td>140</td>
<td>120¹</td>
<td>511</td>
</tr>
<tr>
<td>Revenue (US$M)</td>
<td>100.8</td>
<td>216.7</td>
<td>61.4</td>
<td>91.3</td>
<td>11</td>
</tr>
<tr>
<td>On-mine cash cost per tonne treated¹</td>
<td>n/a</td>
<td>R253</td>
<td>n/a</td>
<td>R316</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>TOTAL CAPEX¹</strong></td>
<td>n/a</td>
<td>85.6</td>
<td>n/a</td>
<td>151.2</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Operating costs and capex are not reported on a quarterly basis
2. There were no sales from Williamson during Q1, due to a parcel of 71,654 carats being detained by the GoT; Petra is in ongoing discussions with the GoT in order to reach a suitable resolution with regards to this parcel.
Group on-mine US$ cash costs increased 17% due to:

- Inclusion of Kimberley Ekapa Mining JV for the full Year (4% increase)
- Inflationary increases, including the impact of electricity and labour costs (7% increase)
- The effect of translating South African operations’ ZAR denominated costs at a stronger ZAR/USD exchange rate (6% increase)

<table>
<thead>
<tr>
<th>FY 2017 On-mine cash cost breakdown (South Africa operations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour (40%)</td>
</tr>
<tr>
<td>Contractors, consumables and stores (9%)</td>
</tr>
<tr>
<td>Power (13%)</td>
</tr>
<tr>
<td>Other (13%)</td>
</tr>
</tbody>
</table>

FY 2017 Operating Costs

<table>
<thead>
<tr>
<th></th>
<th>On-mine cash costs</th>
<th>Diamond royalties</th>
<th>Diamond inventory and stockpile movement</th>
<th>Group technical, support and marketing costs</th>
<th>Adjusted mining and processing costs</th>
<th>Depreciation</th>
<th>Share based expense</th>
<th>Total mining and processing costs (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>287.3</td>
<td>4.7</td>
<td>(2.6)</td>
<td>21.9</td>
<td>311.3</td>
<td>78.7</td>
<td>0.1</td>
<td>390.1</td>
</tr>
<tr>
<td>FY 2016</td>
<td>246.4</td>
<td>5.4</td>
<td>(14.1)</td>
<td>20.0</td>
<td>257.7</td>
<td>51.0</td>
<td>1.6</td>
<td>310.3</td>
</tr>
</tbody>
</table>
Moving to Undiluted Ore

- Caving is a safe and proven mechanised mining method
- Allows for the bulk mining of large orebodies and enables a higher ore extraction percentage compared to other underground mining methods
- A highly cost effective mining method once the capital to put the associated infrastructure in place has been spent – comparable with certain open pit operations
- Petra transition from diluted, mature caves nearing end of lives to new block / sub level caves in undiluted kimberlite well underway
- Value per tonne to increase further to rising input of undiluted ore
Finsch – Development Programme

Expansion Plan

- Expansion plan to take production to ca. 2.0 Mctpa (ROM) by FY 2018
- Sub level cave
  - tunnelling in host rock complete
  - All 22 tunnels in production – first 2 levels
- New Block 5 Block Cave to be installed at 900m / 1000m

Key Milestones

- Production from SLC – from H2 FY 2016
- Dedicated ore-handling infrastructure (to transfer SLC ore to existing infrastructure at 650m) – end FY 2016
- Mining of South West Precursor from 610m to 630m – H1 FY 2017
- 2nd crusher commissioned - end H1 FY 2018
- Decommissioning of Block 4 automated ore-handling system – H2 FY 2018
- Pre 79 Tailings treated – end FY 2018
- Steady state ROM production – FY 2018
- Mining of overburden dumps – continue to FY 2019 / FY 2020
- Block 5 Block Cave at 900m – from FY 2024 / FY 2025

FY 2017 Development: Waste: 1,523 metres; Raiseboring:427 metres; Kimberlite 3,733 metres
Cullinan – Development Programme

**Expansion Plan**

- **Expansion plan**: to take production to ca. 1.7 Mct by FY 2019 (1.6 ROM & 0.1 tailings) based on Jan 2018 grade estimates
- **C-Cut Phase 1**: New block cave being established on the western side of the orebody
- **CC1 East**: New SLC on the eastern side

**FY 2017 Development**

- Waste: 1,049 metres
- Raiseboring: 673 metres
- Kimberlite: 2,530 metres

**Key Milestones**

- First blue development commenced – **April 2014**
- First rings in the undercut blasted – **June 2015**
- New production levels established at 839m and shaft to 930m commissioned – **FY 2016**
- 1425m ore-handling system, allowing for future ramp-ups to utilise full C-Cut footprint – **FY 2017**
  - Initial production from new C-Cut cave – **H2 FY’16**:
    - **FY 2017**: 0.815 Mt
    - **H1 FY 2018**: 0.830 Mt
  - Ore shaft completed and commissioned – **H1 FY’17**
  - New Cullinan plant reaches ROM nameplate capacity – **Nov 2017**
  - Steady state ROM production (4 Mtpa) – **FY 2019**
Koffiefontein – Development Programme

Expansion Plan – to take production to ca. 85,000 ctpa by FY 2018

- SLC to be mined over 3 levels from 560mL to 600mL

- Production commenced from first tunnels of SLC on 560 mL – **end FY 2015**

- 52L Western Fissure came into production to supplement ore from SLC Phase 1 on 56L – **FY 2016**

- Ramp up ROM production to 1.1 Mt – **FY 2019**
Kimberley Underground – Development Programme

**Expansion Plan**

- Underground ore to be treated at Central Treatment Plant – *from FY 2017*
- Planned grade of 15 cpht – *FY 2018*
- ROM tonnes ramping up from 1.1 Mt planned in FY 2018 to ca. 1.2 Mt – *from FY 2019*
- Underground development at Wesselton and Dutoitspan to extend minelife
Williamson – Development Programme

Expansion Plan

Expansion Plan – to take production to ca. 337,500 ctpa by FY 2019

- Plant modifications (additional crusher circuit, 2 autogenous mills) completed – FY 2017

- ROM throughput planned at 4.6 Mt – FY 2018

- Ramp up of ROM throughput to ca. 5 Mtpa (at ca. 6.5 – 7 cpht) by FY 2019

Williamson Kimberlite Pipe Schematic

Schematic showing cut-away geology and planned LOM open pit
# Bank Debt Facilities – Covenants

<table>
<thead>
<tr>
<th>Covenant</th>
<th>12 months to 30 June 2017</th>
<th>12 months to 31 Dec 2017</th>
<th>12 months to 30 June 2018</th>
<th>All periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required ratio</td>
<td>Maintenance Covenants</td>
<td>Distribution Covenants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated Net Debt(^2) to Consolidated EBITDA</td>
<td>n/a(^1)</td>
<td>(\leq 4.0x)</td>
<td>(\leq 2.5x)</td>
<td>(\leq 2.0x)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Revised from (\leq 2.8x))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated EBITDA to Consolidated Net Finance Charges</td>
<td>n/a(^1)</td>
<td>(\geq 2.7x)</td>
<td>(\geq 4.0x)</td>
<td>(\geq 6.0x)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Revised from (\geq 3.85x))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated Net Senior Debt(^3) to Book Equity(^4)</td>
<td>(\leq 0.4x)</td>
<td>(\leq 0.4x)</td>
<td>(\leq 0.4x)</td>
<td>(\leq 0.3x)</td>
</tr>
</tbody>
</table>

1. Waiver obtained for 30 June 2017 measurement period
2. Consolidated net debt is loans and borrowings, less cash, less diamond debtors; consolidated net debt includes the BEE guarantees of ca. ZAR1.37 billion ($105 million) as at 30 June 2017, issued by Petra to the lenders as part of the BEE financing concluded in December 2014
3. Consolidated Net Senior Debt means at any time the Consolidated Gross Debt (excluding any second lien and other subordinated debt)
4. Book Equity is Equity excluding accounting reserves
## Leverage Ratios

<table>
<thead>
<tr>
<th></th>
<th>30 June 2017</th>
<th>30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS Net debt¹</td>
<td>USD M</td>
<td>555.3</td>
</tr>
<tr>
<td>Consolidated net debt (for bank debt covenant measurement)</td>
<td>USD M</td>
<td>616.8</td>
</tr>
<tr>
<td>Gearing²</td>
<td>%</td>
<td>86</td>
</tr>
<tr>
<td>Adjusted EBITDA³</td>
<td>USD M</td>
<td>157.2</td>
</tr>
<tr>
<td>EBITDA margin⁴</td>
<td>%</td>
<td>33</td>
</tr>
<tr>
<td>Consolidated net debt: EBITDA⁵</td>
<td>x</td>
<td>3.9</td>
</tr>
<tr>
<td>EBITDA net interestcover⁶</td>
<td>x</td>
<td>2.8</td>
</tr>
</tbody>
</table>

1. Net debt is the US$ loan notes and bank loans and borrowings net of cash at bank
2. Gearing is calculated as IFRS net debt divided by total equity
3. Adjusted EBITDA, stated before depreciation, share-based expense, net finance expense, tax expense, impairment charges, net unrealised foreign exchange gains and losses and loss on discontinued operations
4. EBITDA margin is Adjusted EBITDA divided by revenue
5. Consolidated net debt: EBITDA is Consolidated net debt divided by Adjusted EBITDA
6. EBITDA: net interest cover is EBITDA divided by net finance costs, exchange gains or losses and unwinding of present value adjustment for rehabilitation costs
Thank You

Further enquiries:
Petra Diamonds
Cathy Malins
Corporate Communications Manager
cathy.malins@petradiamonds.com
+44 20 7494 8203
www.petradiamonds.com