

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, ANY OF THE EXCLUDED TERRITORIES OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND DOES NOT CONSTITUTE A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT. NOTHING IN IT SHALL CONSTITUTE AN OFFERING OF ANY SECURITIES. ANY DECISION TO PURCHASE, SUBSCRIBE FOR, OTHERWISE ACQUIRE, SELL OR OTHERWISE DISPOSE OF ANY PROVISIONAL ALLOTMENT LETTER, NIL PAID RIGHTS, DI NIL PAID RIGHTS, RIGHTS ISSUE SHARES AND/OR NEW DIS MUST BE MADE ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN AND INCORPORATED BY REFERENCE INTO THE PROSPECTUS ONCE PUBLISHED.

PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.

FOR IMMEDIATE RELEASE



PetraDiamonds

24 May 2018

LSE: PDL

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

Publication of Prospectus

Petra Diamonds Limited notes that the Prospectus dated 24 May 2018 in relation to the fully underwritten Rights Issue to raise gross proceeds of US\$178 million (approximately £133 million), announced earlier today, has been approved by the UK Listing Authority.

Subject to certain exceptions, shareholders will shortly be sent a copy of the Prospectus or notification of the availability of the Prospectus. The Prospectus will also be available on the Company's website at www.petradiamonds.com and will be submitted to the National Storage Mechanism, where it will be available for inspection at www.morningstar.co.uk/uk/NSM.

The Prospectus contains a notice of a special general meeting of the shareholders of the Company to be held at 11a.m. BST on 13 June 2018.

The Prospectus is not, subject to certain exceptions, available (whether through the Company's website or otherwise) to shareholders in the United States or any of the Restricted Territories (as defined in the Prospectus).

Hard copies of the Prospectus will be available for inspection (for 12 months following admission of the Rights Issue shares) during normal business hours on any business day, free of charge, at the registered office of the Company at 52-53 Conduit Street, London, W1S 2YX and at Memery Crystal LLP, 165 Fleet Street, London EC4A 2DY.

The defined terms set out in the Prospectus apply in this Announcement.

~ Ends ~

For further information, please contact:

Petra Diamonds, London

Cathy Malins
Cornelia Grant

Telephone: +44 20 7494 8203

cathy.malins@petradiamonds.com
cornelia.grant@petradiamonds.com

Buchanan

(PR Adviser)
Bobby Morse
Anna Michniewicz

Telephone: +44 20 7466 5000

pdl@buchanan.uk.com

RBC Capital Markets

*(Sponsor, Global Co-ordinator,
Joint Bookrunner and Underwriter)*

Telephone: +44 207 653 4000

Matthew Coakes
Jonathan Hardy
Rupert Walford

Barclays Bank Plc

(Joint Bookrunner and Underwriter)

Caroline Learmonth
Robert Mayhew
Philip Drake

Telephone: +44 20 7623 2323

BMO Capital Markets Limited

(Joint Bookrunner and Underwriter)

Jeffrey Couch
Neil Haycock
Thomas Rider

Telephone: +44 20 7236 1010

About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a consistent supplier of gem quality 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 the efficiency and profitability of its operations. 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.

IMPORTANT NOTICE

A copy of the Prospectus will be available from the registered office of Petra and on Petra's website at www.petradiamonds.com provided that the Prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to Shareholders in the Excluded Territories or the United States.

Neither the content of Petra's website (or any other website) nor any website accessible by hyperlinks on Petra's website (or any other website) is incorporated in, or forms part of, this announcement.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change. Nothing in this announcement should be interpreted as a term or condition of the Rights Issue.

These materials are not for release, publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction.

The distribution of this announcement and/or the Prospectus and/or the Provisional Allotment Letter and/or the transfer of the Rights Issue Shares into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this announcement and/or the Prospectus and/or the Provisional Allotment Letter comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction.

RBC Europe Limited (trading as RBC Capital Markets) ("**RBC**"), Barclays Bank Plc (acting through its investment bank) ("**Barclays**") are each authorised in the United Kingdom by the Prudential Regulation Authority (the "**PRA**") and regulated by the PRA and the FCA in the United Kingdom. BMO Capital Markets Limited ("**BMO**", together with RBC and Barclays, the "**Joint Bookrunners**"), which is authorised and regulated in the United Kingdom by the FCA. The Joint Bookrunners are each acting exclusively for the Company and no one else in connection with the Rights Issue and Admission, will not regard any other person (whether or not a recipient of this document) as a client in relation to the Rights Issue or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for providing advice, in relation to the Rights Issue or Admission or any other transaction or arrangement referred to herein.

No action has been taken by the Company, RBC, Barclays or BMO that would permit an offering of the Nil Paid Rights, the DI Nil Paid Rights, the Rights Issue Shares or the New DIs, or possession or distribution of this announcement, the Prospectus, the Provisional Allotment Letter or any other offering or publicity material relating to the Nil Paid Rights, the DI Nil Paid Rights, the Rights Issue Shares or the New DIs in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company, RBC, Barclays and BMO to inform themselves about, and to observe, such restrictions. Subject to applicable law and regulation, Barclays, as Joint International Bookrunner, will effect offers and sales of the Securities outside South Africa.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by, RBC, Barclays or BMO, or their respective affiliates

or agents, as to, or in relation to, the accuracy or completeness of this announcement or any other information made available to or publicly available to any interested party or its advisers, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, and any liability therefore is expressly disclaimed.

In connection with the proposed Rights Issue, RBC, Barclays and BMO, and any of their affiliates, may in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Nil Paid Rights, the DI Nil Paid Rights, the Rights Issue Shares, the New DIs and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Accordingly, references in the Prospectus to the Nil Paid Rights, the DI Nil Paid Rights, the Rights Issue Shares or the New DIs being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, RBC, Barclays and BMO, and any of their affiliates acting in such capacity. In addition RBC, Barclays and BMO, and any of their affiliates, may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which RBC, Barclays and BMO, and any of their affiliates, may from time to time acquire, hold or dispose of Securities. RBC, Barclays and BMO do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The information in this announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction, or disclosure of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the U.S. Securities Act or the applicable laws of other jurisdictions.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “**manufacturer**” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Securities have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.