

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about its content or what action you should take, you could consult your stockbroker, solicitor, accountant or other independent advisor authorised under the UK Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares of 10p each in the capital of the Company ("Ordinary Shares"), please give this document (together with the accompanying form of direction or form of proxy) to the stockbroker, bank or other agent through whom you made the sale or transfer so that they can pass these documents to the person who now holds the Ordinary Shares.

PETRA DIAMONDS LIMITED
(the "Company")

(Incorporated and registered in Bermuda under the Companies Act 1981 of Bermuda with registered number EC23123)

Directors:

Adonis Pouroulis (Non-Executive Chairman)
Johan Dippenaar (Executive Director, Chief Executive Officer)
David Abery (Executive Director, Finance Director)
Jim Davidson (Executive Director, Technical Director)
Dr Patrick Bartlett (Independent Non-Executive Director)
Gordon Hamilton (Independent Non-Executive Director)
Dr Omar Kamal (Non-Executive Director)
(together, the "**Directors**")

Registered Office:

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

14 December 2011

To: Shareholders and, for information only, to warrant holders

Dear Shareholder

Introduction

I am pleased to inform you that an Annual General Meeting (the "AGM") of the Company will take place at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on Friday 27 January 2012 at 10 a.m. GMT. A formal notice is duly enclosed with this letter (the "Notice of AGM").

Proposed Business of the AGM

Your attention is drawn to the Explanatory Notes and Appendix which form part of the Notice of AGM and which set out more information in respect of the resolutions to be proposed at the AGM.

This year's AGM includes Resolution 11 which seeks approval for a new share plan, the Petra Diamonds Limited 2012 Performance Share Plan (the "PSP"). The PSP is being implemented in connection with the Company's application for admission, with a premium listing, of its entire issued share capital to the Official List of the UK Listing Authority and for admission to trading on the London Stock Exchange's Main Market (as announced on 19 September 2011), and will enable performance based share awards to be granted to directors and employees in a way which is aligned with conventional FTSE 350 practice. A summary of the principal features of the PSP can be found in the Appendix to the attached Notice of AGM.

Voting

Holders of shares in certificated form wishing to appoint a proxy to vote on their behalf, should complete the form of proxy in accordance with the instructions printed thereon and send it so as to be received by Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours before the time appointed for the AGM or any adjournment thereof. Alternatively, holders of depositary interests who are members of CREST (being the relevant system in respect of which Euroclear UK and Ireland Limited is the Operator (all as defined in the Uncertificated Securities Regulations 2001)) wishing to instruct Capita Registrars to vote on their behalf, may do so, using the CREST electronic appointment service. For further information on the appointment of proxies using CREST please refer to the Explanatory Notes of the Notice of AGM.

Any holder of depositary interests in the Company who cannot give voting instructions via CREST should instruct Capita Registrars to vote in respect of the holder's interests using the form of direction in accordance with the instructions printed thereon and send it so as to be received by Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 72 hours before the time appointed for the AGM or any adjournment thereof.

Recommendation

The Directors consider that the resolutions set out in the Notice of AGM are in the best interests of the Company and Shareholders as a whole and recommend that you vote in favour of them. Each Director who holds Ordinary Shares in the Company intends to vote in favour of the resolutions in respect of his own shareholdings.

Yours sincerely



Adonis Pouroulis
Chairman