Finsch – A Major Diamond Producer

1 November 2011
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Petra - A Diversified Production Portfolio

Production

South Africa
- Cullinan
- Koffiefontein
- Kimberley Underground
- Finsch
- Fissures
  - Helam
  - Sedibeng
  - Star

Tanzania
- Williamson

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Map of South Africa showing locations of production sites:
- Helam
- Finsch
- Kimberley
- Koffiefontein
- Fissures
- Cullinan
- Sedibeng
- Star
- Williamson

Legend:
- Cape Town
- Johannesburg
- Durban
- KwaZulu-Natal
- Northern Cape
- North West Province
- Gauteng
- Mpumalanga
- Limpopo
- Eastern Cape
- Western Cape
FINSCH OVERVIEW
Overview Of Finsch

• South Africa’s second largest diamond mine by production
• World-class operation with best-in-class infrastructure and modern plant
• Block cave mining (high volume, low cost)
• Major resource of 43.7 Mcts, including 25.8 Mcts in reserves and 2.5 Mcts of tailings
• Average production of ca. 2 Mctpa over last 5 years
• Petra expansion programme to take production from ~1.5Mctpa to just under 2Mctpa
• Leading health and safety performance
• Fully staffed going-concern; highly skilled management team
Finsch – History Of Specials

• Finsch has produced a number of large, special diamonds in its history
• Recovery of significant large, high-value stones will substantially increase the total value of production in any one year
• Potential for upside to valuation of US$180 per ROM carat (management forecast)

Selection of specials recovered in last 4 years (average of 27 stones over 50 carats recovered pa in this time period):

- 204.7 carats (2003)
- 109.9 carats (2007)
- 101.7 carats (2010)
- 61.2 carats (2008)
- 49.0 carats (2010) Light Pink
- 39.3 carats (2008)
- 36.5 carats (2010) Vivid Yellow
**World-class Infrastructure**

- State-of-the-art, modern mining infrastructure
  - Shaft capacity 4.6 mtpa
  - Plant capacity 7.2 mtpa
- 2007 – Finsch Mine Treatment Plant Upgrade
  - Incorporates latest diamond extraction methods developed by De Beers
  - Allows Finsch to re-treat the Pre-79 TMR on a viable basis
  - Total cost of ~US$100m
Tailings

- Finsch currently treating Pre-1979 Tailings at grade of ~18 cpht
- Pre-1979 tailings expected to be treated at a rate of ~3.5 Mtpa until depleted in FY 2015
- Post-1979 Tailings to be treated thereafter, at lower grade of ~10 cpht
- Tailings production expected to cease in FY 2020
• Impressive safety record – Finsch has won numerous awards over last 10 years, incl. National Occupational Safety Credited Award in 2003 and 2004
• Mine reached an unprecedented 6.5 million fatality free shifts in 2008
• Mine objective of “zero harm”
A Successful Takeover

- Acquisition completed 14 September 2011
- Strong core management team retained
- No takeover issues or unexpected complications
- Underground ROM and tailings production throughput above initial expectations
- Combined grade running above expectations
- Programme to increase tailings throughput to achieve 3.5 Mtpa by FY 2014 progressing well – potential earlier delivery
- Overburden deposit a potential source of large diamonds – under investigation
- Future mine development progressing well
MINING OVERVIEW
Finsch kimberlite pipe is a near vertical intrusion; surface area of 17.9ha; elliptical in outline
- A Group II kimberlite pipe with an age of 118Ma
- Pipe emplaced through thick sequence of Transvaal Supergroup sedimentary rocks comprising dolomites, banded iron formation and shales that overlie the Western part of the Kaapvaal craton
- Preserved within pipe are large fragments of Karoo-aged sediments, lavas and dolerite present at time of emplacement, have subsequently eroded away – the size and concentration of these Karoo-age sediments decreases with depth in the Finsch pipe
- Pipe is made up of 8 kimberlite facies, 2 of which make up majority of the main pipe and are currently being mined
- Significant potential for mining at least one of the precursor kimberlite bodies attached to the main pipe
## Significant Diamond Resource

<table>
<thead>
<tr>
<th>Category</th>
<th>Gross</th>
<th>Net attributable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes (millions)</td>
<td>Grade (cph)</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proven</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Probable</td>
<td>58.598</td>
<td>43.99</td>
</tr>
<tr>
<td>Sub-total</td>
<td>58.598</td>
<td>43.99</td>
</tr>
<tr>
<td>Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indicated</td>
<td>43.132</td>
<td>40.71</td>
</tr>
<tr>
<td>Inferred</td>
<td>43.132</td>
<td>40.71</td>
</tr>
<tr>
<td>Total Resources inclusive of Reserves</td>
<td></td>
<td></td>
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</tbody>
</table>

1. Resource bottom cut-off: 1.47mm
2. Reserve bottom cut-off 1.47mm
3. Resource tonnes and grade are based on block cave depletion modelling, and include external waste
Footprint at 800m Level
Main pipe: 4.4 ha
Precursor: 1.6 ha
Finsch Mine Plan

Objective: initial production of ~1.5 Mctpa (~900,000 ROM carats + ~600,000 tailings carats), increasing with commencement of Block 5 to steady state production of nearly 2 Mctpa

Life of mine plan of 18 years (orebody remains open-ended at depth)

- Petra currently mining Block 4 at 630m - ~3.2 Mtpa at ~35 cpht; expected to be depleted by FY 2015
- Expansion plan to open up new cave in Block 5 - probable reserves of 22.1 Mcts at 47.6 cpht
- Petra will maintain production levels during transition from Block 4 to Block 5 by developing smaller sub-level caves within the Precursor orebody at Block 4 level and within Block 5
- Will enable Petra to maintain underground production at ~3.2 Mtpa, ramping up to ~3.5 Mtpa by FY 2018 once Block 5 cave fully operational
FINANCIALS AND GUIDANCE
Production Forecast

Will take production to 1.9 million carats by 2017
Finsch Guidance

- Finsch LOM: current plant up to 2028; residual Block 6 resource to possibly extending LOM beyond this period
- Ownership: 74%
- LOM environmental closure liability: R200 million
- FY 2011 tax shield estimated: R800 million (due to acquisition of assets)
- Group management fees: R36 million pa
- BEE loans due: US$56 million

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROM tonnes (Mt)</td>
<td>9 month period FY 2012 mining at 2.2 Mtpa; FY2013 onwards 3.2Mtpa until Block 5 is in place by FY2018, whereafter tonnages will increase to 3.5Mtpa</td>
</tr>
<tr>
<td>ROM grade (cpht)</td>
<td>Starting at ~33cpht; FY2013 / 2014 around 31 cpht; increasing to ~47cpht by FY 2018 when mining undiluted Block 5 ore</td>
</tr>
<tr>
<td>Tailings tonnes (Mt)</td>
<td>9 month period FY2012 treating 1.6 Mtpa; 2.8Mtpa from FY2013, increasing to 3.5 Mtpa by FY2014; treatment planned to continue until 2020</td>
</tr>
<tr>
<td>Tailings grade (cpht)</td>
<td>Starting at18.5 cpht while treating Pre-79 dumps; diluting to 10 cpht from FY 2016 once portions of Post-79 dumps are treated</td>
</tr>
<tr>
<td>Cash on-mine cost / ROM tonnes</td>
<td>Starting at ~R200; diluting to ~R175 due to increased tonnages (high fixed cost base)</td>
</tr>
<tr>
<td>Cash on-mine cost / tailings tonnes</td>
<td>Remaining flat at around R15 / tonne</td>
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Cost Make-up And Challenges

Ongoing issues being addressed:

• The rising cost of electricity through effective design, maintenance and management of new and old infrastructure

• Designs to cater for appropriate levels of automation

• Advancement of a group procurement strategy to yield benefits related to economies of scale

OPEX for Finsch estimated to be R130/ total tonne treated
Outlook

• First Finsch tender being held now – high quality production

• Adds ~125,000 carats per month to Petra production profile

• Combined production running ahead of schedule

• Increases Petra’s critical mass in terms of personnel and procurement

• Continuing Petra’s strategy to build a world-class diamond miner
  • Excellent track record of extracting value from similar acquisitions
  • Plan to mirror successful Cullinan strategy at Finsch

• Finsch is expected to be immediately accretive to NAV and operating cashflow per share in FY 2012
Thank You
Finsch BEE Structure

- BEE structure similar to that at Cullinan
- BEE partners in Lexshell 846 are Sedibeng Mining, Umnotho Wesizwe newco and Namoise (women's group) (commercial BEE companies)
- Petra Employee Share Trust represents all Petra SA employees (therefore including all historically disadvantaged South Africans)
- Petra has excellent relationships with all its BEE partners
- Petra has loaned BEE partners their 26% of the consideration for Finsch (R370.5m), with interest at commercial rates
- Loans repaid from cashflow from the mine, giving Petra 100% of cashflow until loans repaid

Diagram:

- Petra Diamonds Limited
- The Petra Diamonds Employee Share Trust
- Lexshell 846 Investments (Pty) Ltd
- Afropean Diamonds (Pty) Ltd
- Finsch Diamond Mine

Petra Diamonds Limited: 74%

The Petra Diamonds Employee Share Trust: 5%

Lexshell 846 Investments (Pty) Ltd: 21%

Afropean Diamonds (Pty) Ltd: 100%

Finsch Diamond Mine: 74%

100%
The History Of Finsch

1961  Finsch Diamonds founded by Fincham & Schwabel
1964  All shares and rights of Finsch Diamonds acquired by DBCM
1967  Official opening of Finsch & establishment of original plant
1978  First stage of underground mining with start of decline and construction of shaft
1980  Extensive modification of treatment plant
1990  Open pit mine operation ceases; opening of decline & start of underground production
2001  ISO14001 certification achieved
2003  Processing of Pre-79 TMR commences
2005  Commissioned world’s first fully automated underground trucking system
2007  6.0 million fatality free shifts
2008  Undercutting of the block cave for Block 4 is completed
       Treatment plant upgrade is completed (cost of ~US$100m)
2011  Acquisition by Petra Diamonds – completed 14 September
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