Cullinan Diamond Mine

Analyst visit 11 November 2008
Petra group highlights

- A unique growth profile – acquisitions of 4 major mines in 2 years

- Outside of De Beers, Petra has established one of the world’s largest diamond resources (value US$27.3 billion; volume 265 million carats)

- 2008 group revenue growth US$17.0m to US$76.3m; further substantial growth for 2009 and thereafter

- Production to exceed well over 1 million carats per annum by June 2009; further substantial growth expected thereafter

- Experienced, entrepreneurial management team – effective execution & delivery
Cullinan – an aerial perspective
Cullinan mine - overview

- 1902 - Cullinan kimberlite pipe originally discovered by Sir Thomas Cullinan (32ha surface area) - one of the most celebrated diamond mines in history

- The world’s second largest indicated diamond resource by in-situ value – US$17.9 billion - 208 million carats (incl. tailings)

- Historic producer of spectacular diamonds, incl. “The Cullinan”, the world’s largest diamond ever (3,106 carats)

- Only significant source of truly rare and highly prized blue diamonds

- Has produced over 300 stones weighing more than 100 carats; a quarter of all the world’s diamonds over 400 carats
Writing the history of diamonds

The Cullinan – 3,106 carats – the largest rough gem diamond ever discovered

Also source of the largest polished diamonds in the world, such as The Great Star of Africa (530 carats)
Iconic gems

Heart of Eternity
27.64 carats
polished
1909

The Golden Jubilee
755.50 carats rough,
545.65 polished
1986

The Centenary
599.10 carats rough,
273.85 polished
1986

The Blue Heart
30.82 carats polished
1909

The Niarchos
426.50 carats
uncut,
128.25 polished
1954

The Premier Rose
353.90 carats rough,
137.02 polished
1978

The Taylor Burton
240.80 carats rough,
69.42 polished
1966
Fancy diamonds sold recently by Petra

26.54 carat white diamond sold for US$1.6 million

39.19 blue diamond sold for US$8.8 million
### Cullinan Diamond Mine

**Reserves and Resources on 16 July 2008**

<table>
<thead>
<tr>
<th>CDM Mineral and Ore Resources</th>
<th>Tonnes (Millions)</th>
<th>Grade (cpht)</th>
<th>Contained Diamonds (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated - B Cut</td>
<td>112.8</td>
<td>51.4</td>
<td>58.0</td>
</tr>
<tr>
<td>Indicated - C Cut</td>
<td>159.0</td>
<td>83.8</td>
<td>133.1</td>
</tr>
<tr>
<td>Inferred</td>
<td>165.4</td>
<td>10.1</td>
<td>16.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>437.2</strong></td>
<td><strong>47.6</strong></td>
<td><strong>207.9</strong></td>
</tr>
</tbody>
</table>

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<th>CDM Mineral and Ore Reserves</th>
<th>Tonnes (Millions)</th>
<th>Grade (cpht)</th>
<th>Contained Diamonds (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probable B-Cut</td>
<td>16.2</td>
<td>52.1</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>16.2</strong></td>
<td><strong>52.1</strong></td>
<td><strong>8.4</strong></td>
</tr>
</tbody>
</table>

*Probable reserve is contained within the indicated resource*
Grade distribution and underground schematic

KIMBERLITE IN-SITU GRADE (cphf) DISTRIBUTION DEC 2007

Compiled 15/12/2007
Theo van Strijp
Projects and focus

- Establishing the new economics for the mine (as per Koffiefontein)

- Mining project focus;
  Review the existing BA West block ('BAW') project data, objective to bring the BAW into production in a phased approach.
  - Phase 1 - waste handling infrastructure
  - Phase 2 - project and mining methods, costs and schedules
  - Phase 3 - construction and commissioning of the BAW project

- Plant project focus;
  - Improve plant throughput
  - Upgrade and commission the Large Diamond Recovery Plant (LDRP)
  - Improve diamond recovery through the use of additional technology - recover full spectrum of diamonds, ensuring all 'specials’ brought to account

- Tailings and C-Cut – further opportunity to be brought to account in the future
Current life of mine – no significant capex

[Graph showing the number of tons treated and recovered grade from 2007 to 2030.]
Plant process overview

- Run of Mine Ore
- Recrush
  - Overflow is screened into oversize and undersize
  - Typically 80-20% of headfeed reports to DMS
  - Typically 1% of headfeed reports to Recovery
- Dense Media Separation
  - Undersize to tails
- Primary Crushing
- Screening
  - The concentration of diamonds in headfeed ranges from 14 ppb on aluvial operations to 140 ppb on the high grade operations
- Scrubbing
- Oversize
- Recrush
  - Screening
- Recovery Plant
  - The diamonds are sized and weighed for transport to central sorthouses in each country
- Undersize to slimes dam
- Final product packing and weighing
OSP production

OSP Tonnes treated vs. recovered grade 2007/2008

Grade increased
Tonnage reduced

OSP carats recovered 2007/2008

Carats stable
OSP potential – increase feed

**OSP projection - tonnage and grade**

- **Ave. Tonnes Treated**
- **Recovered Grade**

**OSP projection - carats**

- **Carats recovered**

Historical production, Current production, Projected production
Main plant immediate benefits – changes since July ‘08

ROM Recovered Grade (cpht)

- ROM grade stabilised at 42 cpht

| Grade | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|       | 42.511 | 40.834 | 43.303 | 44.861 | 44.684 | 38.198 | 37.412 | 42.434 | 32.814 | 50.885 | 53.462 | 56.002 | 54.051 | 43.657 | 42.502 | 47.677 | 46.383 | 45.624 | 47.611 | 38.282 | 44.167 | 42.363 |
Main plant immediate benefits – changes since July ‘08

Plant throughput has reached 11,000 tonnes per day

<table>
<thead>
<tr>
<th>ROM Tonnes per period (‘000)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 (DBCM)</th>
<th>2008 (Petra)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROM Tonnes pm (‘000)</td>
<td>2,984.0</td>
<td>2,879.5</td>
<td>2,720.8</td>
<td>2,178.4</td>
<td>1,947.3</td>
<td>968.1</td>
<td>638.0</td>
</tr>
<tr>
<td>ROM Grade (cpht)</td>
<td>248.7</td>
<td>240.0</td>
<td>226.7</td>
<td>181.5</td>
<td>162.3</td>
<td>138.3</td>
<td>182.3</td>
</tr>
<tr>
<td>ROM Grade (cpht)</td>
<td>40.1</td>
<td>40.3</td>
<td>39.0</td>
<td>44.7</td>
<td>43.9</td>
<td>46.8</td>
<td>41.9</td>
</tr>
</tbody>
</table>
Main plant
immediate benefits – changes since July ‘08

- Plant will be capable of delivering close to 1 million carats per year

- To date, 3 special stones recovered
  - 26 carat white – US$1.6 million
  - 39 carat blue – US$8.8 million
  - 36 carat white – yet to be tendered

![Graph showing Total Carats Recovered - Projection FY2008]

- Earlier guidance - range
- Current estimate diamond production
Plant changes – still to come

- Crusher settings increased to 28-30mm (previously 22-24mm)
- Screen size increase to 35mm (previously 25mm)
- X-Ray technology as first line recovery, and grease now becomes back-up (commissioning commences November 2008)
- L.D.R.P. (6 months to commissioning)
- Major re-organisation of systems ongoing - 3 years to completion
### Effective Interest

<table>
<thead>
<tr>
<th>Description</th>
<th>Petra</th>
<th>Al Rajhi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial effective interest</td>
<td>37.0%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Upon US$95m Al Rajhi loan repayment from Cullinan cash flows</td>
<td>44.4%</td>
<td>29.6%</td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; buy-back option at $33m expiring 31/12/11&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>51.0%</td>
<td>23.0%</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; buy-back option at $67m expiring 31/12/13&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>60.0%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

**Notes**

1. Assumed fair market value US$500m
2. Assumed fair market value US$750m
Ownership structure

- **Petra Diamonds Limited**
  - 50% (effective 37%)

- **Al Rajhi Holdings W.L.L.**
  - 50% (effective 37%)

- **Cullinan Investment Holdings Limited**
  - 74%

- **Employee Share Trust**
  - 12%

- **BEE partners**
  - 14%

- **Cullinan Diamond Mine**
<table>
<thead>
<tr>
<th>Production Results</th>
<th>Units</th>
<th>Actual</th>
<th>Budget</th>
<th>% Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Run of Mine (ROM) Tonnes Hoisted</td>
<td>Ton</td>
<td>610,334</td>
<td>566,250</td>
<td>7.8%</td>
</tr>
<tr>
<td>Total Tonnes Treated</td>
<td>Ton</td>
<td>686,604</td>
<td>671,250</td>
<td>2.3%</td>
</tr>
<tr>
<td>- ROM</td>
<td>Ton</td>
<td>632,417</td>
<td>566,250</td>
<td>11.7%</td>
</tr>
<tr>
<td>- Optical Sort Plant (OSP) Tailings</td>
<td>Ton</td>
<td>54,187</td>
<td>105,000</td>
<td>-48.4%</td>
</tr>
<tr>
<td>Total Carats Recovered</td>
<td>Carat</td>
<td>305,256</td>
<td>268,052</td>
<td>13.9%</td>
</tr>
<tr>
<td>- ROM</td>
<td>Carat</td>
<td>267,297</td>
<td>236,552</td>
<td>13.0%</td>
</tr>
<tr>
<td>- OSP Tailings</td>
<td>Carat</td>
<td>37,959</td>
<td>31,500</td>
<td>20.5%</td>
</tr>
<tr>
<td>Recovered Grade</td>
<td>Cpt</td>
<td>42.3</td>
<td>41.8</td>
<td>1.2%</td>
</tr>
<tr>
<td>- ROM</td>
<td>Cpt</td>
<td>70.1</td>
<td>30.0</td>
<td>133.5%</td>
</tr>
<tr>
<td>Diamond Inventory (carats on hand)</td>
<td>Carat</td>
<td>158,794</td>
<td>110,829</td>
<td>43.3%</td>
</tr>
</tbody>
</table>

| Tender Results | Carat | 146,462 | 157,222 | -6.8% |
| US$ Revenue | US$ | 19,817,385 | 14,149,980 | 40.1% |
| US$ per Carat (average) | US$ | 135 | 90 | 50.3% |

| Financial Results (at average ZAR:US$ rate of R8.27 for the period) | US$ | |
| Sales revenue | 22,110,780 | 14,149,980 | 56.3% |
| Cash cost of production | (13,423,361) | (14,887,378) | 9.8% |
| Diamond inventory movement | 3,536,942 | 6,077,487 | 41.8% |
| Management fee | (1,269,039) | (1,354,844) | 6.3% |
| Other income | 212,861 | 28,931 | 635.7% |
| **EBITDA** | $11,168,184 | $4,014,177 | 178.2% |
| Capex | 3,127,930 | 4,972,218 | 37.1% |
| Free Cash Flow Generated / (Utilised) | US$ | $4,503,312 | -$7,035,528 | 164.0% |
| Gross Profit | US$ | 57.2 | 37.6 | 52.1% |
| Cash Cost / ROM Ton Hoisted | US$ | 22.0 | 26.3 | 16.3% |
| Gross Profit / ROM Ton | US$ | 35.2 | 11.3 | 211.3% |
| Gross Profit Margin | % | 61.5% | 30.1% | 104.6% |

(excerpt from management accounts – unaudited)
Conclusion

- Early production indications are that we are most likely going to exceed our carat predictions - production running significantly ahead of expectations; 305,000 carats to end Oct – 950,000 carats target to end June 2009

- Average carat values very positive, US$100/carat first tender (early Sept), US$160/carat second tender (end Oct); average for two tenders US$135 per carat

- 39 carat blue achieved US$8.8 million on October tender – could recovery of such stones be expected on a regular basis?

- Long term Rand weakness also in our favour, increasing revenue, against a back drop of strong cost control

- Mining, production and plant improvements being put in place – expected to further improve results
Thank you

Further enquiries, contact:
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www.petradiamonds.com