

Notice of Annual General Meeting

For the year ended 30 June 2011



Notice is hereby given that the fourteenth Annual General Meeting ("AGM") of Petra Diamonds Limited (incorporated and registered in Bermuda under company registration number EC23123) (the "Company") will be held at 10 a.m. GMT on 27 January 2012 at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP for the purpose of considering and, if thought fit, passing the following resolutions:

Statutory accounts

1. That the financial statements of the Company for the year ended 30 June 2011, together with the Reports of the Directors and Auditors, be received.

Re-appointment of auditors

2. That BDO LLP of 55 Baker Street, London W1U 7EU be re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the next general meeting at which accounts are presented, or until their successors are appointed.

Authorisation to set auditors' remuneration

3. That the directors of the Company (the "Directors") be authorised to fix the remuneration of the auditors.

Re-appointment of Directors

4. That Mr Adonis Pouroulis, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.
5. That Mr Christoffel Johannes Dippenaar, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.
6. That Mr David Gary Abery, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.
7. That Mr James Murry Davidson, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.
8. That Dr Omar Kamal, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.
9. That Dr Patrick John Bartlett, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.
10. That Mr Alexander Gordon Kelso Hamilton, who retires in accordance with the Company's Bye-laws, be hereby re-appointed as a Director of the Company to hold office until the date on which his office is otherwise vacated.

Adoption of the Petra Diamonds Limited 2012 Performance Share Plan

11. That the Petra Diamonds Limited 2012 Performance Share Plan ("PSP") in the form of the rules produced to this meeting and initialled by the Chairman for identification purposes and as summarised in the Appendix forming part of the Notice of Annual General Meeting, be hereby approved and the Directors be authorised to adopt the PSP and do everything they consider necessary or desirable to implement the PSP.

Authority to allot Relevant Securities

12. That the Directors be generally and unconditionally authorised, in accordance with Bye-law 2.4 of the Company's Bye-laws, to allot Relevant Securities (within the meaning of that Bye-law) up to an

aggregate nominal amount of £14,864,839.90 provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months from the date on which this resolution is passed unless such authority is revoked or varied by a resolution of the shareholders in a general meeting, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

To consider and, if thought fit, pass the following resolution as a Special Resolution (as defined in the Company's Bye-laws):

Disapplication of pre-emption rights

13. That subject to the passing of resolution 12, the Directors be granted general authority pursuant to Bye-law 2.6(a)(i) of the Company's Bye-laws to allot Equity Securities (within the meaning of Bye-law 2.5(g)) for cash as if Bye-law 2.5(a) of the Company's Bye-laws did not apply to such authority, provided that this power shall be limited to:

- (a) the allotment of Equity Securities in connection with a rights issue or an offer of Equity Securities, or an invitation in respect of the same, open for a period fixed by the Directors:
 - i. to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - ii. to holders of other Equity Securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) the allotment (otherwise than in pursuance to sub-paragraph 13(a)) of Equity Securities up to an aggregate nominal value of £2,506,758,

provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months from the date on which this resolution is passed unless the authority is revoked or varied by a resolution of the shareholders in a general meeting, save that the Company may, before such expiry, make offers or agreements which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of any such offer or agreement as if Bye-law 2.5(a) did not apply notwithstanding that the power conferred by this resolution has expired.

By order of the Board

A handwritten signature in black ink, appearing to read "Adonis Pouroulis".

Adonis Pouroulis
Chairman
14 December 2011

Registered office

Clandon House, 2 Church Street, Hamilton HM11, Bermuda
Company registration number: EC23123

Explanatory Notes

For the year ended 30 June 2011

These explanatory notes form part of the Notice of Annual General Meeting.

Notes

Re-appointment of Directors

Resolutions 4–10 (inclusive):

In accordance with the UK Corporate Governance Code, the Company's Bye-laws require all of the Directors to retire from office at the AGM and offer themselves for re-election. Separate resolutions will be proposed at the AGM to re-elect the Directors. Biographies of all the Directors (the "Biographies") are included in the Company's Annual Report 2011 and on the Company's website – www.petradiamonds.com.

A shareholder may request an additional hard copy of the Biographies of all of the Directors by making a written request to Cathy Malins, Petra Diamonds Limited, 36 Dover Street, London W10 6HE, United Kingdom.

The Directors of the Company believe that the re-election of each Director is in the best interests of the Company and unanimously recommend that the members vote in favour of each relevant resolution.

Adoption of the Petra Diamonds Limited 2012 Performance Share Plan

Resolution 11:

Shareholder approval is being sought for a new executive share plan, the 2012 Performance Share Plan ("PSP"). The plan is intended to enable the remuneration committee of the Company ("Remuneration Committee") to grant share awards to executive directors and key employees.

As part of the Company's transition from AIM to the Main Market, the Company seeks to adopt a remuneration structure which is aligned with conventional practice amongst FTSE 350 companies. As part of this transition it is proposed that the Company implements an incentive share plan which enables the Company to grant awards of shares subject to performance conditions to executive directors and other key employees in the Company. The implementation of the PSP will provide the framework for the Remuneration Committee to appropriately incentivise senior executives in the Company, through awards which are closely aligned to the performance of the Company's group and the interests of shareholders over the longer term.

The PSP incorporates the following key features:

- Awards of whole shares subject to performance conditions.
- A maximum individual award limit of 200% of salary. It is intended that the maximum individual awards made to executive directors for the 2012 financial year will be 150% of salary (subject to meeting performance conditions).
- Dilution limits of 10% in 10 years for all share plans.
- In line with best practice, awards will be subject to malus provisions.

A copy of the rules of the PSP are available for inspection at the venue of the AGM during business hours from the date of the Notice of AGM until the close of the AGM.

Authority to allot Relevant Securities

Resolution 12:

This resolution complies with guidance issued by the Association of British Insurers ("ABI") and will, if passed, authorise the Directors to allot:

- Relevant Securities up to a maximum nominal amount of £14,864,839.90 which represents the amount of the Company's unissued share capital as at 14 December 2011.

As at 14 December 2011, the Company did not hold any treasury shares.

The authority granted by this resolution will expire on the date of the next annual general meeting of the Company, or if earlier, 15 months from the date on which this resolution is passed.

The Directors have no present intention to exercise this authority.

Disapplication of pre-emption rights

Resolution 13:

This resolution will, if passed, give the Directors power, pursuant to the authority granted by resolution 12, to allot Equity Securities for cash:

- in relation to pre-emptive offers or rights issues and offers to holders of other equity securities if required by the rights of those securities or as the Directors otherwise consider necessary, up to a maximum nominal amount of £14,864,839.90 which represents the amount of the Company's unissued ordinary share capital as at 14 December 2011;
- in any other case, up to a maximum nominal amount of £2,506,758 which represents approximately 5% of the Company's issued ordinary shares as at 14 December 2011. In compliance with the guidelines issued by the Pre-emption Group, the Directors will ensure that, other than in relation to a rights issue, no more than 7.5% of the issued ordinary shares will be allotted for cash on a non pre-emptive basis over a rolling three-year period unless shareholders have been notified and consulted in advance.

This resolution complies with relevant guidance issued by the Pre-emption Group and guidance issued by the ABI.

The power granted by this resolution will expire on the date of the next annual general meeting or, if earlier, 15 months from the date on which this resolution is passed.

The Directors have no present intention to exercise this authority.

A member entitled to attend and vote at the above meeting or any adjournment thereof may appoint one or more proxies to attend and vote in their stead on a show of hands or on a poll. A proxy need not be a member of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

To be valid, the form of the proxy must be lodged with the Company's UK branch registrars, 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.

Only those members entered on the register of members of the Company at 5:00 p.m. (Bermuda time) on 24 January 2012 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 5:00 p.m. (Bermuda time) on 24 January 2012 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Notes continued

Depository interest holders who are CREST members and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time-stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Any holders of depository interests in the Company who cannot give voting instructions via CREST should instruct Capita Registrars to vote in respect of the holder's interest using the Form of Direction enclosed. The completed Form of Direction must be received by Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU, England not later than 72 hours before the time appointed for the AGM or any adjournment thereof.

The total issued share capital of the Company as at 14 December 2011 is 501,351,601 ordinary shares, none of which are held in treasury. Therefore the total number of voting rights in the Company as at 14 December 2011 is 501,351,601.

Appendix

This Appendix forms part of the Notice of Annual General Meeting.

Resolution 11: Adoption of the Petra Diamonds Limited 2012 Performance Share Plan

Key terms of the Petra Diamonds Limited 2012 Performance Share Plan ("PSP")

Eligibility

(a) Any employee (including an executive director) of the Company or any subsidiary of the Company will be eligible to participate in the PSP.

Form of Awards

(b) Awards under the PSP may be in the form of:

- a conditional right to acquire ordinary shares in the Company ("Ordinary Shares") at no cost to the participant ("Conditional Award");
- an option to acquire Ordinary Shares at no cost to the participant ("Nil-Cost Option"); or
- a right to receive a cash amount which relates to the value of a certain number of Ordinary Shares ("Cash Award").

References in this summary to Ordinary Shares include Ordinary Shares to which a Cash Award relates, where appropriate.

The PSP will be operated by the board of directors of the Company ("Board") through or on the recommendation of its remuneration committee ("Remuneration Committee") and references to the Board includes the Remuneration Committee where appropriate.

Performance Targets

- (c) Awards under the PSP are subject to the satisfaction of a performance target which will determine the proportion (if any) of the award which will vest at the end of a performance period of at least three years.
- (d) The performance target may be varied if one or more events occur which cause the Remuneration Committee to consider that a varied performance target would be more appropriate and would not be materially more or less difficult to satisfy.

Individual Limits

(e) Awards will not be granted to a participant under the PSP over Ordinary Shares with a market value of (at the grant date) in excess of 200% of salary in respect of any financial year.

For the 2012 financial year, the Remuneration Committee intends to grant awards to executive directors of a maximum of 150% of salary. Performance targets for these awards will be determined by the Remuneration Committee.

Grant of Awards

(f) Awards may only be granted within the six week period following the adoption of the PSP by the Board, the announcement of the Company's results for any period, any day on which a restriction on the grant of awards is lifted, or on any day on which the Board determines that exceptional circumstances exist, subject always to the Company's share dealing code and other legal or regulatory restrictions.

Terms of Award

(g) Awards may be granted over newly issued Ordinary Shares, treasury shares or Ordinary Shares purchased in the market. Awards are not transferable (other than on death). No payment will be required for the grant of an award. Awards will not form part of pensionable earnings.

Appendix

For the year ended 30 June 2011 Continued

Appendix continued

Dividends

- (h) The Remuneration Committee may determine that on the vesting of a Conditional Award or on the exercise of a Nil-Cost Option, a participant shall receive an amount in cash and/or shares equivalent to the dividends that would have been paid on the vested shares between the date of grant and the date of vesting (or, in relation to Nil-Cost Options, until such other date as the Remuneration Committee may determine up to the date of exercise).

Overall limits

- (i) In any ten year period, the number of Ordinary Shares which may be issued under the PSP and under any other employees' share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.
- (j) Treasury shares will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise. Lapsed awards do not count towards the limits.

Reduction for Malus

- (k) The Board may, in its absolute discretion, determine at any time prior to the issue or transfer of Ordinary Shares following the vesting or exercise of an award (as the case may be) to reduce, cancel or impose further conditions on an award in circumstances where such action is considered appropriate and reasonable. Such circumstances include, but are not limited to:

- a serious downturn in the financial performance of any member of the Group (such term as defined in the rules of the PSP) or a relevant business unit;
- a serious misstatement of the Company's audited results;
- a serious failure of risk management by any member of the Group or a relevant business unit; or
- serious reputational damage to any member of the Group or a relevant business unit.

Vesting and Exercise

- (l) Awards will normally vest at the end of any performance period (or on such later date as the Board determines) to the extent that any performance target has been satisfied. Options will then normally be exercisable until the tenth anniversary of the grant date.
- (m) At any time before or after the point at which an award (which is not a Cash Award) has vested, or an option has been exercised, but the underlying Ordinary Shares have yet to be issued or transferred to the participant, the Board may decide to pay a participant a cash amount equal to the value of the Ordinary Shares he would otherwise have received (less deduction of relevant taxes).

Cessation of Employment

- (n) If a participant dies, an unvested award will, unless the Board determines otherwise, vest as soon as practicable after the participant's death to the extent that the Board determines, and normally taking into account the satisfaction of any performance targets at that time. The extent to which an award will vest will, unless the Board determine otherwise, take into account the time elapsed since the award was granted when determining the level of any vesting.

- (o) If a participant ceases office or employment with a member of the Group by reason of ill-health, injury, disability, retirement, transfer of the entity that employs him out of the Group or for any other reason at the Board's discretion (except for gross misconduct), a participant's unvested award will usually continue until the normal vesting date unless the Board determines that the award will vest when the participant leaves the Group.

- (p) The Board will decide the extent to which unvested awards vest in these circumstances. Unless the Board determines otherwise the extent to which an unvested award vests will take account of the extent to which any performance target is satisfied at the end of any performance period or, as appropriate, at the point at which the participant leaves the Group. The Board will normally take into account the time elapsed when determining the level of any vesting. Where awards vest in these circumstances, options will normally be exercisable for six months after vesting before lapsing.

- (q) If a participant ceases employment in any other circumstances, unless the Board determines otherwise, an award shall lapse when the participant ceases employment.

Corporate Events

- (r) In the event of a change of control of the Company, the Remuneration Committee may determine the extent to which the award will vest based on the extent that any performance target has been satisfied, the period of time that has elapsed since the award was granted, and such other factors the Board deems relevant. Alternatively, the Board may permit or require part or all of award to be exchanged for equivalent awards which relate to shares in the acquiring company.

- (s) If other corporate events occur such as a demerger, delisting, special dividend or other event which, in the opinion of the Board may affect the current or future value of Ordinary Shares, the Board may determine whether awards will vest conditional on the event occurring. Vesting will be subject to the satisfaction of the performance target and such other factors the Board deems relevant.

Adjustments

- (t) In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other similar event, which may, in the Board's opinion, affect the current or future value of Ordinary Shares, the number of Ordinary Shares subject to an award and/or any performance target attached to awards, may be adjusted.

Amendment and Termination

- (u) The Board may amend the rules of PSP at any time, provided that prior approval of the Company in general meeting will be required for amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares or cash comprised in an award and the impact of any variation of capital.

- (v) However, any minor amendment to benefit administration, take into account legislative changes or obtain or maintain favourable tax treatment, exchange control or regulatory treatment, may be made by the Board without shareholder approval.

- (w) The PSP will terminate on the tenth anniversary of its adoption but the rights of existing participants will not be affected by any termination. In the event of termination, no further awards will be made under the PSP.