



PetraDiamonds

PETRA DIAMONDS LIMITED

QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2005

(dateline 31 October 2005)

Petra Diamonds Limited ("Petra" or "the Company"), the AIM-quoted and ASX-listed diamond mining group, announces its quarterly activities report as required by the ASX for the three month period ended 30 September 2005.

Highlights

- Angola – significant exploration developments at Project Alto Cuilo, including the identification of major new kimberlitic and magnetic anomalies
- Botswana – acquisition of 100% of Kalahari Diamonds Limited completed and Petra exploration programme in place
- Sierra Leone – preparations on track for production H2 FY 2005/6
- South Africa – production of 45,498 carats for the quarter (quarter to 30 June 2005 38,472 carats), on track for 200,000 carats for FY 2005/6
- West Africa – proposed merger with Mano River Resources Inc announced

CORPORATE

Botswana – Kalahari Diamonds

On 30 September 2005 Petra acquired Kalahari Diamonds Limited ("Kalahari") in a share-for-share transaction. The acquisition of Kalahari represents a significant step in Petra's strategy of building a quality exploration portfolio to complement its current producing mines and diversifying its asset base.

Kalahari, through its wholly-owned Botswana subsidiary, Sekaka Diamonds, is the holder of approximately 77,000 km² of highly prospective diamond prospecting licenses in Botswana.

Botswana is the world's largest diamond producer by value, with large producing mines at Jwaneng, Orapa, Letlhakane and Damatshaa. Botswana also offers a modern, highly developed mining, commercial and financial environment.

Kalahari has an agreement with BHP Billiton to direct the deployment of BHP Billiton's proprietary Falcon technology as well as to have access to an experienced Falcon data acquisition and geophysical team. The Falcon technology is a new dimension in diamond exploration as it is an airborne gravity system that can cover large remote areas rapidly and cost effectively, and is able to 'see through' the sand cover which overlies much of Botswana. Kalahari sand covers about 75% of Botswana and this, together with underlying Karoo lava, has meant that ordinary diamond exploration programmes have faced difficulties in the detection of kimberlites. Petra's access to the Falcon system will assist in overcoming these difficulties.

The acquisition of Kalahari also introduces to Petra, kimberlites in the Gope area, as well as other potential kimberlites in Sekaka's license areas. Petra's track record in the development of medium sized ore bodies will enable us to effectively evaluate the potential of these kimberlite occurrences and, if economic, quickly turn them to account.

West Africa - proposed merger with Mano River Resources Inc

In early October 2005 Petra and Mano River Resources Inc ("Mano") signed a preliminary agreement whereby it is proposed that Petra and Mano will merge to create an enlarged diamond exploration and mining group.

The proposed merger remains subject to the satisfaction of certain conditions precedent including the completion of mutual technical, financial and legal due diligence, execution of the required legal and regulatory documentation and obtaining all the required regulatory and shareholder approvals. It is anticipated that the transaction will be effected by an offer of new Petra ordinary shares to Mano shareholders in a share for share transaction, on the basis of one new Petra ordinary share for each 5.5 Mano common shares.

Mano is an AIM and TSX listed exploration group focused on the discovery and development of diamond, gold and iron ore deposits in the Archaean terrain of the highly prospective and under-explored West African countries of Sierra Leone, Liberia and Guinea. The company has over 25,000km² under licence, close to one million ounces of gold in resource, a cluster of diamondiferous kimberlite pipes and the Kono dykes. Joint ventures are in place with Petra Diamonds, Trans Hex Group, BHP Billiton, Golden Star Resources (gold) and Navasota Resources (gold).

REVIEW OF OPERATIONS

Angola, Project Alto Cuilo

Highlights

- 70% of the 94 holes drilled to date have intersected kimberlitic material
- 19 kimberlitic complexes identified
- Kimberlitic anomalies identified covering a total area of 320 hectares
- Helimag results received in October add a further 150 targets, including previously unidentified anomalies and identify a new major magnetic anomaly of 148 hectares interpreted surface area
- Alluvial pits completed increase to 86 and a further 3 bulk samples undertaken
- Total diamonds recovered to date 1,468 carats

Kimberlite Programme

A low level Midas helicopter survey was carried out in July and August, identifying new anomalies of 26, 60 and 125 hectares in surface area, these discoveries being in addition to the existing 109 hectare (approximately 115 million tonnes) deposit identified by Petra in 2004. Petra had been aware of there being a small anomaly at the 125 hectare target and had drilled two holes confirming its kimberlitic nature but, since the anomaly is under sand cover and with a low magnetic signature, Petra was not aware of its magnitude as now defined by the helicopter survey. This anomaly is larger in surface area than the existing 115 million tonne (109 hectares) deposit at Alto Cuilo and is within 500 metres of it. The 40 tonne sample (processed in September 2004), which yielded a grade of 47 carats per hundred tonnes, was coincidentally taken from outcrops at the periphery of this new anomaly where a river had incised through the sand cover. Petra cannot yet confirm whether these outcrops are part of this major new anomaly.

The helicopter survey entailed the flying of 13,183 line kilometres, covering approximately 700km² (26%) of the total concession area. Initial results showed significantly more

anomalies than the original 1998 aeromagnetic survey, due to the use of twin sensors at closer line spacing and lower flying height. This data has now been fully processed and led to an increase of targets to 219 (an increase of 217%).

Drilling in excess of 12,119 metres on 94 holes has been undertaken to date, with 66 of these holes intersecting kimberlitic material - a success rate of 70%. Drilling results indicate the presence of kimberlites with preserved crater zones that have undergone very little erosion, thus underscoring the potential for large size discoveries. Analysis of barren holes using new data has shown that the siting of some of the previously drilled holes was not optimal; some of these holes have been re-drilled and have now intersected kimberlitic material. To date all the 19 anomalous complexes that have been drilled have intersected kimberlitic material, with some holes intersecting kimberlitic material to vertical depths of 280m, where drilling was stopped due to limitation of drilling capacity but the kimberlitic material continued.

The drill programme, with a second core rig currently in transit due to the high number of magnetic anomalies that require further investigation, will continue with the expectation of significantly increasing the number of kimberlite discoveries. A third drill, capable of drilling large diameter holes, is scheduled to arrive in the first half of 2006. When this arrives it is intended that it will take 200 tonne mini rock samples from the most prospective anomalies. A 10 tonne per hour mobile plant has also been ordered.

Alluvial Programme

An alluvial pitting and trenching programme on the river flats and hillsides continues in order to further evaluate the potential for economically viable alluvial deposits. Along the Luangue River, 86 pits have been completed to date. Some of these pits have intersected good gravels, whilst others were poor or had to be abandoned due either to water or thick overburden.

A trench sample of 735 tonnes was treated through the diamond recovery plant, yielding 104.63 carats. The average stone size was 0.28 carats (bottom screen size of 2.0mm) with two gem quality stones of 2.88 and 1.88 carats being recovered. A second trench sample was processed from which a good 5.6 carat stone was recovered. This produced 58 diamonds totaling 24.61 carats with an average stone size of 0.42 carats.

A third trench has just been completed which recovered 116 diamonds totaling 29.3 carats at an average stone size of 0.25 carats. The 65 tonnes per hour ("tph") diamond recovery plant (MB100 and DMS) continues to be used mainly for the treatment of alluvial samples. A total of 5,663 diamonds totaling 1,468 carats at an average stone size of 0.26 carats have been recovered to date from both alluvial and kimberlitic sources.

BHP Billiton Joint Venture

From 1 January 2005 (the date at which BHP Billiton elected to fund kimberlite exploration within the ML Complex, part of the Alto Cuilo concession) to the end of September 2005, BHP Billiton has advanced funding of approximately US\$7.2m to Petra Diamonds Alto Cuilo Limited ("PDAC") in respect of exploration at Alto Cuilo. BHP Billiton will start earning a direct interest in PDAC when it has advanced funding of US\$7.5m.

Botswana

Petra's exploration programme plan in Botswana over the next year will focus on systematically following up the large license areas that were flown by Falcon prior to the acquisition of Kalahari. Petra will fly approximately 23,000 line kilometres of Falcon over a block in Mabutsane commencing in November. Thereafter, flying will cease until mid 2006 to allow detailed follow up on all the data acquired to date. A further 60,000 kilometres will be flown in the second half of 2006.

Follow up work has so far identified one anomaly which will be drilled in late November. With regard to the Gope kimberlites an analysis of historical data is underway

Sierra Leone - Kono Project

Highlights

- Manufacturing of the crusher circuit of the production plant has been completed, manufacture of the dense media separation and final recovery unit of the production plant will be completed by early November 2005. General mining and engineering equipment and accessories will be containerised in October for export in early November 2005
- Other plant vehicles, power generators and light utility vehicles acquisition and delivery programme remains on track and delivery in Sierra Leone will take place late in November 2005
- Experienced mining and engineering personnel from Petra's South African operations have started with pre-deployment orientation and preparation. The team will be transferred to Sierra Leone by mid December 2005
- Diamond production from treatment of bulk samples expected H2 FY 2006

Exploration developments

Petra personnel had a follow up visit to Sierra Leone in early September 2005. During the visit a Memorandum of Understanding (MOU) was signed between Petra and the Nimikoro Chiefdom allowing Petra access to and use of the old National Diamond Mining Corporation facilities in the Yengema village. The MOU further provides Petra access to all the kimberlite dykes in the chiefdom.

Various intrusion points were identified on the dykes and the terrain preparation at the various intrusion points is expected to commence in late December 2005. Further geological work is to be undertaken on the dykes in the Kono region.

Discussions with the Tankoro Chiefdom for access to the Lion 5 kimberlite dykes will be re-started in December 2005. The strike length of the Kono kimberlite dykes exceeds the total strike length of Petra's South African kimberlite dyke operations and Petra believes the Kono project has the potential to yield high grades of approximately 100 cpht.

Site establishment

The necessary equipment to establish initial facilities on site will be shipped from South Africa and is on track to be commissioned on site by end of March 2005. Petra's site establishment team will be transferred to Sierra Leone in mid December 2005 and the site facilities should be fully established by January 2005. Terrain preparation at the various intrusion points for bulk sampling is expected to commence in late December 2005.

Exploration/production plans

The manufacture of the crushing circuit of the 75 tph production plant has been completed on schedule and will be containerised for shipment by mid November 2005. The dense media separation (DMS) and final recovery unit construction schedule remains on track. The DMS and final recovery containerisation will commence in mid November 2005 for shipment in early December 2005.

The initial mining and engineering equipment will be containerised in October 2005 for shipping in early November 2005. Terrain preparation started at the NDMC site in Yengema and is expected to be completed by end of November 2005.

Bulk sampling terrain preparations at the various intrusion points are expected to start in late December 2005 and be completed for bulk sampling mining activities by end of January 2006.

Diamond production from treatment of bulk samples is expected H2 FY 2005/6.

South Africa

- Operations are on track to produce the production target of 167,000 carats for the calendar year 2005 and 200,000 carats for FY 2005/6
- Stope faces increased by three at Star with significant build up in production in the December 2005 quarter likely
- Production at Helam increased by 4,038 carats on previous quarter due to increased yield and greater tailings production
- Production at Sedibeng increased by 3,487 on previous quarter due to increased yield and greater tailings production
- Management structure has been revised, with the appointment of a group operations manager and a dedicated production manager at the Star Mine

Star Mine

A total of 8,639 ROM fissure tonnes was delivered to the plant which is 383 tonnes higher than the previous quarter and returned 5,277 carats (inclusive of 98 carats recovered from tailings) at a grade of 61 cpht for the quarter. In the June 2005 quarter a total of 8,256 ROM fissure tons was delivered to the plant and returned 5,723 carats at a grade of 69 cpht. The reduced grade is the result of the lower grade Wynandsfontein section being brought back into production (historical mine grade 48 cpht).

During the quarter, 4,451 carats were sold for an average price of US\$161 per carat. In the June 05 quarter 5,641 carats were sold for an average price of US\$240 per carat. The lower prices achieved for the quarter, which were due to a change in mix combined with quiet markets in July and August, are not expected to continue and an increase in the prices received, compared to the September quarter, has been seen in October.

The available stope-faces increased by three during the quarter, with nine stopes now being available. With 15 level now established on both Burns and Wynandsfontein sections, production build-up will increase significantly, and even more so when multiple ends are established as was previously done on Burns 14 level east.

At the Wynandsfontein section, the establishment of 15 level, which is in good ground conditions, has progressed well. The zero raises east and west have both holed resulting in two new faces being established which will contribute to the tonnage build-up for the mine. Sinking of the sub-vertical shaft has commenced during the quarter and has reached a depth of eight metres. This sub-shaft should be on level during the first quarter of 2006.

At the Burns section the establishment of 15 level, which is also in good ground conditions, has progressed well. The zero raises east and west have been holed resulting in another new face being established which will also contribute to the tonnage build-up for the mine. Lateral development on this level has also progressed well. 15 level and station establishment has progressed well with the preparation for the sinking of the sub-shaft now complete. Ore pass preparation, 15 to 14 level, is 50% complete with one ore pass having been holed. This gives increased surge capacity and hoisting flexibility.

The raise boring project which was scheduled to be commenced during the fourth quarter has now been rescheduled for the first quarter 2006.

Helam Mine

A total of 30,700 ROM fissure tonnes was delivered to the plant and returned 29,312 carats at a grade of 95.5 cpht. An additional 1,737 carats was recovered from tailings re-treatment giving a total of 31,049 carats for the quarter.

In the June 05 quarter a total of 29,662 ROM fissure tons was delivered to the plant and returned 26,907 carats at a grade of 90 cpht. An additional 797 tons of tailings was treated, delivering 104 carats giving a total of 27,011 carats for the quarter.

During the quarter, 32,677 carats were sold for an average price of US\$86 per carat. In the June 2005 quarter, 27,148 carats were sold for an average price of US\$88 per carat

The mechanisation programme continues to progress well with the John main shaft now equipped to 19 level, and the developing of the pilot raise between the 19 and 20 level is 50% complete. The pilot raise from 21 to 20 level is now complete and stoping of this section of the shaft will commence during the current quarter. There have been minor re-schedulings to the remainder of this capital project but this will have no material effect on the programme.

The re-establishment of Second Lease as a separate mining entity is also progressing well and remains on schedule. It is still expected to see the first production from this programme towards the end of this year. Minor technical / logistical aberrations may cause delays but these will not be substantial.

At Edward shaft the mechanisation programme is fundamentally complete. The envisaged modifications to the sub-shaft single drum winder should be completed by the first quarter 2006.

Sedibeng (Messina and Dancarl operations)

Mining at Sedibeng has progressed well with the delivery of 32,555 ROM fissure tonnes from the mining operation, which delivered 7,516 carats at a ROM grade of 23.1 cpht. In addition 1,656 carats were produced from the Dancarl tailings operation at a grade in excess of 6 cpht. This resulted in a total of 9,172 carats for the combined operation.

In the June 2005 quarter, 31,081 ROM fissure tonnes was mined to yield 5,685 carats at a ROM grade of 18 cpht.

During the quarter, 7,007 carats were sold from the combined operation for an average price of US\$244 per carat. In the June 2005 quarter, 6,324 carats were sold from the combined operation for an average price of US\$271 per carat. The lower prices achieved for the quarter, which were due to a change in mix combined with quiet markets in July and August, are not expected to continue and an increase in the prices received, compared to the September quarter, has been seen in October.

At the Messina section the sinking of the West sub-shaft to 24 level has progressed well. This has reached a depth of 20 metres below collar and is still projected to be on level at year end. On 20 level the development into Dancarl has delivered a good stope that is producing well. On 21 level we are close to commencing development into the Dancarl section.

At the Dancarl section progress has again been good with 15 level having been re-established. Attention is now being focussed on re-opening the ore passes and loading arrangements to 15½ level. Stopes have been established, both north and south.

On 14 level north the stope has holed into the old Messina operation and is being drawn down. On 14 level south the re-development to intersect the fissure of the central zone after its displacement has been successful, delivering a 50cm fissure on which a stope is currently being established.

The upgrading of the Messina pan-plant so as to accept the combined ROM production is proposed to commence during the first quarter of 2006.

DIAMOND PRODUCTION

Three month period to 30 September 05	Total Tonnes Hoisted	Tonnes Treated	Total Diamonds Recovered (carats)	Carats per 100 tonnes treated
Star –ROM	14,199	8,639	5,179	59.9
Star – Tailings	-	1,627	98	-
Helam – ROM	45,487	30,700	29,312	95.5
Helam – Tailings	-	13,362	1,737	-
Sedibeng – ROM	41,392	32,555	7,516	23.1
Sedibeng - Tailings	-	30,143	1,656	-
Total for quarter	101,078	117,026	45,498	38.9
Three month period to	Total Tonnes Hoisted	Tonnes Treated	Total Diamonds Recovered (carats)	Carats per 100 tonnes treated
30 September 2005: ROM	101,078	71,894	42,007	58.4
30 September 2005: Tailings		45,132	3,491	7.7
30 June 2005: ROM	96,778	68,110	38,315	56.2
30 June 2005: Tailings		1,686	157	9.3
31 March 2005	92,709	77,644	40,058	51.6
30 December 2004	87,014	60,812	33,221	54.6
30 September 2004	86,887	62,032	31,922	51.5

JOHAN DIPPENAAR CHIEF EXECUTIVE OFFICER

Notes

1. The information in this update that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Jim Davidson who is a Member of the Geological Society of South Africa, a 'Recognised Overseas Professional Organisation' ('ROPO'), included in a list promulgated by the ASX from time to time. Jim Davidson is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Jim Davidson has given his written consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

2. It should be noted that the potential quantity in this report is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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Rule 5.3

Appendix 5B

Mining exploration entity quarterly report*

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98,30/9/2001.

Name of entity

Petra Diamonds Limited

ACN or ARBN

114474574

Quarter ended ("current quarter")

30 September 2005

Consolidated statement of cash flows*

	Current quarter £'000	Year to date £'000 3 Months
Cash flows related to operating activities		
1.1 Net profit/(loss) before taxation	758	758
1.2 <i>Adjustments for:</i>		
- Depreciation and amortisation	621	621
- Foreign exchange loss/(gain)	(1,486)	(1,486)
- Other non cash items	34	34
1.3 <i>Operating profit/(loss) before working capital changes</i>	(73)	(73)
1.4 (Increase)/Decrease in trade and other receivables	(597)	(597)
1.5 (Decrease)/Increase in trade payables	8	8
1.6 (Increase)/Decrease in inventories	(390)	(390)
<i>Cash generated(used) in operations</i>	(1,052)	(1,052)
1.7 Interest paid	(111)	(111)
Net Operating Cash Flows	(1,163)	(1,163)
Cash flows related to investing activities		
1.8 Payment for		
a) development expenditure	(552)	(552)
b) instalment for acquisition of Helam Mining Pty Ltd and Messina Investments Limited.	(2,434)	(2,434)
c) property plant and equipment	(298)	(298)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	7	7
1.10 Loans to other entities	-	-
1.11 Interest received	102	102
1.12 Other	1	1
Net investing cash flows	(3,174)	(3,174)
1.13 Total operating and investing cash flows (carried forward)	(4,337)	(4,337)

1.13	Total operating and investing cash flows (brought forward)	(4,337)	(4,337)
Cash flows related to financing activities			
1.14	Subscription for shares and notes – net of costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from long term borrowings	1,423	1,423
1.17	Repayment of borrowing	(4,404)	(4,404)
1.18	Dividends paid	-	-
1.19	Other (provide details if material – see attached)	-	-
Net financing cash flows		(2,981)	(2,981)
Net increase (decrease) in cash held		(7,318)	(7,318)
1.20	Cash at beginning of quarter/year to date	15,375	15,375
1.21	Exchange rate adjustments to item 1.20	3	3
1.22	Cash at end of quarter	8,060	8,060

Payments to directors of the entity and associates of the directors.

Payments to related entities of the entity and associates of the related entities

		Current quarter £'000
1.23	Aggregate amount of payments to the parties included in item 1.1	N/A
1.24	Aggregate amount of loans to the parties included in item 1.17	N/A

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- *During the quarter 2,183,097 November 2005 Convertible Notes (A\$392,957) were converted to 317,049 ordinary Petra Diamonds Limited shares.*
- *At the end of the quarter, 16,166,529 Petra Diamonds Limited shares were issued to acquire Kalahari Diamond Resources Plc.*

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available £'000	Amount used £'000
3.1 Loan facilities	900	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	£'000
4.1 Exploration and evaluation	583
4.2 Development	694
Total	1,277

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter £'000	Previous quarter £'000
5.1 Cash on hand and at bank	2,030	3,776
5.2 Deposits at call	6,030	12,000
5.3 Bank overdraft	-	(401)
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,060	15,375

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		N/A		
6.2 Interests in mining tenements acquired or increased		N/A		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (pence)	Amount paid up per security (see note 3) (pence)
7.1 Preference securities (description)				
7.3 +Ordinary securities	147,633,033	147,633,033	-	-
7.4 Changes during quarter				
(a) Increases through issues and conversions for which quoted	317,049	317,049	0.53	0.53
(b) Decreases through returns of capital, buy-backs	16,166,529	16,166,529	0.85	0.85
	200,000	200,000	0.375	0.375
7.5 +Convertible debt securities 11% pa Nov 2005	13,895,095	13,895,095	-	-
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through conversion	2,183,097	2,183,097	-	-
7.7 Options (description and conversion factor – see details below)	6,031,802	NONE	SEE BELOW	
7.8 Issued during quarter	200,843	200,843	0.85	
7.9 Exercised during quarter	200,000	200,000	30.0, 35.0, 40.0, 45.0	
7.10 Expired during quarter	-	-		

	Options
276,375	Employee Incentive Options expiring various dates, exercisable at \$A1.12 each
86,250	Employee Incentive Options expiring various dates, exercisable at \$A1.36 each
400,000	Director incentive Options expiring 11 April 2007 with exercise price of 30p, 35p, 40p and 45p each for each 100,000 tranche.
1,500,000	Director incentive Options expiring 5 September 2013 with exercise price of 44p each.
750,000	Director incentive Options expiring 28 June 2014 with exercise price of 54.5p each.
2,250,000	Director incentive Options expiring 16 June 2015 with exercise price of 85p each.
385,000	Employee incentive Options expiring 5 September 2013 with exercise price of 44p each
133,334	Employee incentive Options expiring 28 June 2014 with exercise price of 54.5p each
50,000	Employee incentive Options by 13 September 2014 with exercise price of 56.75p each.
200,843	Options exercisable by 16 June 2008 at 85p each.

Warrants over ordinary shares		
	Exercise Price	Expiry
1,500,000	30p	31 December 2007
1,000,000	100p	31 December 2007
1,666,666	55.85p	14 August 2006
<p>Petra and Societe Diamantaire Finkelstein Ch & CO NV have granted each other a mutual put and call option for Finkelstein to subscribe for \$US1.75 million of Ordinary shares. The option is exercisable once the market value of Petra exceeds 75 pence for 15 consecutive days. The subscription price will be equal to a 5% discount to that market price. The option is renewable at the Company's choice on an annual basis.</p>		