



PetraDiamonds

RBC Capital Markets Diamond Conference

Hard Assets...Sparkling Investments

London - 17 May 2007

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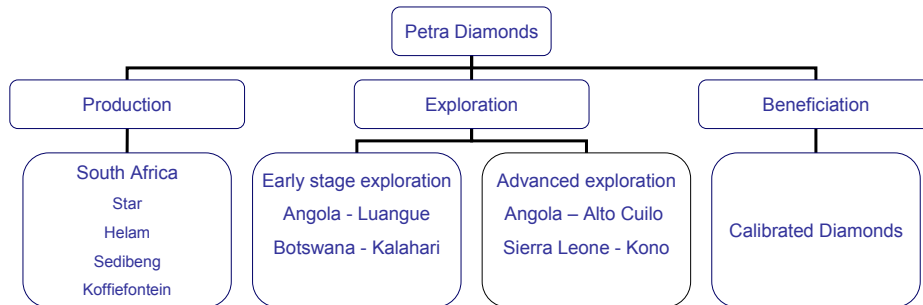
Petra's strategy

Petra Diamonds is a **diamond mining group** focused on the mining, exploration and beneficiation of diamonds from **Africa's rich resources**

Petra's strategy is to build a portfolio of **producing mines** (500,000 carats p.a. by 2009/10) with **beneficiation** capability, combined with a **world class** exploration base, achieving the objective of becoming a **successful** mid-tier diamond group

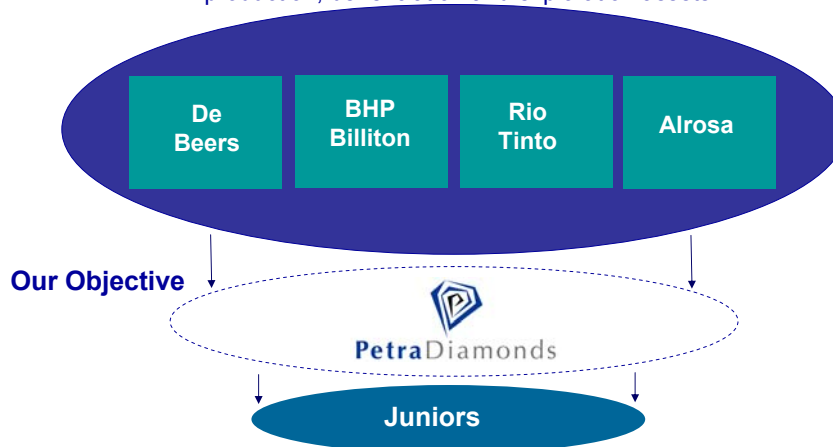
Petra is well on the way to **achieving** this strategy

Group structure

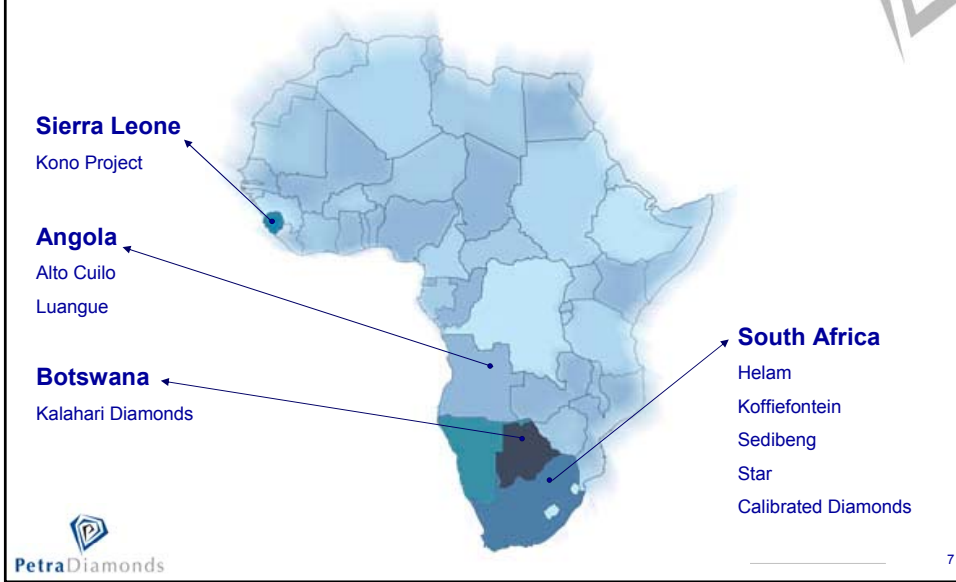


An opportunity to ...

directly invest in a mid-tier diamond group with a spread of production, beneficiation and exploration assets



Petra's operations



South Africa

Production

South African operations



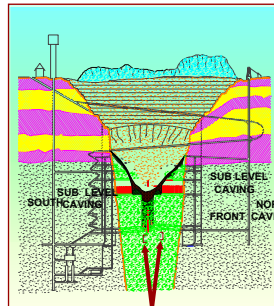
- Helam
- Calibrated Diamonds
- Sedibeng
- Star
- Koffiefontein

South Africa – producing mines

- 4 producing kimberlite mines
- Koffiefontein – underground pipe
- Helam, Sedibeng, Star - fissure
- Production (exc. Koffiefontein) 71,928 carats 6 months to Dec '06; revenue US\$8.2m – substantial production increase (Koffiefontein included) expected for 12 months to June '07
- After De Beers, the largest producer of diamonds by volume and the largest employer in diamond mining in South Africa

South Africa – Koffiefontein

- Dec '06 - Koffiefontein assets purchased from De Beers
- Expected to add significant production to Petra group
- Acquisition funded from Petra's internal cash resources
- Production commenced – substantial stock pile in place

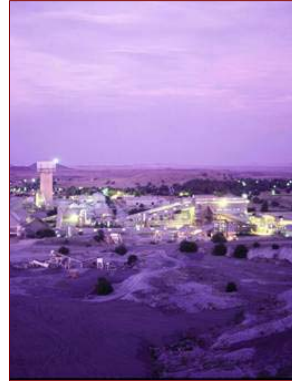


Koffiefontein – exceptional size and quality

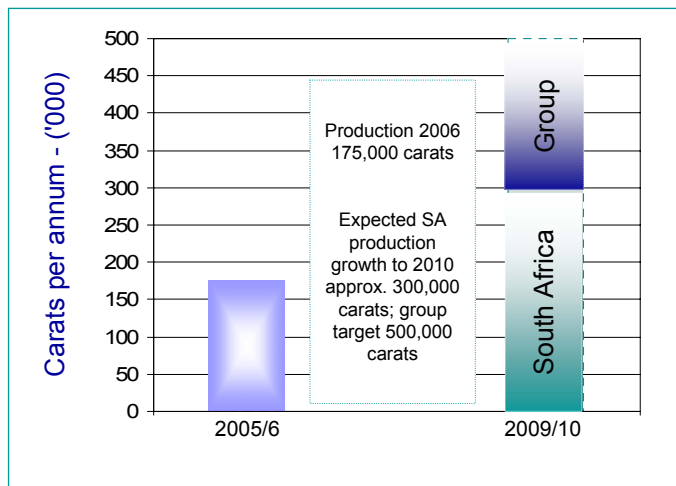
- Average of 6 stones per annum > 40 carats recovered per million tonnes between 1992 and 1997
- Largest stone recovered 232.34 carats in 1994
- Highest US\$/carat values (approx. US\$240) in De Beers stable
- Based on historical data Petra expects similar average recoveries going forward

Petra's interest in Koffiefontein

- Koffiefontein expected yield of approx. 100,000 carats p.a (70,000 attributable)
- Adds significant revenue to Petra estimated US\$13m (70% JV share)
- Illustrates Petra's ability to successfully operate larger operations
- Enables Petra to consider further similar opportunities that may arise



South Africa – expected production growth





Angola

Exploration –

Early stage & Advanced

Angola Operations



- Luangue
- Alto Cuilo
- Focus of kimberlite diamond mining and exploration in Angola

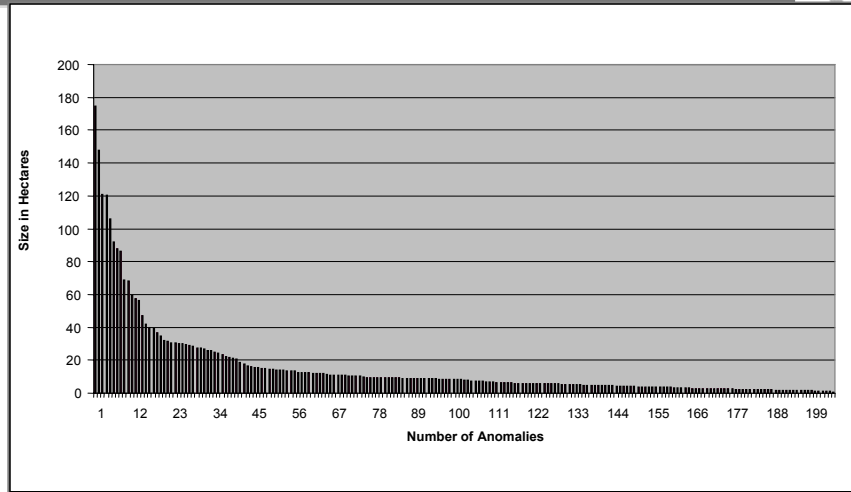
Angola – exploration – Alto Cuilo

- Angola – politically stable – large exporter of oil to US
- Alto Cuilo is Petra's flagship project, an opportunity of massive potential upside
- Petra is in JV with BHP Billiton
- 73 kimberlites identified from 91 targets drilled – surface area of kimberlites > 1,400 hectares
- Highly encouraging mantle geotherm, diamond indicator mineral chemistry and initial microdiamond counts

Alto Cuilo - Location

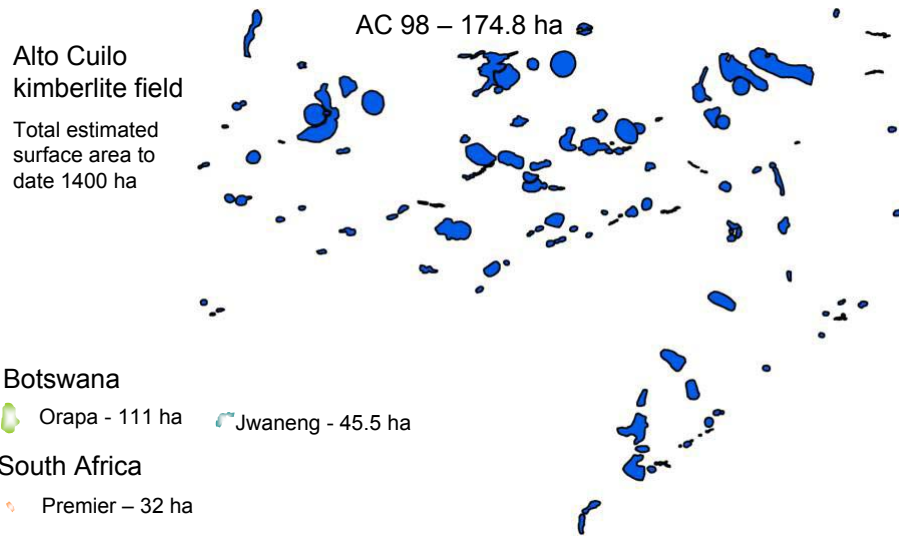


Alto Cuilo - magnetic anomaly plot



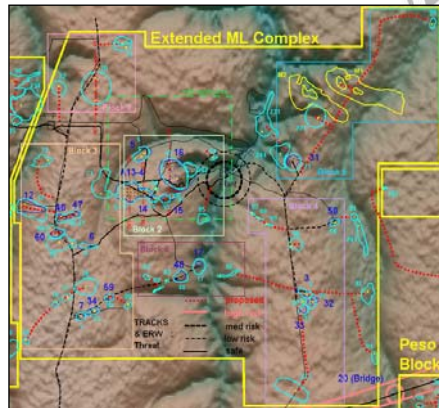
KIMBERLITE SIZES

Alto Cuilo - kimberlite comparison



Alto Cuilo – bulk sampling

- Large diameter drill and mobile DMS plant have started taking and treating samples– first results expected shortly
- Positive bulk sample results could lead to a significant upside to Petra's valuation
- Average value from 310 carat sample previously recovered – US\$295/carat



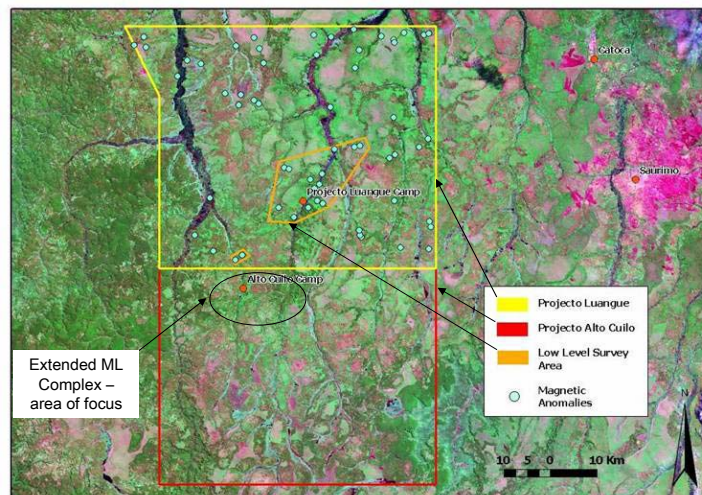
Alto Cuilo – BHP Billiton JV

- BHP Billiton funding Alto Cuilo exploration
- For spend of US\$60 million, BHP Billiton earn a 75% share of Petra/BHP Billiton JV
- 30 April '07 – BHP Billiton funding US\$40.3m
- One of the highest spends in BHP Billiton's global mining & mineral exploration portfolio
- Refer BHP Billiton presentation 22 Feb '07 for further information (www.bhpbilliton.com)

Angola – Project Luangue

- March '07 - Petra acquires interest in Luangue project from Xceldiam
- Luangue borders Alto Cuilo and may host similar kimberlite geology
- Petra's objective is to fast track Luangue based on Alto Cuilo experience
- Consolidates Petra's position in the diamond belt of Angola

Luangue & Alto Cuilo – common border




Luangue – progress to date



- 70 kimberlite type anomalies identified in aerial and ground surveys
- 7 kimberlites proven up from core drilling, 3 with less than 20m overburden
- 12 anomalies prioritised for core drilling over the next 6 months
- Alluvial sampling underway – quality gemstones recovered including one of 18 carats

Angola – Luangue – the way forward



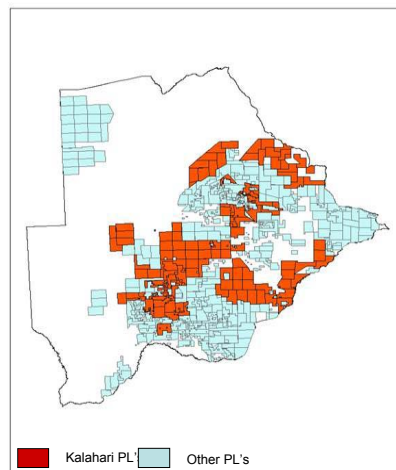
- Luangue team have joined Petra from Xceldiam to ensure smooth handover
- Xcalibur survey scheduled for 2007 – similar survey delivered exceptional results at Alto Cuilo
- Large diameter drill and DMS sampling plant built and to be tested at Koffiefontein mine
- Luangue work programme will be reviewed taking into account Alto Cuilo successes

Botswana

Exploration –

Early stage

Botswana – Petra licence areas



Botswana – exploration – Kalahari Diamonds



- Kalahari Diamonds has approx. 52,000km² of highly prospective diamond exploration ground in Botswana
- Botswana is the world's largest producer of diamonds by value
- Petra has many known kimberlites in its licence areas
- Recent exploration by Petra has identified kimberlite X25 on ground previously covered by other companies
- Other highly prospective anomalies for further investigation, with technical support from BHP Billiton

Botswana – exploration – Kalahari Diamonds

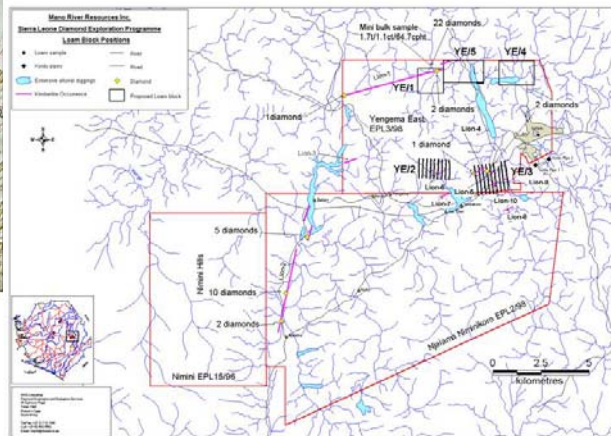


- Petra's 2007 work programme;
- Follow up on the 600 metre diameter gravity anomaly and associated kimberlite (larger than previously accepted)
 - Kimberlite X25 discovered – further work planned for the area
 - Investigation into 20 high priority targets from recent Xcalibur survey at Orapa North
 - Re-evaluation of accumulated geophysical data

Sierra Leone

Exploration – Advanced

Sierra Leone – Kono project



Sierra Leone – Kono project

- Kono project in the world renowned Koidu diamond field
- 51% interest with JV partner Mano River Resources (49%)
- Fissure strike length may exceed strike length of Petra's South African fissure mines
- Potential to yield high grades – indicated by both Mano and Petra sampling
- Diamond recovery commenced June '06 – 638 diamonds (58.78 carats) recovered to date from shaft sinking

Calibrated Diamonds

Beneficiation

Calibrated Diamonds overview



Calibrated is focused on cutting and polishing of diamonds using a unique process – polished diamonds of a very high and consistent standard

Acquisition of Calibrated (Nov. '06) made Petra AIM's first fully integrated mid-tier diamond mining group

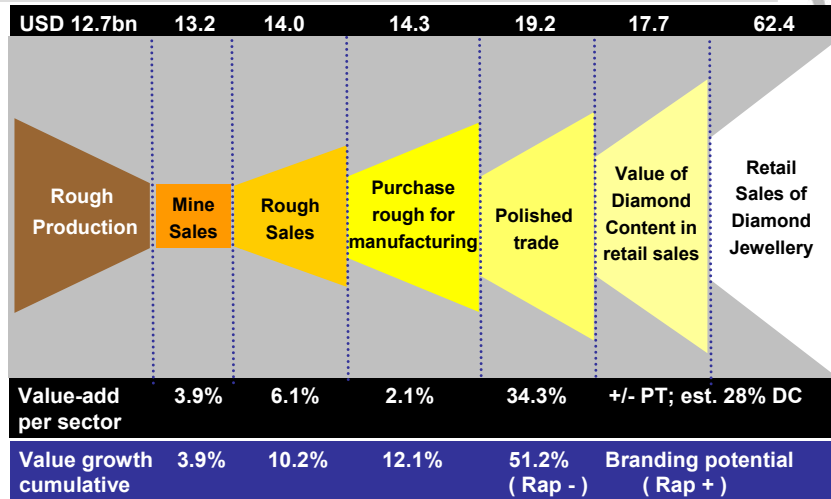
Calibrated has potential to grow Petra's diamond revenues by product value-add, process IP, technology, IT tracking systems and specialised branding initiatives

Beneficiation – Calibrated Diamonds



- Significant value (approx. 50%) is added to rough diamond production world wide through the polishing process
- With Calibrated, Petra can beneficiate its own production, participating in this value-add
- Calibrated has the potential to significantly enhance Petra's revenues and cashflows
- Acquisition also in line with focus of African producer countries to beneficiate diamonds at source
- Transparency of Petra production gives Petra the ability to build a 'mine to finger' supply chain

The Diamond Pipeline



Source: DIB - 2005

Calibrated Diamonds - advantages

Conventional

- Conventional process
- < 0.7% diamonds = symmetry
- Throughput 4-5 days per stone
- Yield (< 52%)
- < 11% ROM
- Labour intensive
- No traceability
- Discount Rap

Calibrated

- CD Process (precision, technology)
- Symmetry (H&A, MY)
- Throughput (2ct/hr/machine)
- Yield average 70%
- Full ROM
- Automated (24 x 7 x 365)
- DNA foot-printing analysis
- Premium Rap



Corporate

Executive management



Adonis Pouroulis
Chairman

- Successful mining entrepreneur; high level mining industry and political relationships
- Founder of Petra Diamonds (1997)



Johan Dippenaar
CEO

- > 17 years experience at executive level
- 15 years in the diamond mining industry
- Joined Petra in Crown merger 2005



David Abery
Finance Director

- Extensive CFO experience in SA and UK
- In-depth knowledge of AIM
- Joined Petra 2003



Jim Davidson
Technical Director

- > 20 years experience in mine management; acknowledged world authority on kimberlite geology and exploration
- Joined Petra in Crown merger 2005

Corporate - financial snapshot

(as at 11 May '07)

▪ Shares in issue	181 million
▪ Fully diluted shares in issue	209 million
▪ Market cap	£290 million
▪ 12 month high/low	167.0p – 82.0p
▪ Production year to June '06	175,011 carats
▪ Revenue year to June '06	US\$20.8 million
▪ Cash	US\$50 million

Share analysis

Share graph

Petra Diamonds (L.S.E. Alternative Investment Market)

160.00 GBp \pm 0.00 (0.00%)



■ PDL.L Price Chart



Source: Reuters - as at 11 May 2007

Major shareholders (11.5.07)

	%
Institutions	53.2
Saad	25.9
Al Rajhi	7.1
Management	6.6
Star Mining	5.0
BHP Billiton	2.2

Broker research

	Target price
Collins Stewart	£2.09
RBC Capital Markets	£1.95

Petra Diamonds - summary

- **Angola** – Alto Cuilo is a world-class asset, partnered with BHP Billiton and set to move rapidly up the value curve; Luangue consolidates Petra's interests in the Angolan diamond belt
- **Botswana** – the world's number one address for diamonds, with Petra being the largest holder of land under diamond prospecting licence; Petra is delivering promising exploration results
- **Sierra Leone** – the leading expert in fissure mining with diamond production having commenced in June '06
- **South Africa** – the leader in fissure mining; acquisition of Koffiefontein adds significant production and revenue; management well versed in hard rock mining
- **Beneficiation** – Calibrated Diamonds gives significant potential for revenue upside due to the value add in the cutting process
- **Corporate** – US\$50m treasury and strong management

