Results for year ended 30 June 2009

29 September 2009
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Petra Diamonds – an introduction

• **Production**
  Substantial producer with over 1m carats production per annum

• **Resources**
  At 262 million carats, one of the world’s largest diamond resources

• **Quality assets**
  Production from 6 mines (5 in South Africa, 1 in Tanzania), with Kimberley Underground to come on-stream

• **Economic and sustainable**
  Well managed cost structure – robust model proven in difficult financial climate

• **Market fundamentals**
  Exposure to the strong supply / demand fundamentals of the diamond industry
Proven track record

Petra’s management has delivered five years consecutive production growth

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Production (carats)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005¹</td>
<td>143,673</td>
<td>n/a</td>
</tr>
<tr>
<td>2006</td>
<td>175,011</td>
<td>21.8%</td>
</tr>
<tr>
<td>2007</td>
<td>180,474</td>
<td>3.1%</td>
</tr>
<tr>
<td>2008²</td>
<td>200,287</td>
<td>11.0%</td>
</tr>
<tr>
<td>2009³</td>
<td>1,099,367</td>
<td>448.9%</td>
</tr>
</tbody>
</table>

¹ Petra Diamonds (exploration) merges with Crown Diamonds (production)
² Petra acquires Koffiefontein mine from De Beers
³ Petra acquires Cullinan and Williamson mines from De Beers

Five year plan: increase production to two million carats per annum

Ten year plan: increase production to three million carats per annum
The diamond market
Diamond market – partial recovery

- Global economic downturn caused severe price declines
- Major cuts in supply helped support market
- Prices now stable
- Improved market conditions prompt release of inventories
- Demand picking up slowly in US
- Demand growth continues in Asia
- Further recovery expected (6 to 18 months) but subject to volatility

Source: WWW International Diamond Consultants Limited
Long term supply / demand: the perfect storm

• True scarcity – only 15 years of known diamond reserves left (source: BHP Billiton / Rio Tinto analysis)

• No new discoveries since early 1990s, despite exploration boom

• Many of the world’s largest diamond mines have been in production for a long time:
  • Diamond pipe orebodies become smaller at depth
  • Older mines moving to underground mining
  • Difficult to sustain peak production levels

• New mines are generally smaller in size – no major new production coming on stream

• Supply shortfall exacerbated by planned cuts in CAPEX and exploration, brought about by global economic downturn

• The world has seen peak diamond production – the above indicates ever tightening of supply
Demand growth driven by urbanisation

- US still most important market but share decreased to ~ 40%
- Strong recovery in emerging markets
- Signs of export economies (Japan/China) moving towards domestic consumption driven markets
- Urbanisation trend to deliver millions of consumers to middle classes
- China now third largest consumer of diamonds behind US and Japan (10% marketshare)
- Total jewellery consumption in China and India is forecast to grow at a CAGR of around 9% (2010-2015)*
- Shortage of gem quality rough likely to create firm long-term prices

* Source: KPMG: “The global gems and jewellery industry”
Results for year ended 30 June 2009
Summary results – key numbers

<table>
<thead>
<tr>
<th></th>
<th>12 months to June 2009</th>
<th>12 months to June 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>69.3</td>
<td>76.9</td>
</tr>
<tr>
<td>Profit from mining activity</td>
<td>7.8</td>
<td>38.8</td>
</tr>
<tr>
<td>Exploration *</td>
<td>(13.7)</td>
<td>(9.5)</td>
</tr>
<tr>
<td>Corporate overhead *</td>
<td>(5.9)</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Adjusted EBITDA **</td>
<td>(8.6)</td>
<td>25.5</td>
</tr>
<tr>
<td>Depreciation/amortisation</td>
<td>(14.9)</td>
<td>(10.9)</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>(75.2)</td>
<td>-</td>
</tr>
<tr>
<td>Net finance (expense)/income</td>
<td>(6.3)</td>
<td>0.8</td>
</tr>
<tr>
<td>Tax credit /(charge)</td>
<td>3.4</td>
<td>(5.9)</td>
</tr>
<tr>
<td>(Loss) / profit for the period ***</td>
<td>(88.9)</td>
<td>1.9</td>
</tr>
</tbody>
</table>

* Stated before depreciation, amortisation of intangibles, interest paid, foreign exchange gains and losses, asset impairment charges and share based payments.
** EBITDA disclosures are “adjusted EBITDA”, being stated before share based expense, foreign exchange gains and losses and asset impairment charges.
*** Stated before minority interests (BEE partners Cullinan, Koffiefontein, Sedibeng) of US$1.9 million.
# Group production and sales summary

<table>
<thead>
<tr>
<th>Unit</th>
<th>Year ended 30 June 2009</th>
<th>Year ended 30 June 2008</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diamonds produced</td>
<td>Carats</td>
<td>1,099,367</td>
<td>200,287</td>
</tr>
<tr>
<td>(gross, 100% Cullinan*)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (gross, 100% Cullinan **)</td>
<td>US$M</td>
<td>94.4</td>
<td>77.3</td>
</tr>
<tr>
<td>Diamonds sold (gross, 100% Cullinan)</td>
<td>Carats</td>
<td>1,011,707</td>
<td>230,172</td>
</tr>
<tr>
<td>Average price per carat</td>
<td>US$</td>
<td>93</td>
<td>336</td>
</tr>
</tbody>
</table>

* Net group production for IFRS reporting (adjusted to 50% Cullinan consolidated before minorities), 655,069 carats.
** Net group revenue for IFRS reporting (adjusted to 50% Cullinan consolidated before minorities), US$68.7 million.
*** Decrease in average value per carat due to Cullinan production coming on stream.
key highlights

• Mine gross revenue: US$94.4 million, a 22.2% increase on FY2008: US$77.3 million; Group attributable revenue US$69.3 million (2008: US$76.9 million)
• Profit from mining activity (before depreciation) US$7.8 million (2008: US$38.8 million), a notable achievement in a very tough diamond market
• Adjusted EBITDA loss US$8.6 million (2008: US$25.5 million); EDITDA before exploration expenditure of US$13.7 million (now largely discontinued) would have been US$5.1 million
• Net increase in production and sales largely due to Cullinan mine coming on stream in July 2008 and Williamson in November 2008, offset by the falls in rough diamond prices across all operations in line with market conditions
• Withdrawal in December 2008 from all exploration activities in Angola (Alto Cuilo and Luangue), reducing annual exploration spend by US$25 million

Post period end:
• US$20 million convertible bond due to mature in September 2009 extended to March 2011
• Tenders of FY10 (July and September) recorded good prices
### Cash and debt

<table>
<thead>
<tr>
<th></th>
<th>30 June ‘09</th>
<th>30 June ‘08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>11.1</td>
<td>37.5</td>
</tr>
<tr>
<td>Group debt</td>
<td>101.7</td>
<td>21.9</td>
</tr>
</tbody>
</table>

- Group debt June 09: Al Rajhi loan (50% share) US$43.3m; Al Rajhi con note US$20m; bank and similar facilities US$38.4m

- Petra may undertake a small fundraising for working capital top up – larger fund raising for capital development only if market conditions right and shareholder accretive to raise money and develop mines; aim to minimise the issuance of any new Petra equity by way of a fund raising

- Kimberley Underground development and plant largely already financed from internal funds; proceeds of 507 carat diamond expected to provide flexibility with Cullinan development finance
Operations overview
Petra’s mine portfolio

Production

South Africa
- Cullinan
- Koffiefontein
- Kimberley Underground*
  - Helam (‘fissure’ mine)
  - Sedibeng (‘fissure’ mine)
  - Star (‘fissure’ mine)

Tanzania
- Williamson

* Acquisition to complete soon
Reserves and Resources

Attributable carat base

- Fissures - 4.5
- Kimberley - 5.2
- Koffiefontein - 4.2
- Williamson - 30.0
- Cullinan - 75.7

119 million carats

Total carat base

- Fissures - 4.7
- Kimberley - 6.9
- Koffiefontein - 5.9
- Williamson - 40.1
- Cullinan - 204.6

262 million carats

Note: Petra has options to increase its ownership in Cullinan from 37% to 60%, increasing attributable carat base
## Cullinan

<table>
<thead>
<tr>
<th>Ownership</th>
<th>37% Petra / 37% Al Rajhi / 26% BEE partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of acquisition</td>
<td>July 2008</td>
</tr>
<tr>
<td>Mining type</td>
<td>Block cave mining at 747m</td>
</tr>
<tr>
<td>FY09 production</td>
<td>888,595 carats</td>
</tr>
<tr>
<td>FY09 average value per carat</td>
<td>US$66</td>
</tr>
<tr>
<td>FY09 grade</td>
<td>41 cpht</td>
</tr>
<tr>
<td>FY09 cost per tonne</td>
<td>R169</td>
</tr>
<tr>
<td>Mine life</td>
<td>+21 years</td>
</tr>
</tbody>
</table>

- Capex for Period was R180m (US$12m) – mostly spent on plant refurbishment and upgrade
- Recovery of two exceptional blue diamonds – one of 39.19 carats and one of 26.58 carats – together sold for US$18.2m
- Operating costs well managed
‘Flawless’ Cullinan blue sets world record (May ‘09)

PETRA BEATS DIAMOND INDUSTRY BLUES

Record £6m for diamond

SWITZERLAND: A rare 7.03-carat flawless blue diamond sold for 9.3 million Swiss francs (more than £5.54m), the highest price yet for a gem of its kind, auctioneers Sotheby’s said.

At £6.2m, this diamond is forever
A new important Cullinan find

- 507.55 carat diamond recovered 24 September 2009
- Considered amongst the top 20 largest high quality rough diamonds ever found worldwide
- Initial indications are it is of exceptional colour and quality – likely a Type II
- Three other specials recovered in same series: 168.00 carat, 58.50 carat and 53.30 carat diamonds
- Diamond now undergoing expert analysis – marketing plan under review
Increase diamond production to 2.6 million carats pa

- 1.99 Mtpa will be ramped up to interim target of 2.3 Mtpa by 2014
- An expansion programme to gain access to first portions of the C-Cut will enable production growth to 3 Mtpa by 2015 and then 4 Mtpa by 2019; >20 years LOM
- Grade expected to increase to 43 cpht and then to 55 cpht due to majority of tonnes accessed in high grade western section
- Tailings treatment facility will cater for treatment of 1 Mt by 2012, ramping up to 4 Mt by 2014 (resources sufficient for 40 years at this level)

Capex requirements
- Estimated US$357 million to be spent over 10 year life of expansion programme until 2019
- Approx US$30 million will be required during period to 2012 – recovery of 507 carat special provides flexibility on funding
- Mine will then generate sufficient cash flow to fund remaining Capex
Koffiefontein

Ownership

<table>
<thead>
<tr>
<th>Ownership</th>
<th>70% Petra / 30% BEE partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of acquisition</td>
<td>July 2007</td>
</tr>
<tr>
<td>Mining type</td>
<td>Front cave mining at 490m</td>
</tr>
<tr>
<td>FY09 production</td>
<td>52,089 carats</td>
</tr>
<tr>
<td>FY09 average value per carat</td>
<td>US$252</td>
</tr>
<tr>
<td>FY09 grade</td>
<td>6.6 cpht</td>
</tr>
<tr>
<td>FY09 cost per tonne</td>
<td>R96</td>
</tr>
<tr>
<td>Mine life</td>
<td>21 years</td>
</tr>
</tbody>
</table>

One of the world’s top kimberlite mines by value - renowned for high value white diamonds a regular producer of coveted pink diamonds

- Production lower than last year due to delays bringing into production new sections of front cave on 49 and 52 level
- Recovery of several exceptional diamonds – 74 carat white sold for +US$1 million
- Plant now capable of treating 1.5 Mtpa – potential for increased tonnages from underground and satellite Ebenheazer pipe
Koffiefontein – the future

- Annual production to exceed 1 Mtpa within 3 years and reach 1.2 Mtpa within 5 years
- Production at 1.2 Mtpa will sustain a life of mine in excess of 20 years delivering 104,000 run of mine carats per annum
- ROM grade expected to increase to 8.7 cpht – new blocks will deliver undiluted ore and access to higher grade areas
- The 65 Mt (~1.42m carats) of tailings resource can yield in excess of 10,000 carats per annum over the life of mine
- Resource of 30 Mt (1m carats) in satellite Ebenhaezer pipe
  - Limited tonnes treated confirm grade +3 cpht with occurrence of good quality pink diamonds
  - 240,000 tonnes included in 2010 and 2011 mining plans

Capex:
- Total Capex over next 10 years estimated at R300 million (US$37 million at R7.50), all of which will be funded from operating cash flows on mine
Kimberley Underground mines

- Acquisition expected to complete in near future:
  - Complex and lengthy process – MPRDA Section 102 cession application for ceding of portions of the converted original mining right
  - Care and maintenance period has enabled Petra to build up a substantial stockpile of ore – 286,000 tonnes containing in excess of 40,000 carats
  - Full production and diamond recoveries can commence on completion

Capex to date
- R186m spent to date on underground refurbishment, construction of Joint Shaft plant and general care and maintenance costs over the Period

Future Capex
- US$22.5m for underground development at both Dutoitspan and Wesselton and construction of further diamond recovery plant at Wesselton shaft
- Resulting in 12 year LOM producing in excess of 100,000 carats pa
Joint Shaft plant construction in progress

All sections created by Petra’s in-house team – significant savings to Group compared to using external contractors
Narrow vein, low tonnage ‘fissure’ operations; high value kimberlite mines in comparison to world average.

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Sedibeng: Petra 74.5%/BEE 25.5%; Helam &amp; Star Petra 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining type</td>
<td>Helam: Full shrinkage overhand stoping Sedibeng: Full shrinkage overhand stoping Star: Open stope underhand</td>
</tr>
<tr>
<td>FY09 production</td>
<td>71,274 carats</td>
</tr>
<tr>
<td>FY09 average value per carat</td>
<td>US$186</td>
</tr>
<tr>
<td>FY09 grade</td>
<td>37.7 cpht</td>
</tr>
<tr>
<td>FY09 cost per tonne</td>
<td>R550</td>
</tr>
<tr>
<td>Mine life</td>
<td>Combined +15 yrs</td>
</tr>
</tbody>
</table>

- 126.69 carat diamond sold for US$5.25 million
- Strategic review completed at Helam and Star – both mines operated at lower levels of production
- Future production planned to be in excess of 120,000 carats pa
Williamson

<table>
<thead>
<tr>
<th>Ownership</th>
<th>75% Petra / 25% Government of Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of acquisition</td>
<td>November 2008</td>
</tr>
<tr>
<td>Mining type</td>
<td>Open pit mining at 90m (deepest point)</td>
</tr>
<tr>
<td>FY09 bulk sampling:</td>
<td></td>
</tr>
<tr>
<td>Carats recovered</td>
<td>84,486</td>
</tr>
<tr>
<td>Value per carat</td>
<td>US$126</td>
</tr>
<tr>
<td>Grade</td>
<td>5.7 cpht</td>
</tr>
</tbody>
</table>

- Nov ‘09 – majority stake in Williamson acquired for U$10m
- Feasibility study currently underway to establish new economics of the mine (incl. grade, value per carat, cost per tonne and overall production capacity)
- Net costs of $6.2m for feasibility study capitalised for Period
- 47.15 carat Type II white diamond sold for US$637,000

Largest kimberlite to be mined economically at 146 hectares; renowned for high value and pink diamonds.
Williamson – the future

Expansion plan
• Increase throughput to between 7.5 and 10 Mtpa, for production of 500,000 to 600,000 carats pa
• Mine life of 19 years
• Will only take mining to a depth of 260m below surface, extracting 170 Mt of 992 Mt total resource

Programme will include:
• Re-shaping of open pit to cater for a 10 Mtpa extraction rate
• Installation of an autogenous mill to maximise liberation of the clay-rich RVK material (already manufactured and paid for by Petra – US$5m)
• Enhanced diamond recovery system catering for Type II diamonds

Capex and timetable
• Capex estimated at US$45 million to US$50 million
• Likely to be completed within 3 year period
• No production will be undertaken in the initial stage from the main pit due to the re-shaping of the pit and the refurbishment of the current plant
Conclusion

• **Track record**
  Proven depth of management and technical skill-set

• **Substantial growth**
  2 million carats production in 5 years; 3 million carats production in 10 years

• **Effective cost structure**
  Delivers production and Capex programmes in cost effective manner

• **Long-term prospects**
  Utilising Group resources optimally to ensure maximum mine lives

• **Improving market**
  Operations ideally placed to benefit from strong future diamond price environment

• **Opportunity for superior returns to shareholders**
Appendix
## Capital structure

<table>
<thead>
<tr>
<th>Major Shareholders</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saad Group</td>
<td>44.0</td>
</tr>
<tr>
<td>JP Morgan</td>
<td>9.6</td>
</tr>
<tr>
<td>Al Rajhi</td>
<td>9.0</td>
</tr>
<tr>
<td>Management</td>
<td>8.5</td>
</tr>
</tbody>
</table>

On 14 April 2009, the Petra directors substantially increased their holdings in the company by purchasing 4.1 million Petra shares.

<table>
<thead>
<tr>
<th>Listing</th>
<th>AIM: PDL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares in Issue</td>
<td>184 million</td>
</tr>
<tr>
<td>Fully diluted</td>
<td>203 million</td>
</tr>
<tr>
<td>Share price @ 28 Sep 09</td>
<td>62 pence</td>
</tr>
<tr>
<td>52 week high</td>
<td>104 pence</td>
</tr>
<tr>
<td>52 week low</td>
<td>22.4 pence</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>£114 million</td>
</tr>
</tbody>
</table>

### Share Price Chart

![Share Price Chart](chart.png)

### Number of trades

![Number of trades](chart.png)
# The Petra Board

<table>
<thead>
<tr>
<th></th>
<th>Adonis Pouroulis</th>
<th>Johan Dippenaar</th>
<th>David Abery</th>
<th>Jim Davidson</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chairman</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CEO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Finance Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Technical Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Adonis Pouroulis**  
  Successful mining entrepreneur  
  Founded Petra Diamonds in 1997 and floated first diamond company on AIM  
  Along with fellow directors, built Petra into pan-African diamond group with 4000 employees  
  Instrumental in raising funds to help finance and structure early stage mining companies in Africa

- **Johan Dippenaar**  
  One of South Africa’s most successful diamond entrepreneurs with 20 years experience  
  Founded diamond group in 1990 and grew portfolio to 3 producing mines before listing as Crown Diamonds on ASX  
  Merger with Petra in 2005 – now at helm of AIM’s largest diamond company

- **David Abery**  
  Extensive experience as Chief Financial Officer in South African and UK business environments  
  In-depth knowledge of AIM  
  Integral to structuring and deliverance of strategic group corporate development, including acquisitions and joint ventures

- **Jim Davidson**  
  Acknowledged world authority on Kimberlite geology and exploration  
  >20 years experience in mine management  
  Formerly Head of Diamond Exploration for Rio Tinto across Southern Africa  
  As Technical Director of Crown Diamonds, managed specialist underground fissure mines over a decade
## Impairment charges

The impairment charge of US$75.2 million is comprised of:

<table>
<thead>
<tr>
<th>Description</th>
<th>US$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawal from Luangue</td>
<td>37.0</td>
</tr>
<tr>
<td>Withdrawal from Alto Cuilo</td>
<td>6.0</td>
</tr>
<tr>
<td>(write down of interest in Moyoweno)</td>
<td></td>
</tr>
<tr>
<td>Impairment of Helam mine based on IAS36 review</td>
<td>12.9</td>
</tr>
<tr>
<td>Impairment of Star mine based on IAS36 review</td>
<td>10.8</td>
</tr>
<tr>
<td>Impairment of 51% interest in Kono project</td>
<td>8.5</td>
</tr>
</tbody>
</table>