

Bank of America Merrill Lynch Global Metals & Mining Conference

10 May 2016



PetraDiamonds



The Cullinan mine, South Africa



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Discover Petra...

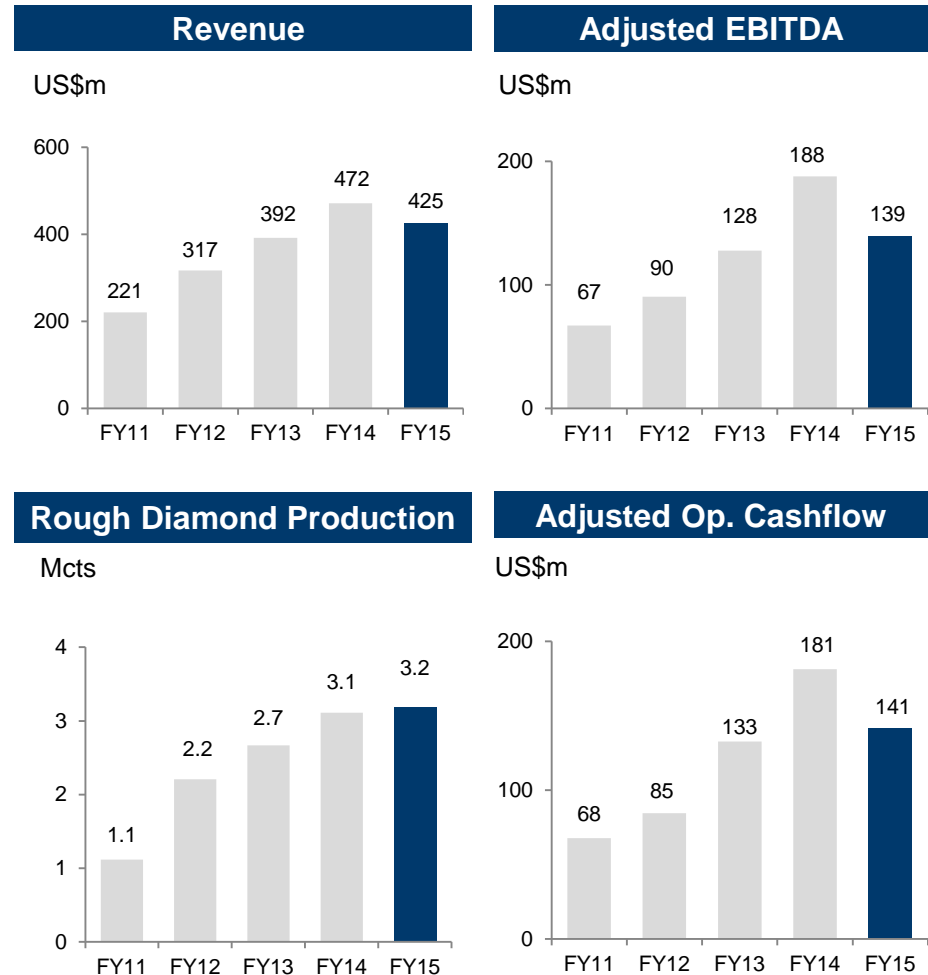
...a leading independent diamond miner with a diversified portfolio and high quality team

Petra's funded expansion plans expected to:

- Improve grades
- Improve product mix
- Improve operating costs

Leading to:

- Significantly higher operating margins
- Production growth to ca. 5 Mcts by FY 2019



An Exceptional Growth Path

July 2007

Koffiefontein



70% Petra¹; 30% BEE

Sub-level / Block Cave
Mine Plan to 2025
+20yr Potential Life

July 2008

Cullinan



74%¹ Petra; 26% BEE

Block Cave
Mine Plan to 2030
+50yr Potential Life

February 2009

Williamson



75% Petra¹; 25%
Government of Tanzania

Open Pit
Mine Plan to 2033
+50yr Potential Life

May 2010

Kimberley UG



74% Petra¹; 26% BEE

Block Cave
Mine Plan to 2026
+13yr Potential Life

September 2011

Finsch



74% Petra¹; 26% BEE

Sub-level / Block Cave
Mine Plan to 2030
+25yr Potential Life

January 2016

Kimberley Mines



49.9% Petra; 50.1%
Ekapa

Tailings Operations
Mine Plan to 2019
+20yr Potential Life

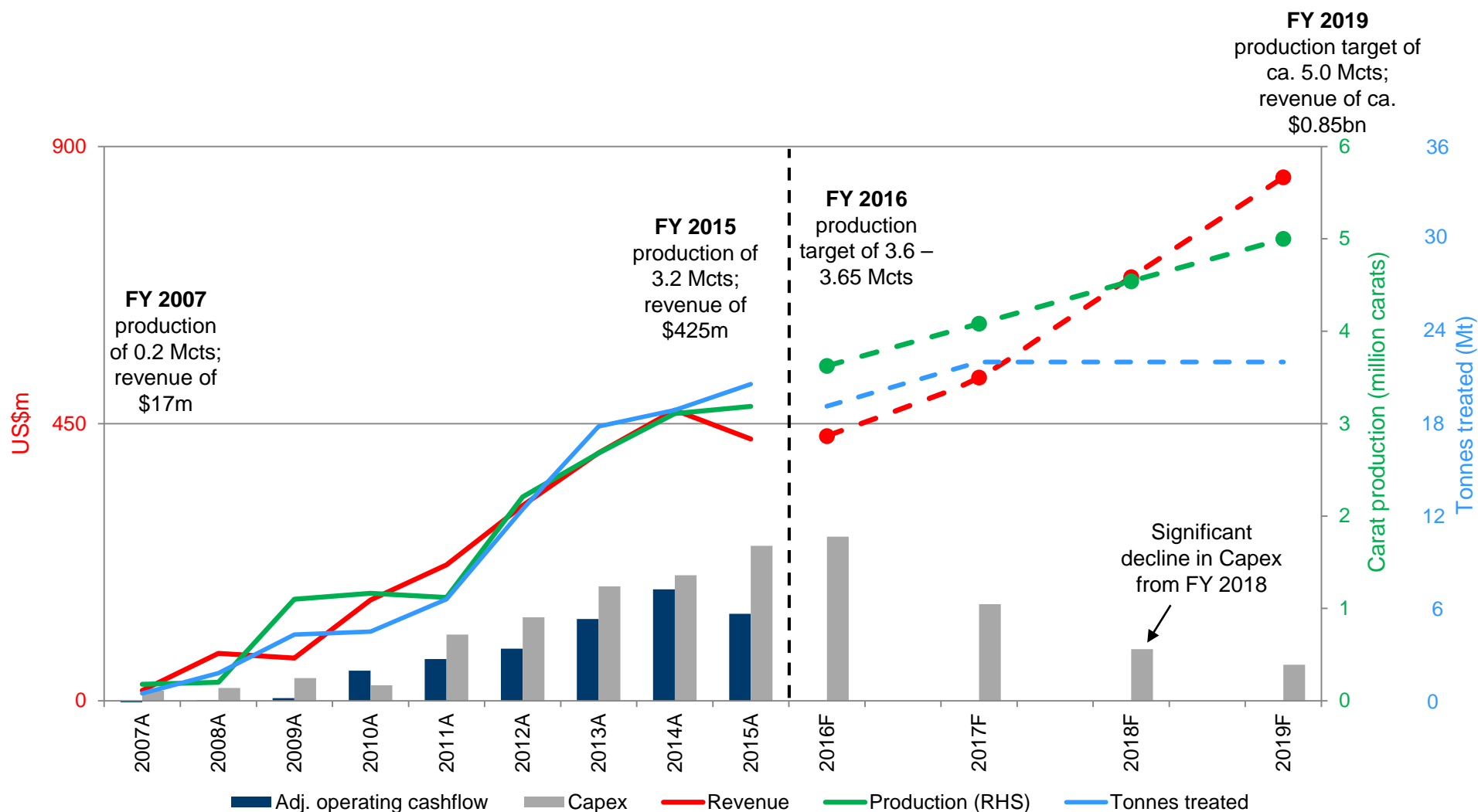
Petra has acquired six non-core diamond mining operations from De Beers

Petra approach:

- Flat management structures
- Focus on efficiencies / cost control
- Focus on value as opposed to volume production
- Utilise in-house expertise / knowledge
- Phased approach to development (lower capital intensity)
- Make decisions, get going

1. See 'Effective Interest in Mines' document on <https://www.petradiamonds.com/investors/analysts/analyst-guidance> for further disclosures re. Petra's effective interest in its mines

Outlook – Growth and Margin Expansion



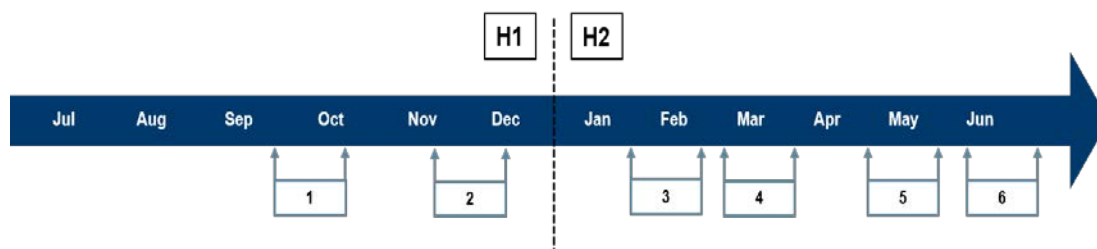
Notes: 1. All forecasts for Capex, revenue and production are management estimates. 2. Capex is in nominal terms. 3. Forecast revenue calculated using FY 2016 guided prices less 9%, flat pricing for FY 2017 (real terms), and thereafter a 4% annual real price increase.

On Track to meet FY 2016 Guidance

Q3 FY 2016 – Production and Sales Summary

	Unit	Q3 FY 2016	Q3 FY 2015	Variance	9 Mths to 31 Mar 2016	9 Mths to 31 Mar 2015	Variance
Production							
ROM diamonds	Carats	646,850	563,902	+15%	1,890,556	1,731,884	+9%
Tailings & other diamonds	Carats	349,055	227,541	+53%	734,752	660,627	+11%
Total diamonds	Carats	995,905	791,443	+26%	2,625,308	2,392,511	+10%
Sales							
Diamonds sold	Carats	937,526	826,815	+13%	2,240,568	2,228,377	+1%
Gross revenue	US\$M	120.5	96.1	+25%	274.4	311.0	-12%

Petra tender sales cycle – sales weighted to H2



**23ct Williamson pink
sold for \$10m – Dec 2015**



**32ct Williamson pink
sold for \$15m – Mar 2016**



Diamond Market – Overview

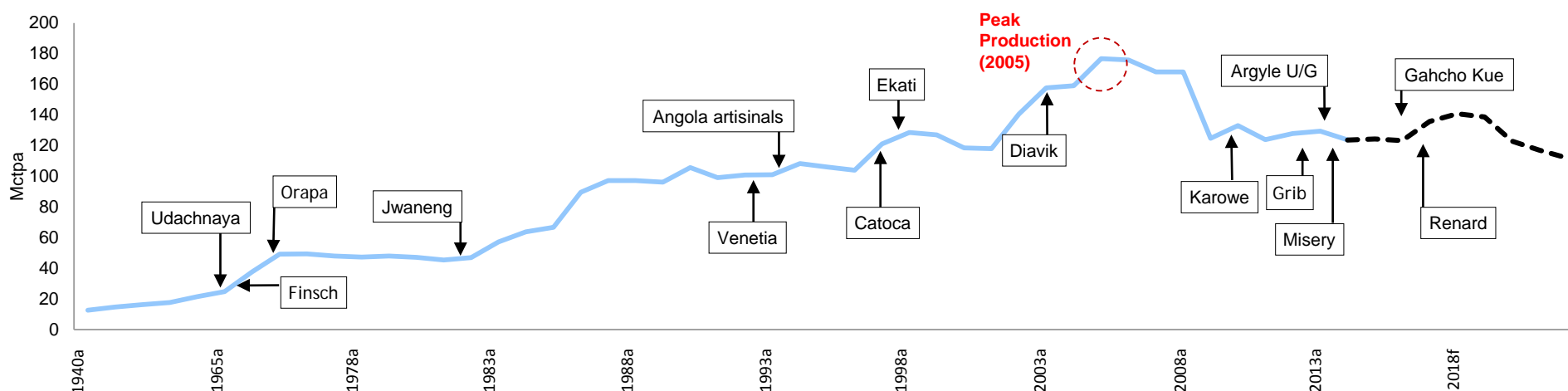
Supply

- **Supply constraints:** Global rough diamond production decreased 4% to 125 Mcts worth \$14.5bn in 2014 (average \$116/ct); estimated to be similar level in 2015
- **No new finds:** success rate in diamond exploration estimated to be <1% - no significant finds this century, plus exploration expenditure cut worldwide
- **Overall declining trend:** 2005 expected to have been world peak diamond production
- New mines coming on stream in next few years not large enough to counter declines from world's major producers
- World supply expected to decline slowly after 2018 / 2019

Demand

- **US remains the major market:** strong diamond buying culture; retail sales currently performing well
- **"Late cycle" commodity:** growth in developed and emerging markets to continue further to rising wealth and growing middle classes worldwide
- **Bridal underpin:** The bridal sector provides a certain level of immunity to fluctuating economic conditions; desire for diamond bridal jewellery increasingly taking hold in emerging markets
- **Mass luxury:** China / India starting to follow US model of affordable diamond jewellery (US\$200 to + US\$2,000)

Global Diamond Supply – Historical and Forecast Rough Production



Diamond Market – Current Trading and Outlook

FY 2016 Market Conditions

- Main issues impacting market:
 - Higher than usual inventories
 - Liquidity / profitability issues in midstream
 - Impact of the strong USD
 - Slowdown in demand from China

Petra pricing fell ca. 9% in Oct 2015

- Steps taken to address market challenges:
 - Significantly reduced supply (reduction cuts and lower sales volumes from majors)
 - Reduced rough diamond pricing
 - Increased consumer marketing

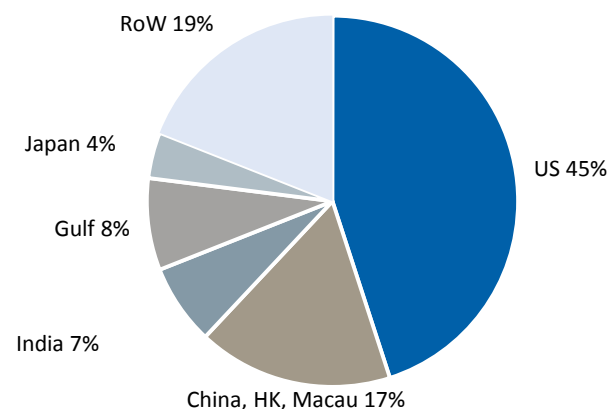
Petra prices stabilised in Dec 2015

- Solid Christmas sales in major US market
- Chinese market remained weak; indication that wealthy Chinese are purchasing abroad

Petra prices up 3.5% in Jan to Mar 2016

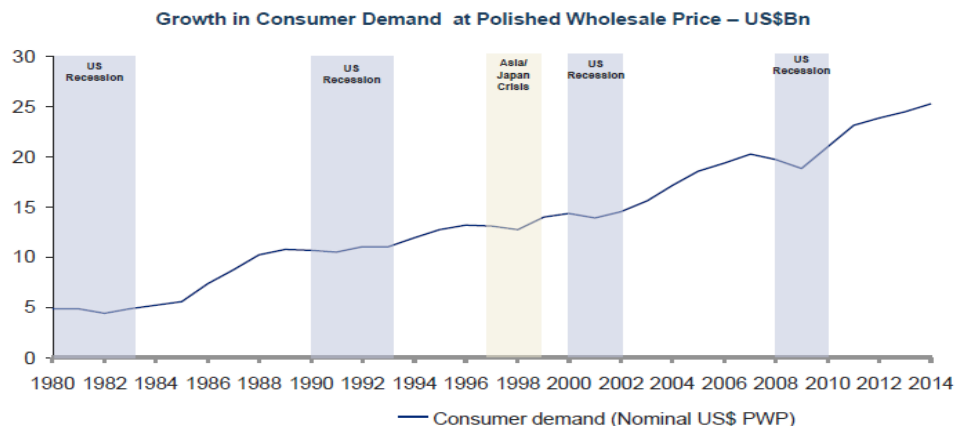
- Diamond Producers Association to unveil marketing platform at JCK Vegas Show on 3 June

The US remains the dominant diamond consumer market



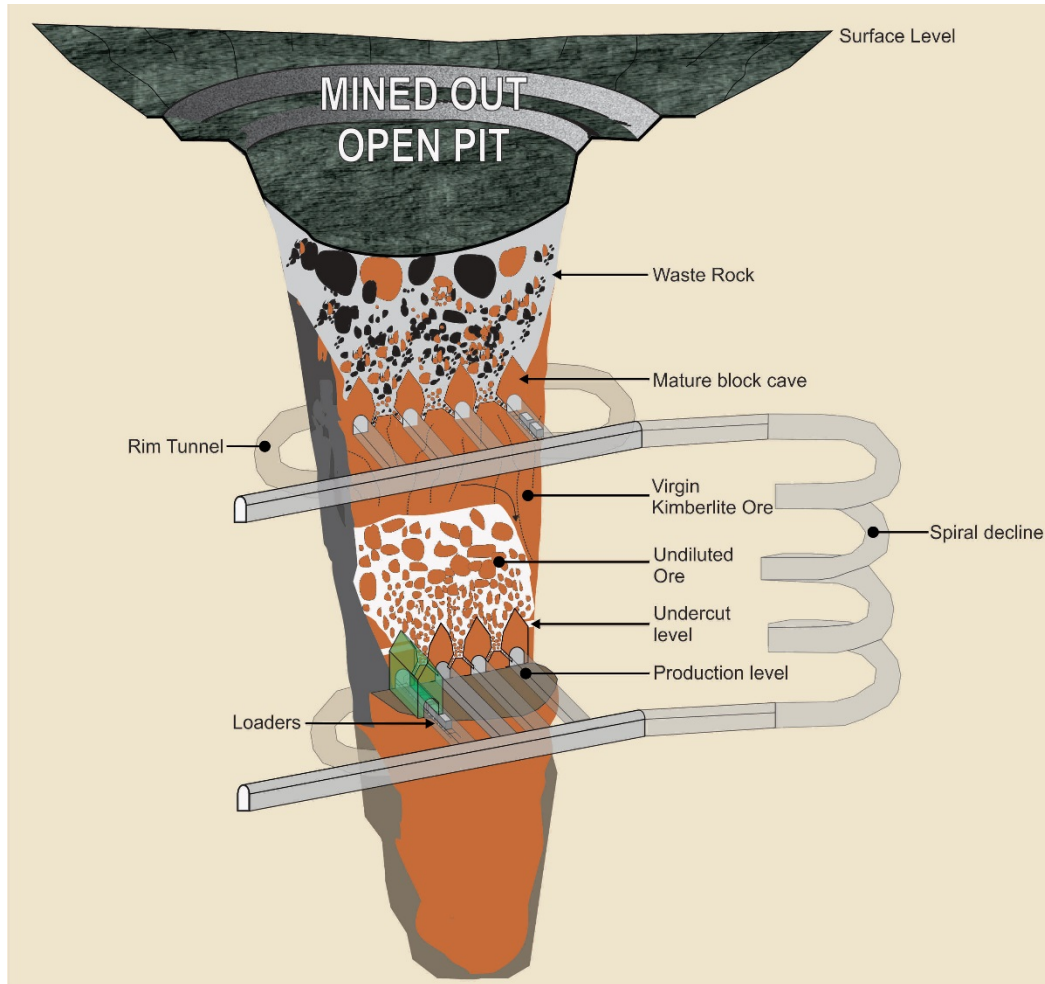
Source: De Beers Diamond Insight – April 2016

Diamond market historically recovers from periods of weakness



Source: De Beers Internal Analysis / courtesy of Anglo American

Moving into Undiluted Ore

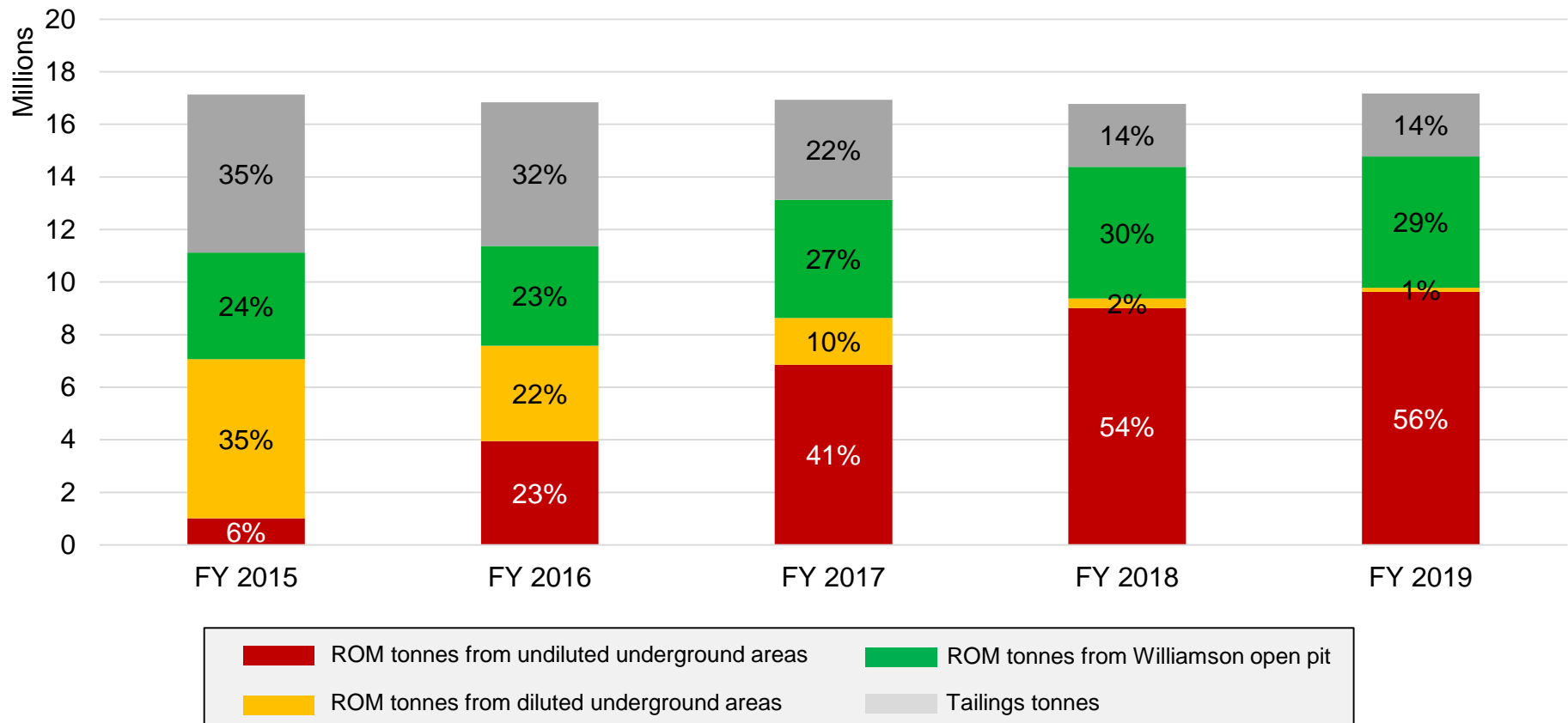


- Caving is a safe and proven mechanised mining method; provides access to higher volumes of ore than other methods
- Current underground mining taking place in diluted, mature caves nearing end of lives
- Expansion programmes to take next 'cut' by deepening and establishing new block/sub level caves in undiluted kimberlite
- Grades expected to rise significantly, increasing margin per tonne mined, especially at Finsch and Cullinan
- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)

Transition from Low to High Quality Tonnes

- Increase in ROM grades and lower contribution of tailings to drive ca. 60% growth in production
- Flat tonnage throughput helps contain costs

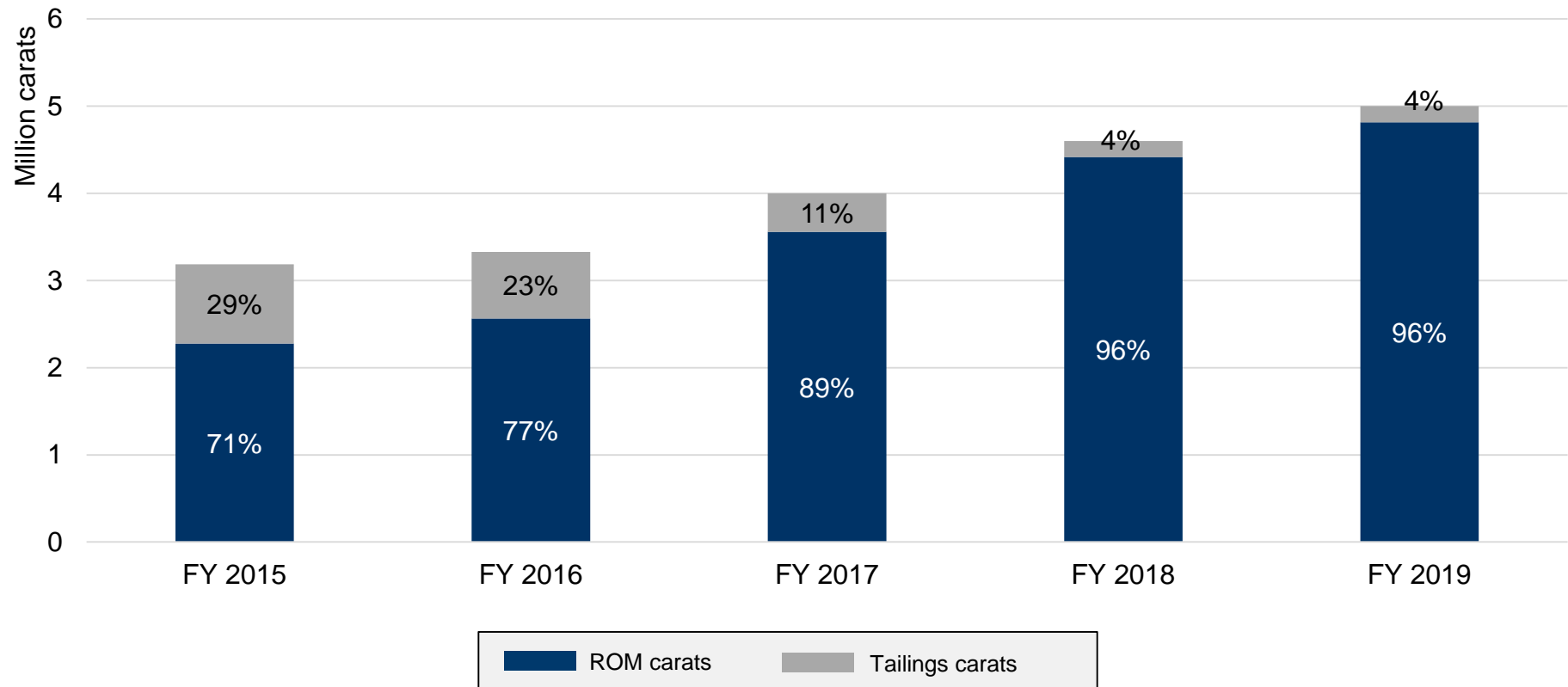
Split of Petra's tonnage profile from different ore sources



Improving Product Mix

- Lower value tailings to reduce from 1 in 3 carats in FY 2015 to 1 in 20 by FY 2018
- ROM carats are worth 2 to 3 times the value of tailings carats

Split of carat production from ROM vs Tailings



Capex fully funded from Treasury, Bank Facilities and Cashflows

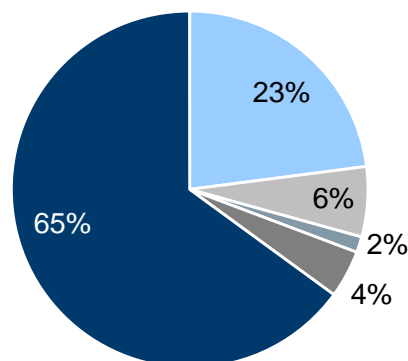
	Unit	31 March 2016	31 December 2015	30 June 2015
<i>Closing exchange rate used for conversion</i>		<i>R14.76/US\$1</i>	<i>R15.46/US\$1</i>	<i>R12.16/US\$1</i>
Cash at bank	US\$m	39.0	42.1	166.6
Diamond inventories	Carats US\$m	721,259 ¹ 54.3	666,357 57.4	339,489 33.5
Diamond debtors	US\$m	46.0	1.4	57.6
US\$ loan notes (including accrued interest)	US\$m	308.2	302.1	303.3
Bank loans and borrowings	US\$m	126.4	63.9	35.0
Net debt	US\$m	395.6	323.9	171.7
Bank facilities undrawn and available	ZARm	1,595	2,644	2,800
	US\$m	6.2	6.2	25.0
	Total US\$m equivalent	114.2	177.1	255.1

1. Q3 diamond inventories are higher due to increased production volumes (with additional carats from the Kimberley Ekapa Mining Consortium), plus second Williamson tender of H2 did not take place until just after the end of Q3

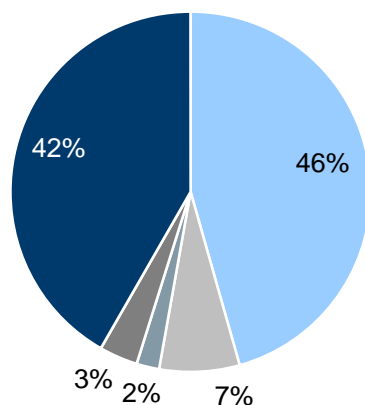
Petra Portfolio – FY 2015 vs FY 2019

Gross Production

FY 2015 actual: 3.2 million carats

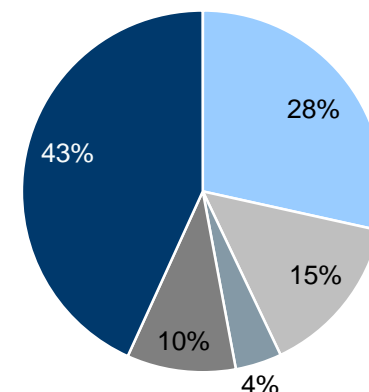


FY 2019: ca. 5 million carats¹

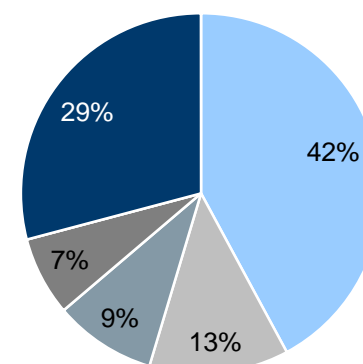


Gross Revenue

FY 2015 actual: US\$425.0 million



FY 2019: ca. US\$850 million^{1 & 2}



Notes: 1. FY 2019 figures are management estimates; 2. Forecast revenue calculated using FY 2016 guided prices less 9%, flat pricing for FY 2017 (real terms), and thereafter a 4% annual real price increase



PetraDiamonds



The Williamson mine in Tanzania owns and operates the Mwadui Primary School, which provides free education to 460 students

Appendix

Sustainability at the Heart of Petra

Petra Diamonds Ltd
SHORTLISTED
ACHIEVEMENT IN
SUSTAINABILITY AWARD

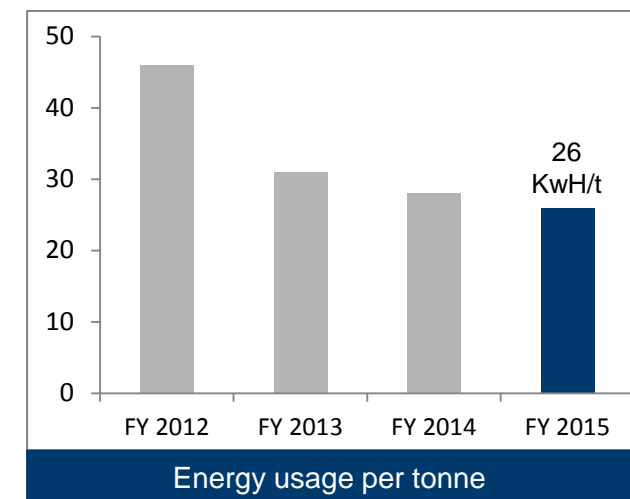
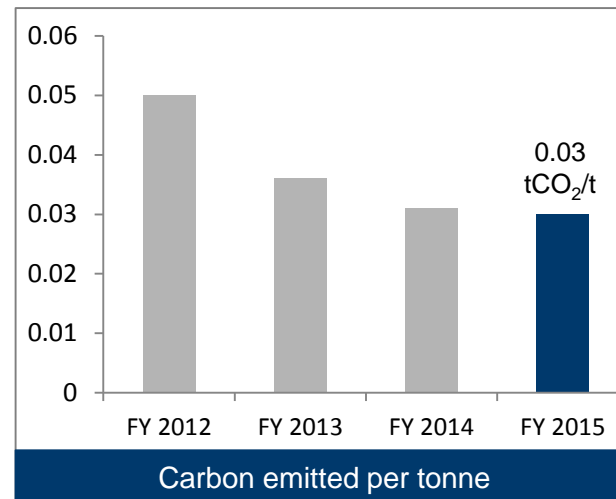
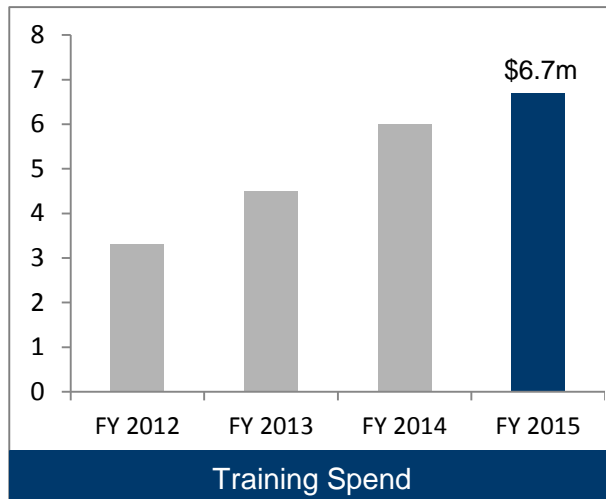
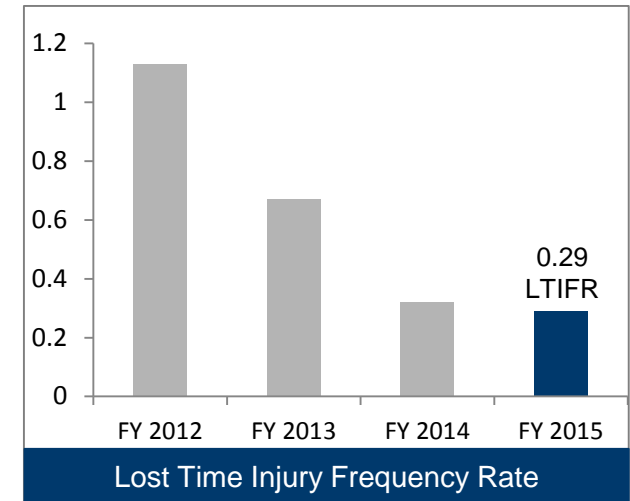


FTSE4Good



PetraDiamonds

- Petra strives for continuous improvement across all CSR areas
- Petra CSR programmes focus on sustainable job creation, poverty alleviation, education, skills transfer and local enterprise development
- Good track record of managing labour relations in South Africa – limited industrial action over +25 year operating history
- Petra Diamonds Employee Trust owns proportion of BEE stake in South African mines – annual distributions to employees commenced in December 2014
- Dec 2015: Inclusion in FTSE4Good Index



Capital Structure

Share Price (1 year to 3 May 2016) vs FTSE 350 Mining



High Quality Share Register (as at 3 May 2016)

	% ISC
BlackRock Investment (UK) Limited	13.2%
T. Rowe Price	11.9%
Standard Life Investments (Holdings) Limited	8.4%
M&G Investment Funds	5.5%
Directors	3.2%

Listing

	LSE: PDL
Average daily trading volume (shares) – (YTD)	3.7m
Shares in issue	522.8m
Free float	89.3%
Market cap @ 113.28p (3 May 2016)	£592m / US\$852m



Adonis Pouroulis
Non-Executive Chairman

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 over 5,000 employees (as at 30 June 2013)
Instrumental in raising funds to help finance and structure early stage mining companies in Africa



Johan Dippenaar
CEO

One of South Africa's most successful diamond entrepreneurs with 25 years' experience
Founded diamond group in 1990 and grew portfolio to three producing mines before listing as Crown Diamonds on ASX
Merger with Petra in 2005 – now at helm of London's largest diamond company



David Abery
Finance Director

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



Jim Davidson
Technical Director

Acknowledged world authority on kimberlite geology and exploration
+20 years' experience in diamond 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



Tony Lowrie
Senior Independent Non-Executive Director

Over 35 years' association with the equities business and an experienced NED
Formerly Chairman of ABN AMRO Asia Securities & MD of ABN AMRO Bank. Has previously been a NED of Allied Gold Plc (prior to its merger with St Barbara Limited), Dragon Oil plc, J. D. Wetherspoon plc and several quoted Asian closed end funds
Currently NED of Kenmare Resources plc and a Director of the Edinburgh Dragon Fund



Dr Patrick Bartlett
Independent Non-Executive Director

Acknowledged expert on kimberlite geology and design and geotechnical aspects of block caving
Formerly Chief Geologist for De Beers; responsible for all kimberlite mines in South Africa
In-depth knowledge of several Petra mines, having worked at Finsch, Koffiefontein, Kimberley Underground, plus was geologist at Cullinan between 1983 to 2003
Since retiring has been involved in block caving projects for BHP, Anglo and Rio Tinto



Gordon Hamilton
Independent Non-Executive Director

Extensive experience as a NED across wide range of businesses, both JSE and LSE listed; chairs Audit Committee for all these companies
Formerly a partner for +30 years at Deloitte & Touche LLP; primarily responsible for multinational and FTSE 100 listed company audits, mainly in mining, oil & gas, and aerospace and defence; headed up Deloitte South Africa desk in London
Served for 9 years as member of the UK Financial Reporting Review Panel

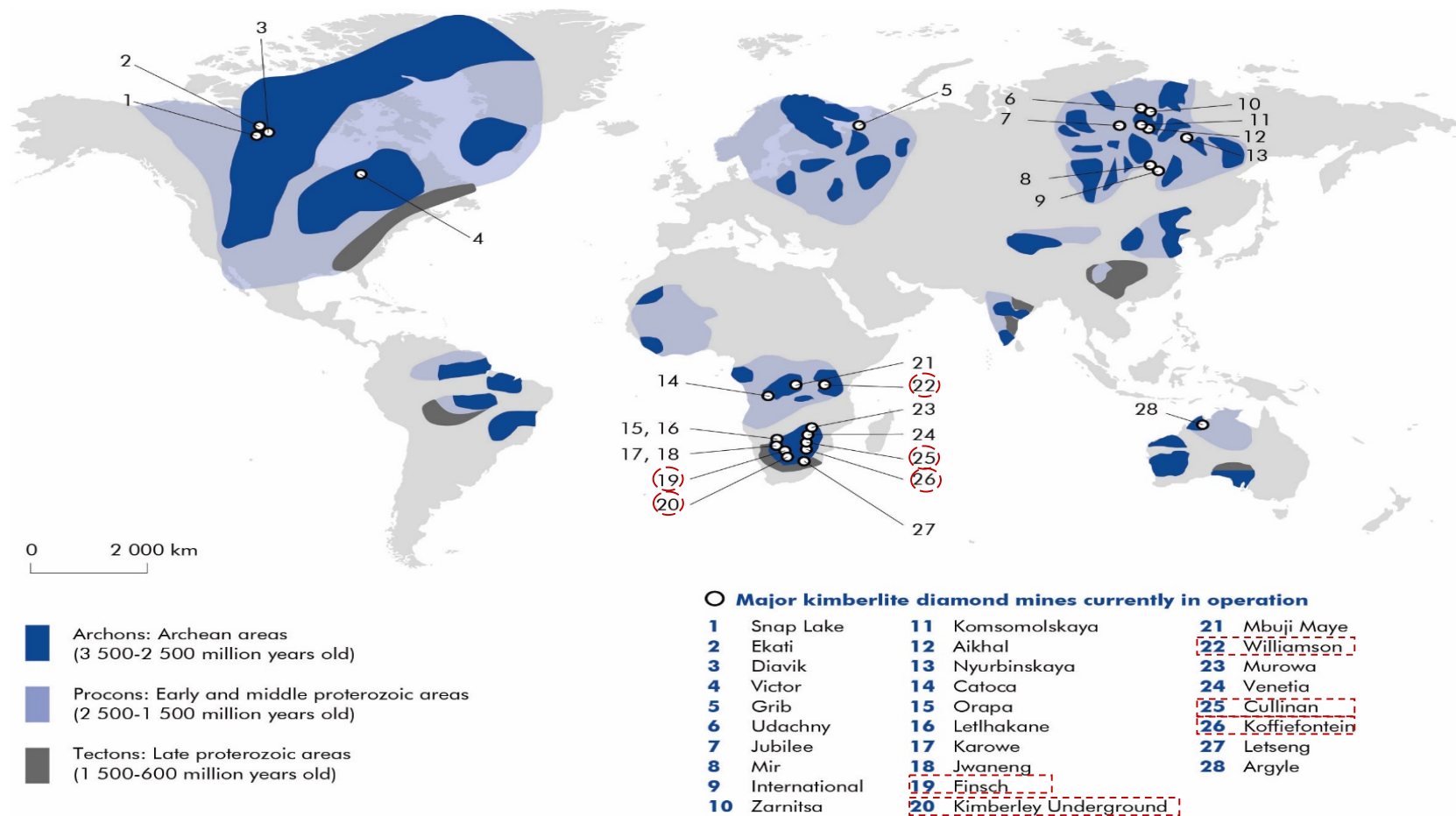


Octavia Matloa
Independent Non-Executive Director

A chartered accountant with broad business, financial and auditing experience
Member of the Audit Committee
Completed articles with PwC in South Africa in 2000 before joining the Department of Public Transport, Roads and Works, first as deputy chief financial officer, followed by chief director management accountant
An entrepreneur who has founded a number of businesses

World Diamond Mines

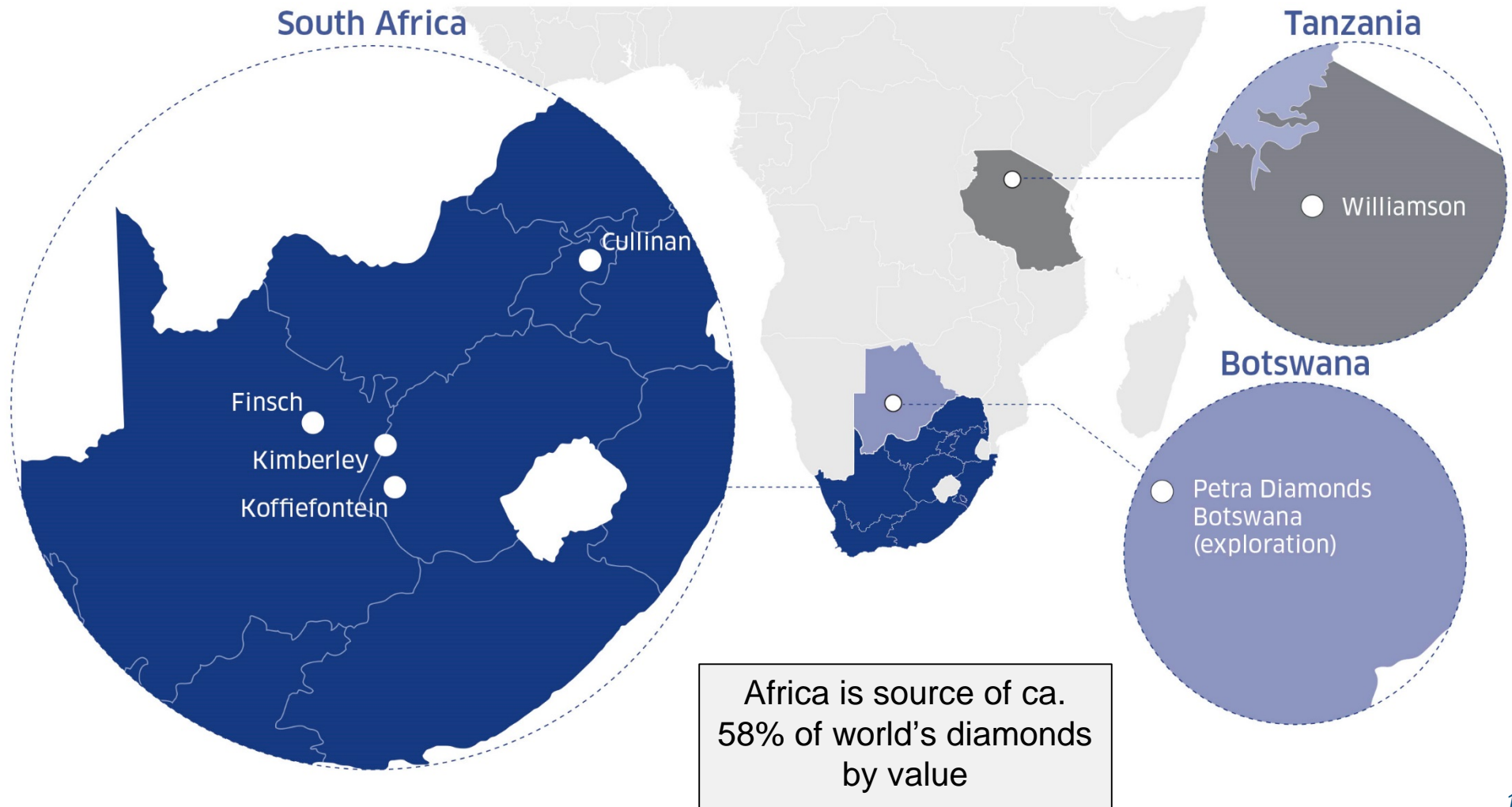
- Petra now has majority stakes in 5 of less than 30 significant kimberlite mines in operation
- Major diamond resource of 308.7 Mcts valued at ca. US\$54.3 bn¹



1. Based on FY 2015 average diamond prices

Focus on Southern Africa

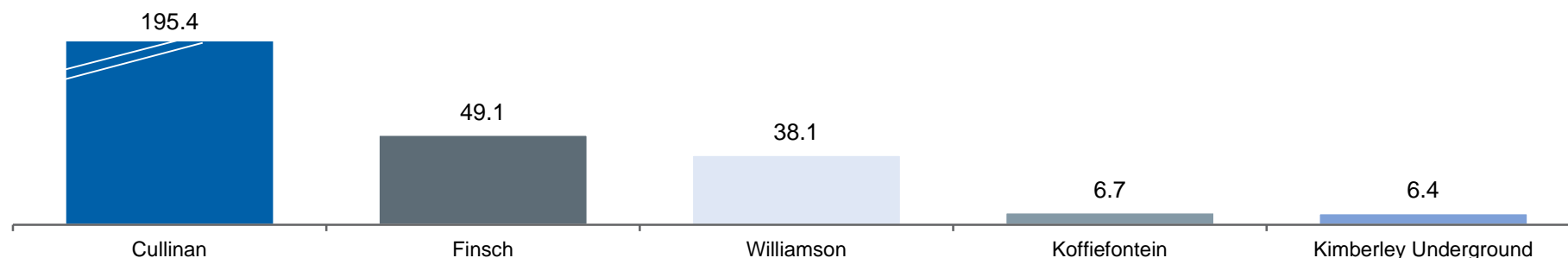
Diversified portfolio: 5 producing mines (4 in South Africa, 1 in Tanzania), extensive tailings operations in Kimberley and exploration in Botswana



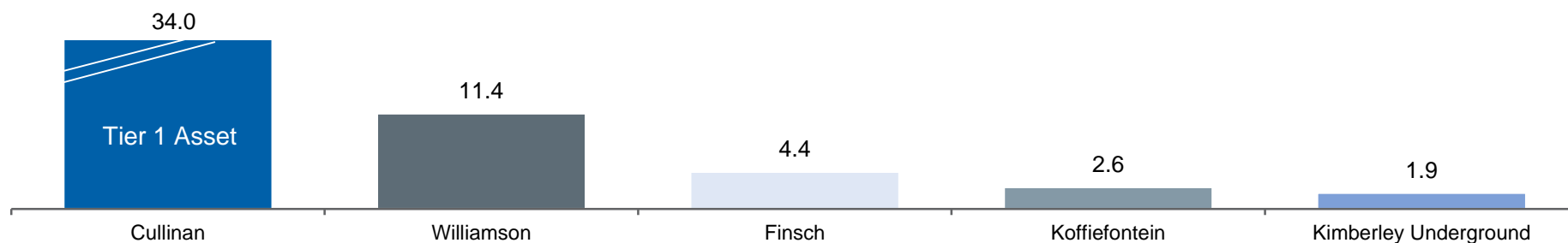
2015 Resource Statement (30 June 2015)

- World-class Resource base of 308.7 million carats¹ worth ca. \$54.3 billion²

Gross Resources (Mcts)



Gross In Situ Value (US\$bn)²



- The total Group Resource includes 4.1 Mcts for the Helam mine in South Africa (now on care and maintenance) and 8.8 Mcts for the KX36 exploration project in Botswana.
- The estimated Resource value uses FY 2015 average carat values to calculate the in situ values of the Cullinan, Finsch, Williamson, Koffiefontein and Kimberley Underground mines; the values for Helam and KX36 have not been included in this estimate value.

Iconic Diamonds From Iconic Mines



The Greater Star of Africa

Largest polished yield from the Cullinan at 530ct; sits in the Royal Sceptre
Cullinan, 1905



The Cullinan Heritage 507.5 carats rough **Cullinan, 2009**

The Williamson Pink
55ct rough; 24ct polished; gifted to Princess Elizabeth on her engagement
Williamson, 1947

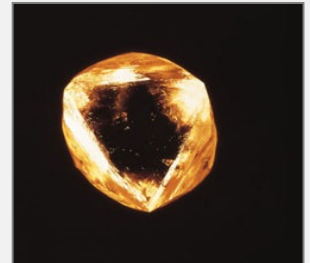


The Golden Jubilee 755.5ct rough, 545.6ct polished **Cullinan, 1986**



The Cullinan 3,106 carats rough Largest gem diamond ever discovered **Cullinan, 1905**

The Oppenheimer
253.7ct rough
Perfect yellow diamond
Dutoitspan Mine, Kimberley U/G, 1964



The Star of Josephine 26.6ct rough, 7.0ct polished **Cullinan, 2009**



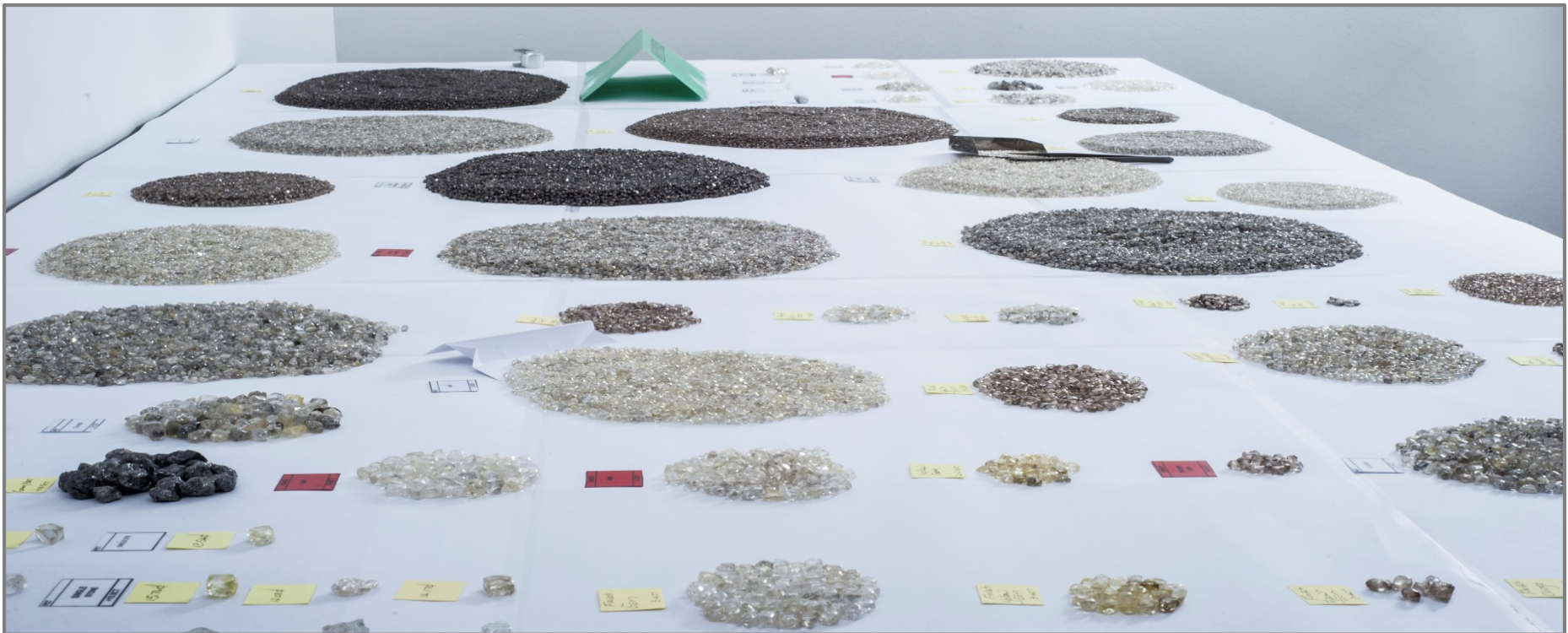
The Blue Moon of Josephine 29.6ct rough, 12.0ct polished **Cullinan, 2014**

The Taylor Burton
240.8ct rough, 69.4ct polished
Cullinan, 1966



Petra Production Profile

- The production profile of a kimberlite is highly consistent when the mine is in steady state production; Petra experienced volatility in product mix in FY 2015 due to the reliance on the heavily diluted old mining areas at its underground operations
- *Ever growing volumes* across the full diamond spectrum (from lowest to highest value)
- Growing trend for *mass luxury* supported by strong pricing performance in smaller / 2nd to 3rd quality goods



Exceptional Diamond Sales Remain Strong

- Very rare coloured diamonds or large white diamonds continue to break records at auction
- Petra classifies 'Exceptional Diamonds' as stones that sell for +\$5 million each
- Exceptional diamonds contributed on average \$21 million pa from FY 2009 to FY 2015

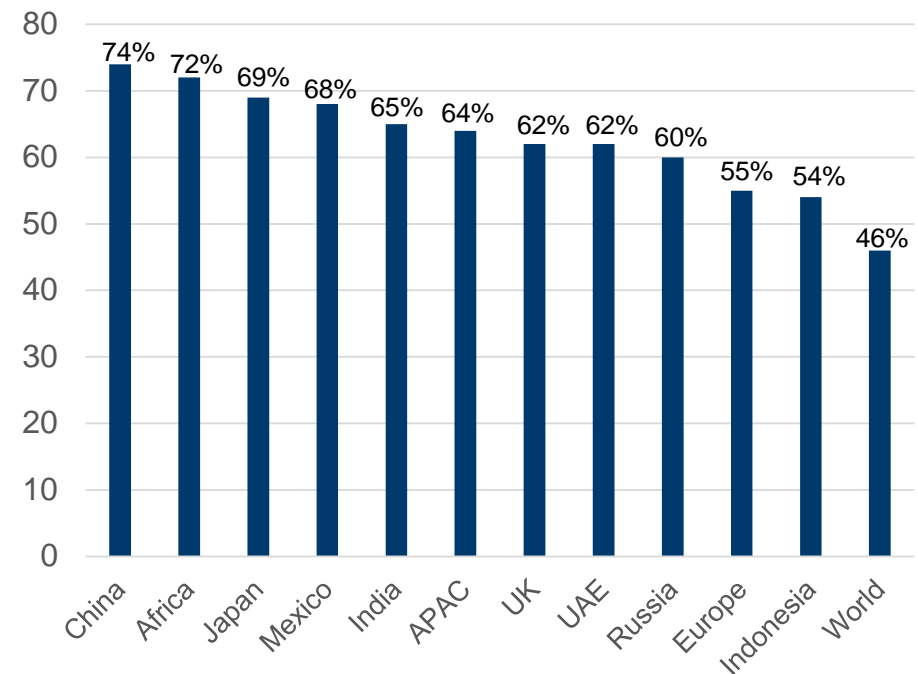
Who buys Exceptional Diamonds?

Hong Kong property magnate Joseph Lau purchases the 12ct Blue Moon of Josephine on auction for \$48.5m, a world record price, as well as a record price per carat (+\$4m/ct), for any diamond



Source: Sotheby's

No. of Millionaires forecast to increase +46% by 2020

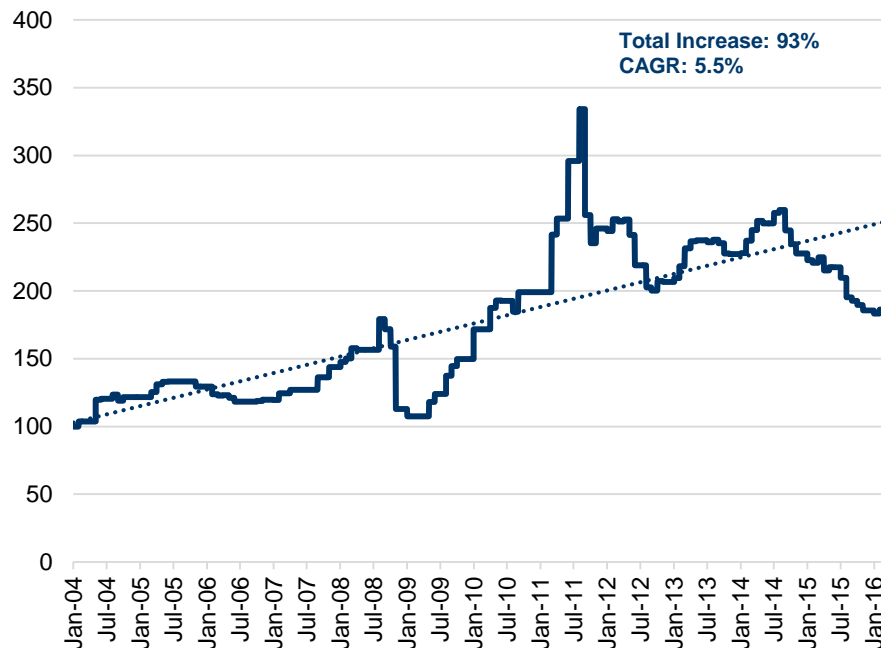


Source: Credit Suisse Wealth Report 2015 (published October 2015)

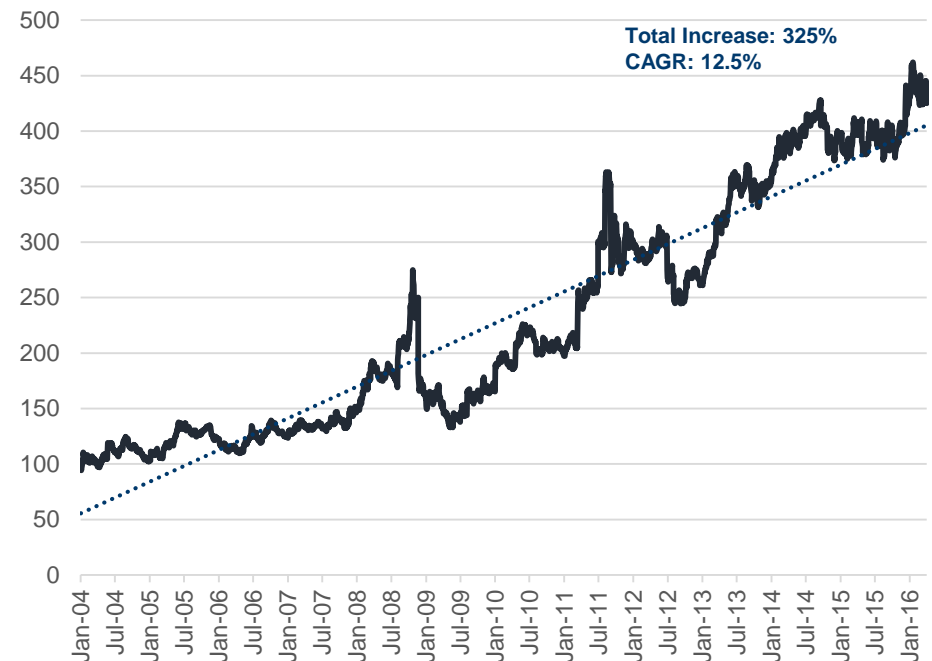
Rough Diamond Pricing

- Rough diamond pricing achieved by Petra down ca. 20% over 18 mths to Dec 2015
- Impact of lower pricing has been mitigated by the Rand weakening ca. 25% over the same period
- Pricing recovery of ca. 3.5% from Jan to Mar 2016 compared to Jul 2015 to Dec 2015 period

Bloomberg Rough Diamond Index (Jan 04 to Mar 16)



Bloomberg Rough Diamond Index – ZAR terms (Jan 04 to Mar 16)



Petra Rough Diamond Pricing

	Average ¹ (US\$/ct) Q3 FY 2016	Average ¹ US\$/ct H1 FY 2016	Average ¹ US\$/ct FY 2015
Finsch	92	82	90
Cullinan	98 ²	110	174 ³
Koffiefontein	424 ²	459	386
Kimberley Underground	165 ⁴	254	217
Williamson	642 ⁵	367 ⁶	298

1. All sales (both ROM and tailings) including exceptional diamonds were used to calculate the average values
2. Average value per carat in Q3 was impacted by a poorer quality product mix
3. Excluding Exceptional Diamonds, the average value per carat was US\$119
4. Kimberley Underground's average value is lower due to the large contribution of tailings carats from the Kimberley Mines tailings production (Petra is selling production from both sources together); Kimberley Underground's ROM production value remains in line with expectations
5. Excluding Exceptional Diamonds, the average value per carat was US\$244
6. Excluding Exceptional Diamonds, the average value per carat was US\$241

H1 FY 2016 – Results Summary

	H1 FY 2016	H1 FY 2015	FY 2015
Revenue	154.0	214.8	425.0
Adjusted mining and processing costs ¹	(99.6)	(122.9)	(272.7)
Other direct income	0.7	1.0	2.2
Profit from mining activity¹	55.1	92.9	154.5
Exploration expense	(1.9)	(2.4)	(5.6)
Corporate overhead	(4.7)	(5.6)	(9.6)
Adjusted EBITDA¹	48.5	84.9	139.3
Depreciation	(24.2)	(19.6)	(38.3)
Share-based expense	(2.4)	(2.8)	(6.6)
Net finance expense	(13.3)	(0.2)	(6.2)
Tax expense	(2.3)	(19.5)	(25.4)
Adjusted net profit after tax¹	6.3	42.8	62.8
Net unrealised foreign exchange losses	(8.5)	(3.7)	(3.2)
Net (loss) / profit after tax	(2.2)	39.1	59.6
Earnings per share attributable to equity holders of the Company – US\$ cents			
Basic (loss) / profit – from continuing operations	(0.72)	5.94	9.46
Adjusted basic profit from continuing operations ¹	0.92	6.66	10.09

1. Refer to interim results announcement dated 22 February 2016 for detailed notes explaining non IFRS adjusted disclosures

Q3 FY 2016 – Operational Results

Operation	Finsch		Cullinan		Koffiefontein		Kimberley Underground Mines (including Kimberley Ekapa Mining)		Williamson	
	Q3 FY 2016	Q3FY 2015	Q3 FY 2016	Q3 FY 2015	Q3 FY 2016	Q3 FY 2015	Q3 FY 2016 ¹	Q3 FY 2015 ²	Q3 FY 2016	Q3 FY 2015
<u>ROM Production</u>										
Tonnes treated (t)	860,333	766,147	568,101	685,818	183,366	118,032	1,592,645	300,966	1,051,325	1,038,179
Diamonds recovered (carats)	381,266	324,394	173,061	137,928	13,537	11,095	198,616	35,201	53,445	55,036
Grade (cpht)	44.3	42.3	30.5	20.9	7.4	9.4	12.5	11.7	5.1	5.3
<u>Total Production</u>										
Tonnes treated (t)	1,377,506	1,494,586	803,768	1,341,324	292,043	253,931	1,632,845	300,966	1,146,423	1,148,200
Diamonds recovered (carats)	530,138	515,744	190,329	166,846	16,376	15,862	202,830	35,201	56,232	57,542
<u>Sales</u>										
Revenue (US\$M)	53.1	45.5	21.3	21.0	7.5	5.0	14.1	9.3	24.2	15.5
Diamonds sold (carats)	579,772	518,051	217,134	197,456	17,623	13,038	85,301	37,320	37,665	60,972
Average price per carat (US\$)	92	88	98	106	424	385	165	249	642	253

1. Includes both ROM production from Kimberley Underground and Petra's attributable share in the tailings production from the Kimberley Ekapa Mining consortium
2. ROM production from Kimberley Underground only

Finsch – Development Programme

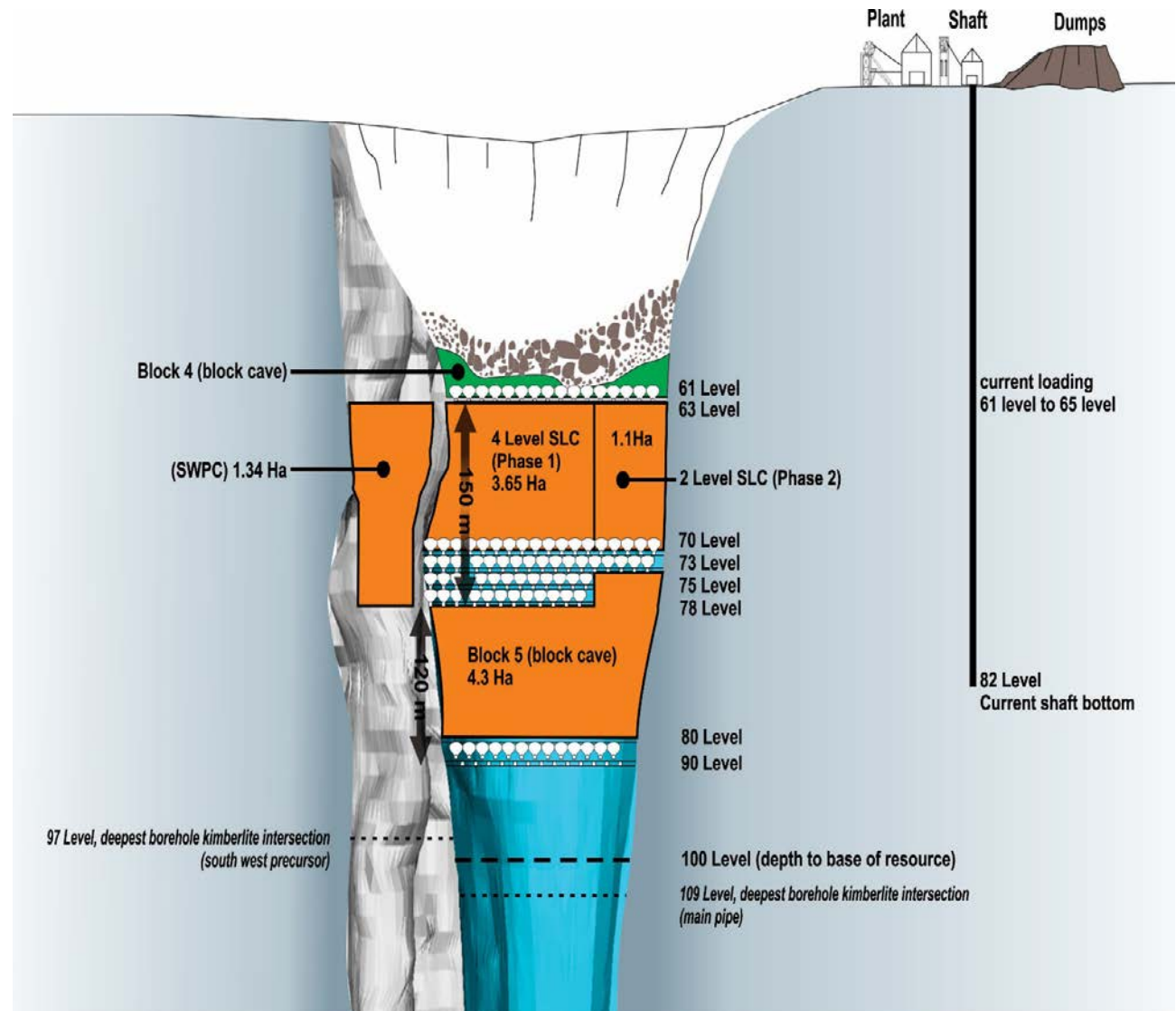
Expansion Plan

- Expansion plan to take production to ca. 2.0 Mctpa (ROM) by FY 2018
- Sub level cave – development of 3 out of 4 levels complete
- New Block 5 Block Cave to be installed at 900m

Key Future Milestones

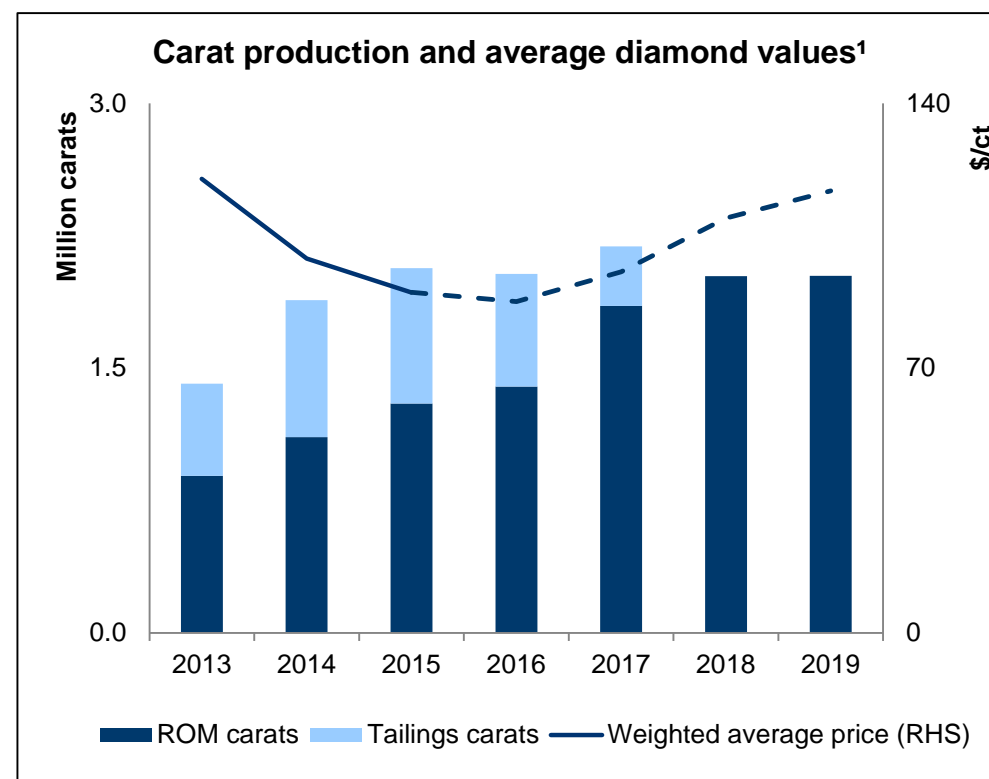
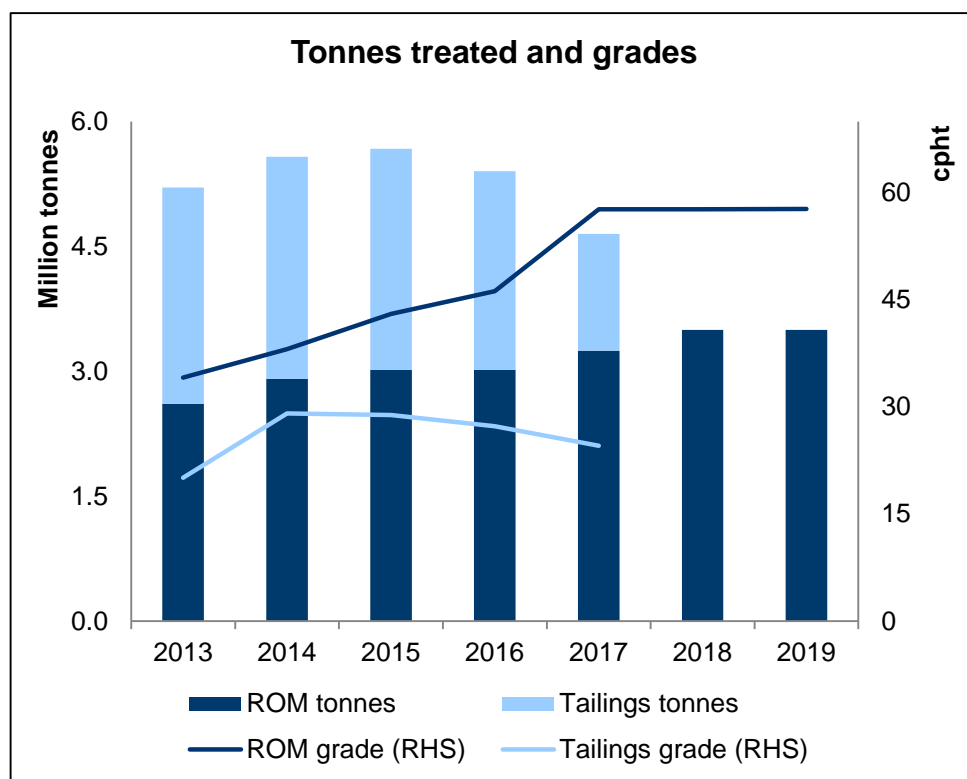
- Production from SLC – end H1 FY 2016
- Dedicated conveyor ore-handling infrastructure (to transfer SLC ore to existing infrastructure at 650m) – end FY 2016
- Mining of South West Precursor from 630m to 780m – from H2 FY 2016
- Further bulk sampling at overburden dumps – FY 2016
- Decommissioning of Block 4 automated ore-handling system – FY 2017
- Steady state ROM production – FY 2018
- Pre 79 Tailings treated – until FY 2017
- Block 5 Block Cave at 900m – FY 2024

FY 2015 Development : 4,217 metres; Raiseboring: 376 metres; Kimberlite: 1,038 metres



Finsch – Production Plan

- ROM tonnages to rise ca. 16%, but ROM carat production to rise ca. 56% due to higher grade
- Positive impact on average value per carat as tailings production winds down



1. Forecasts for average value per carat calculated using FY 2016 guided prices less 9%, flat pricing for FY 2017 (real terms), and thereafter a 4% annual real price increase

Cullinan – Development Programme

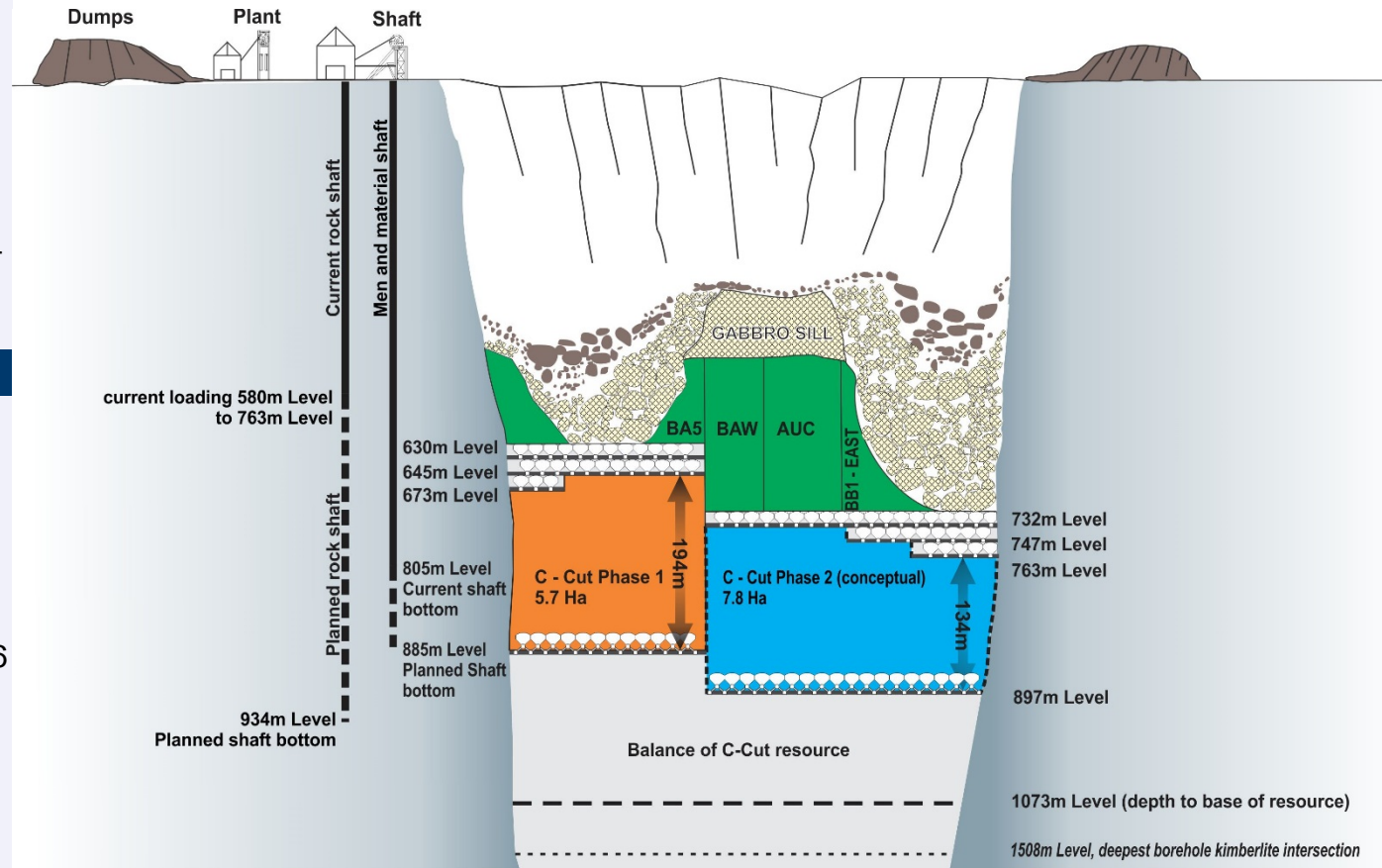
Expansion Plan

- Expansion plan to take production to +2 Mcts by FY 2019
- C-Cut Phase 1: new block cave being established on the western side of the orebody
- Development work transitioning from waste tunnelling in host rock to kimberlite
- First rings in the undercut blasted – June 2015

Key Future Milestones

- New production levels to be established at 839m and shaft to 930m to be commissioned – FY 2016
- 880m ore-handling system, allowing for future ramp-ups to utilise full C-Cut footprint – FY 2016
- Initial production from new C-Cut cave – H2 FY 2016
- Ore shaft completed and commissioned – H1 FY 2017
- New Cullinan plant operational – end FY 2017
- Steady state ROM production (4 Mtpa) – FY 2019

FY 2015: Development: 4,282 metres; Raiseboring: 614 metres; Kimberlite: 2,285 metres



Cullinan – New Plant

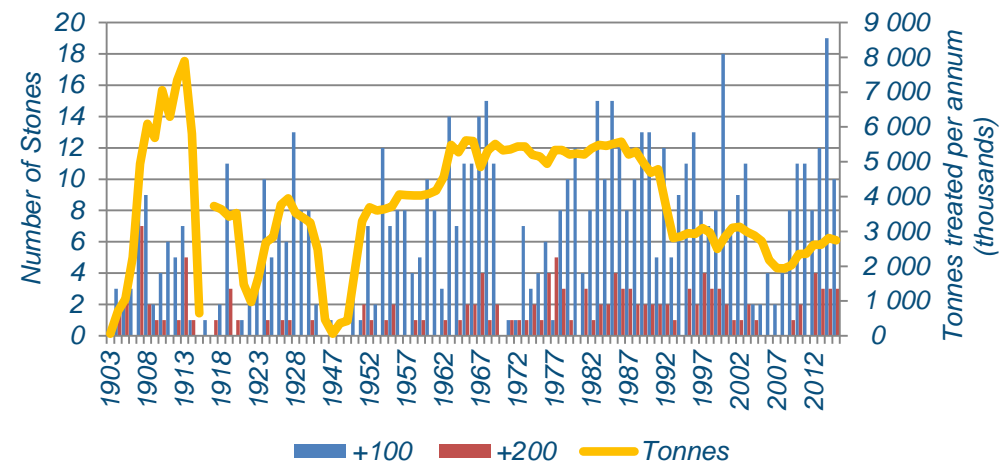
Expected benefits of new plant

- Footprint decreases from ca. 26 to ca. 5 hectares
 - Expected reduction in number of conveyor belts from 151 (ca. 15km) to 22 (ca. 3km)
- Increase in revenue per tonne
 - Increase in grade due to increased liberation across the full diamond spectrum
 - Improved recoveries of large, higher value stones; less diamond breakage as new plant will utilise gentler processing methods (comminution via attrition) instead of extensive crushing
- Saving in processing costs
 - Operating cost savings due to increased energy efficiency, reduced water consumption, reduced circulation and reduction in maintenance requirements
- Strong standalone economics
 - Payback of ca. 3 years
 - IRR of 25%

Existing Cullinan Plant



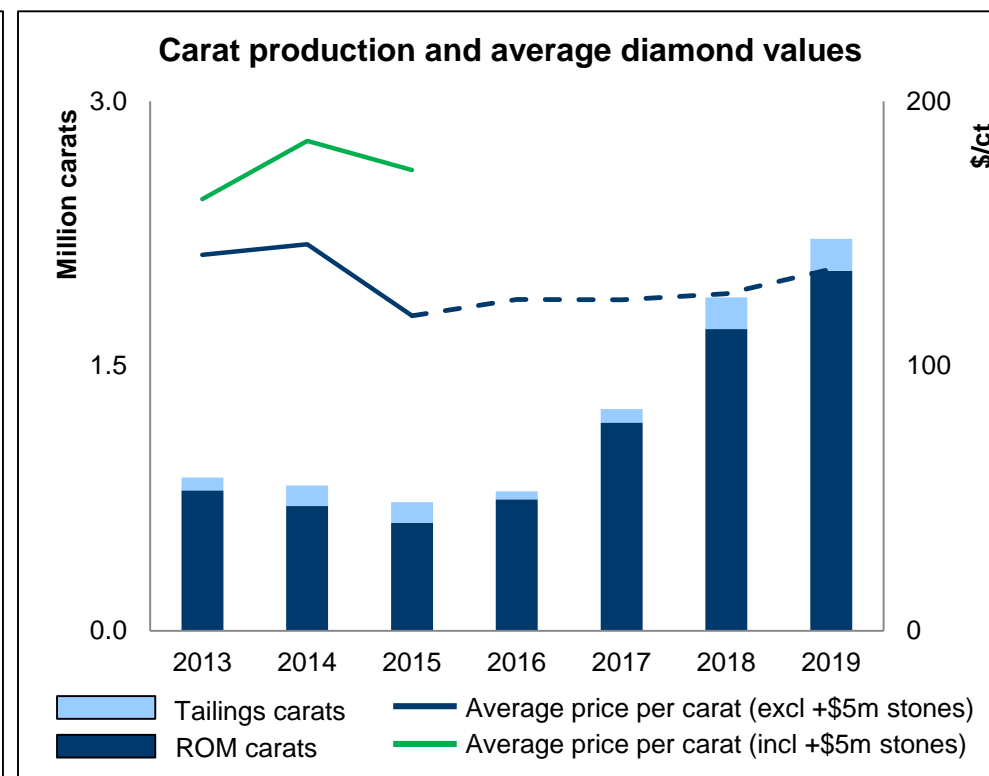
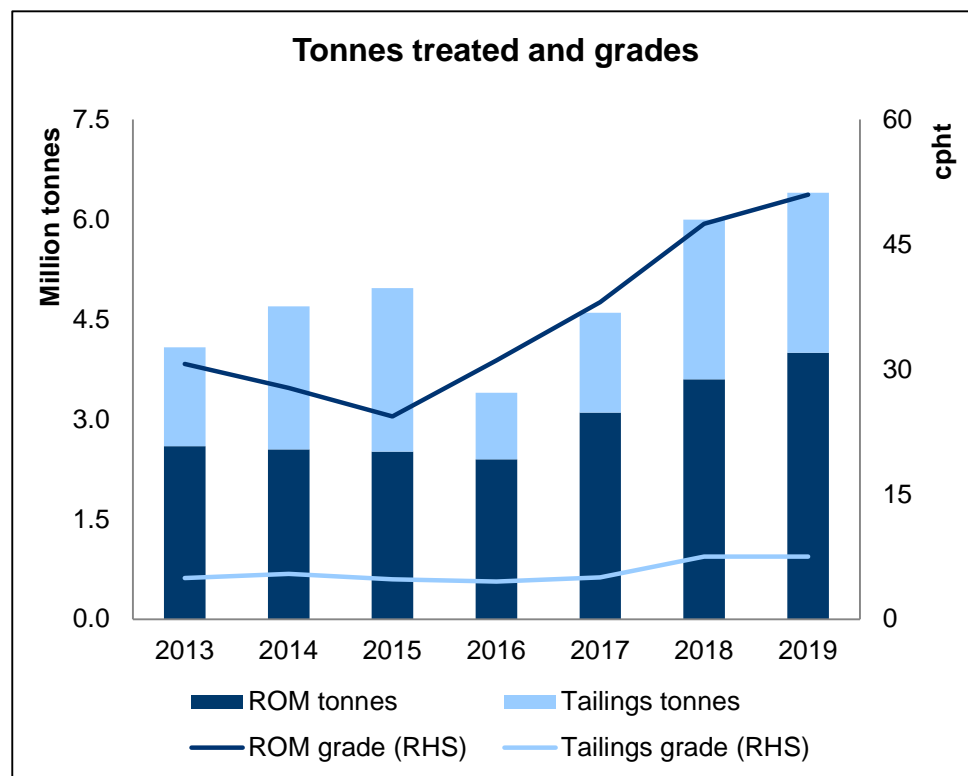
Historic large diamond recovery at Cullinan



Acquisition by Petra July 2008

Cullinan – Production Plan

- ROM tonnages to rise 60%, but ROM carat production expected to rise +200%, due to increase in grade as result of mining undiluted C-Cut tonnes

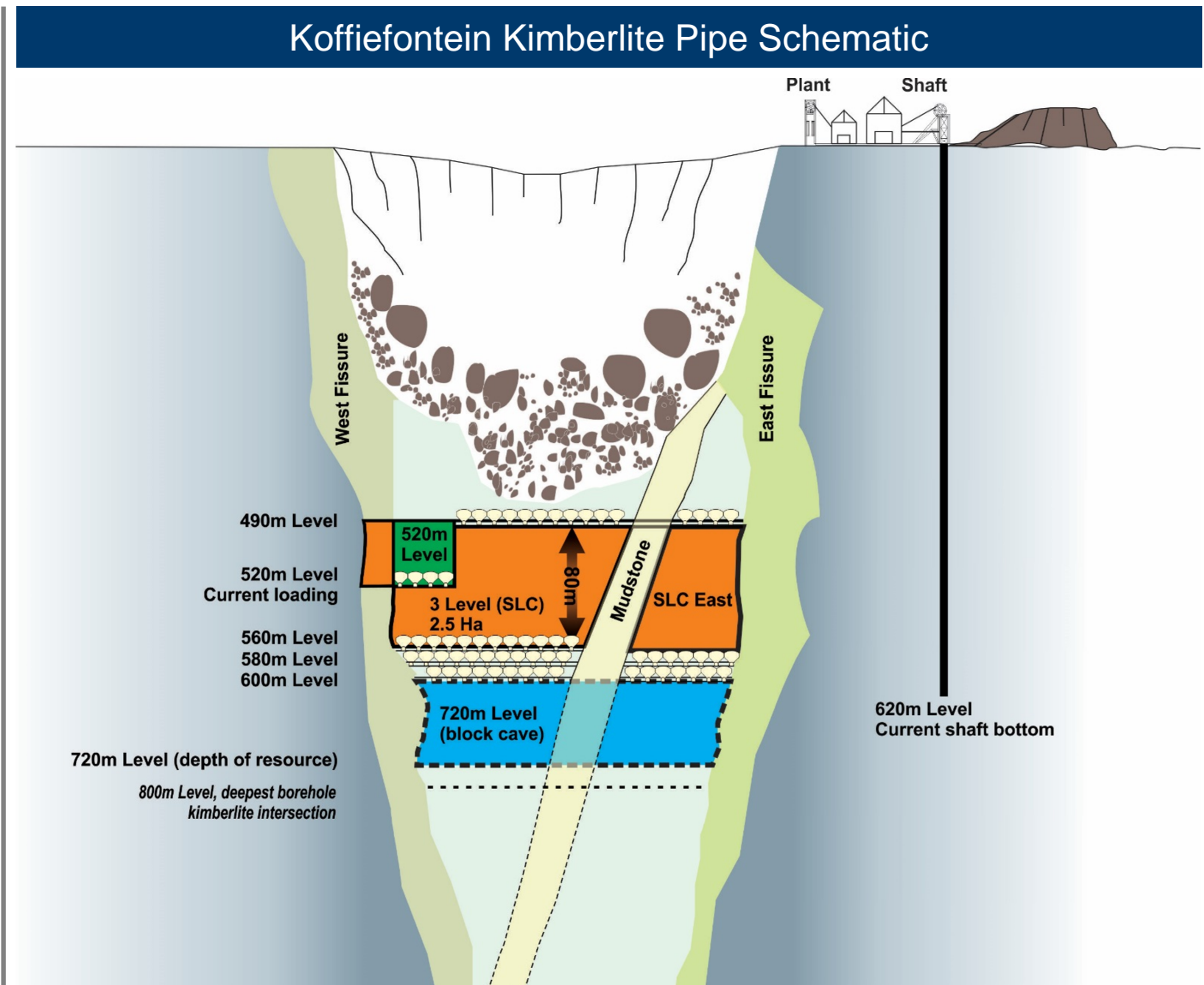


- Forecasts for average value per carat calculated using FY 2016 guided prices less 9%, flat pricing for FY 2017 (real terms), and thereafter a 4% annual real price increase

Koffiefontein – Development Programme

Expansion Plan – to take production to ca. 100,000 ctpa by FY 2017

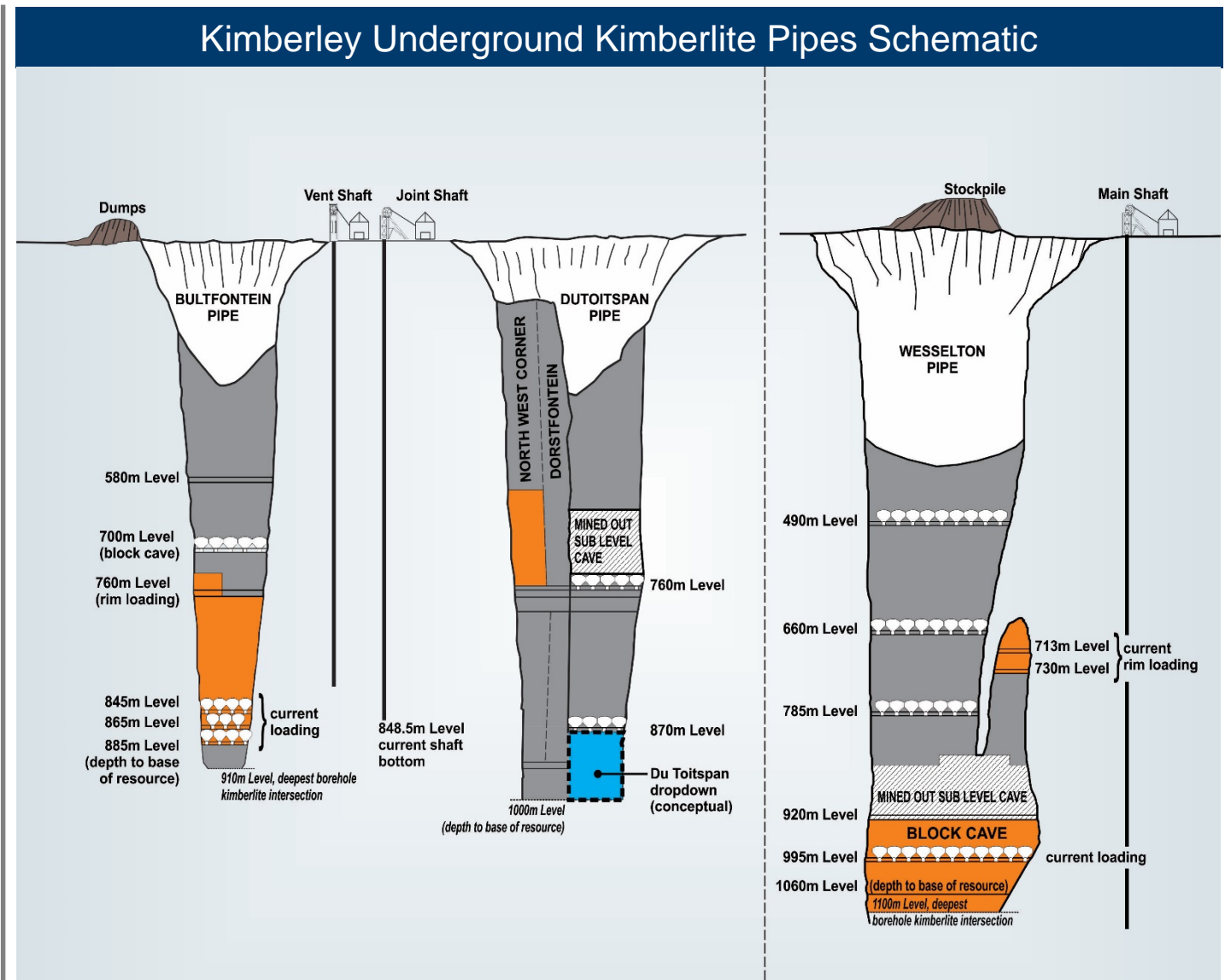
- SLC to be mined over 3 levels from 560 mL to 600 mL
- Production commenced from first tunnels of SLC on 560 mL – end FY 2015
- ROM production supplemented by ore from Ebenhaezer open pit (ca. 5 ha) – FY 2016
- 52L western Fissure comes into production to supplement ore from SLC Phase 1 on 56L – FY 2016
- Ramp up ROM production to 1.1 Mt by FY 2017



Kimberley Underground – Development Programme

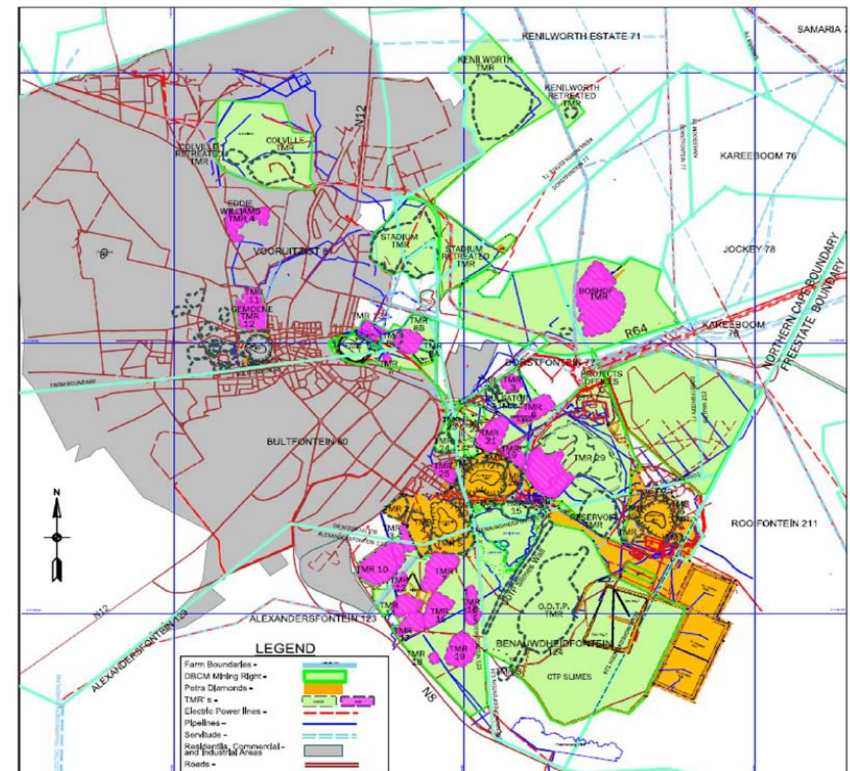
Expansion Plan – planned production of ca. 170,000 ctpa by FY 2016

- Planned ROM tonnes treated of ca. 1.2 Mtpa – from FY 2015
- Planned grade of 13 – 15 cphT from FY 2016
- Scope refinement of underground development at the Joint Shaft extending lives of Bultfontein and Dutoitspan to match Wesselton
- Opportunity to increase throughput and reduce operating costs with the combination of Kimberley Underground and the newly acquired Kimberley Mines tailings resources and associated assets, including the Central Treatment Plant



Kimberley Ekapa Mining JV

- 18 January 2016: Petra completed acquisition of Kimberley Mines from DBCM in partnership with Ekapa Mining (Petra: 49.9%; Ekapa: 50.1%)
- Petra share of acquisition cost: ZAR50.9 million (\$3.6 million)
- Petra and Ekapa have entered into agreement to consolidate their respective operations:
 - Petra: Kimberley Underground operation
 - Ekapa: Tailings operations
 - Kimberley Mines: Tailings operations and +6 Mtpa Central Treatment Plant
- Business combination expected to deliver synergies, increase throughput, reduce operating costs and extend mine life
- Kimberley Ekapa Mining JV expected to become effective in Q1 FY 2017 (Jul – Sep 17)

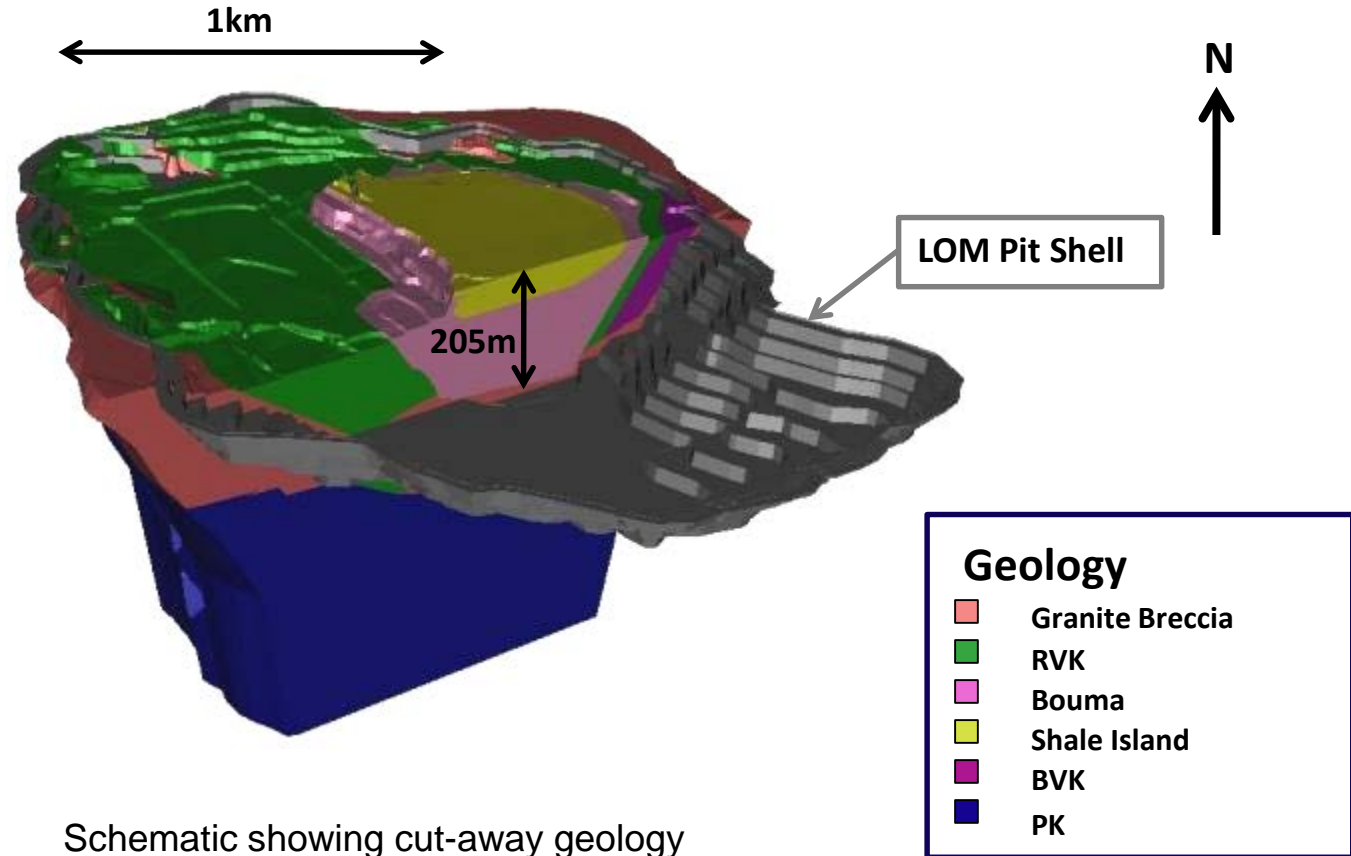


Williamson – Development Programme

Expansion Plan – to take production to ca. 350,000 ctpa by FY 2018

- Plant modifications (additional crusher circuit, 2 autogenous mills) to commence – FY 2016
- Commissioning of crusher – FY 2016
- Commissioning of 2 autogenous mills – H1 FY 2017
- ROM throughput for FY 2016 planned at 3.8 Mt due to downtime associated with plant modifications
- Ramp up of ROM production to c. 5 Mtpa (at ca. 7 cpht) by FY 2018

Williamson Kimberlite Pipe Schematic

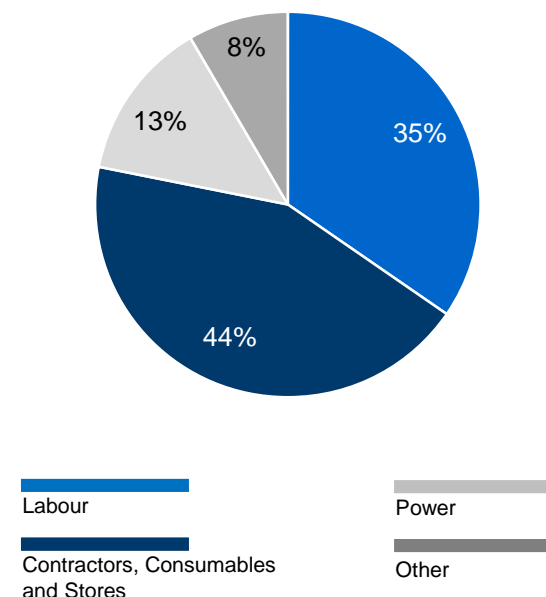


Schematic showing cut-away geology and planned open pit

H1 FY 2016 Operating Costs

- Petra's focus on cost control and the weaker ZAR helped to mitigate inflationary pressures
- On-mine cash operating costs in H1 FY 2016 remained in line with expectations, despite the ongoing inflationary pressures.
- On-mine cash costs decreased by 7.3% due to:
 - the continued ramp-up of more costly underground production in line with the Group's strategy (1.2% increase)
 - inflationary increases, including the impact of electricity and labour costs (7.0% increase)
 - positively offset by the effect of translating South African operations' ZAR denominated costs at weaker ZAR/USD exchange rates (15.5% decrease)

On-mine cash cost make-up (Petra Group)



Cost per tonne treated performance at Finsch and Cullinan

		H1 FY 2016 (Actual)	FY 2016 (Guidance)	H1 FY 2015 (Actual)	FY 2015 (Actual)
Finsch	ZAR	182 ¹	173	160	164
Cullinan	ZAR	254 ²	173	152	154

1. Start-up of Bulk Sampling Plant (commissioned late FY 2015) added ZAR8/t, resulting in unit costs exceeding guidance

2. Decision taken to cut-back tailings throughput resulted in unit cost exceeding guidance; absolute costs in ZAR terms remained in line with expectations

Debt Facilities

Bank facilities (excl FX lines) ca. \$240.5 million as at 31 March 2016

Lender	Type	Size US\$M	Size ZARM	Utilised at 31 Mar 2016 ZARM / US\$M	Interest Rate	Repayment
Absa & RMB (FNB)	ZAR Amortising term facility	45.0 ¹	665	-	3M JIBAR + 3.5%	3 semi-annual payments from Mar 2018
IFC	USD Amortising term facility	35.0	-	US\$35.0M	3M LIBOR + 4.0%	3 semi-annual payments from Mar 2018
Absa & RMB (FNB)	ZAR Revolving credit facility	101.6 ¹	1,500	ZAR821M	JIBAR + 5.0%	Repayable Dec 2019
IFC	USD Revolving credit facility	25.0	-	US\$18.8M	1M LIBOR + 5.5%	Repayable Dec 2019
Absa & RMB (FNB)	ZAR Working capital facility	33.9 ¹	500	ZAR248M	SA Prime – 1.0%	Subject to annual renewal

- Bank debt facilities undrawn and available to the Group at 31 March 2016: US\$114.2 million

1. US\$m equivalent, exchange rate US\$1:ZAR14.7637

Debt Facility Covenants

- Covenants relate to Petra's senior lender facilities with its lender group (Absa, Bank of China, IFC, Investec, Nedbank and RMB)
- Ratios are measured twice annually for the 12 month period to 30 June and 31 December of each year
- 26 April 2016: Petra announced that its lender group had agreed a revision to the covenants for the next three measurement periods

Covenant	12 months to 30 Jun 2016	12 months to 31 Dec 2016	12 months to 30 Jun 2017	12 months to 31 Dec 2017 and thereafter
EBITDA to net finance charges	≥3.7x (revised from ≥4.0x)	≥3.85x (revised from ≥4.0x)	≥4.0x	≥4.0x
Net Debt ¹ to EBITDA	≤3.1x (revised from ≤2.5x)	≤2.8x (revised from ≤2.5x)	≤2.5x	≤2.5x
Net Debt ¹ to Book Equity	≤0.6x (revised from ≤0.75x)	≤0.6x (revised from ≤0.5x)	≤0.6x (revised from ≤0.5x)	≤0.5x

1. Net Debt is Consolidated Debt per published results, plus guarantee for BEE Partners loan facilities (ZAR 1,265 million as at 31 March 2016).

2. Fees to the lender group relation to the above mentioned changes in covenants and facilities are US\$0.9 million.

Capex Profile

Financial Year		2015A	2016	2017	2018	2019
Operation						
Finsch	ROM tonnes treated (Mt)	3.0	3.0	3.2	3.5	3.5
	Tailings tonnes treated (Mt)	2.7	2.4	1.4	-	-
	Expansion Capex (ZARm)	747	700	620	400	150
	Sustaining Capex (ZARm)	184	100	90	90	90
Cullinan	ROM tonnes treated (Mt)	2.5	2.3	2.8	3.6	4.0
	Tailings tonnes treated (Mt)	2.5	2.3	2.4	2.4	2.4
	Expansion Capex (ZARm)	1,199	2,050	960	260	170
	Sustaining Capex (ZARm)	101	90	80	80	80
Koffiefontein	ROM tonnes treated (Mt)	0.3	1.0	1.1	1.1	1.1
	Surface tonnes treated (Mt)	0.5	0.3	-	-	-
	Expansion Capex (ZARm)	265	250	80	20	20
	Sustaining Capex (ZARm)	42	60	40	40	40
Kimberley Underground	ROM tonnes treated (Mt)	1.2	1.2	1.2	1.2	1.2
	Expansion Capex (ZARm)	121	150	90	60	50
	Sustaining Capex (ZARm)	39	50	40	40	40
PETRA (SA Operations)	Expansion Capex (ZARm)	2,331	3,150	1,750	740	390
	Sustaining Capex (ZARm)	365	300	250	250	250
Williamson	ROM tonnes treated (Mt)	4.1	3.8	4.5	5.0	5.0
	Alluvial tonnes treated (Mt)	0.4	0.4	-	-	-
	Expansion Capex (USDm)	8.3	17	5	4	3
	Sustaining Capex (USDm)	7.9	3	3	3	3
PETRA (All Operations)	ROM tonnes treated (Mt)	11.1	11.3	12.8	14.4	14.8
	Tailings / other tonnes treated (Mt)	6.0	5.4	3.8	2.4	2.4
	Total tonnes treated (Mt)	17.1	16.7	16.6	16.8	17.2

1. All Capex numbers are stated in FY 2016 money terms (except for FY 2015 actuals)
2. Depreciation on mining assets for FY 2016 guided at ca. \$52 million
3. As in prior guidance, capital estimates above do not include any capitalised borrowing costs. Guidance is to assume majority of borrowing costs are to be capitalised
4. The Block 5 Block Cave expansion capital (post FY 2019) is guided at ca. ZAR250 million p.a. (FY 2016 money terms), to be incurred over the five year period FY 2020 to FY 2024
5. Mine plans beyond FY 2030 will leverage off infrastructure established as part of the current capital programmes. Plans to extend current mine lives will be made available in future guidance



PetraDiamonds



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