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PREMIUM

Underground
development
continues apace at
Cullinan

Corporate Presentation

November 2015



PetraDiamonds

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A Mining Company Offering...

1. Quality assets & management

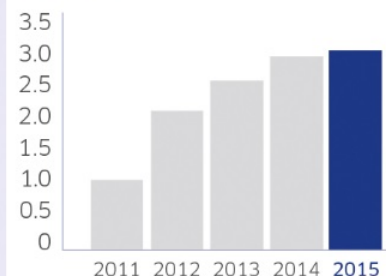
2. Attractive long-term market fundamentals

3. Growth & margin expansion

4. Robust balance sheet & maiden dividend

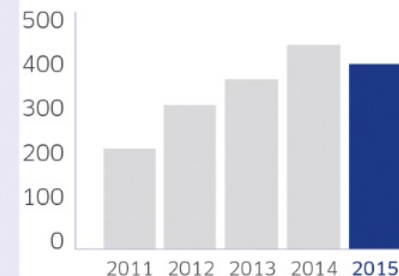
Rough diamond production
Million carats

3.2



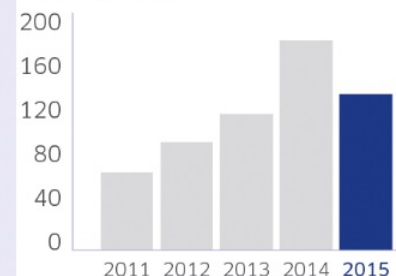
Revenue
US\$ million

425.0



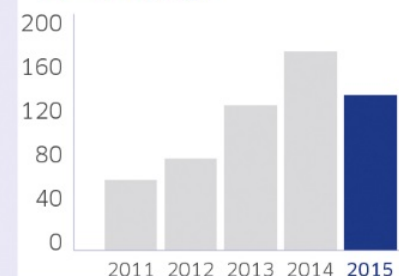
Adjusted EBITDA
US\$ million

139.3








Adjusted operating cashflow
US\$ million

141.3



An Exceptional Growth Path

- Petra acquired five diamond mines from De Beers (four in South Africa, one in Tanzania)

July 2007	July 2008	February 2009	May 2010	September 2011
Koffiefontein	Cullinan	Williamson	Kimberley UG	Finsch
				
70% Petra ¹ ; 30% BEE	74% ¹ Petra; 26% BEE	75% Petra ¹ ; 25% Government of Tanzania	74% Petra ¹ ; 26% BEE	74% Petra ¹ ; 26% BEE
Sub-level / Block Cave Mine Plan to 2025 +20yr Potential Life	Block Cave Mine Plan to 2030 +50yr Potential Life	Open Pit Mine Plan to 2033 +50yr Potential Life	Block Cave Mine Plan to 2026 +13yr Potential Life	Sub-level / Block Cave Mine Plan to 2030 +25yr Potential Life

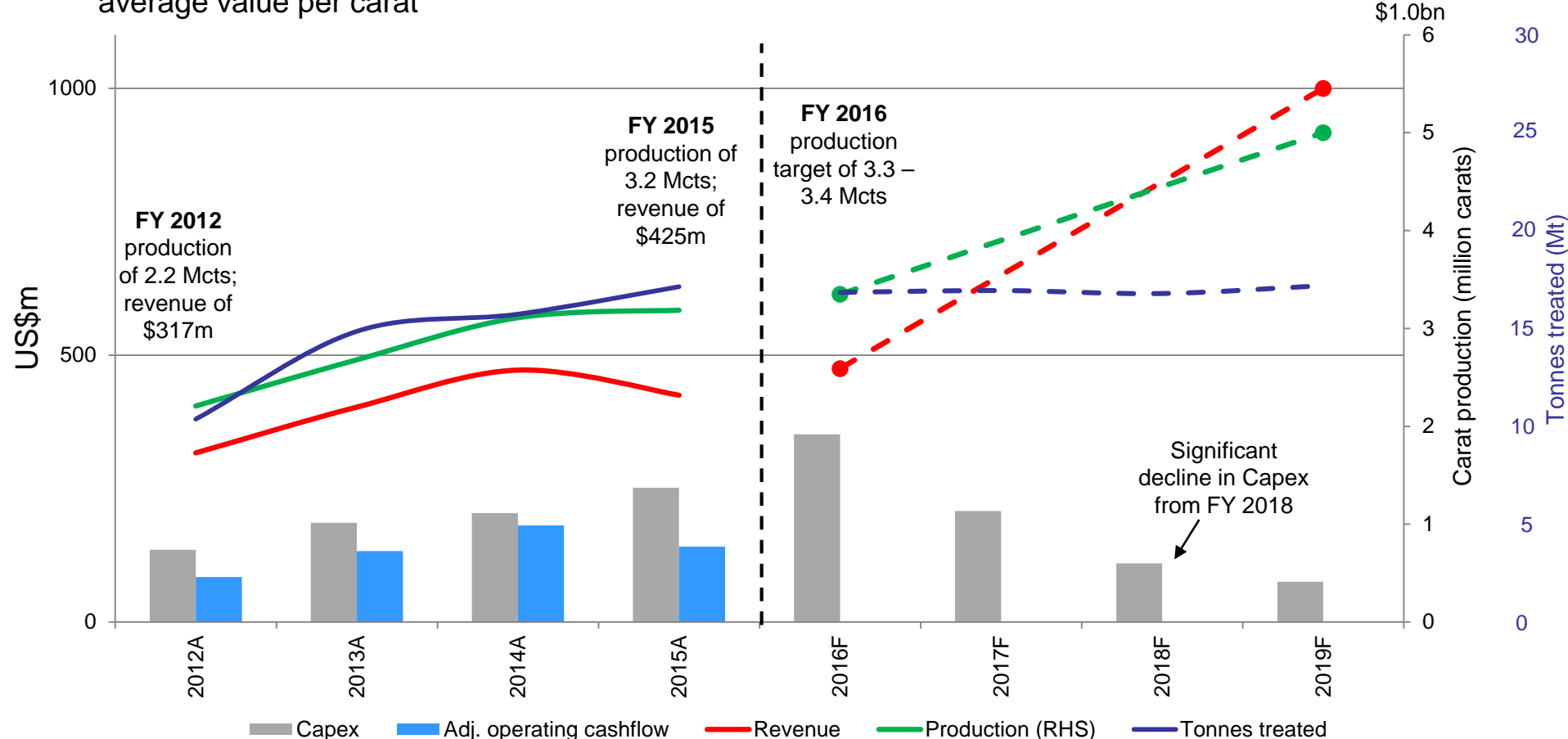
Petra's approach to mine management and project development:

- Flat management structures
- Focus on efficiencies / cost control
- Focus on value as opposed to volume production
- Utilise in-house expertise / knowledge
- Phase 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

Growth and Margin Expansion

- Petra to maintain a flat tonnage profile from FY 2016 onwards, but the replacement of poor quality tonnes with better quality tonnes will grow production and increase the average value per carat



1. Notes: 1. All forecasts for Capex, revenue and production are management estimates. 2. Capex is in nominal terms. 3. Revenue calculated using flat pricing for FY 2016, and thereafter a 4% annual real price increase

Diamond Market – Overview

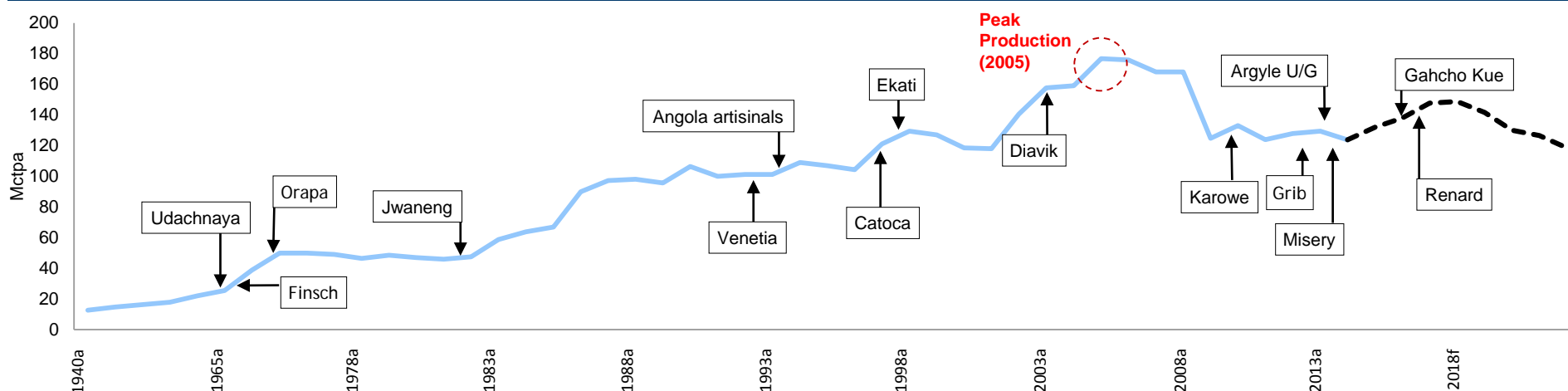
Supply

- **Supply constraints:** Global rough diamond production decreased 4% to 125 Mcts worth \$14.5bn in 2014 (average \$116/ct)
- **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 2020

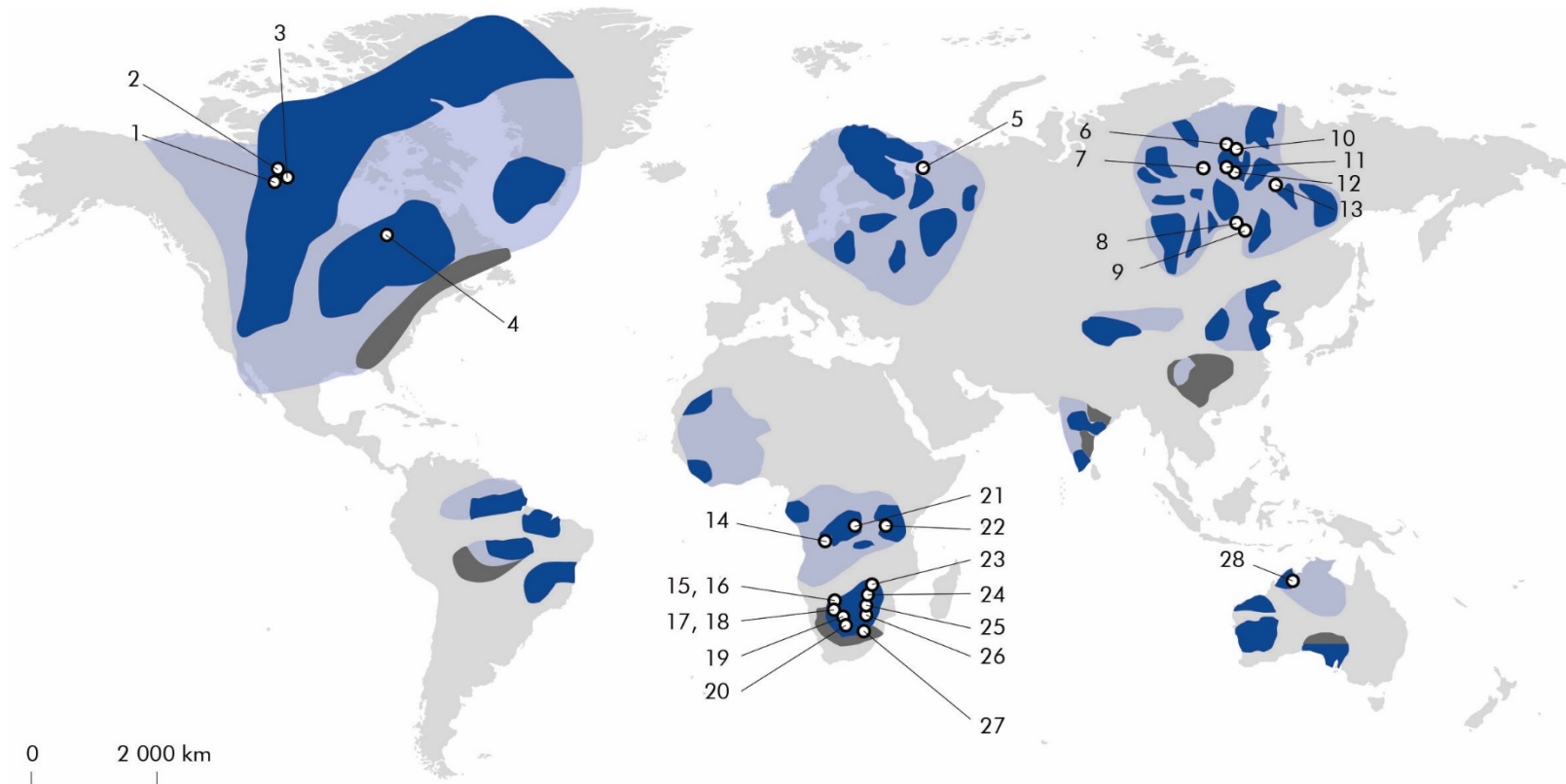
Demand

- **US recovery:** economy continues to improve; very strong diamond buying culture (ca. 42% of world demand); 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 & Forecast Rough Production



World Diamond Mines



0 2 000 km

- Archons: Archean areas
(3 500-2 500 million years old)
- Procons: Early and middle proterozoic areas
(2 500-1 500 million years old)
- Tectons: Late proterozoic areas
(1 500-600 million years old)

○ Major kimberlite diamond mines currently in operation

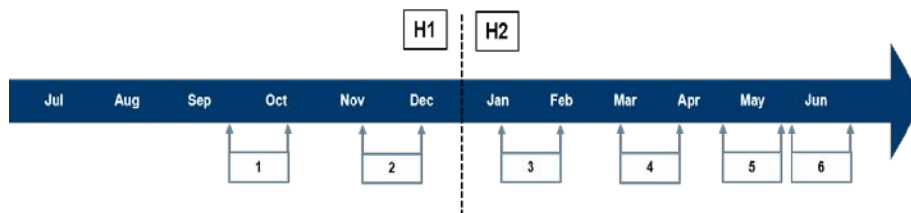
- | | | |
|------------------------|---------------------------------|-------------------------|
| 1 Snap Lake | 11 Komsomolskaya | 21 Mbuji Maye |
| 2 Ekati | 12 Aikhal | 22 Williamson |
| 3 Diavik | 13 Nyurbinskaya | 23 Murowa |
| 4 Victor | 14 Catoca | 24 Venetia |
| 5 Grib | 15 Orapa | 25 Cullinan |
| 6 Udachny | 16 Letlhakane | 26 Koffiefontein |
| 7 Jubilee | 17 Karowe | 27 Letseng |
| 8 Mir | 18 Jwaneng | 28 Argyle |
| 9 International | 19 Finsch | |
| 10 Zarnitsa | 20 Kimberley Underground | |

Rough Diamond Pricing

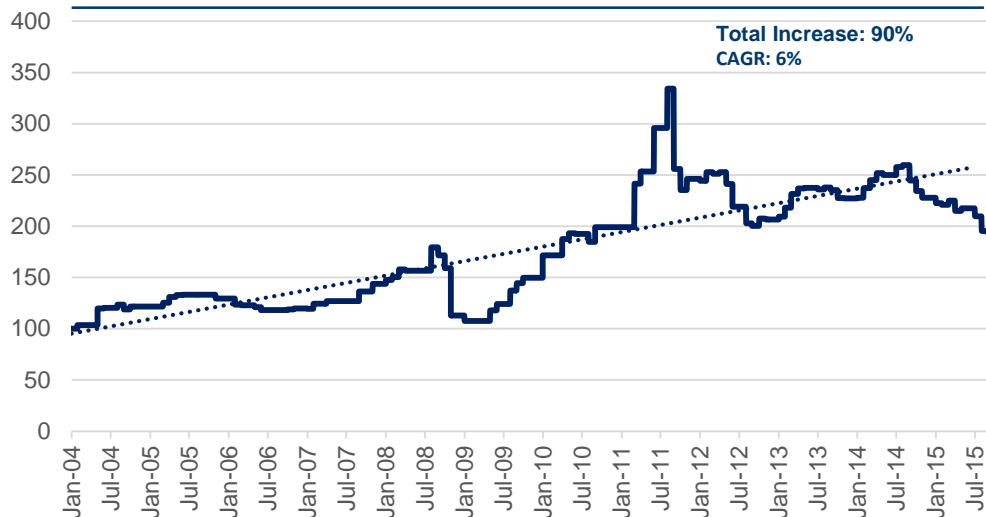
Petra Sales – Pricing and Timing

- Petra sells via method of competitive tender – pricing subject to pure market movements; experienced decrease of ca. 10% in FY 2015
- Pricing movements experienced by diamond producers can vary based on differing sales models

FY 2016 Tender Cycle



Rough Diamond Index (Jan 2004 to Oct 2015)



FY 2016 Market Conditions

- Market continues to be challenging, due to liquidity / profitability issues in the midstream of the pipeline, the impact of the strong USD and a slowdown in demand from China

First Tender of FY 2016

- Pricing on a like for like basis down 8.8% against Petra guidance for year (flat pricing compared to that achieved in H2 FY 2015)
- Pricing further impacted by poorer quality product mix at Finsch and Kimberley Underground due to higher quantities of fines and tailings, and at Koffiefontein due to slower ramp up of underground ROM production than expected

Outlook

- Petra expects product mix to improve throughout FY 2016 due to more ROM carats vs. tailings, plus first input of undiluted ore from new underground mining areas
- Diamond retail results remain stable in US and bridal segment still performing in mainland China
- Festive season (running from Nov to Feb) could see pull through of inventory in pipeline and improved trading conditions in H2 FY 2016

Petra Rough Diamond Pricing

	Calculated Average Value ¹ US\$/ct Q1 FY 2016	Guidance Weighted Average US\$/ct FY 2016	Actual Weighted Average US\$/ct FY 2015	Ranges of Individual Tender Results US\$/ct FY 2015
Finsch	77	94	90	82 – 112
Cullinan	109	126 ²	119 ³	106 – 135 ⁴
Koffiefontein	320	570	386	226 – 536
Kimberley Underground	230	327	302	246 – 376
Williamson	237	303	298	217 – 354

1. To arrive at the 'calculated average value', Petra incorporated actual pricing results of all parcels sold, the value of as yet unsold parcels offered to the State Diamond Trader at pre-tender valuation less 10%, and the value of parcels withheld at the October tender at highest bids received (but not accepted)
2. Excludes guidance for exceptional diamonds (stones above \$5 million in value)
3. Including exceptional diamonds, the average was \$174 per carat
4. Excluding exceptional diamonds

Impact of Strong US Dollar

- Strong USD puts pressure on pricing of USD denominated commodities
- Substantial weakness in ZAR significantly increases ZAR cashflows in South Africa
 - Major portion of Petra operating costs incurred in South Africa
 - Chart below shows rough diamond prices (PLPHROAI Index) in ZAR terms

Rough Diamond Index – ZAR terms (Jan 2004 to Oct 2015)



Q1 – A Strong Start to the Year

Q1 FY 2016 – Production and Sales Summary

	Unit	Q1 FY 2016	Q1 FY 2016	Variance	FY 2015
<u>Sales</u>					
Diamonds sold	Carats	n/a	532,250	n/a	3,168,650
Gross revenue	US\$M	n/a	100.8	n/a	425.0
<u>Production</u>					
ROM diamonds	Carats	646,051	600,499	+8%	2,276,168
Tailings and other diamonds	Carats	196,745	233,245	-16%	910,307
Total diamonds	Carats	842,796	833,744	+1%	3,186,475

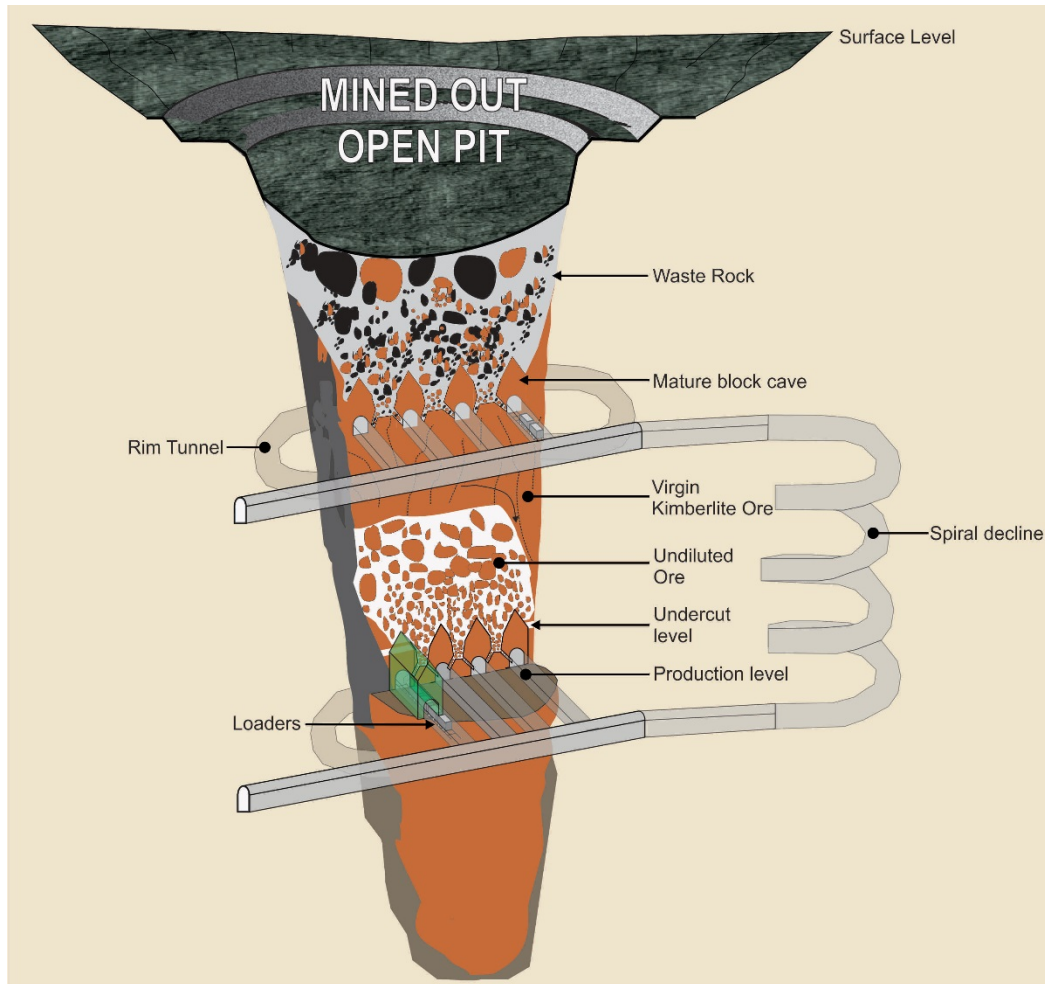
- Record quarterly production rate
- Increases at Finsch, Koffiefontein and Kimberley Underground, offset by reductions at Cullinan and Williamson
- Production on track to hit guidance of ca. 3.3 – 3.4 Mcts for FY 2016 (H1: ca. 1.5 Mcts; H2: ca. 1.8 – 1.9 Mcts) and ca. 5 Mcts for FY 2019
- No tenders / sales took place in Q1

Robust Financial Position

	Unit	30 September 2015	30 June 2015	30 September 2014
<i>Closing exchange rate used for conversion</i>		<i>R13.84/US\$1</i>	<i>R12.16/US\$1</i>	<i>R11.28/US\$1</i>
Cash at bank	US\$m	57.2	166.6	45.2
	Carats	1,181,822	339,489	622,910
Diamond inventories	US\$m	103.4	33.5	48.4
Diamond debtors	US\$m	0.0	57.6	3.6
US\$ loan notes (including US\$9.5 million accrued interest)	US\$m	309.5	303.3	n/a
Bank loans and borrowings	US\$m	53.9	35.0	152.5
Net debt	US\$m	306.2	171.7	107.3
Bank facilities undrawn and available	US\$m	208.4	255.1	36.1

- Higher inventories and net debt level at 30 September due to no sales held in Q1
- Capex fully funded from treasury, bank facilities and cashflows

Moving into Undiluted Ore



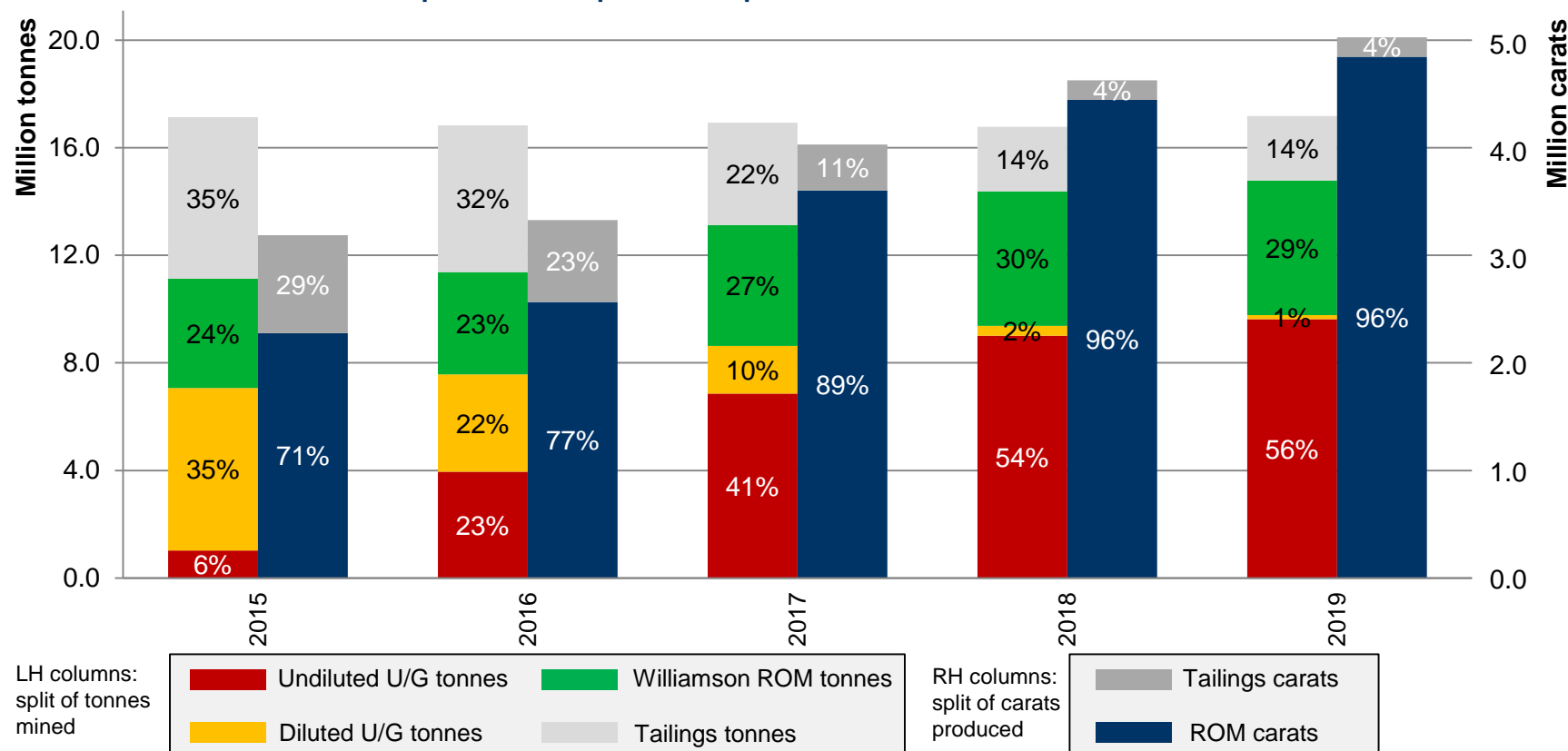
- Caving is a safe and proven mechanised mining method; provides access to higher volumes of ore than other methods
- Current underground mining taking place in diluted, mature caves nearing end of lives
- Expansion programmes to take next 'cut' by deepening and establishing new block/sub level caves in undiluted kimberlite
- Grades expected to rise significantly, increasing margin per tonne mined:
 - *Finsch +35%*: ca. 43 cpht to ca. 58 cpht¹
 - *Cullinan +129%*: ca. 24 cpht to 55 cpht¹
- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)

Growth & Margin Expansion

Operating margins expected to rise from ca. 36% to +50% by FY 2019

- Group tonnage throughput to remain flat, but increase in ROM grades to lead to ca. 60% growth in production
- Lower value tailings to reduce from 29% in FY 2015 to 4% of carat production by FY 2019

Split of Petra's production profile from different ore sources



Finsch – Development Programme

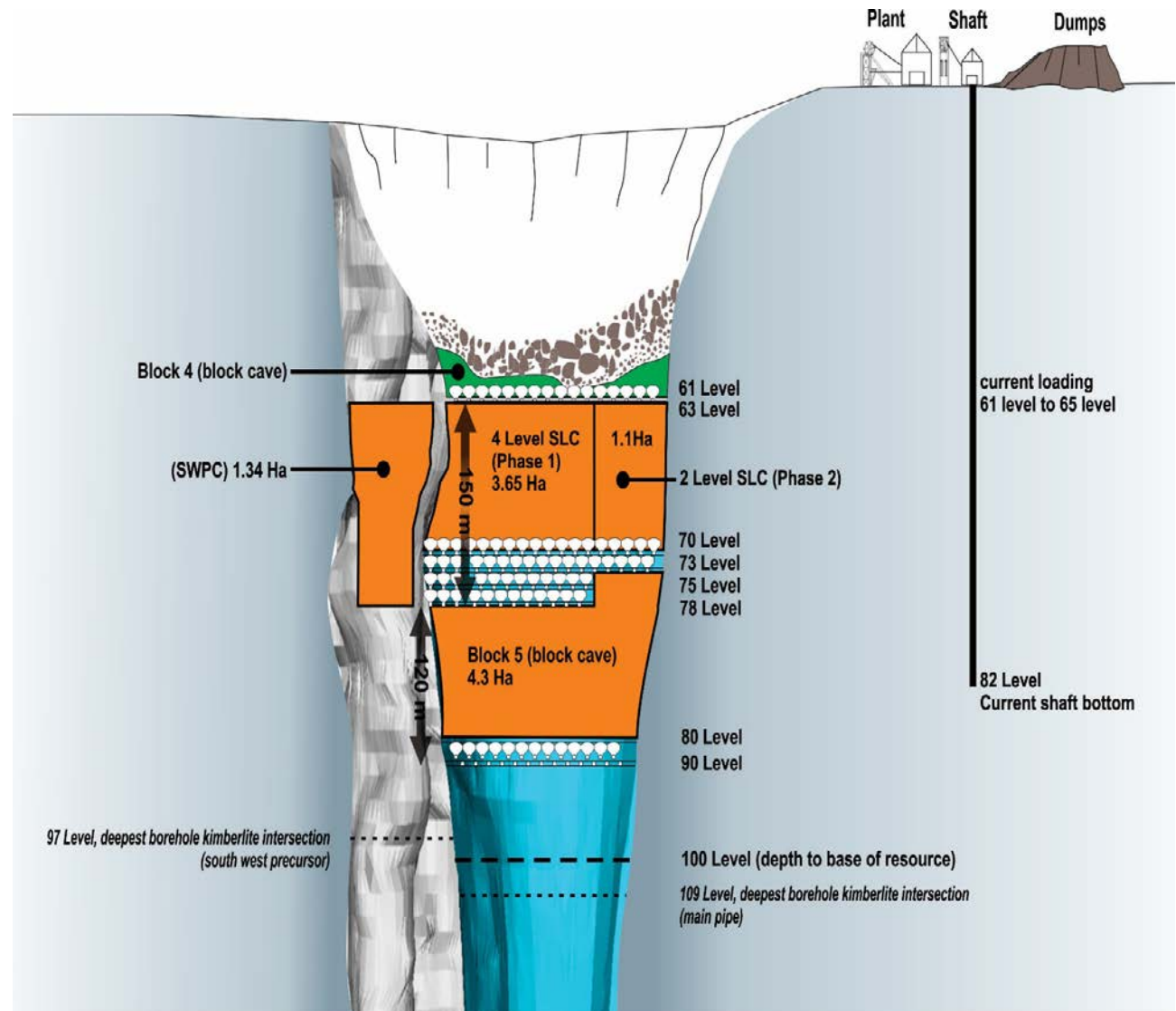
Expansion Plan

- **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 from – **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 Development Snapshot

SLC ore handling installation infrastructure in progress



Simba M4C in operation

Installation of the Apron Feeder Bulkhead

The new bulk sample plant



Cullinan – Development Programme

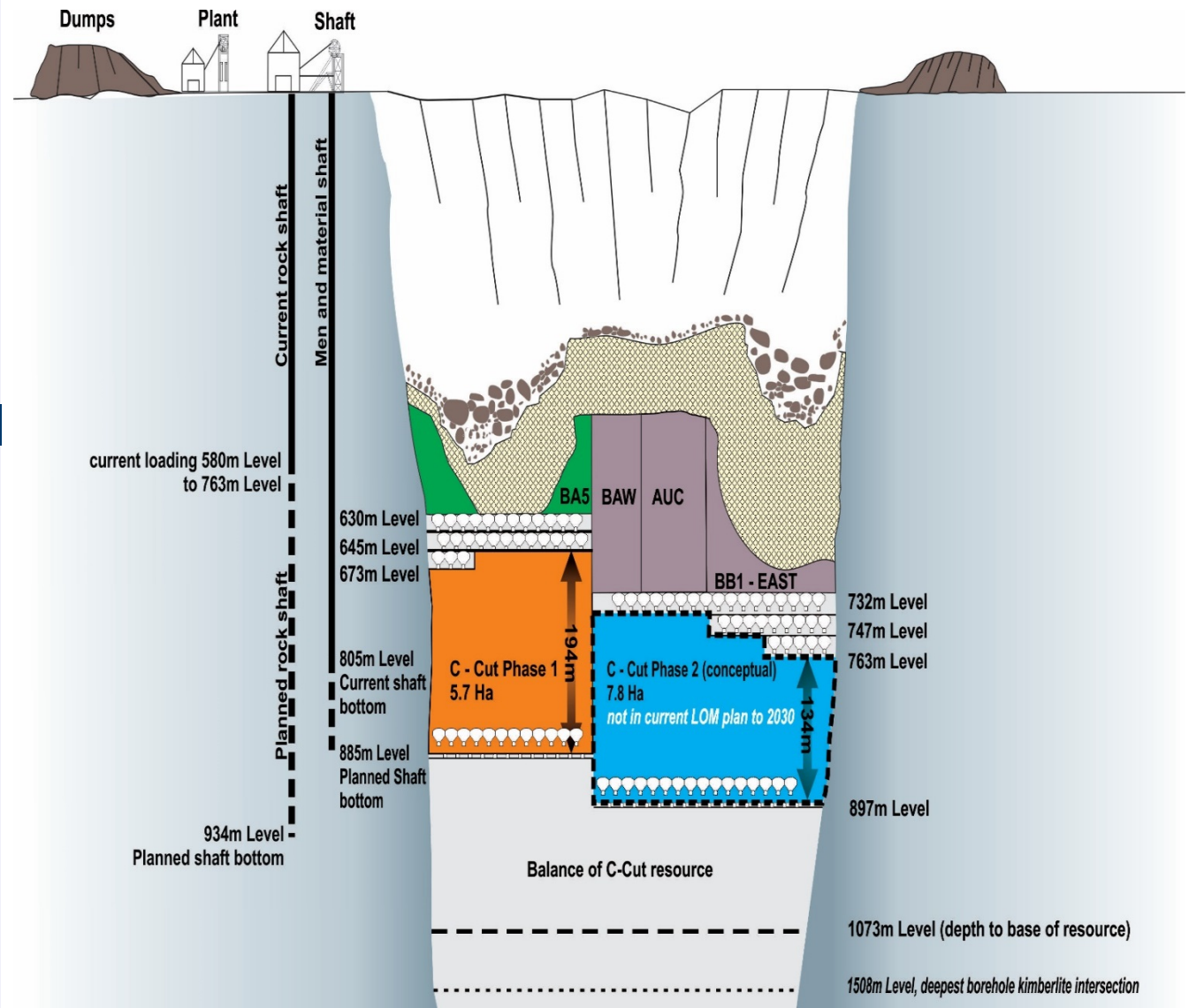
Expansion Plan

- **Expansion plan to take production to ca. 2.4 Mcts by FY 2019 (2.2 ROM & 0.2 tailings)**
- 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 Development Snapshot

Drilling



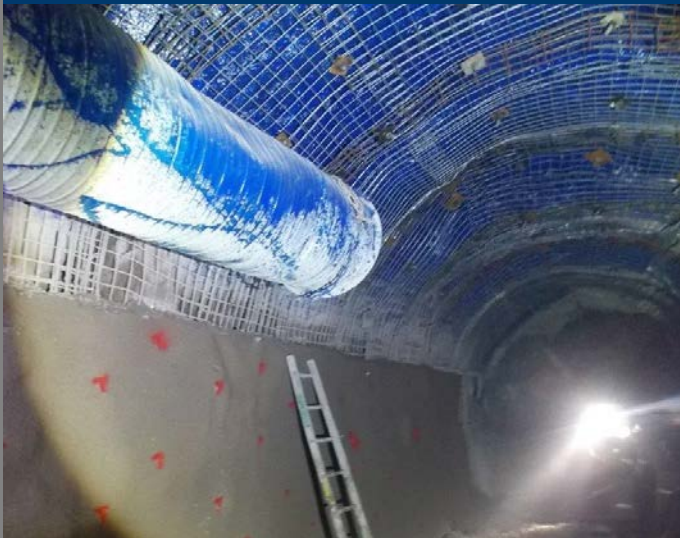
Undercut holing – Tunnel 21



Undercut secondary support



'Blue' development – rock sealing



'Blue' development – secondary support



Conveyor Level South



New Cullinan Plant

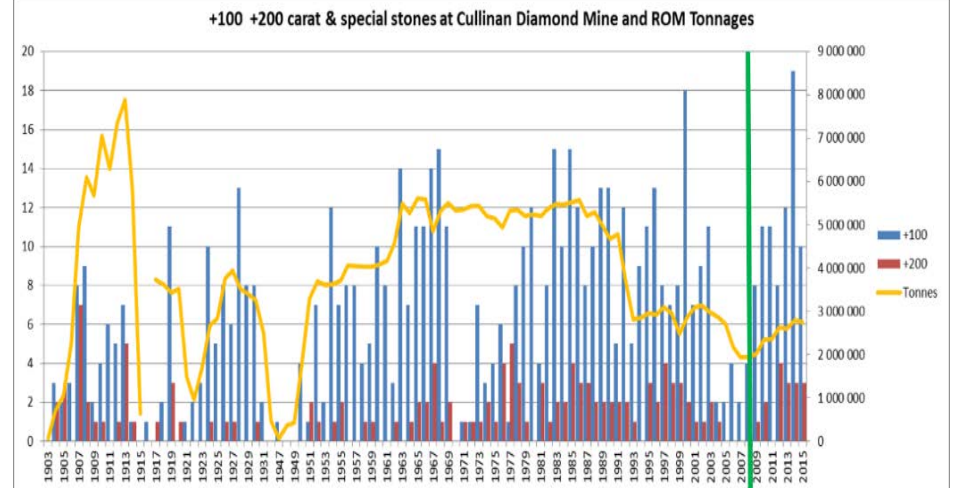
Expected Benefits of the CDM Plant

- 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 of ca. 6 – 8% in revenue per tonne
 - Ca. 10% increase in grade due to increased liberation across the full diamond spectrum
 - Improved recoveries of large, higher value stones (new plant will utilise gentler processing methods (comminution via attrition) instead of extensive crushing)
- Saving of ca. ZAR20 – 25/t in processing costs
 - Operating cost savings due to increased energy efficiency, improved water consumption, reduced circulation and reduction in maintenance requirements
- Strong standalone economics
 - Payback of ca. 3 years
 - IRR of 25%

Existing Cullinan Plant



Production of Large Diamonds at Cullinan



Optimising Recoveries at Cullinan – The Prize

- Cullinan is a world-class orebody, renowned for the regular production of large, top quality diamonds
- Source of the 3,106ct Cullinan diamond (cut to form the centrepiece stones of the British Crown Jewels) and many of the world's most famous and spectacular diamonds
- Sep 2015: Chow Tai Fook unveils a new Cullinan masterpiece: 'A Heritage in Bloom', set with a 104ct DIF Triple-X brilliant round diamond cut from the Cullinan Heritage



The 507ct Cullinan Heritage – sold for record \$35.3m in 2010

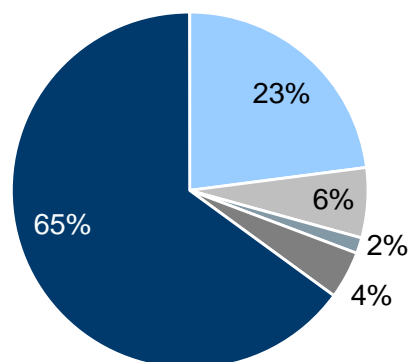


Chow Tai Fook's magnificent 'A Heritage in Bloom'

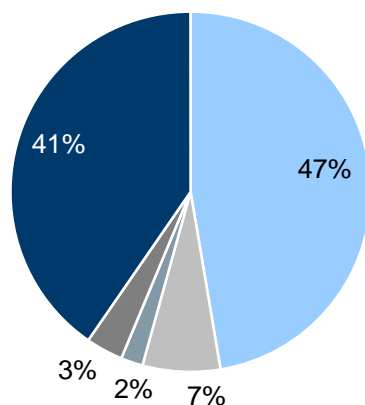
Production and Revenue – FY 2015 vs FY 2019

Gross Production

FY 2015 actual: 3.2 million carats

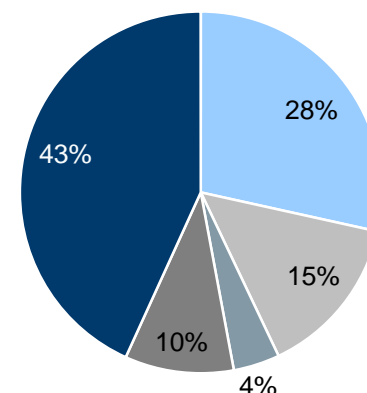


FY 2019: ca. 5 million carats¹

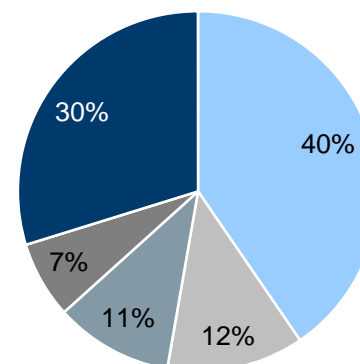


Gross Revenue

FY 2015 actual: US\$425.0 million



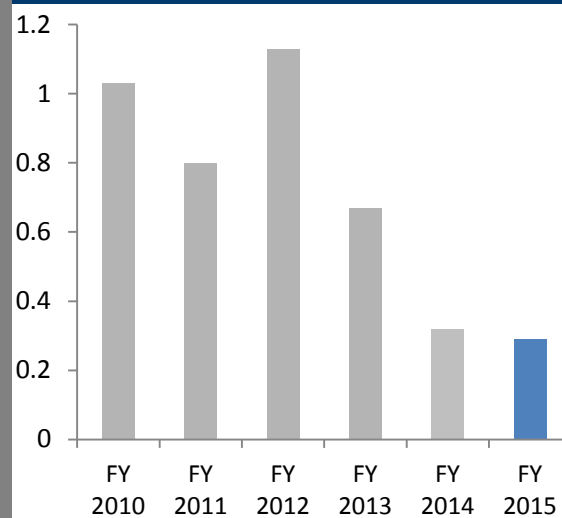
FY 2019: ca. US\$1.0 billion¹



1. FY 2019 figures are management estimates; revenue calculated using flat pricing for FY 2016, and thereafter a 4% annual real price increase

Integrated Approach to Sustainability

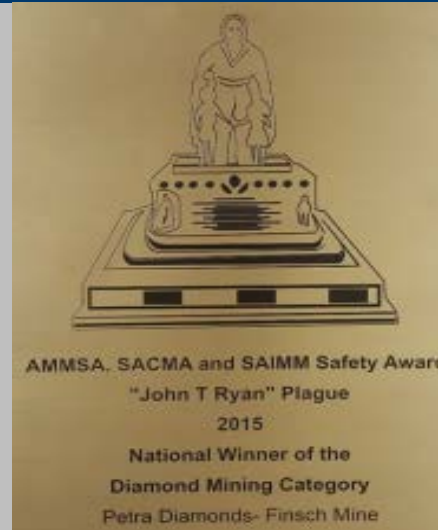
Safety Performance



Safety of employees is top priority

Petra strives for continuous improvement

LTIFR compares favourably with international underground mines



Petra's LTIFR Rate
Striving for zero harm

Health and Safety
Finsch wins 2 MineSAFE Awards

Environmental Management
Biofiltration trials at Cullinan



Education

Petra supports My Maths Buddy One Book One Learner Project

Community

Kimberley UG cleans litter on Mandela Day



PetraDiamonds

The Koffiefontein mine, South Africa



Appendix

Capital Structure

Share Price (1 year to 9 Nov 15) vs FTSE 250 & FTSE 350 Mining



High Quality Share Register

(as at 9 November 2015)

	% ISC
T. Rowe Price ¹	12.1%
BlackRock Investment (UK) Limited	9.9%
Standard Life Investments (Holdings) Limited	8.4%
M&G Investment Funds	5.5%
Directors	3.2%

1. T. Rowe Price holds 62,702,657 shares with voting rights attached to them, being 14.1% of Petra voting rights

Listing

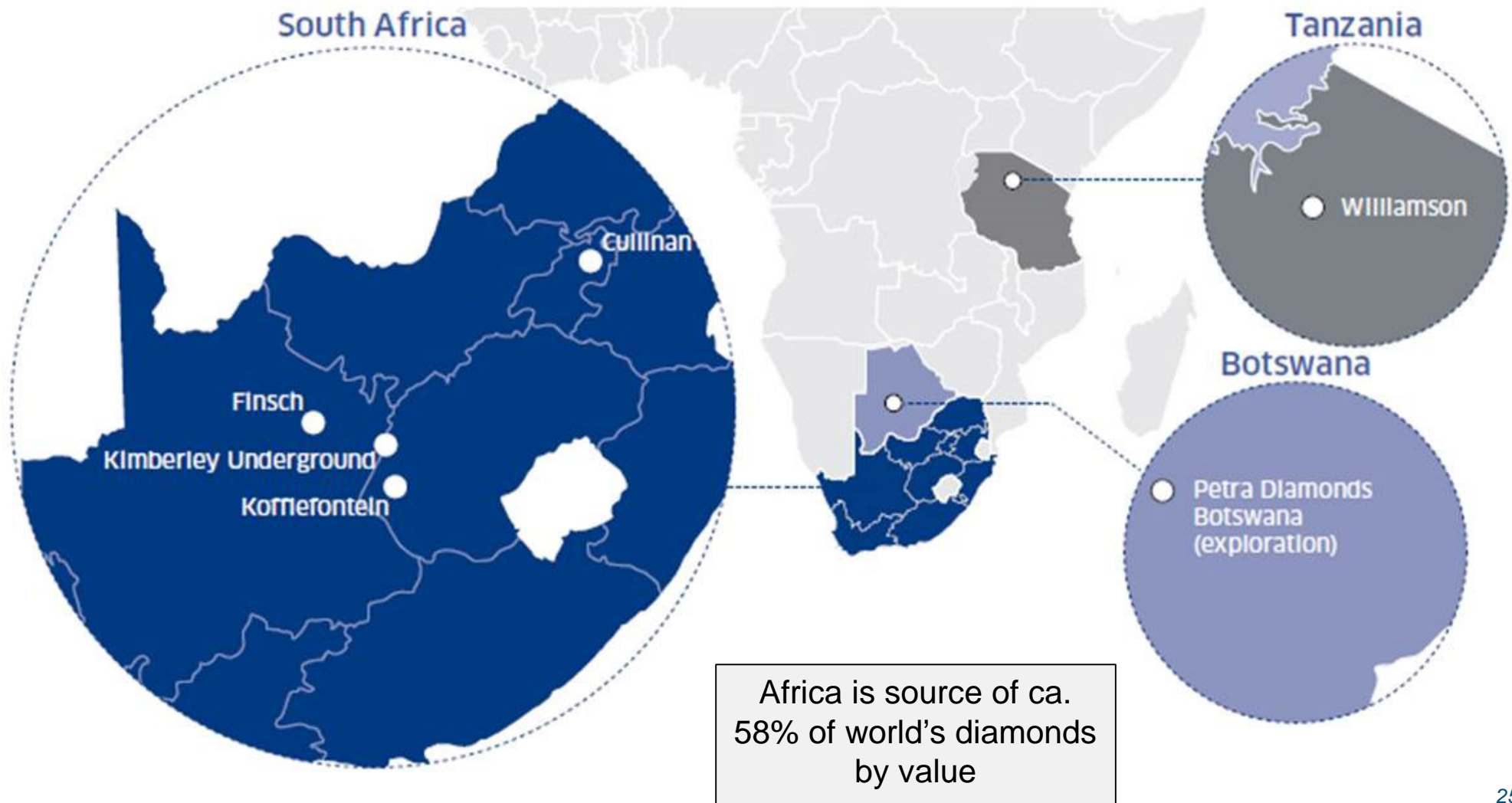
Average daily trading volume (shares) – (last 12 months)
Shares in issue
Free float
Market cap @ 70p (9 November 2015)

LSE: PDL

3.2m
522.8m
96.8%
£370m / \$550m

Focus on Southern Africa

Diversified portfolio: 5 producing mines (4 in South Africa, 1 in Tanzania), exploration in Botswana



FY 2015 – Summary of Results

	FY 2015 (US\$m)	FY 2014 (US\$m)
Revenue ¹	425.0	471.8
Adjusted mining and processing costs ¹	(272.7)	(277.4)
Other direct income	2.2	6.7
Profit from mining activities¹	154.5	201.1
Exploration expense	(5.6)	(2.8)
Corporate overhead	(9.6)	(10.6)
Adjusted EBITDA¹	139.3	187.7
Depreciation	(38.3)	(41.7)
Share-based expense	(6.6)	(4.2)
Net finance expense	(6.2)	(7.1)
Tax expense	(25.4)	(41.0)
Adjusted net profit after tax¹	62.8	93.7
Impairment charges ¹	-	(13.9)
Net unrealised foreign exchange (losses) / gains	(3.2)	3.6
Loss on discontinued operations, net of tax ¹	-	(15.9)
Net profit after tax – Group	59.6	67.5
Basic EPS from continuing and discontinued operations – US\$ cents	9.46	9.69
Basic EPS from continuing operations – US\$ cents	9.46	12.80
Adjusted basic EPS from continuing operations – US\$ cents¹	10.09	14.82

1. Refer to preliminary results announcement dated 18 September 2015 for detailed notes explaining non IFRS adjusted disclosures

FY 2015 – Operations Results

Operation	Finsch (74% ¹ Petra; 26% BEE)		Cullinan (74% ¹ Petra; 26% BEE)		Koffiefontein (70% ^{1 & 2} Petra; 30% BEE)		Kimberley UG (74% ¹ Petra; 26% BEE)		Williamson (75% Petra; 25% Government of Tanzania)	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<u>ROM Production</u>										
Tonnes treated (t)	3,016,385	2,910,195	2,513,004	2,546,383	341,783	245,833	1,196,269	908,498	4,056,638	3,405,524
Grade (cpht)	43.1	38.1	24.4	27.8	8.1	7.1	11.5	14.0	4.8	5.2
Diamonds recovered (carats)	1,298,914	1,109,022	611,993	706,728	27,756	17,502	137,226	126,917	194,048	178,379
<u>Total Production</u>										
Tonnes treated (t)	5,672,856	5,578,473	4,971,310	4,695,954	866,027	677,666	1,196,269	908,498	4,426,044	3,810,690
Diamonds recovered (carats)	2,065,875	1,885,160	729,496	823,619	45,384	50,375	137,226	126,917	202,265	188,465
<u>Sales</u>										
Diamonds sold (carats)	2,067,933	1,856,939	700,896	881,343	46,033	49,250	138,052	127,729	208,351	178,171
Average price per carat (US\$)	90	99	119 ³	146 ⁴	386	542	302	303	298	303
Revenue (US\$M)	185.4	183.7	122.2	162.8	17.8	26.7	41.8	38.8	62.1	53.9
<u>On-mine cash cost per tonne treated</u>	R164	R146	R154	R154	R303	R293	R264	R301	12	11
<u>Total Capex</u>	88.0	67.8	121.5	93.1	26.8	30.7	13.9	10.1	16.2	8.9

¹ Other than the percentage interests above, Petra has an interest in Sedibeng Mining, one of its BEE partners – refer document 'Effective Interest in Mines':

<https://www.petradiamonds.com/investors/analysts/analyst-guidance/>

² Petra has an interest in Re Teng Diamonds (Pty) Ltd, the BEE partner for the Koffiefontein mine

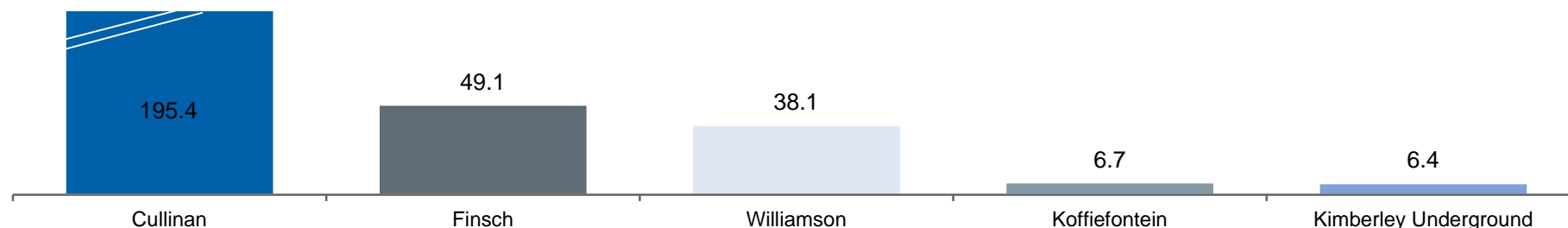
³ Including exceptional diamonds, the average value for FY 2015 was \$174 per carat

⁴ Including exceptional diamonds, the average value for FY 2014 was US\$185 per carat

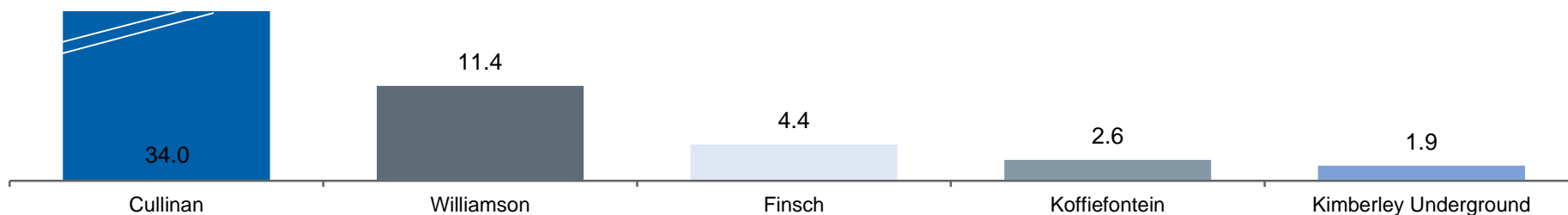
2015 Resource Statement (30 June 2015)

- 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

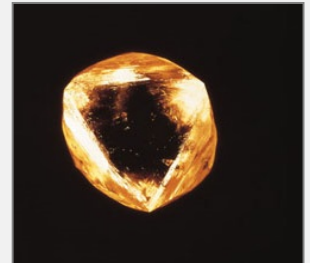


The Golden Jubilee 755.5ct rough, 545.6ct polished **Cullinan, 1986**



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**



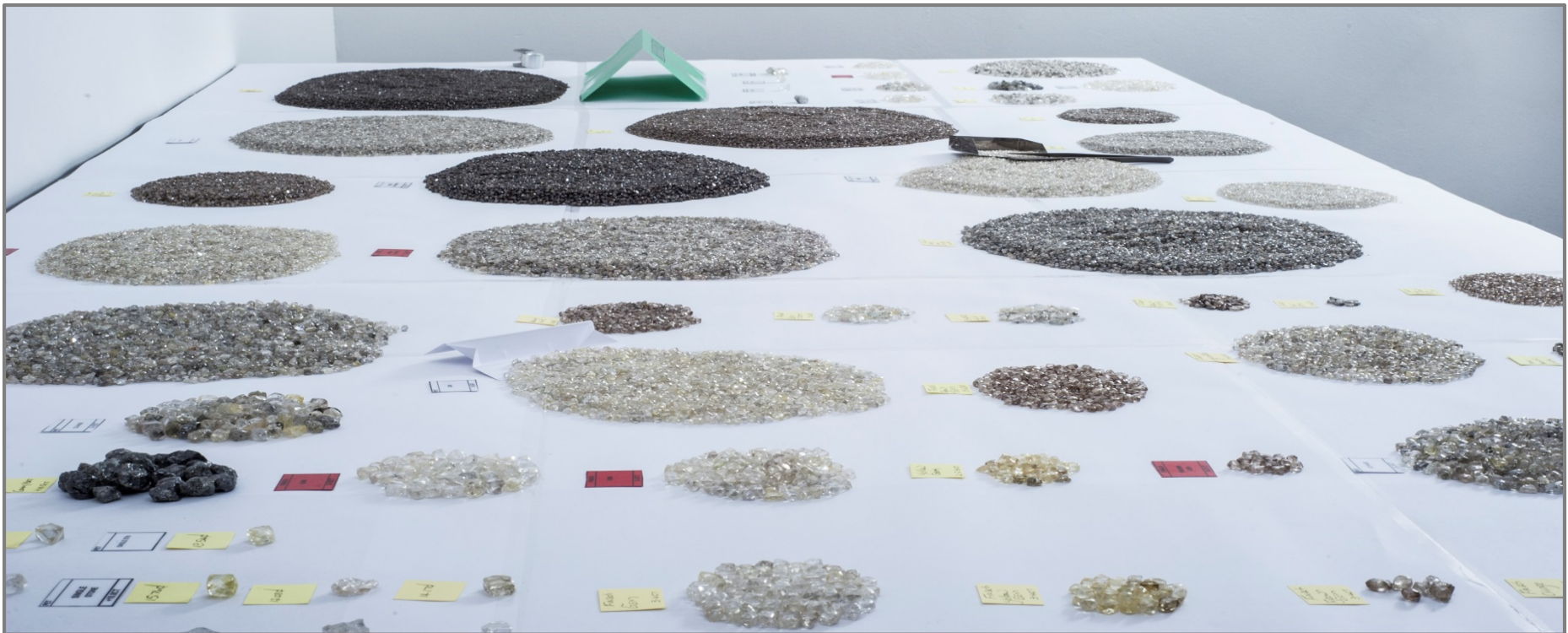
The Blue Moon 29.6ct rough, 12.0ct polished **Cullinan, 2014**

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 Diamonds

- 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
- Average increased to ca. \$36 million pa in FY 2014 and FY 2015
- Company business model is not reliant on exceptional diamond recoveries

122 carat blue diamond valued at \$27.6 million in a beneficiation agreement; Petra received \$23.5 million and retains a 15% share in polished proceeds



The rough diamond yielded four polished blue stones of significance:

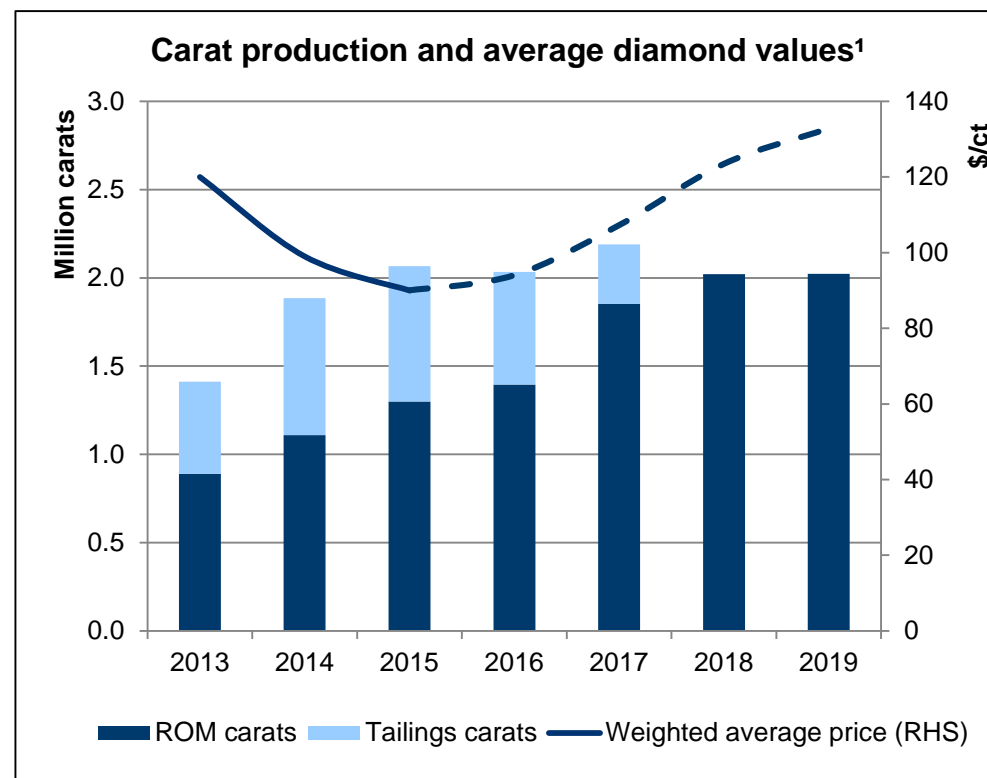
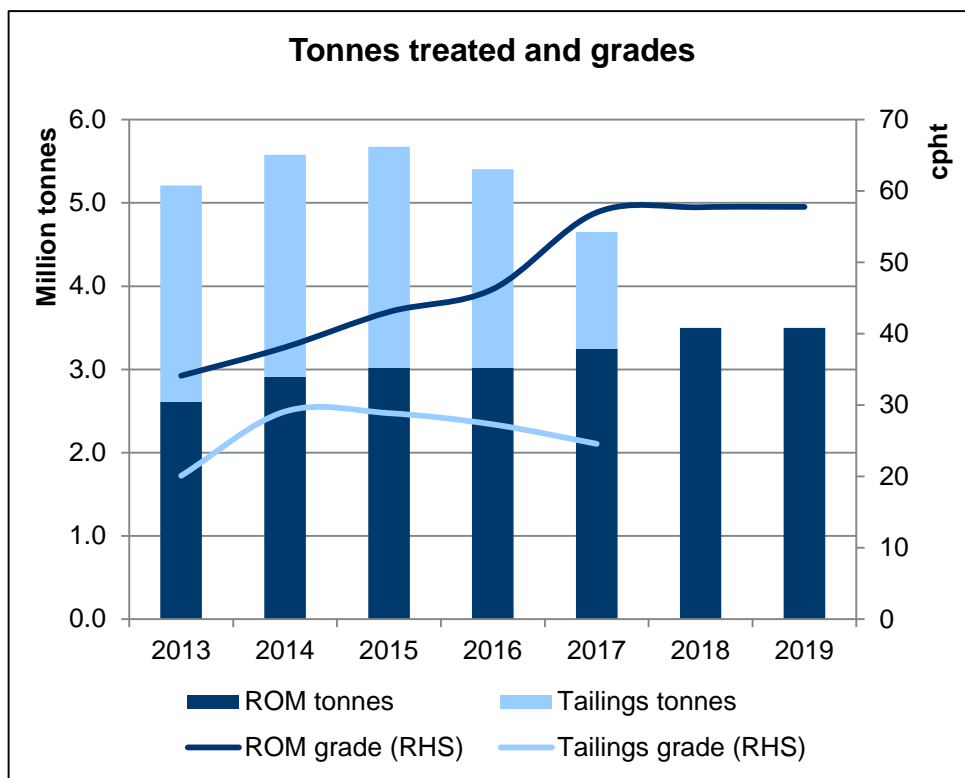
- *26.1 carat*, radiant cut, intense fancy blue diamond;
- *11.3 carat*, pear cut diamond, colour tbc);
- *10.3 carat*, radiant cut, fancy blue diamond; and
- *7.0 carat*, cushion cut, fancy blue diamond.

232 carat white diamond sold for \$15.2 million



Finsch – Production Plan

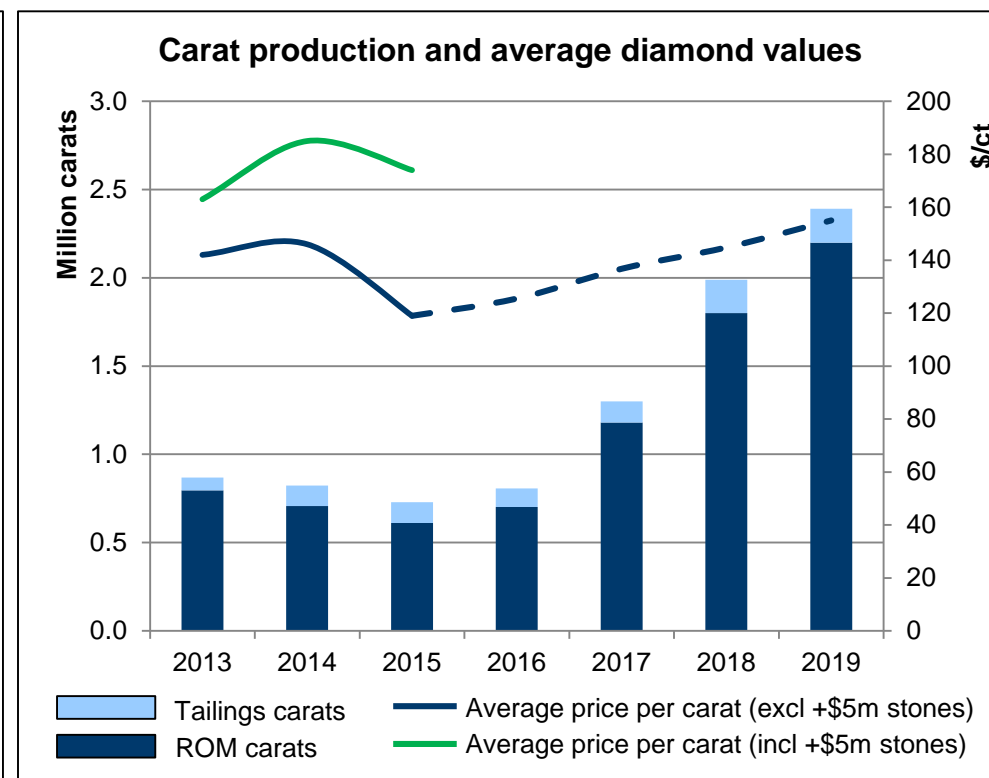
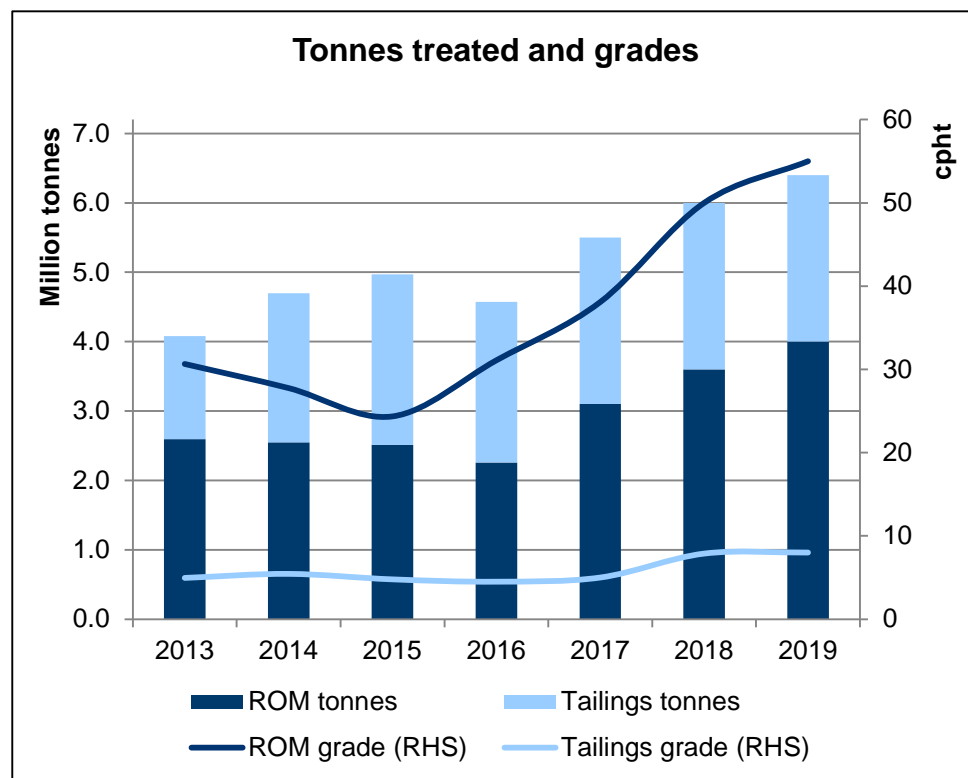
- ROM tonnages to rise ca. 16%, but ROM carat production to rise ca. 56% due to higher grade
- Positive impact on average value per carat as tailings production winds down



1. Forecasts for average value per carat calculated using a 4% annual real price increase

Cullinan – Production Plan

- ROM tonnages to rise 48%, but ROM carat production expected to rise 180%
- Steady state grade projection increased from ca. 50 cpht to ca. 55 cpht due to new Cullinan plant



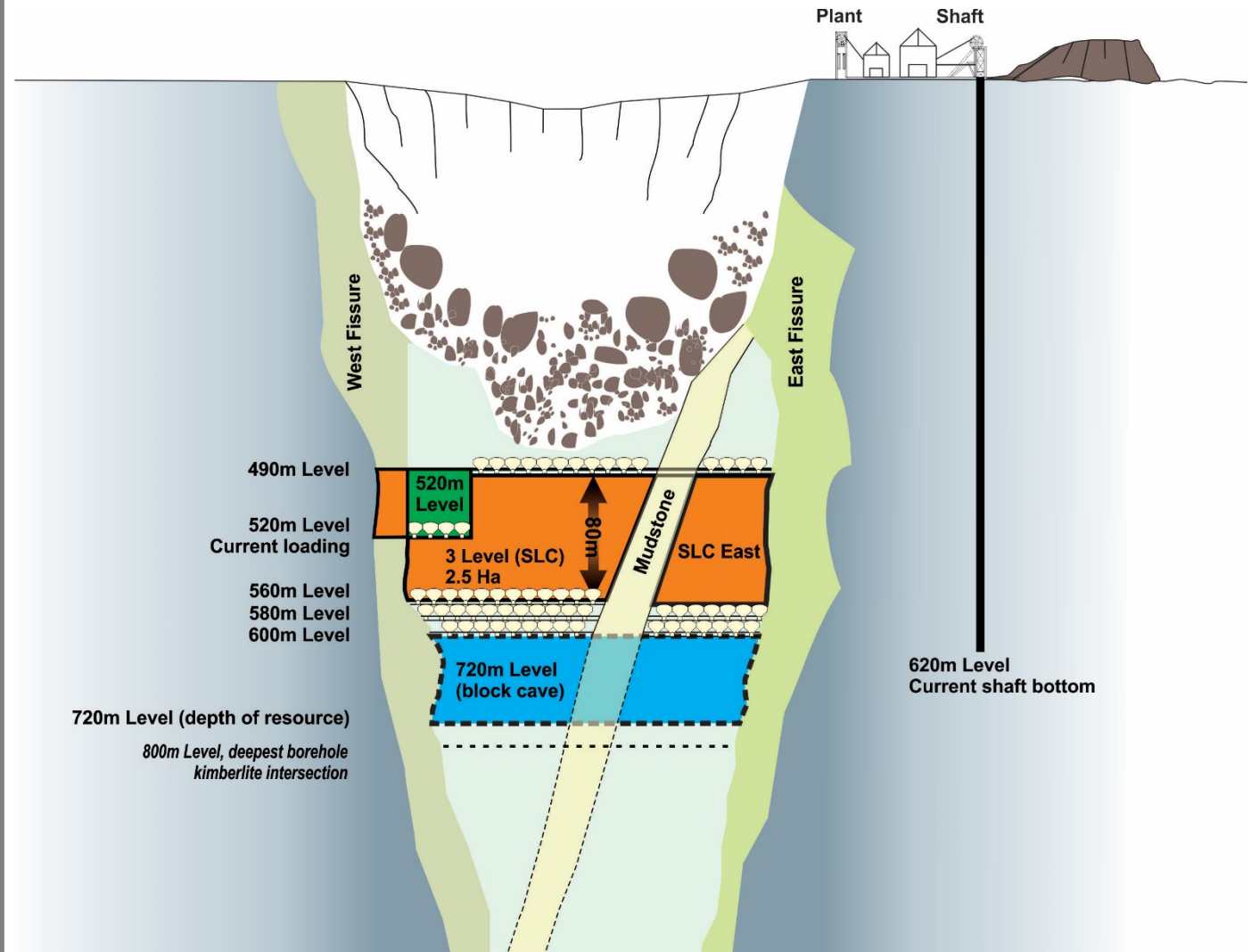
1. Forecasts for average value per carat calculated using a 4% annual real price increase

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**

Koffiefontein Kimberlite Pipe Schematic

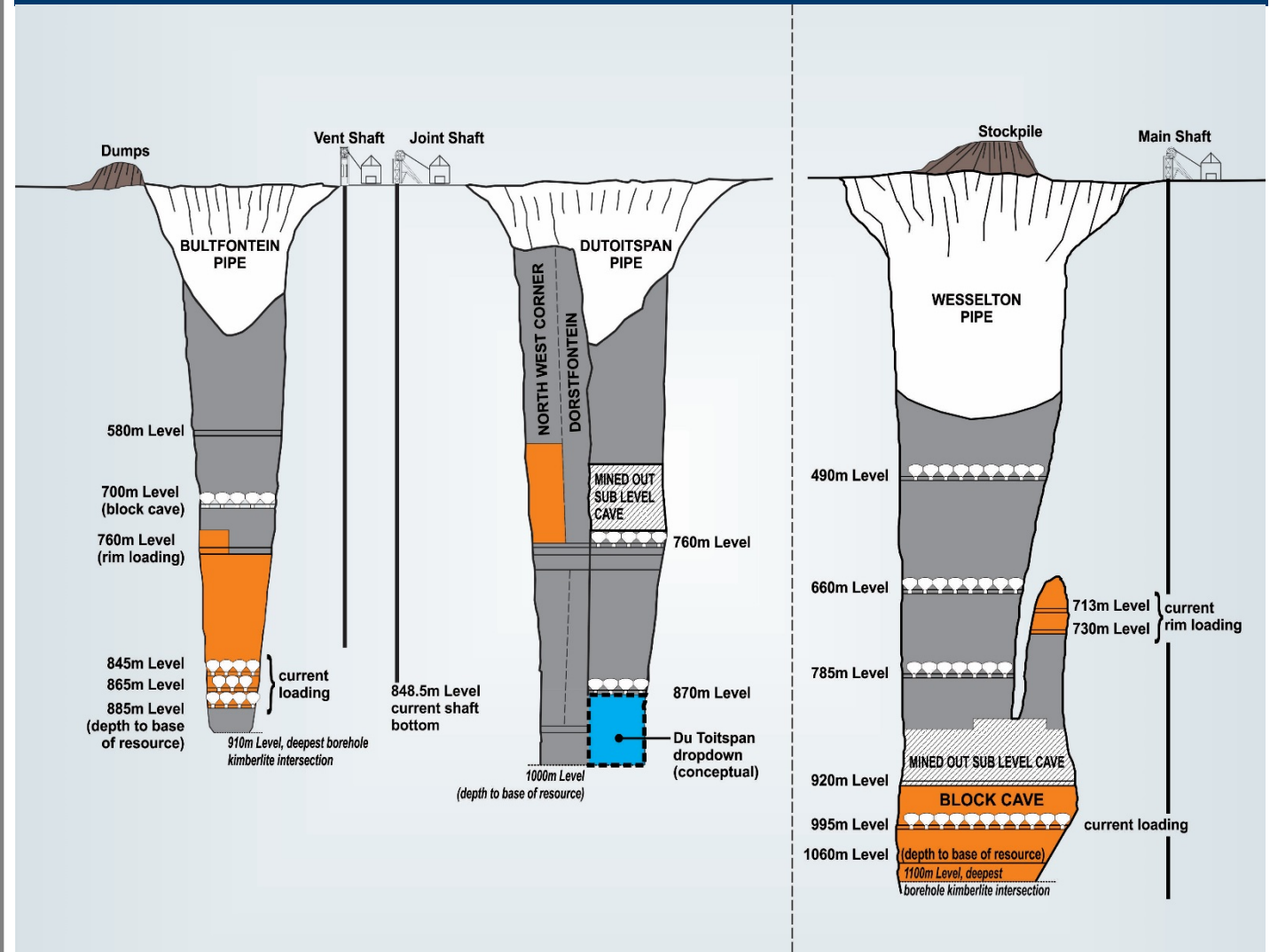


Kimberley Underground – Development Programme

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

Kimberley Underground Kimberlite Pipes Schematic

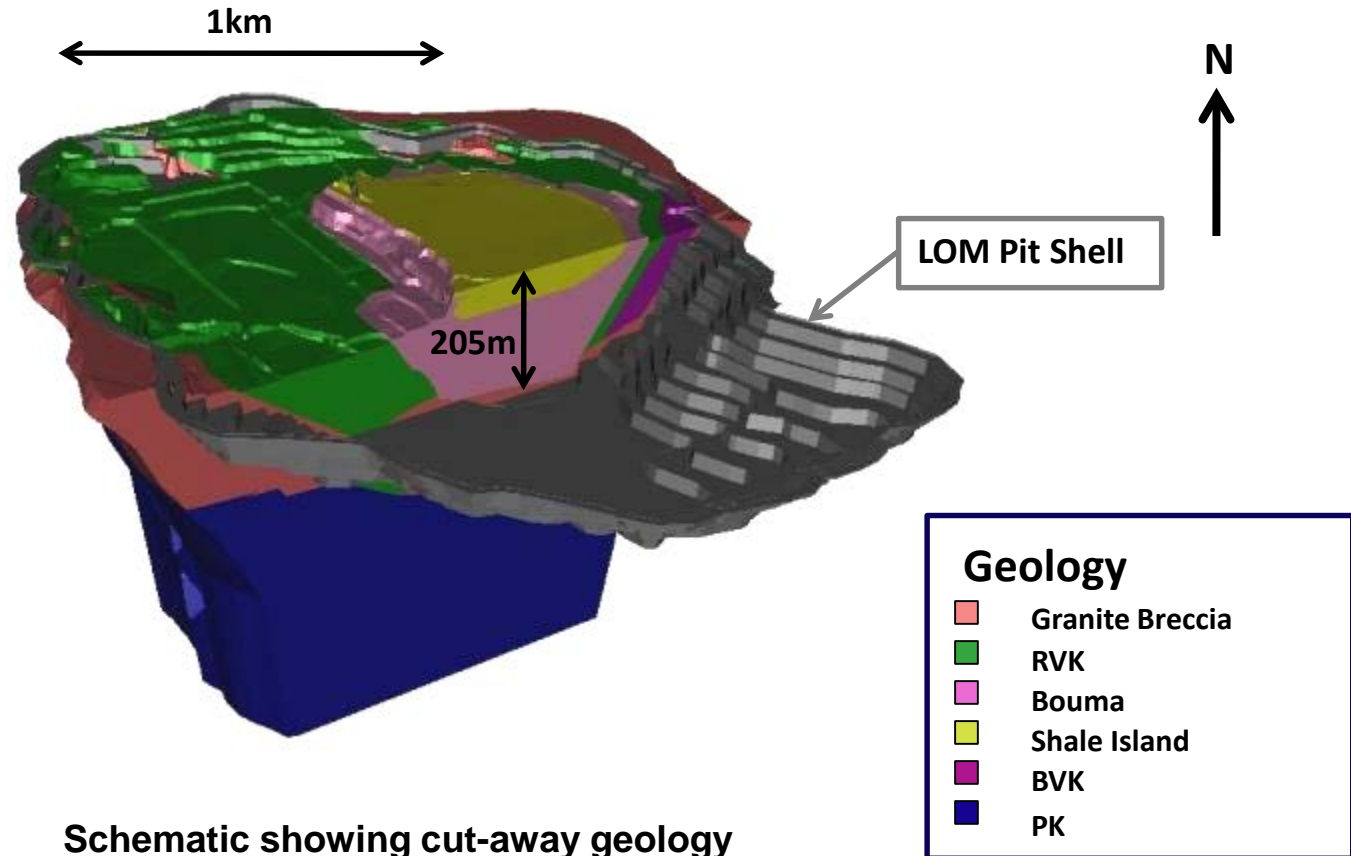


Williamson – Development Programme

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

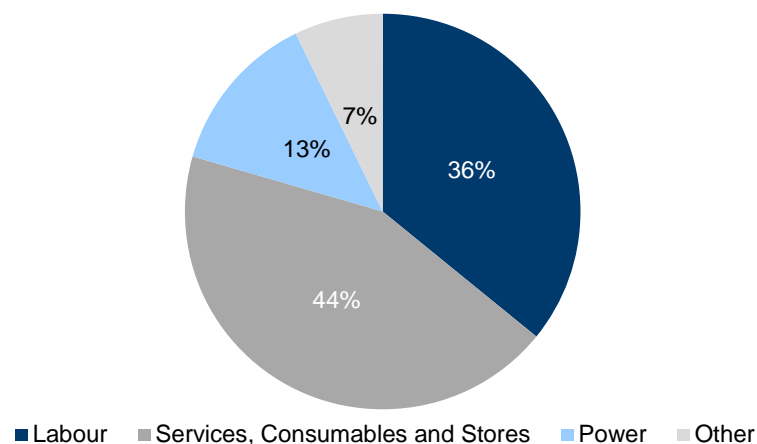


Schematic showing cut-away geology and planned open pit

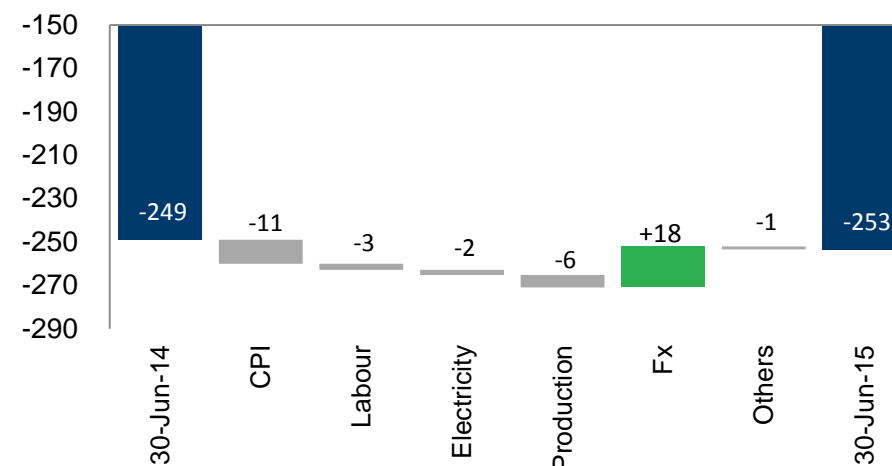
FY 2015 Operating Costs

Petra's focus on cost control and the weaker ZAR helped to mitigate inflationary pressures

FY2015 Group On-mine Cash Cost Breakdown



Group On-mine Cash Cost: FY 2014 vs FY 2015



- Certain cost categories in South Africa increased in excess of SA CPI (ca. 5% as at 30 June 2015)
- Energy:
 - Energy costs in South Africa rose 13% in FY 2015 and further increase of 10-13% expected for FY 2016
 - Risk of rising electricity costs managed through efficient design of new infrastructure
 - Back up power generation being put in place at Finsch, Cullinan and Koffiefontein to negate Eskom stage 1 and 2 load reduction requests
- Labour:
 - 3 year wage agreement with NUM (+ ca.10% pa); lower increases for management and higher skilled labour equates to + ca.8% pa for Group

Debt Facilities

Bank loans and borrowing (excl FX lines) ca. \$262 million as at 30 September 2015

Lender	Type	Size US\$M ¹	Interest Rate	Repayment
Absa & RMB (FNB)	Amortising term facility	58	3M JIBAR + 3.5%	3 semi-annual payments from Mar 2018
IFC	Amortising term facility	35	3M LIBOR + 4.0%	3 semi-annual payments from Mar 2018
Absa & RMB (FNB)	Revolving credit facility	108	JIBAR + 5.0%	Repayable Dec 2019
IFC	Revolving credit facility	25	1M LIBOR + 5.5%	Repayable Dec 2019
Absa & RMB (FNB)	Working capital facility	36	SA Prime – 1.0%	Subject to annual renewal

1. US\$m or US\$m equivalent, exchange rate US\$1:ZAR13.8406

Leverage Ratios

		FY 2015	FY 2014
Net debt¹	US\$m	171.7	124.9
Gearing²	(%)	28	20
Adjusted EBITDA³	US\$m	139.3	187.7
EBITDA margin⁴	(%)	33	40
Net debt: EBITDA⁵	x	1.2	0.7
EBITDA net interest cover⁶	x	6.6	15.9
Operating cashflow⁷	US\$m	141.3	181.2

1. Net debt is the US\$ loan notes and bank loans and borrowings net of cash at bank
2. Gearing is calculated as net debt divided by total equity
3. Adjusted EBITDA, stated before depreciation, share-based expense, net finance expense, tax expense, impairment charges, net unrealised foreign exchange gains and losses and loss on discontinued operations
4. EBITDA margin is Adjusted EBITDA divided by revenue
5. Net debt: EBITDA is Net Debt divided by Adjusted EBITDA
6. EBITDA net interest cover is EBITDA divided by net finance costs, exchange gains or losses and unwinding of present value adjustment for rehabilitation costs
7. Operating cashflow is Adjusted operating cashflow, adjusted for the cash effect of the movement in diamond debtors between each financial year end, excluding unrealised foreign exchange translation movements

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



The Koffiefontein mine, South Africa

Further enquiries:

Petra Diamonds

Cathy Malins

cathy.malins@petradiamonds.com

+44 20 7494 8203

www.petradiamonds.com