



PetraDiamonds



Cullinan – The World's Most Celebrated Diamond Mine

29 January 2014

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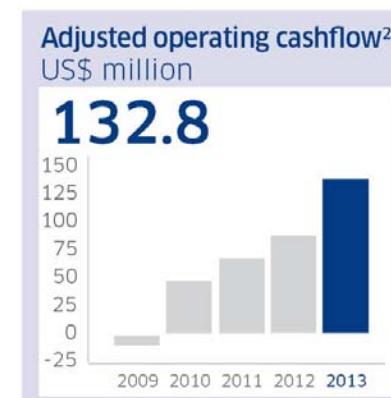
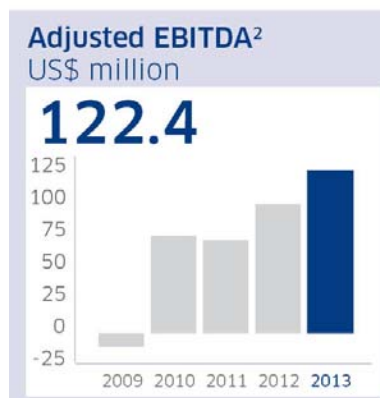
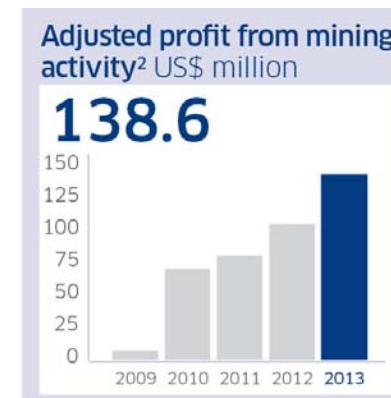
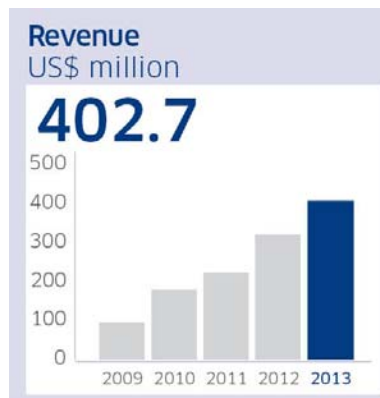
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Petra Diamonds

- **Mid-tier diamond producer** (LSE:PDL; FTSE 250)
- **Quality management team** delivering strong growth
- **World-class resource base** of +300m carats
- **Diversified portfolio** of producing mines and exploration
- **On track** for 5 Mctpa / ca. US\$1bn¹ revenue by FY 2019
- **Sustainability** at heart of Petra
- **Pure play** exposure to late cycle diamonds

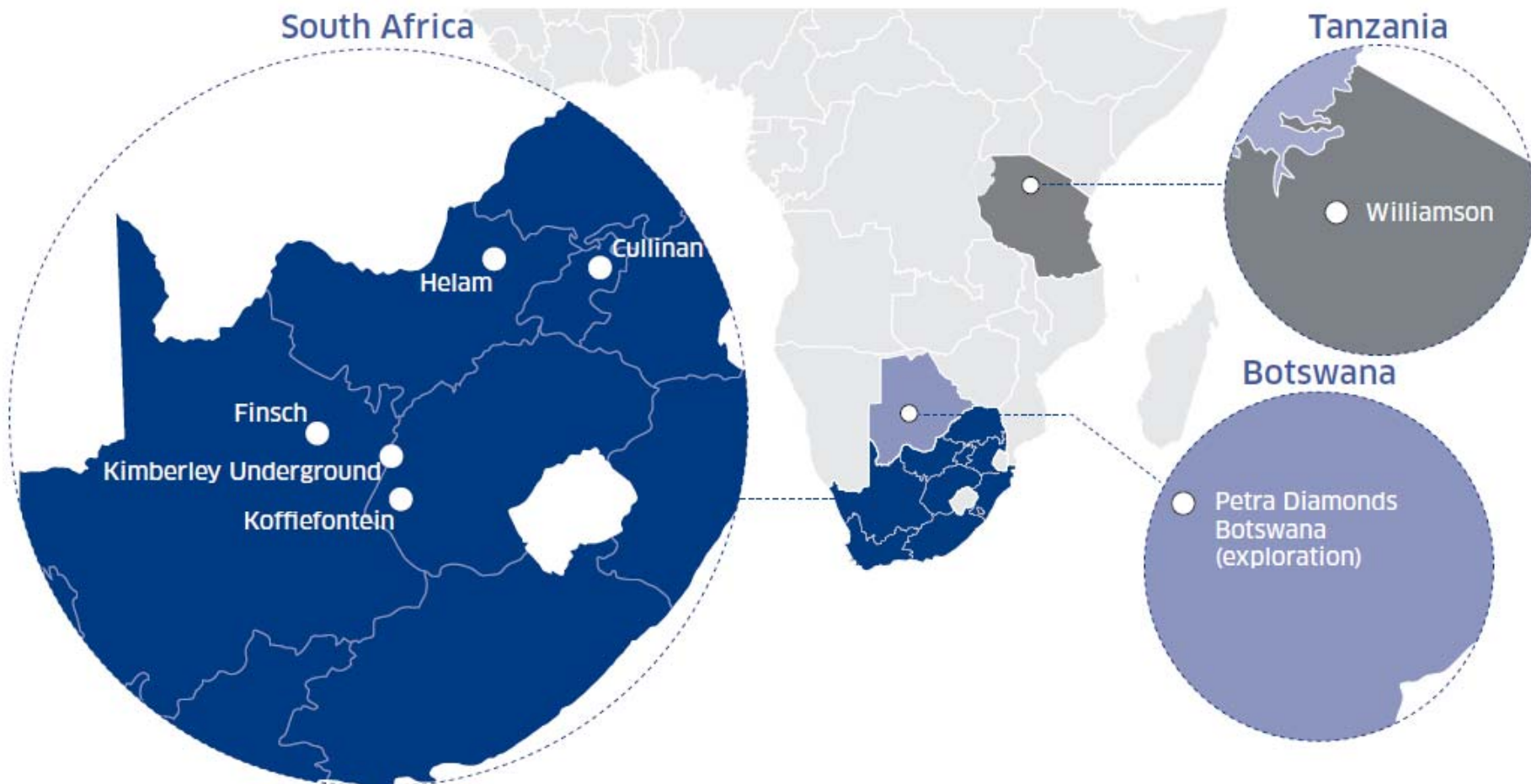


Building a world-class diamond group

1. FY 2019 revenue forecast is a management estimate calculated using a 4% real price increase

Focus on Africa

- Africa produces ca. 60% of the world's diamonds by value
- Multi-mine portfolio provides flexibility in terms of operational performance



An Exceptional Growth Path

Petra has acquired five non-core diamond mines from De Beers:

July 2007

Koffiefontein



74% Petra; 26% BEE

Front Cave

12yr Mine Plan
+20yr Potential Life

July 2008

Cullinan



74% Petra; 26% BEE

Block Cave

17yr Mine Plan
+50yr Potential Life

November 2008

Williamson



75% Petra; 25%
Government of Tanzania

Open Pit

20yr Mine Plan
+50yr Potential Life

May 2010

Kimberley UG



74% Petra; 26% BEE

Block Cave

13yr Mine Plan
+13yr Potential Life

September 2011

Finsch



74% Petra; 26% BEE

Block Cave

17yr Mine Plan
+25yr Potential Life

The Petra approach:

- Focus on efficiencies and simplification
- Utilise in-house capabilities and share services across mines
- Focus on 'value' as opposed to 'volume' production
- Maximise rough diamond prices through competitive tender sales system

CULLINAN OVERVIEW

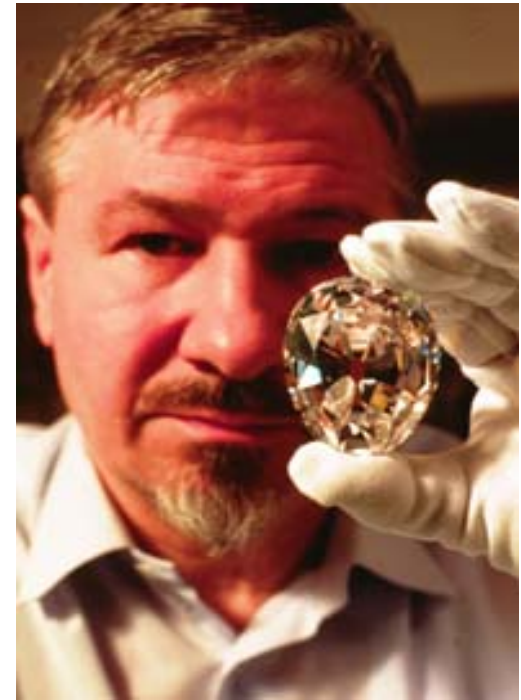
A Unique Heritage

- Source of many of the most famous diamonds
- Source of “the Cullinan”, the world’s largest gem diamond (3,106 carats)
- Has produced a quarter of all the world’s diamonds of +400 carats; >130 stones of +200 carats; 775 stones of +100 carats
- World’s most important source of truly rare and highly prized blue diamonds
- One of the world’s largest diamond resources by in-situ value – 200.8 Mcts (incl. 17.1 Mcts tailings)
- Petra ramping up production from ca. 1 Mctpa to ca. 2.2 Mctpa by FY 2019 (2 Mctpa ROM & 0.2 Mctpa tailings)
- Substantial expansion capital programme in progress, mainly related to C-Cut Phase 1
- Current life of mine plan of 17 years (actual life of +50 years)



Cullinan – Writing the History of Diamonds

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



Also source of the largest polished diamonds in the world, incl. The Great Star of Africa (530 carats)

Cullinan – Iconic Gems



The Golden Jubilee
755.50ct rough,
545.65ct polished
1986



**The Cullinan
Heritage**
507.55 carats rough
2009

The Niarchos
426.50ct rough
128.25ct polished
1954



The Centenary
599.10ct rough,
273.85ct polished
1986

The Premier Rose
353.90 ct rough
137.02 polished
1978



The Safia
338.46ct rough,
90.97ct polished
1990's



The Blue Heart
30.82ct polished
1909

The Taylor Burton
240.80ct rough,
69.42ct polished
1966



World-class Diamonds Recovered by Petra

- The 507.5 carat Cullinan Heritage – sold for **US\$35.5m** (highest price on record for a rough stone) in February 2009
- An outstanding vivid blue stone of 29.6 carats – recovered January 2014
- A 25.5 carat exceptional blue recovered in April and sold in May 2013 for **US\$16.9m (US\$663k per carat)** (could be world record per carat value for rough)
- The Star of Josephine, a 26.6 carat rough blue diamond cut and polished by Petra to 7.0 carats – sold on auction for **US\$9.4m (US\$1.349m per carat)** in May 2009
- A 39.9 carat rough blue diamond – sold for **US\$8.8m** in 2008
- 4.8 carat blue diamond – sold for **US\$1.45m**, or **+US\$300k per carat** in 2012
- In FY 2013, 9 diamonds sold for **+US1m** each



The exceptional 29.6 carat blue recovered in January 2014

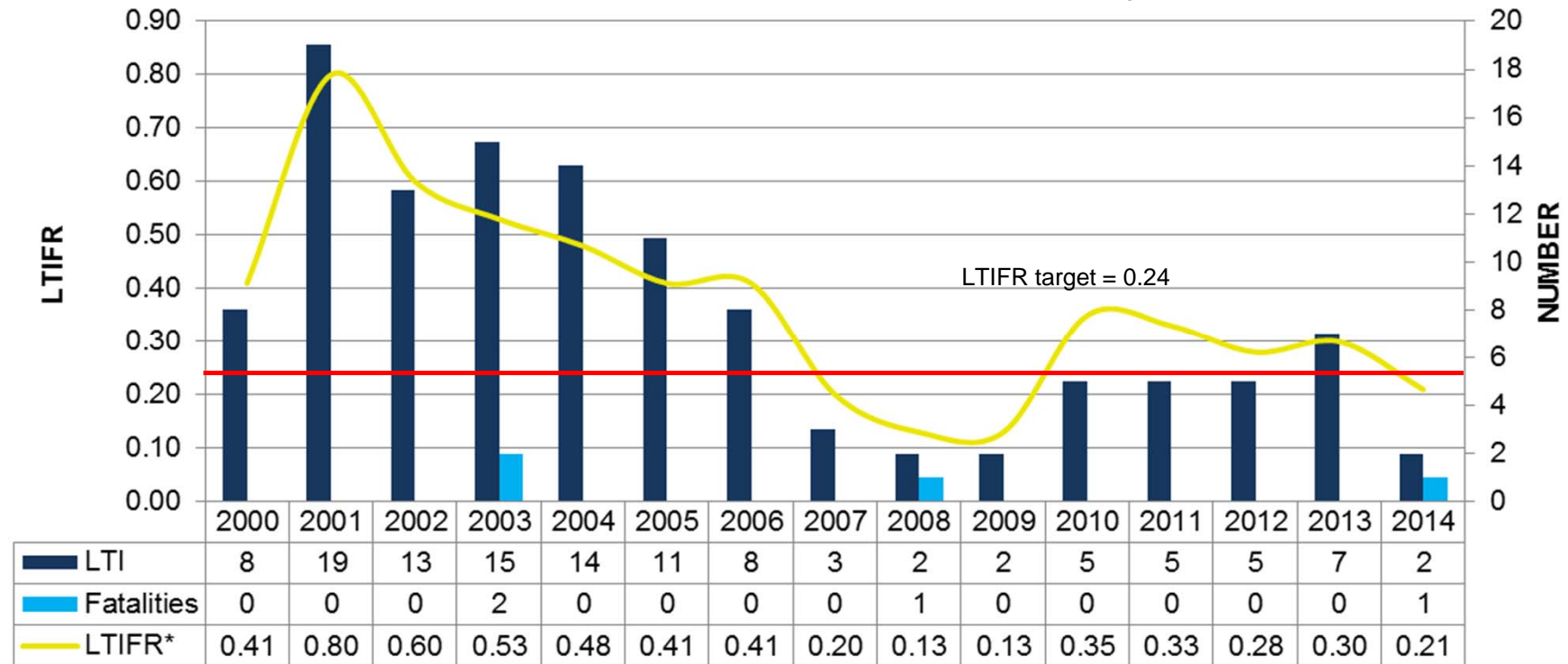


The 25.5 carat exceptional blue diamond sold in May 2013



The 'Star of Josephine' – fancy vivid blue and internally flawless diamond, being the top rating for a blue diamond

Serious accidents and LTIFR history



*LTIFR = Nr of lost time injuries x 200,000 hrs / hrs worked

- Cullinan maintains the highest standards and is:
 - ISO14001 certified
 - OHSAS18001 certified
 - ISO9001 certified

Corporate Social Investment (CSI)

Cullinan plays an active and supportive role in the local community

Social labour plan (SLP) projects

- Renovation and equipping of technical workshop and classrooms at Chipa Tabane High School in Refilwe

Support of local NGO's

- Cullinan contributes to a number of community projects, including:
 - Cullinan Sports Centre
 - CDII World Mandela Day through sports
 - Imfundiso Jewellery School
 - Tshepong Disability Centre
 - Refilwe Tshwaragang for the aged
 - Etsoseng Refilwe for the aged

Education

- Promoting better standards:
 - Maths and science school support programmes sponsored for three local high schools
 - Sponsorship of six high school learners from local communities in grades 10-12 who excelled in maths and science
- Scholarships –16 PDSA learners are been sponsored from grades 10-12



Corporate Social Investment

Bursaries

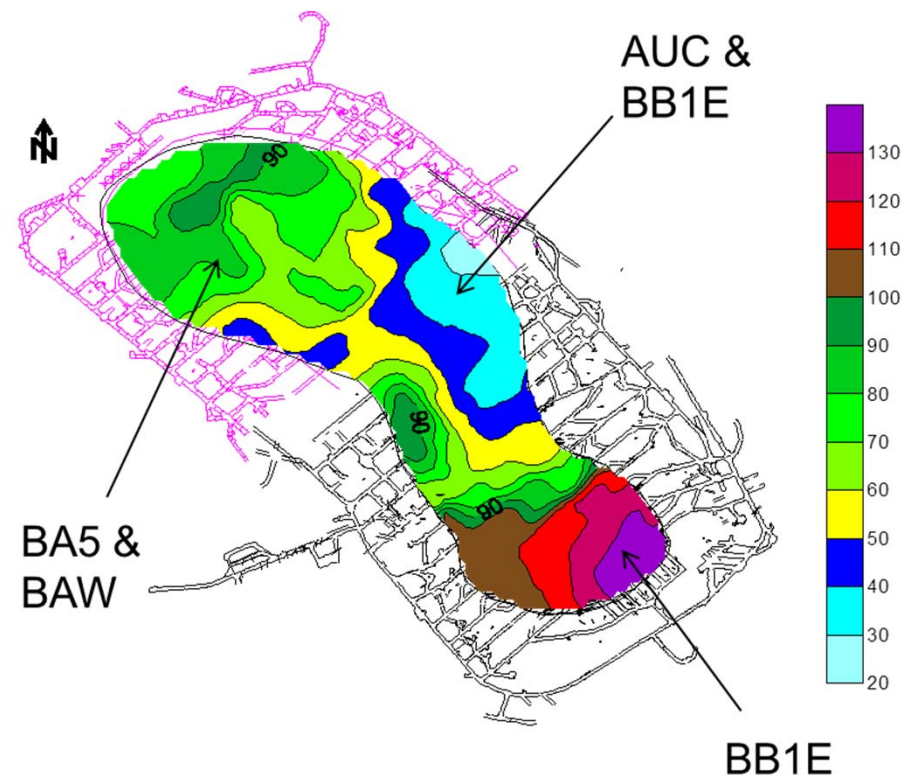
- Bursaries are provided for two students and one academic, with the sponsorship covering the tuition fees
- Candidates must be from Cullinan's local communities and with an interest in mining careers
 - Two matric students studying Mining Engineering in 2014
 - One academic in second year studying Electrical Engineering
- Cullinan also offers these students vacation work each year until they complete their studies



MINING OVERVIEW

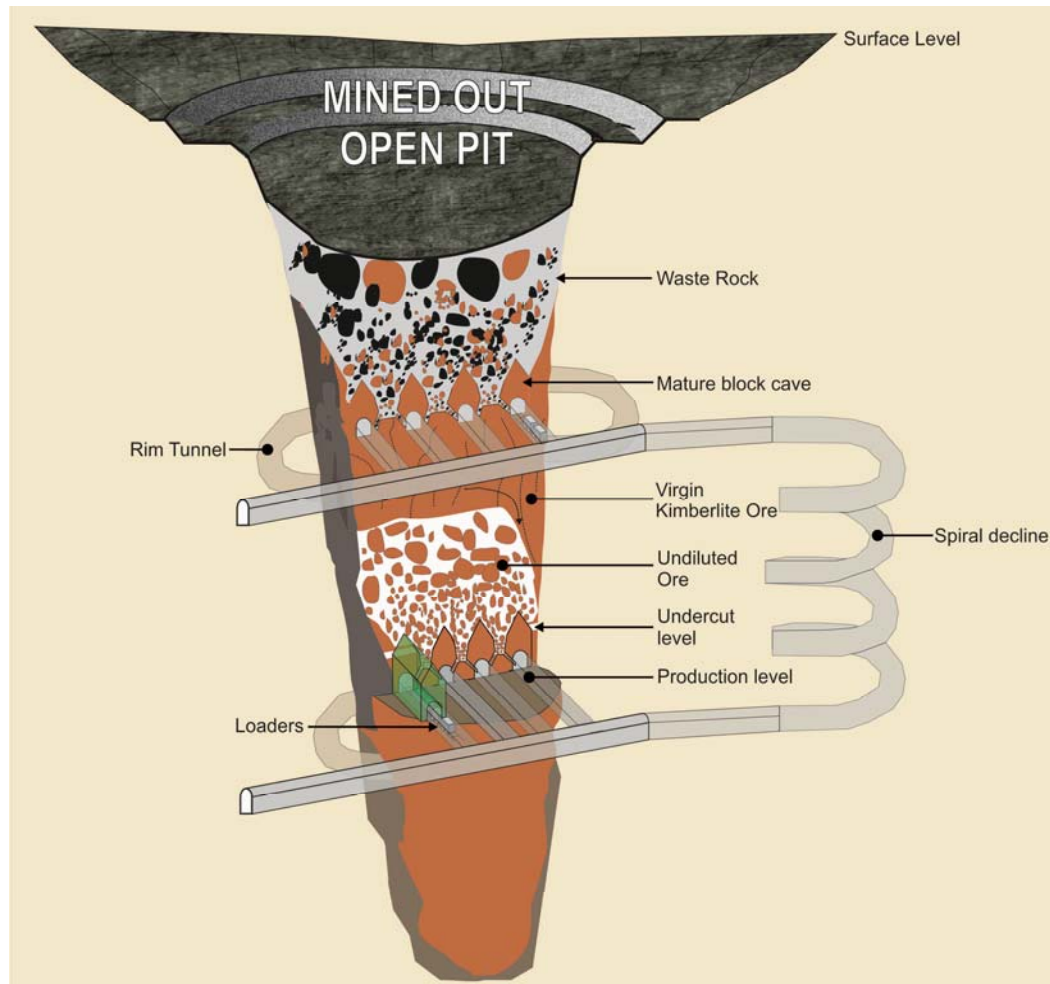
Major Diamond Resource

Category	Gross (Jun 2013)		
	Tonnes (millions)	Grade (cpht)	Contained Diamonds (Mcts)
Reserves			
Proved	-	-	-
Probable	63.2	41.8	26.4
Sub-total	63.2	41.8	26.4
Resources			
Measured	-	-	-
Indicated	260.3	70.6	183.7
Inferred	170.0	10.0	17.1
Sub-total	430.2	46.7	200.8



- Resource bottom cut-off: 1mm
- Reserve bottom cut off: 1mm
- B-Cut resource tonnes and grade are based on block cave depletion modelling and include external waste.
- C-Cut Resource stated as in-situ
- Reserve carats and grades are factorised as per the following resource to reserve liberation factors: "Brown" kimberlite 75.8%, "Grey" kimberlite 71.4%, and Hypabyssal kimberlite 71.8%
- Changes in Reserve and Resource figures due to mining depletions and PCBC modelling for the following mining areas: BB1E, AUC, AUC North, BA5, BA West Phase 1 and C-Cut Phase 1).

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* c. 37 cpht to c. 56 cpht¹
 - *Cullinan* c. 31 cpht to c. 50 cpht¹
- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)

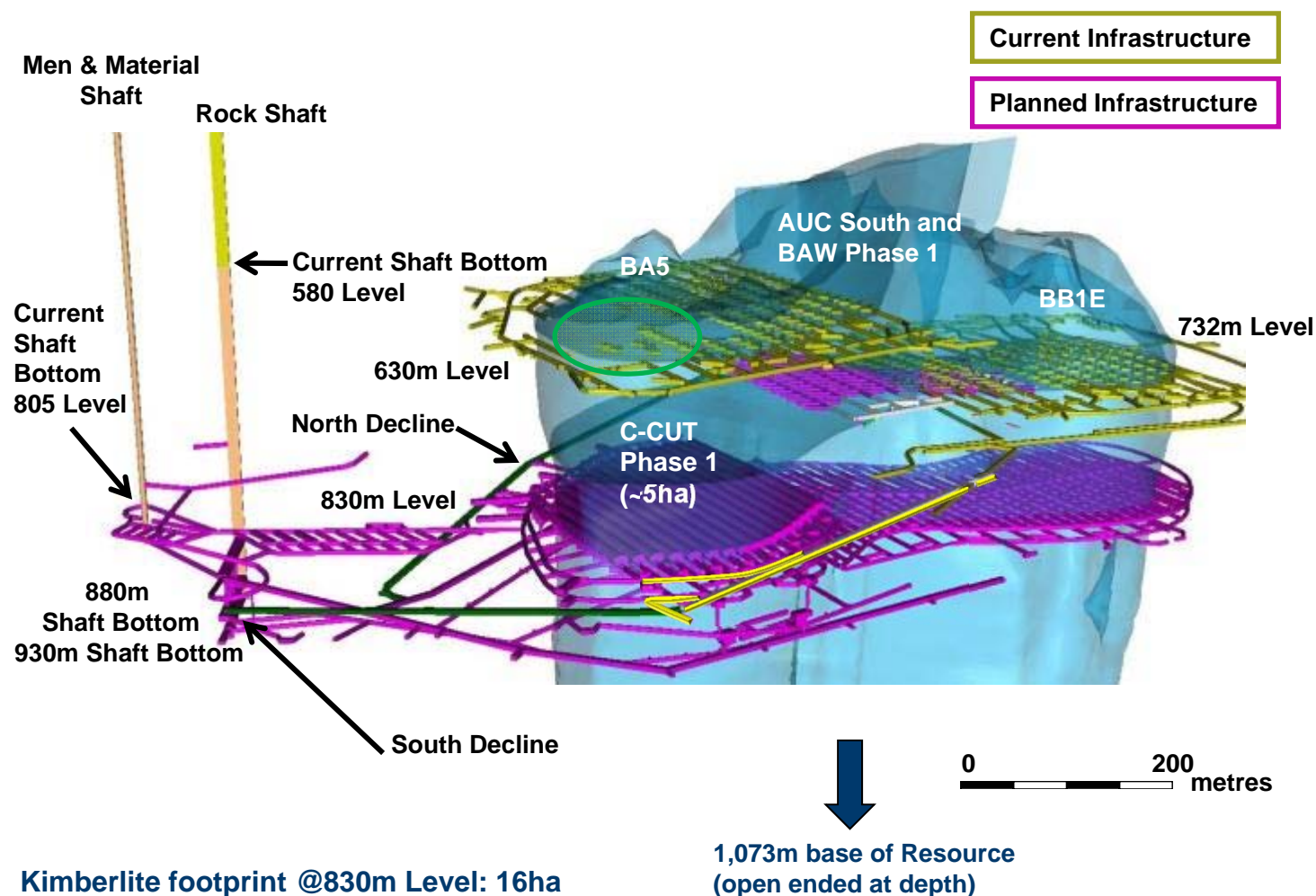
1. Management expectations

Expansion Plan – Overview

Expansion Plan – to take production to c. 2.2 Mctpa by FY 2019 (2.0 Mctpa ROM & 0.2 Mctpa tailings)

- Commenced rehabilitation of BA5 areas at 645m to create access to undiluted ore – **FY 2013**
- Development of declines, access tunnels and shaft deepening on track
- Tailings ramp up to steady state 2.7 Mtpa – **FY 2015**
- New production levels to be established at 839m and shaft to 930m to be commissioned – **end FY 2016**
- 880mL ore-handling system, allowing for future ramp-ups to utilise full C-Cut footprint (16ha vs current 5ha) – **end FY 2016**
- Initial production from new C-Cut cave – **FY 2016**
- Upgrading and streamlining of plant facilities in order to handle increased tonnes – from **FY 2015 to FY 2019**

Cullinan Mine Schematic



Expansion Plan – Current Status

- South Decline completed to 930mL shaft bottom
- Shaft deepening (and related infrastructure) to 930m in progress using contractor Murray & Roberts
- Development of waste tunnels in progress and over 7,418 metres developed to date
- Refinements to allow for increased flexibility and to increase capacity of mine infrastructure
 - Upgrading of support specifications to cater for anticipated longer life of the block cave
 - Inclusion of batching plant to deliver concrete to shaft and production infrastructure, freeing up shaft time and reducing potential disruptions
 - Optimisation of 880mL ore-handling systems allowing for potential future ramp up
- First development on contact openings planned for FY 2014



Expansion Plan – Current Status



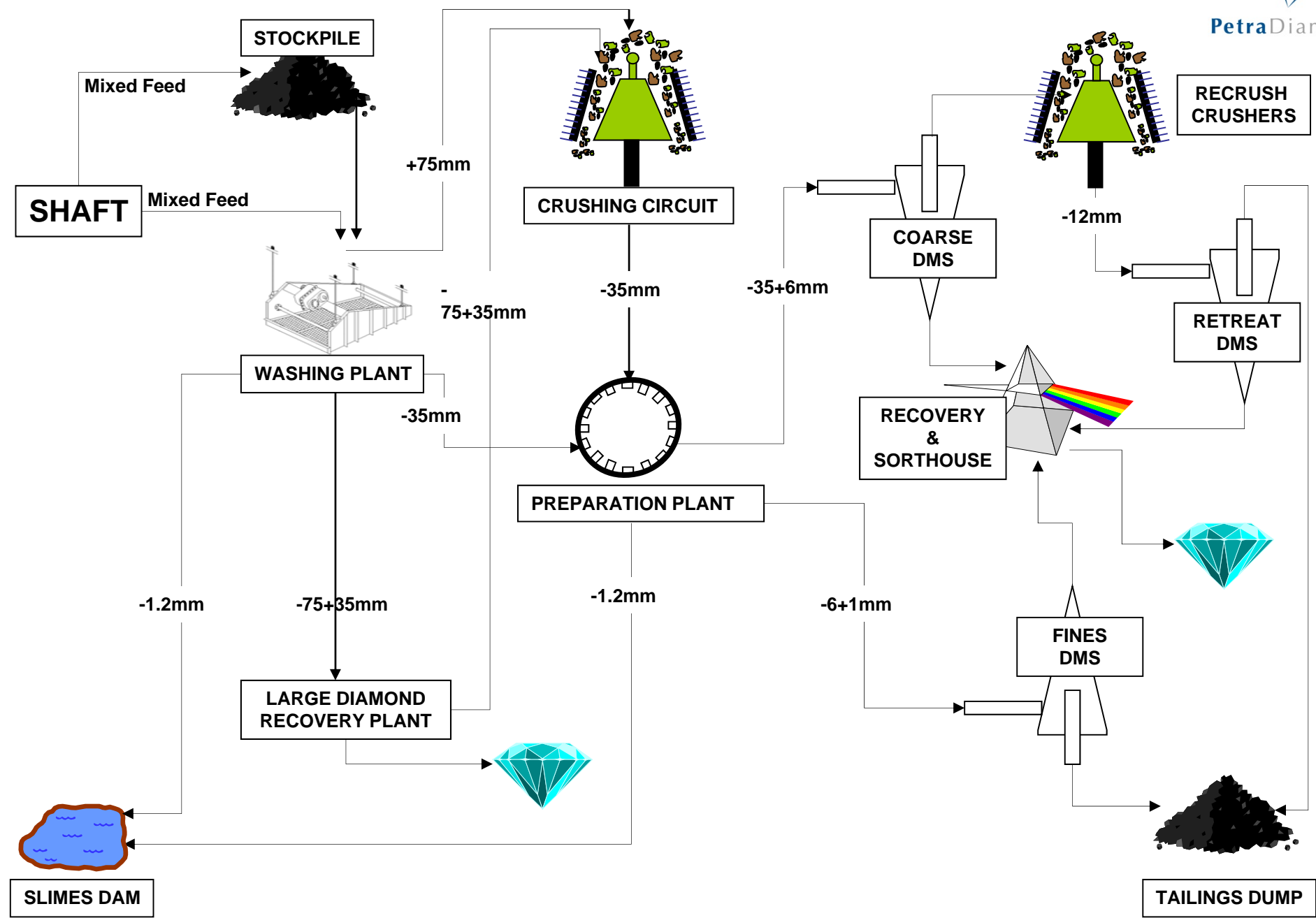
PLANT OVERVIEW

An Aerial Perspective

- Existing plant footprint ca. 27ha, including 13.5km of conveyor belts
- Ongoing objective to simplify and streamline processing route



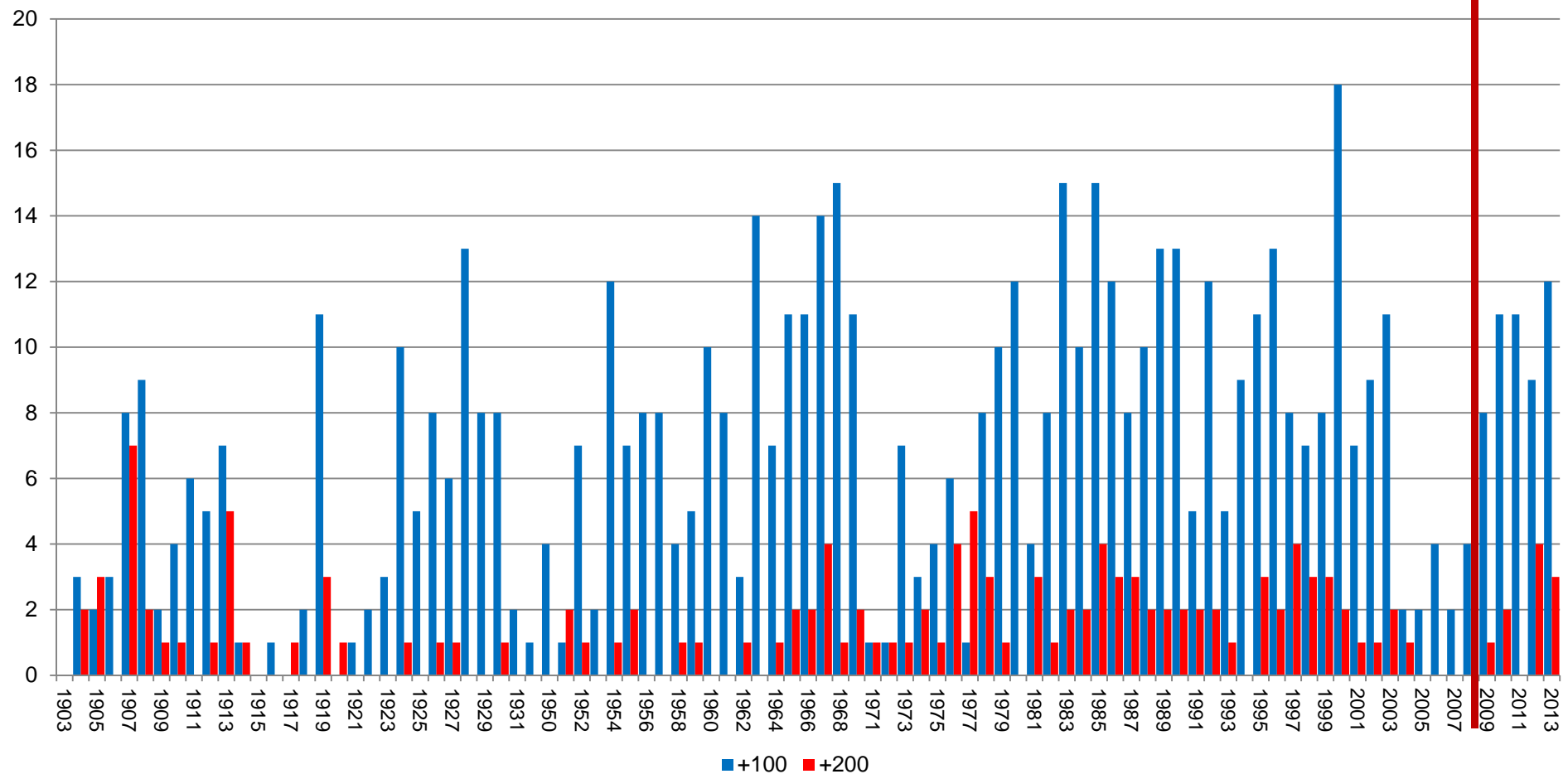
Treatment Plant Flow Diagram



Consistent Production of Large Diamonds

Date of acquisition

+100 and +200 carat stones recovered at Cullinan



Major Tailings Project

Resource of 165 Mt (17.1 million carats)

- Construction and commissioning of new tailings treatment facility has been completed
- Re-crush module is under construction – will assist in increasing the liberation efficiency and hence the recovered grade
- Tailings treatment to increase from 1.5 Mtpa (FY 2013) to ca. 2.2 Mtpa (FY 2014) and reach steady state levels of production of 2.7 Mtpa (FY 2015) at a grade of 5-6 cpht
- At this level of production, the tailings resources will be sufficient to serve as feed material for a period of > 50 years



OUTLOOK

H1 FY 2014 Results

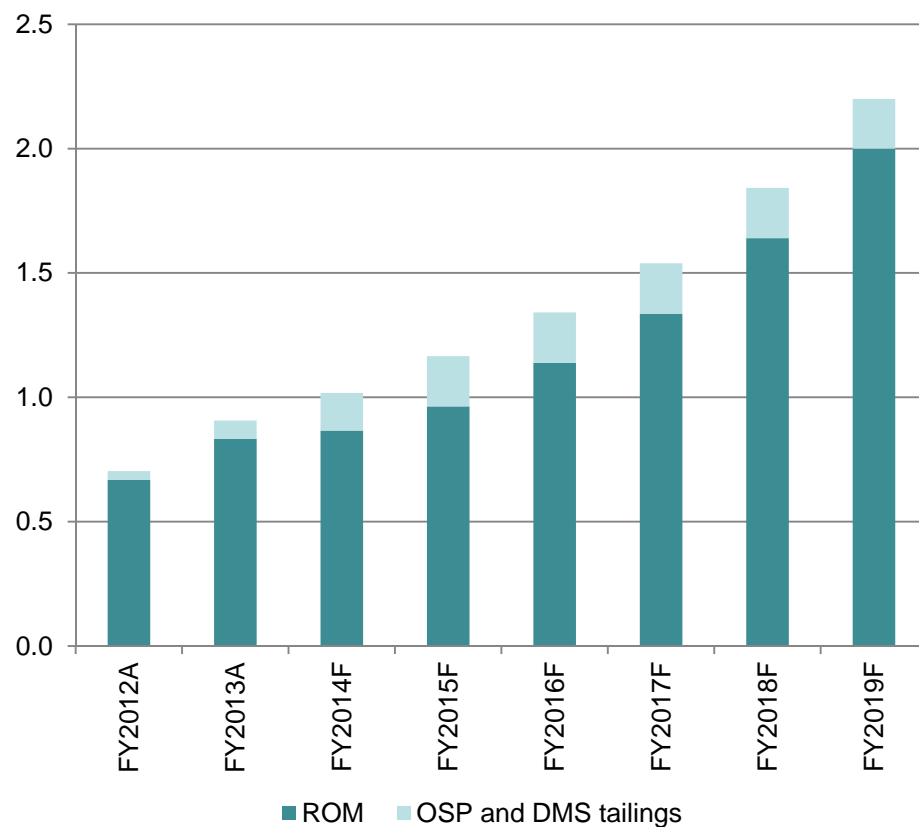
	Unit	H1 FY 2014	H1 FY 2013	Variance	FY 2013
<u>Sales</u>					
Revenue	US\$M	61.3	48.7	+26%	133.0
Diamonds sold	Carats	409,117	363,833	+12%	816,611
Average price per carat	US\$	150	134	+12%	163
<u>ROM Production</u>					
Tonnes treated	Tonnes	1,291,208	1,282,009	+1%	2,595,004
Diamonds produced	Carats	399,819	384,146	+4%	795,370
Grade	Cpht	31.0	30.0	+3%	30.7
<u>Tailings Production</u>					
Tonnes treated	Tonnes	1,020,252	568,929	+79%	1,485,889
Diamonds produced	Carats	61,519	24,618	+150%	73,605
Grade	Cpht	6.0	4.3	+40%	5.0
<u>Total Production</u>					
Tonnes treated	Tonnes	2,311,460	1,850,938	+25%	4,080,893
Diamonds produced	Carats	461,338	408,764	+13%	868,975
<u>Capex</u>					
Expansion Capex	US\$M	30.1	33.6	n/a	64.0
Sustaining Capex	US\$M	4.7	5.3	n/a	17.2
Borrowing costs capitalised	US\$M	2.4	5.7	n/a	7.8
Total Capex	US\$M	37.2	44.6	n/a	89.0

- H1 production impacted by ca. two week work stoppage
- Initiatives to make up lost production have worked well
- Slower than anticipated ramp-up of tailings in H1 partially offset by improved grades
- H1 results include a 126.4 carat diamond sold for US\$8.5m

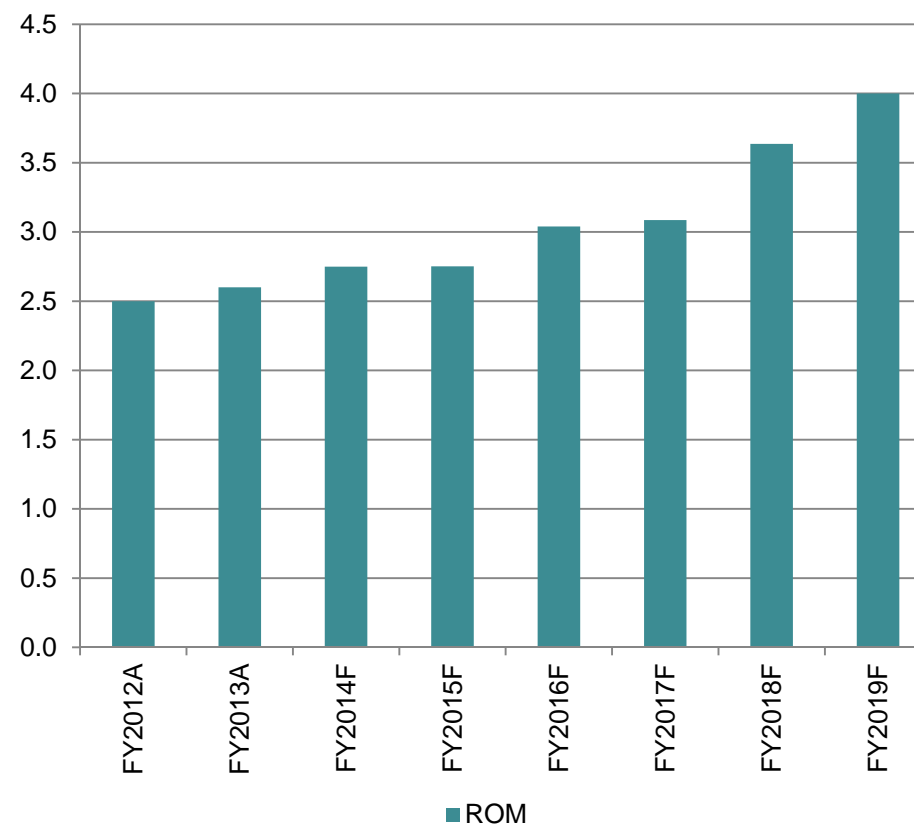
Production Forecast

Targeting 2.2 million carats by FY 2019

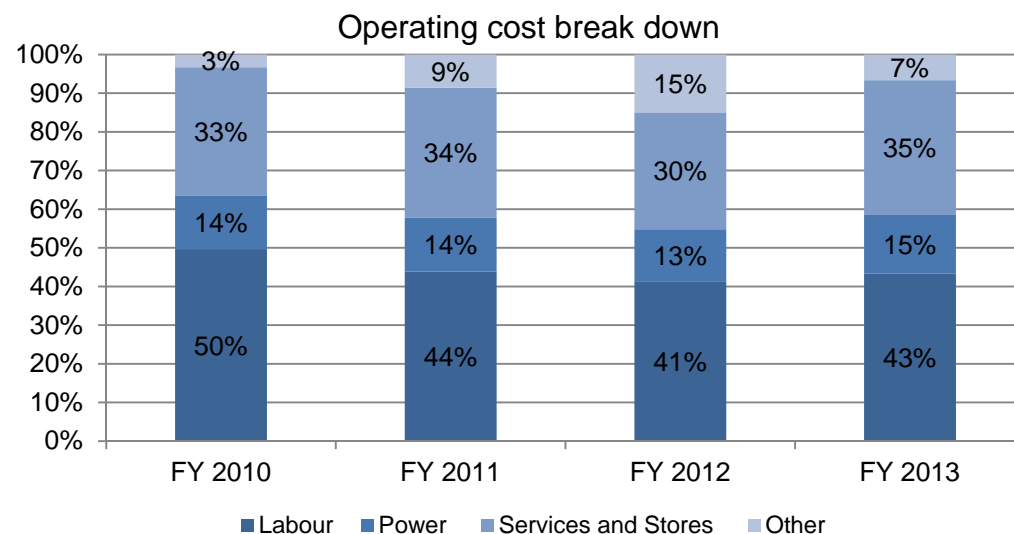
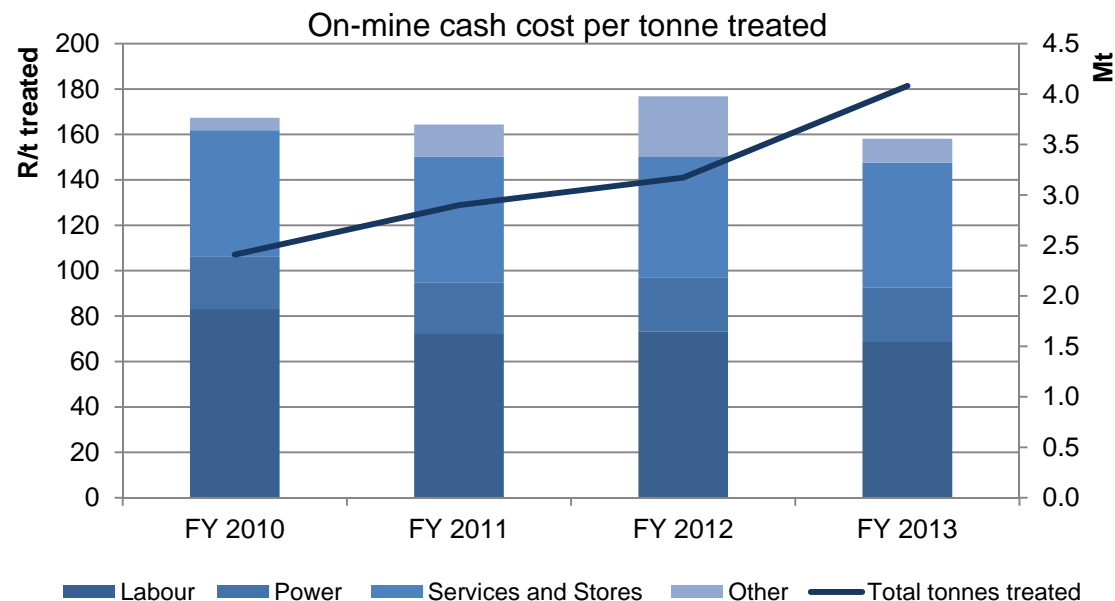
Carats (Mct)



ROM Tonnes (Mt)



Operating Cost History and Make-up



- Risk of rising electricity costs managed through efficient design of new infrastructure
- Maintenance and management of new and old infrastructure
- New designs cater for high degree of automation
- Advancement of a Group procurement strategy to yield benefits related to economies of scale

Cullinan Outlook

- Spectacular diamonds – regular production of ‘specials’
- Major resource – world’s second largest indicated resource by in-situ value
- Improving recoveries – ongoing plant changes
- Improving grades – grade to rise from ca. 31 cpht to ca. 50 cpht when new mining block established
- Improving mining costs – Petra focus on increasing efficiencies, simplification of underground ore-handling system and streamlining of process route
- Very robust economics – positive cashflow even at depth of downturn
- Longevity – current 17 year mine plan will only exploit 21% of total resource
- Potential for future ramp ups – not currently planned but Petra readying underground infrastructure

Strategy to grow production from 1 million to 2.2 million carats pa

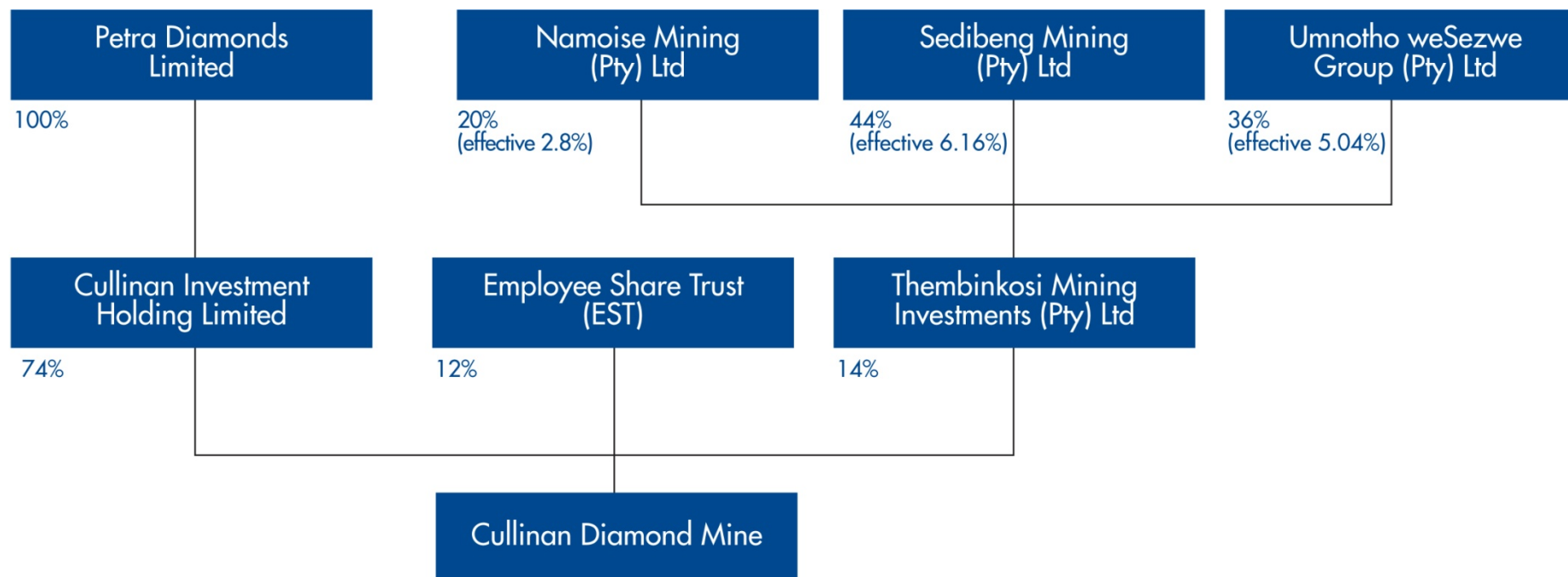


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Appendix

Ownership Structure



Note:

Petra has an interest in Sedibeng Mining (Pty) Ltd – refer document 'Effective Interest in Mines: www.petradiamonds.com/investors/analysts/analyst-guidance

The History Of Cullinan



- 1902 Cullinan kimberlite pipe originally discovered by Sir Thomas Cullinan - at 32ha surface area, largest diamondiferous kimberlite ever found in SA
- 1903 Open pit mining commenced at 'Premier Mine' - at time of outbreak of WW1 14,000 were employed at mine
- 1930 De Beers acquired controlling interest in Premier through scheme of arrangement with Anglo American
- 1932 Mine closed due to depression and lack of market for luxury goods
- 1945 Mine reopened and pit dewatered for development of underground mine
- 1997 Premier (Transvaal) Diamond Company amalgamated into De Beers Consolidated
- 2003 Mine renamed 'Cullinan' as part of centenary celebrations
- 2008 Mine acquired by Petra Diamonds Cullinan Consortium on 16 July as a going concern – acquisition cost of R1bn – Petra had an initial effective interest of 37%
- 2009 Petra increased its interest in the mine to 74% by buying out Al Rajhi's interest

Capex Profile

Financial Year		2013A	2014F	2015F	2016F	2017F	2018F	2019F
Operation								
Finsch	ROM tonnes treated (Mt)	2.6	2.8	2.9	3.2	3.2	3.2	3.2
	Tailings tonnes treated (Mt)	2.6	2.6	3.0	3.0	3.0	3.0	3.0
	Expansion Capex (ZARm)	296.1	512.3	422.2	346.9	467.9	403.0	354.3
	Sustaining Capex (ZARm)	93.7	132.7	115.3	76.7	74.3	73.1	71.8
Cullinan	ROM tonnes treated (Mt)	2.6	2.8	2.8	3.0	3.1	3.6	4.0
	Tailings tonnes treated (Mt)	1.5	2.7	2.7	2.7	2.7	2.7	2.7
	Expansion Capex (ZARm)	565.7	765.3	842.7	755.7	219.4	100.2	76.8
	Sustaining Capex (ZARm)	152.0	81.3	74.9	52.3	49.3	50.1	50.3
Koffiefontein	ROM tonnes treated (Mt)	0.2	0.3	0.7	1.0	1.1	1.1	1.1
	Surface tonnes treated (Mt)	1.2	1.2	0.7	0.3	-	-	-
	Expansion Capex (ZARm)	96.4	171.0	103.6	57.9	31.6	-	-
	Sustaining Capex (ZARm)	84.0	25.1	32.8	34.7	28.7	28.2	27.8
Kimberley	ROM tonnes treated (Mt)	0.8	1.1	1.1	1.1	1.2	1.3	1.3
	Expansion Capex (ZARm)	155.6	96.1	111.0	37.3	-	-	-
	Sustaining Capex (ZARm)	35.4	28.2	28.8	28.7	28.5	28.1	27.6
Helam	ROM tonnes treated (Mt)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Expansion Capex (ZARm)	-	-	-	-	-	-	-
	Sustaining Capex (ZARm)	15.2	9.8	10.1	10.0	10.0	9.9	9.8
PETRA (SA Operations)	Expansion Capex (ZARm)	1 113.8	1 544.6	1 479.4	1 197.8	718.9	503.2	431.1
	Sustaining Capex (ZARm)	380.3	277.0	261.9	202.5	190.9	189.4	187.3
Williamson (Tanzania)	ROM tonnes treated (Mt)	2.7	3.6	4.0	4.5	5.0	5.0	5.0
	Alluvial tonnes treated (Mt)	0.4	0.3	-	-	-	-	-
	Expansion Capex (USDm)	8.4	8.2	6.8	6.8	-	-	-
	Sustaining Capex (USDm)	3.3	5.9	5.8	6.0	6.2	5.0	4.9
PETRA (All Operations)	Total ROM tonnes treated (Mt)	9.1	10.7	11.6	13.0	13.7	14.3	14.7
	Total tailings/other tonnes treated (Mt)	5.7	6.8	6.4	6.0	5.7	5.7	5.7
	Total tonnes treated (Mt)	14.8	17.5	18.0	19.0	19.4	20.0	20.4

1. All Capex numbers are stated in FY 2014 money terms (except for FY 2013 actuals)
2. Depreciation on mining assets for FY 2014 guided at c. US\$45 million
3. As in prior guidance, capital estimates above do not include any capitalised borrowing costs. Guidance is to assume 95% of borrowing costs are to be capitalised



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