



PetraDiamonds

H1 FY 2019 Interim Results

Six months to 31 December 2018

18 February 2019



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PetraDiamonds

H1 FY 2019 Operations Overview



Safety is Our Number One Priority

Zero harm remains our goal

- LTIFR of 0.16 recorded for H1 2019 (H1 2018: 0.24), comparing favourably against industry peers
- Our mines are certified OHSAS 18001:2007, the international safety management framework
- Safety and health are collaborative efforts, requiring collective inputs of companies, unions and the regulator
- With reference to the management of tailings deposits, Petra maintains high standards with the management and control of all facilities at the various operations (refer to appendix slide)



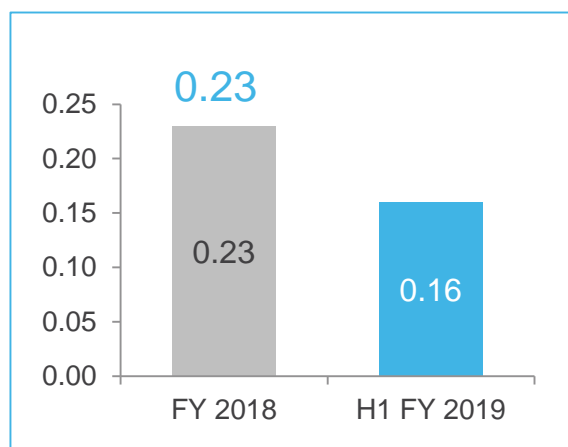
Safety is our most important personal and organisational value



H1 FY 2019 – KPIs

SAFETY

LTIFR



- Improving LTIFR trend
- Health and safety remains key priority
- Targeting zero harm workplace

Key:

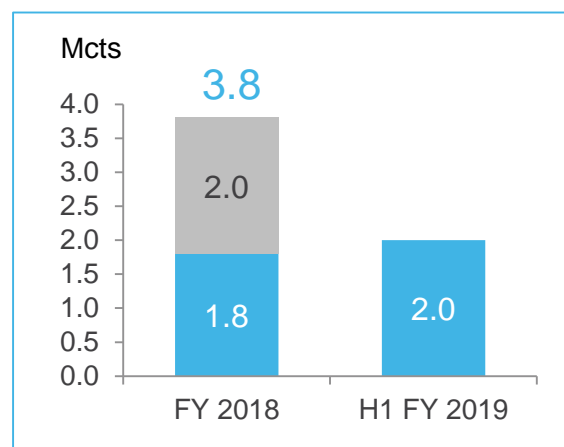
H2

H1

PRODUCTION

Million carats

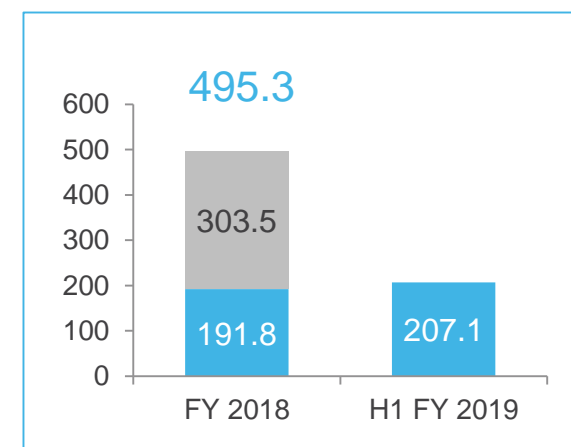
Guidance
c.3.8 – 4.0



- Production up 10% to 2.0 Mcts, mainly due to a 30% increase in Cullinan ROM production. Total ROM production increased 13% to 1.9 Mcts
- Continued strong operational performance at Williamson with two good quality pink stones recovered post Period end

REVENUE

US\$ (million)

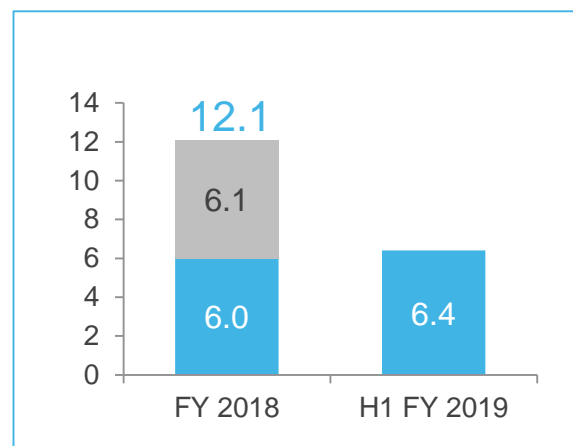


- Revenue increased 8% to US\$207.1m
- Diamonds sold increased 15% to 1,736,357 carats
- Rough diamond prices on a like-for-like basis reduced by ca. 4% compared to H2 FY 2018 due to usual seasonal weakness and industry wide lower prices for lower quality smalls

H1 FY 2019 – KPIs

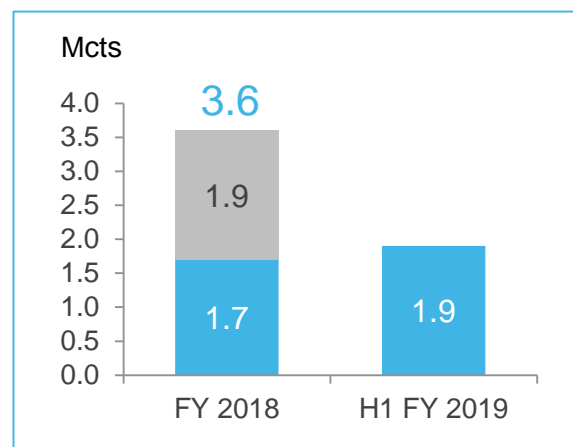
ROM PRODUCTION

Million tonnes



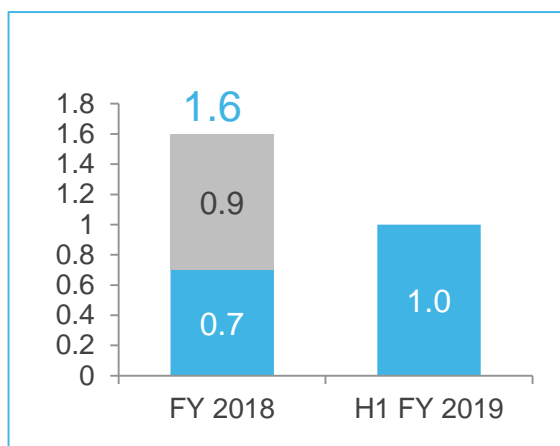
ROM CARATS PRODUCTION

Million carats



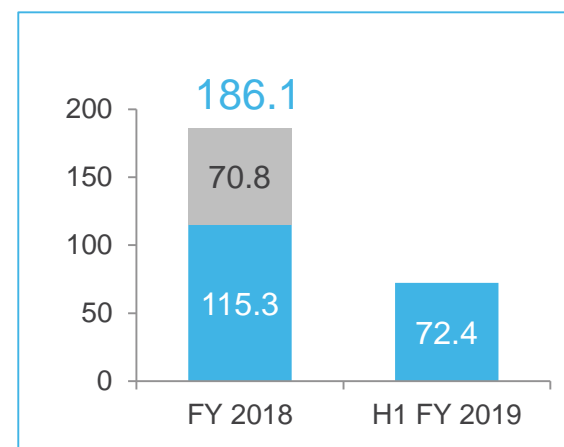
TAILINGS PRODUCTION

Million tonnes



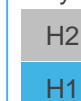
TAILINGS CARATS PRODUCTION

'000 carats



- ROM tonnes production up 7% to 6.4Mt (H1 FY 2018: 6.0Mt) mainly due to a 12% increase in ROM treated at Cullinan, a 30% increase in ROM treated at Koffiefontein and a 4% increase in ROM treated from Williamson
- Tailings tonnes production up 43% to 1.0Mt (H1 FY 2018: 0.7Mt) mainly due to an increase in tailings production from Cullinan, offset by a 74% reduction in high grade tailings production from Finsch
- Percentage contribution of ROM carats increased by 2% to 96% of total carat production (H1 FY 2018: 94%)

Key:



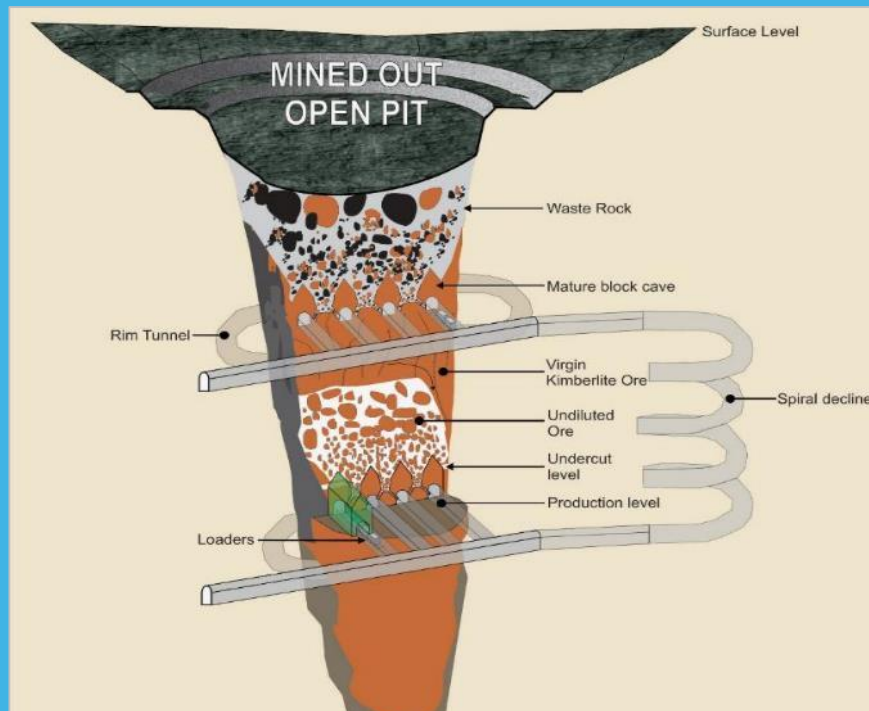
Entering a New Phase

Putting capital programmes to work

- Ever increasing footprint across orebody
- Multiple levels at SLCs
- Ratio of blasted tonnes to column tonnes
- Ongoing progress with fine tuning of infrastructure

Future focus on maximising free cashflow

- Apply learnings from past challenges
- Ensure consistent production output
- Efficient operating and capital expenditure
- Reduction in leverage to $\leq 2x$ Consol. Net Debt to Consol. EBITDA



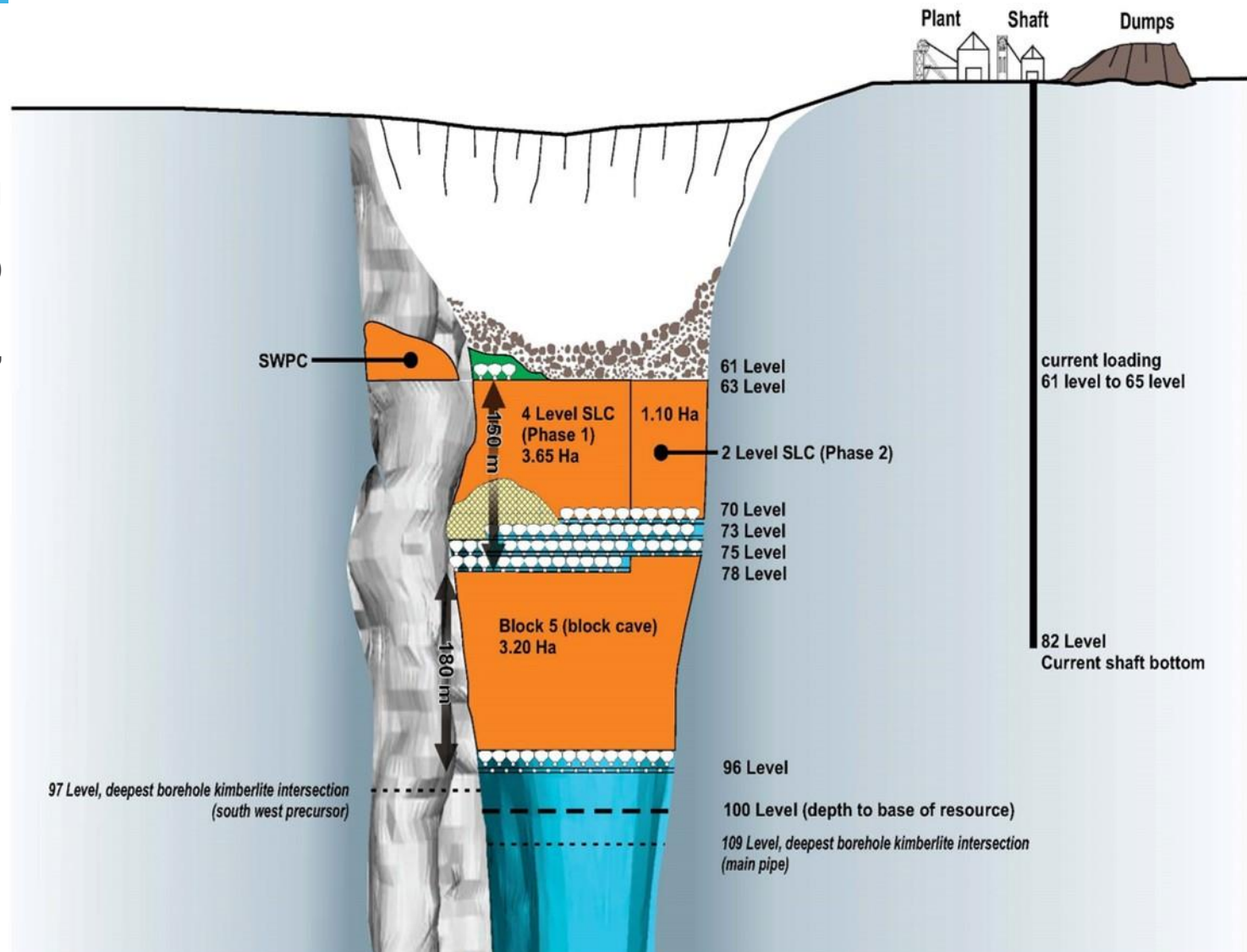
Setting up for the future: Accessing undiluted ore



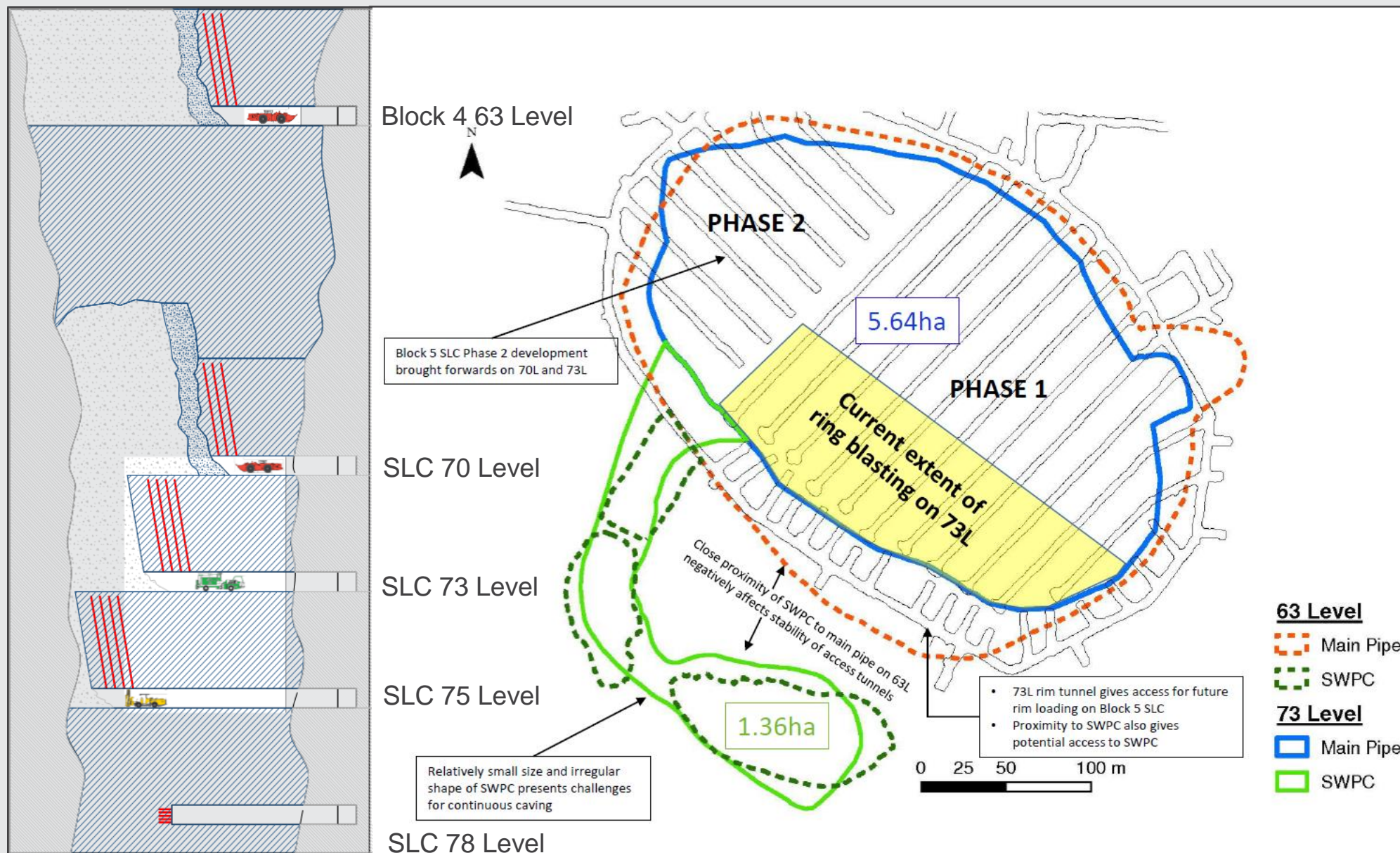
Optimisation across the portfolio

Highlights

- Block 5 SLC production commenced from first tunnels on 70L – **FY 2016**
- Production on 75L commenced in **Q3 FY 2018** all tunnels will be in production in **Q3 FY 2019**
- Development complete for 70L, 73L, 75L and 78L with 75L Phase 2 development to be completed by **Q4 FY2019**
- Construction of ground handling infrastructure completed by **Q1 FY 2019**
- Pre 79 Tailings treated – **end FY 2019**
- Steady state production from Block 5 SLC – **FY 2020**



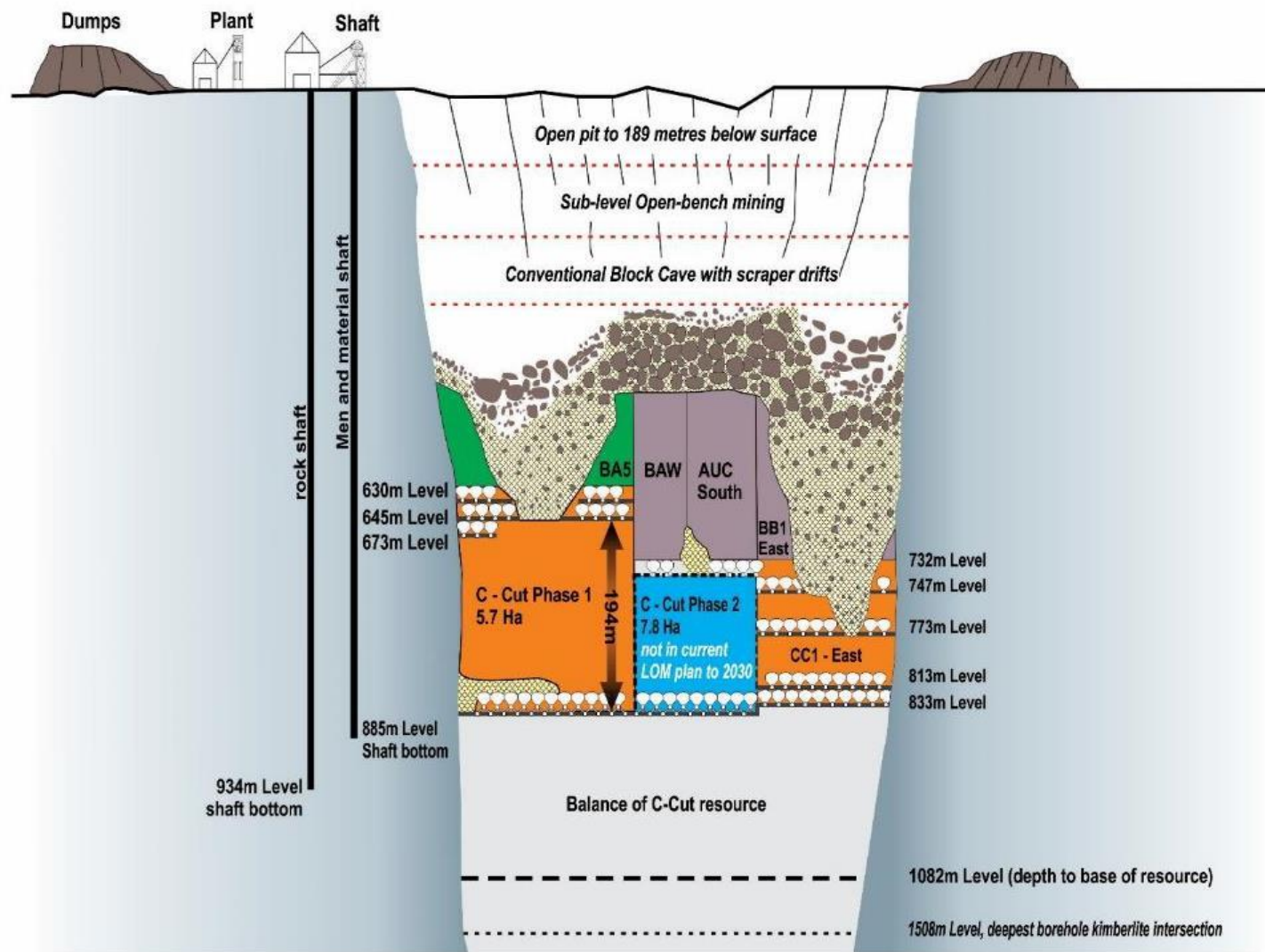
Finsch SLC Schematic and Plan View



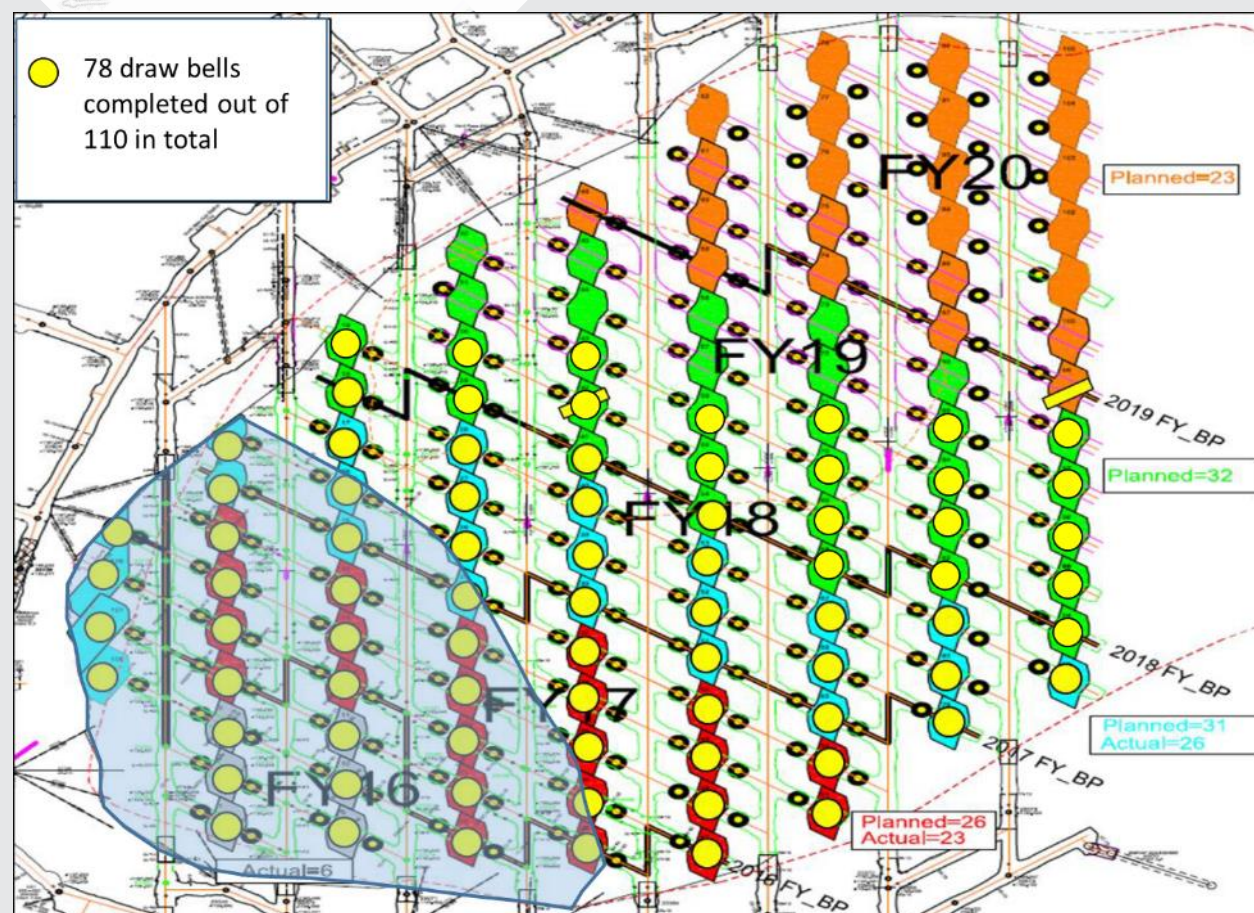
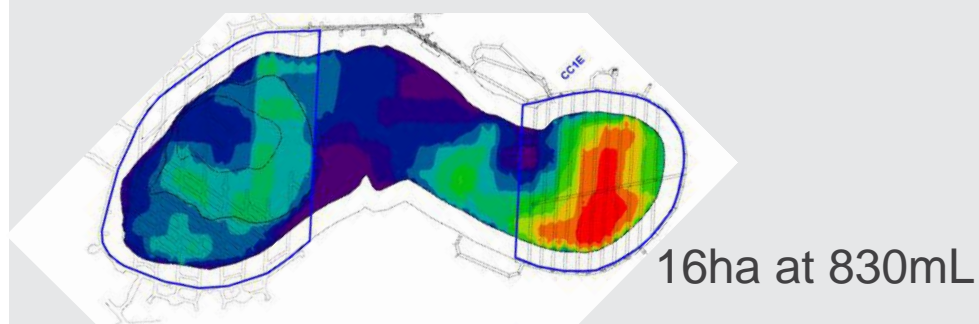
Cullinan Mine

Highlights

- Blue development commenced – **Q4 FY 2014**
- Undercut ring blasting commenced – **Q4 FY 2015**
- Production levels established at 839m and shaft to 934m commissioned – **FY 2016**
- New plant with throughput capacity of 4.0 Mt ROM and 2.0 Mt tailings – **commissioned in Q1 FY 2018**
- Ground handling complete with third crusher commissioned **Q2 FY 2019**
- Completion of shaft / plant interface – **H1 FY 2020**
- Steady state production from C-Cut Phase 1 and CC1E – **FY 2020**



C-Cut Progression Over the Footprint



- Historical records and focused sampling compiled over the mine's +100 year history indicate that high-value Type II white & blue stones occur in the western part of the orebody (C-Cut phase 1)
- Draw-bell installations are planned to be completed by September 2019; 6-9 months to maturity
- Cave was started in south-western area due to geotechnical considerations to ensure the integrity of the cave
- The south-western area, covering ca. 25% of the C-Cut footprint, has produced 75% of the ore to date
- Production across the full footprint should result in a more stable distribution of diamond, being more reflective of historical recoveries

Cullinan - Recovery of Type II Diamonds

- FY 2018 – recovery of 40.5 carat type II blue stone sold for US\$24m
- FY 2019 YTD - recovery of a number of type II blue stones varying from two to ten carats per stone
- FY 2019 YTD – recovery of various Type II white stones of smaller size as well as a 111.4ct stone sold for US\$ 4.3m

Although the FY 2019 stones did not materially contribute to the overall value per carat as historical recoveries have done, it demonstrates the presence of these stones and confidence in the recovery process



Cullinan Heritage, 507 carats,
2009



The Blue Moon of Josephine,
29.6 carats, 2015

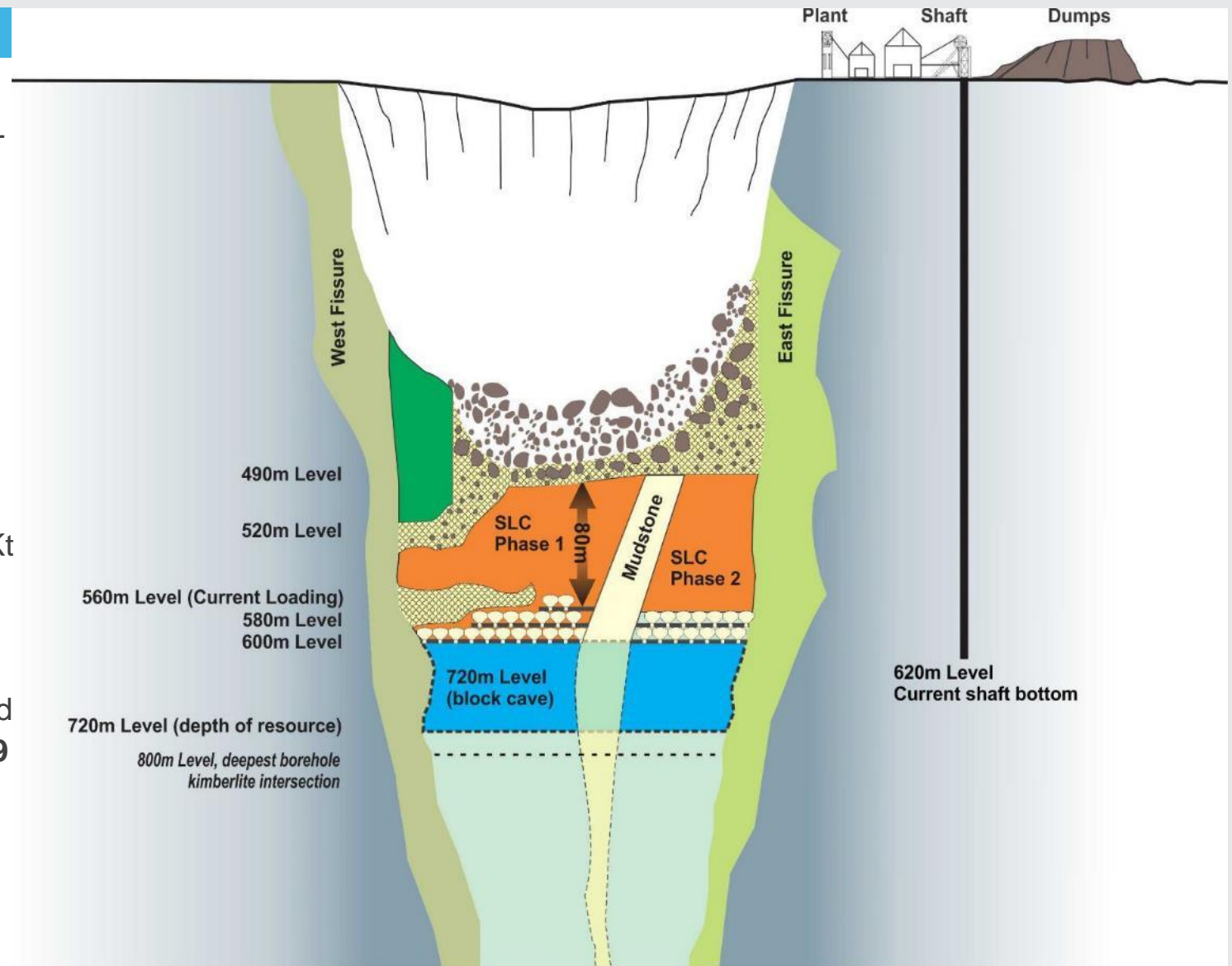


Type II Blue Stone, recovered
40.5 Carats, 2017

Koffiefontein Mine

Highlights

- Production commenced from first tunnels of SLC on 560 mL – **FY 2015**
- Ground handling system commissioned – **Q3 FY 2018**
- Production from 60L commenced – **Q2 FY 2019**
- Steady state production from SLC – **Q1 FY 2019** (ca. 260Kt ROM mined for Q1)
- Community unrest and plant availability adversely impacted production during **Q2 FY 2019**
- Jan 19: additional plant crushing capacity introduced; employee attendance normalised



Williamson Mine

Highlights

- New mill plant commissioned **H2 FY 2017**
- FY 2018 production – **341 Kcts** (best production since 1977)
- FY 2019 ROM throughput of ca. 4.7 Mt supplemented by alluvial production of ca. 0.4 Mt
- Recovery of **high value pink stones**
- Discussions ongoing with Government of Tanzania and local advisers in relation to the overdue VAT receivables and the blocked parcel

Open pit



Mill plant



Operations Outlook

Health and Safety

- Targeting zero harm
- Full commitment to health and safety pledge

Driving operational efficiency

- Full year production guidance of ca. 3.8 – 4.0 Mcts maintained
- Close focus on costs, productivity and achieving steady state production
- Increasing access across the full footprint of sub-level caves and block caves through multiple levels, tunnels and draw points

Realising the potential of the Group's portfolio of assets

- Management reviews the asset portfolio on an ongoing basis with a view to maximise return on capital
- Finalised disposal of KEM JV and Helam in December 2018
- Continue to assess value accretive growth options from within our current portfolio of assets over medium to long term





PetraDiamonds

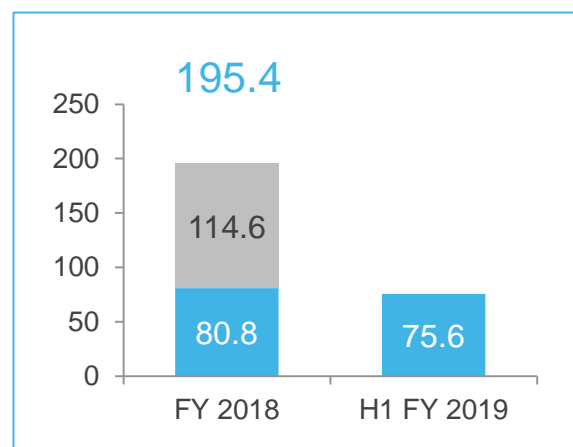
Financial Overview



H1 FY 2019 – KPIs

ADJUSTED EBITDA¹

US\$ (million)

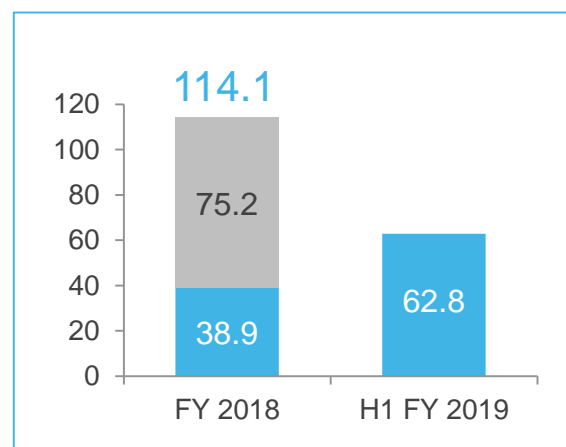


- Adjusted EBITDA decreased 6% mainly due to higher mining and processing costs:
- 9% increase in on mine cash cost mainly due to increased volumes of ROM tonnes
- \$5.4m increase in royalties

¹ Refer Interims Results announcement for non-IFRS definitions

CASH GENERATED FROM OPERATIONS

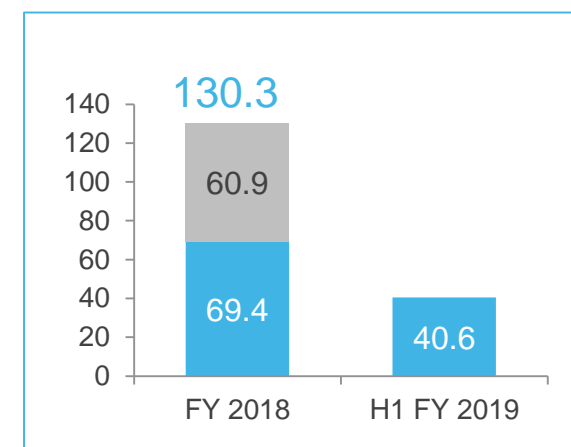
US\$ (million)



- Cash generated from operations for the Period increased to US\$62.8 million (H1 FY 2018: US\$38.9 million) mainly due to lower working capital cash outflow

CAPEX²

US\$ (million)



- Capex decreased 41% in line with declining Capex trend
- Current phase of expansion programmes nearing completion

² Capex is Operational Capex, excluding capitalised borrowing costs

Key:

H2

H1

H1 FY 2019 (six months to 31 December 2018)

		H1 FY 2019	H1 FY 2018	Variance	FY 2018
<u>Sales</u>					
Diamonds sold	Carats	1,736,357	1,510,361	+15%	3,793,799
Revenue	US\$m	207.1	191.8	+8%	495.3
<u>Production</u>					
ROM tonnes	Mt	6.4	6.0	+7%	12.1
Tailings & other ² tonnes	Mt	1.0	0.7	+43%	1.6
Total tonnes treated	Mt	7.4	6.8	+10%	13.7
ROM diamonds	Carats	1,946,717	1,728,626	+13%	3,649,704
Tailings & other ¹ diamonds	Carats	72,430	115,330	-37%	186,132
Total diamonds	Carats	2,019,147	1,843,956	+10%	3,835,836
<u>Capex</u>					
Expansion	US\$m	28.5	60.2	-53%	110.7
Sustaining	US\$m	12.1	9.2	+32%	19.6
Subtotal	US\$m	40.6	69.4	-41%	130.3
Borrowing costs capitalized	US\$m	3.7	16.2	-77%	15.2
Total	US\$m	44.3	85.6	-48%	145.5

1. 'Other' includes alluvial diamond mining at Williamson

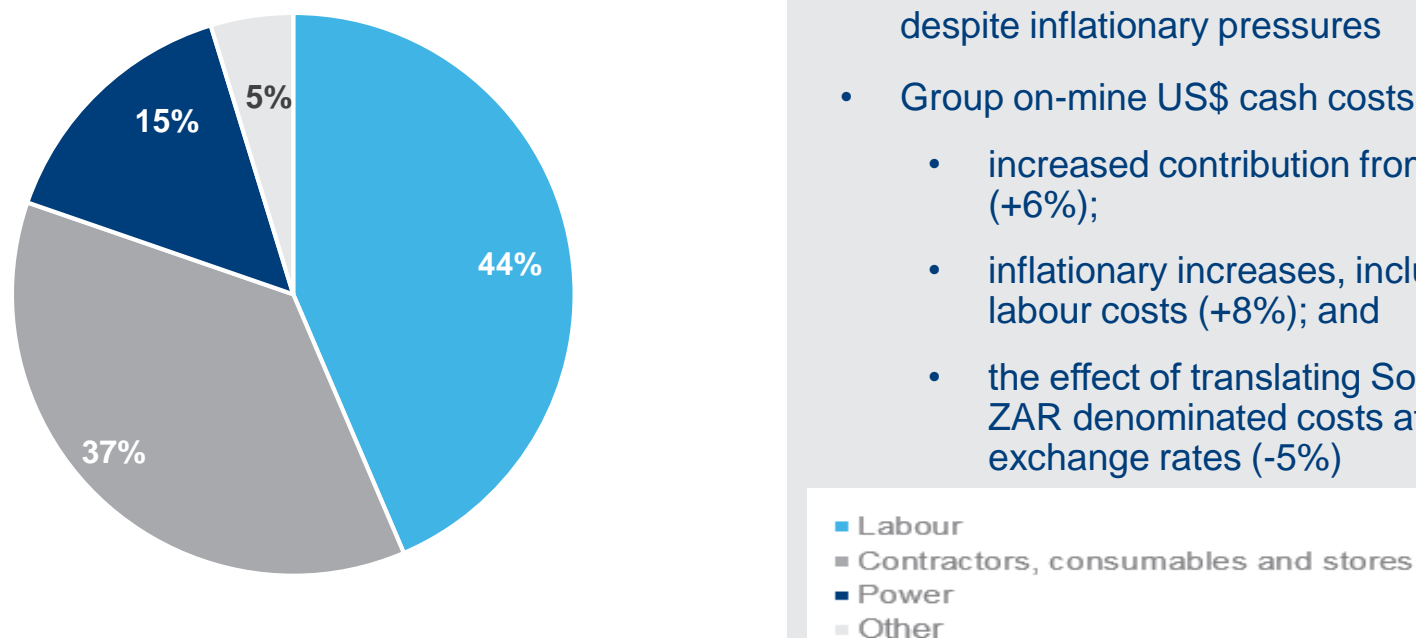
H1 FY 2019 Summary of Results (unaudited)

	6 months to 31 December 2018 ("H1 FY 2019")	6 months to 31 December 2017 ("H1 FY 2018")	Year ended 30 June 2018 ("FY 2018")
	US\$ million	US\$ million	US\$ million
Revenue	207.1	191.8	495.3
Adjusted mining and processing costs	(127.2)	(105.8)	(291.4)
Other direct income	0.2	0.3	1.2
Profit from mining activity	80.1	86.3	205.1
Exploration expense	(0.2)	(0.4)	(0.6)
Corporate overhead	(4.3)	(5.1)	(9.1)
Adjusted EBITDA	75.6	80.8	195.4
Depreciation	(50.8)	(39.1)	(128.0)
Share-based expense	(0.1)	(0.1)	(0.6)
Net finance expense	(31.7)	(18.9)	(59.6)
Tax credit / (expense) (excluding taxation charge on reduction of unutilised Capex benefits)	2.5	(15.5)	(5.6)
Adjusted net (loss) / profit after tax	(4.5)	7.2	1.6
Impairment charge	—	(66.0)	(66.0)
Net unrealised foreign exchange (loss) / gain	(13.7)	2.9	(26.2)
Taxation charge on reduction of unutilised Capex benefits	—	(7.9)	(8.2)
Loss from continuing operations	(18.2)	(63.8)	(98.8)
Loss on discontinued operations, net of tax	(39.7)	(53.9)	(104.3)
Net loss after tax	(57.9)	(117.7)	(203.1)

Note: The Group uses several non-GAAP measures above and throughout this presentation. Please refer to the H1 FY 2019 Interim results announcement dated 18 February 2019

Operating Costs

H1 FY 2019 On-mine cash cost breakdown
(South Africa operations)



- Future focus on the optimisation of asset portfolio to drive cost efficiencies
- Absolute on-mine cash costs in line with expectations despite inflationary pressures
- Group on-mine US\$ cash costs +9% due to:
 - increased contribution from underground tonnes (+6%);
 - inflationary increases, including the impact of labour costs (+8%); and
 - the effect of translating South African operations' ZAR denominated costs at a weaker ZAR/USD exchange rates (-5%)

All in US\$m	On-mine cash costs ¹	Diamond royalties	Diamond inventory and stockpile movement	Group technical, support and marketing costs ²	Adjusted mining and processing costs	Depreciation ³	Total mining and processing costs (IFRS)
H1 FY 2019	135.5	7.3	(27.1)	11.4	127.2	50.4	177.7
H1 FY 2018	124.8	1.9	(30.2)	9.4	105.8	38.7	144.5
FY 2018	261.4	14.2	(9.5)	25.3	291.4	127.2	418.6

Cullinan Pricing and Cost Per Carat

Actual Sales Results:

US\$ per Carat	Half-Yearly averages		Full Year Averages
	H1	H2	FY
FY 2010	87	193	139
FY 2011	120	177	148
FY 2012	128	128	128
FY 2013	134	151	163
FY 2014	150	215	185
FY 2015	247	115	174
FY 2016	110	134	126
FY 2017	127	114	120
FY 2018	140	118	125
FY 2019	96	?	?
9.5 year average			\$140

- Price variability similar to other mines producing high value single stones
- Frequency of high value stones can not be predicted
- Only 2 out of 19 reported periods below \$110 per carat
- A \$10 per carat price move has a ca. \$16 million per annum cashflow impact
- H1 FY 2019:

Total Tonnes Treated 2.7 Mt

Total Carats Recovered 832 Kcts

Overall grade 30.9 cpht

Cash on-mine cost \$ 17 per tonne treated

R230 /t @ ZAR13.50/\$ \$ 55 per carat recovered

Financial Position

- SA bank debt settled after Year end and remains undrawn and available as at the date of this presentation.

	Unit	31 December 2018	30 September 2018
<i>Closing exchange rate used for conversion</i>		<i>R14.35:US\$1</i>	<i>R14.14:US\$1</i>
Cash at bank	US\$m	90.7	111.1
Diamond debtors	US\$m	4.4	14.4
Diamond inventories (excl. KEM JV)	Carats	811,718	970,620
	US\$m	76.3	91.6
US\$650 million loan notes (issued April 2017)	US\$m	650.0	650.0
Bank loans and borrowings	US\$m	0.0	0.0
Net debt ¹	US\$m	559.3	538.9
Bank facilities undrawn and available	US\$m	104.5	106.1
Consol. net debt ² for covenant measurement purposes	US\$m	627.4	609.0

1. Net debt at 31 Dec 2018 impacted by US\$21.2 million of advances to BEE partners, US\$8.6 million to KEM JV (recoverable), ca. US\$25 million revenue shortfall, further impacted by ca. US\$45 million Tanzanian working capital tied up (inventory and VAT receivable)
2. Consolidated net debt for covenant measurement purposes is bank loans and borrowings plus loan notes, less cash, less diamond debtors and includes the BEE guarantees of ca. US\$72.5 million (30 June 2018: US\$85.9 million) issued by Petra to the lenders as part of the BEE financing concluded in December 2014 and which are included in the Group's balance sheet as BEE loans payable.



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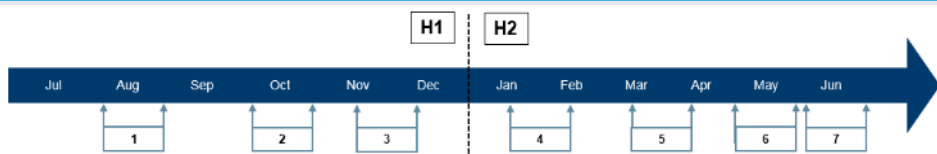
Diamond Market & Pricing Overview

18 February 2019



Diamond Market and Prices

Petra Sales Timing



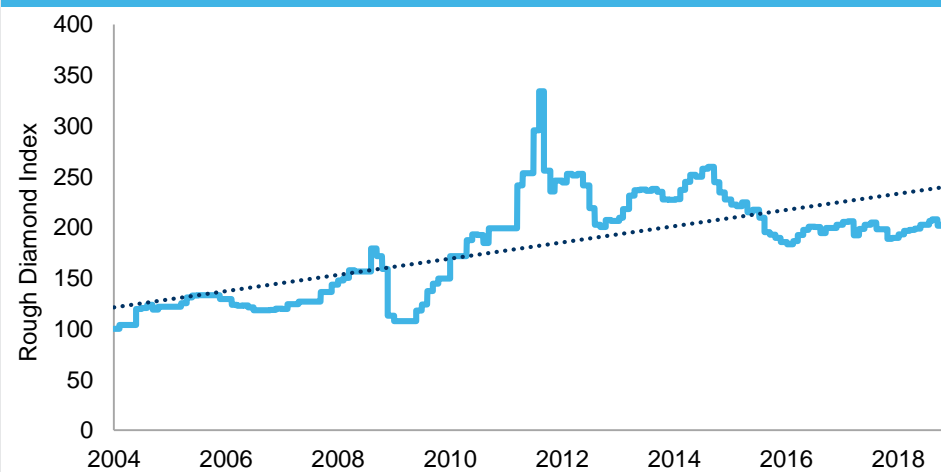
- Rough diamond market is seasonally strongest in the first quarter of the calendar year due to the fact that retailers are ready to restock after the festive selling season, incl. Thanksgiving in the US, Christmas, Chinese New Year and Valentine's Day
- Petra sales weighted to H2 of the financial year

Petra – Rough Diamond Prices	Actual H1 FY 2019 US\$/carat	Actual H1 FY 2018 US\$/carat	Actual FY 2018 US\$/Ccrat
Finsch	105	104	108
Cullinan	96	140	125
Koffiefontein	447	511	525
Williamson	223	233	270

H1 FY 2019 Market Performance

- Demand for higher value stones remained strong in H1 FY 2019
- Demand for lower value small diamonds softened in Sept and Oct driven by a weakening in global markets and seasonal destocking at a number of Indian midstream companies
- January to June is usually a seasonally stronger period in the diamond market
- Overall rough diamond prices on a like for like basis were ca. -4% for the Period, compared to H1 FY 2018
- Diamond market expected to be broadly stable in FY 2019
- Future price guidance removed – Petra now reports actual prices achieved

Rough Diamond Index (Jan 2004 to Feb 2019)



Source: Bloomberg

Diamond Market Fundamentals

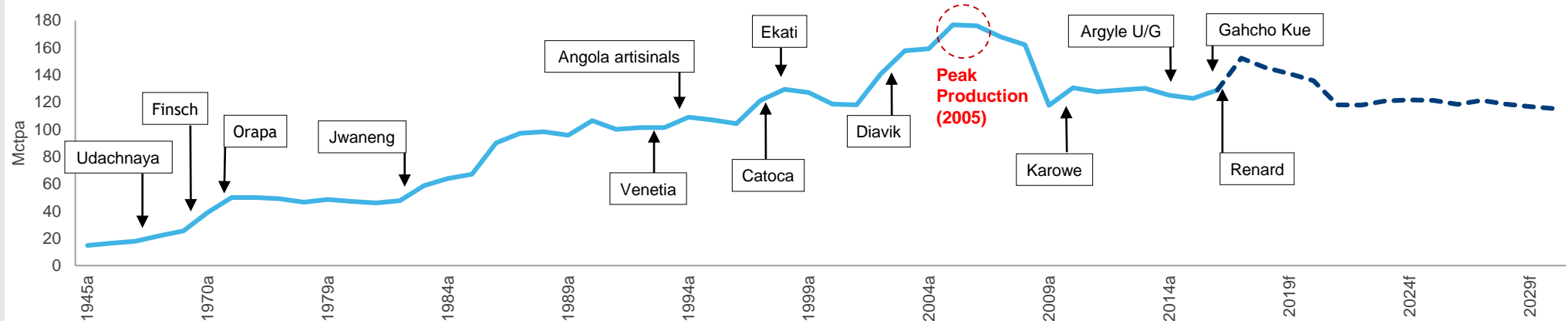
Supply

- **Supply constraints:** Global rough diamond production increased 19% to 150.9 Mcts in 2017
- **Continuing overall declining trend:** Increase in production driven by new mines that have recently entered the market, however still substantially below the 'peak' in 2005 of 177 Mcts
- **No new finds:** The world's largest diamond mines are maturing and past peak production levels
- **Supply is forecast to decrease** to ca. 115 Mcts by 2030

Demand

- **Global market:** rose 2% to record high of \$82bn in 2017
- **Demand growth expected to be driven by:**
 - Growth in major US market +4% to \$43bn
 - Strong desire for diamonds in China; consumer confidence reached 20 year high
 - Increasing wealth globally / escalation in HNWLs
 - Rise in generic marketing to consumers (DPA)
 - Female self purchasing continues to increase
 - Rise in omnichannel / online retail markets
 - Millennials represent over 2/3 all diamond jewellery demand in 4 largest markets; to be highest (overall) spending generation from 2020

Global Diamond Supply: Historical & Forecast Rough Production





Conclusion



Reduction in net debt / gearing levels

- Reduction in net debt is a priority
- Net debt expected to be largely flat during H2 FY 2019 should prices remain at H1 FY 2019 levels – assuming BEE debt repayments are maintained as per existing amortization schedule and Williamson issues remain unresolved
- Management encouraged by solid start in H2 FY 2019 production

Appropriate Board and Management Structures

- Appointment of Richard Duffy as CEO effective 1 April 2019
- Nomination Committee expects to make further changes to the composition of the Board during the calendar year

Diamond market

- The first tender of H2 FY 2019 saw prices up ca. 1% when compared to average prices achieved in H1 FY 2019
- January to June usually a seasonally stronger period in the diamond market



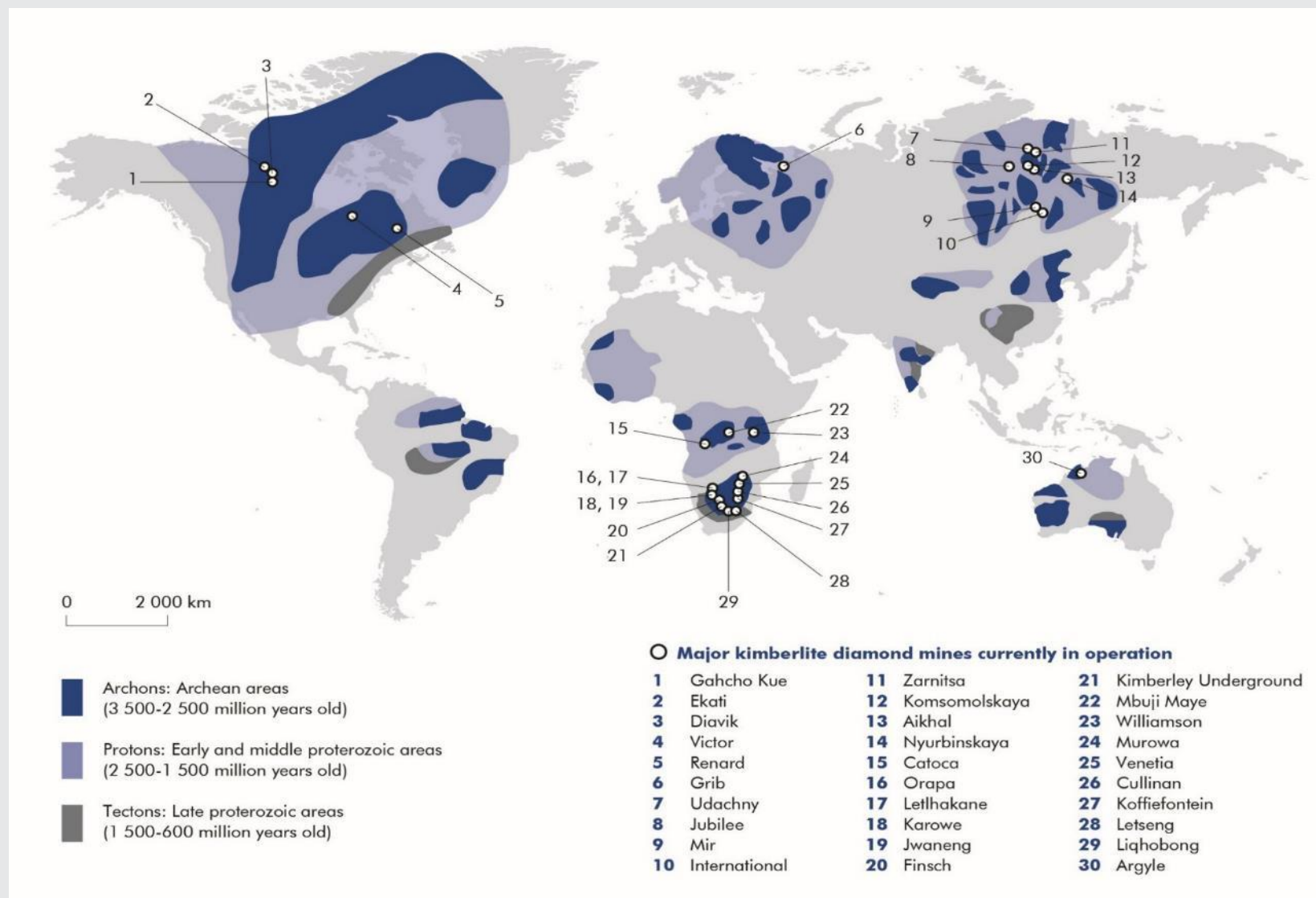


Appendix

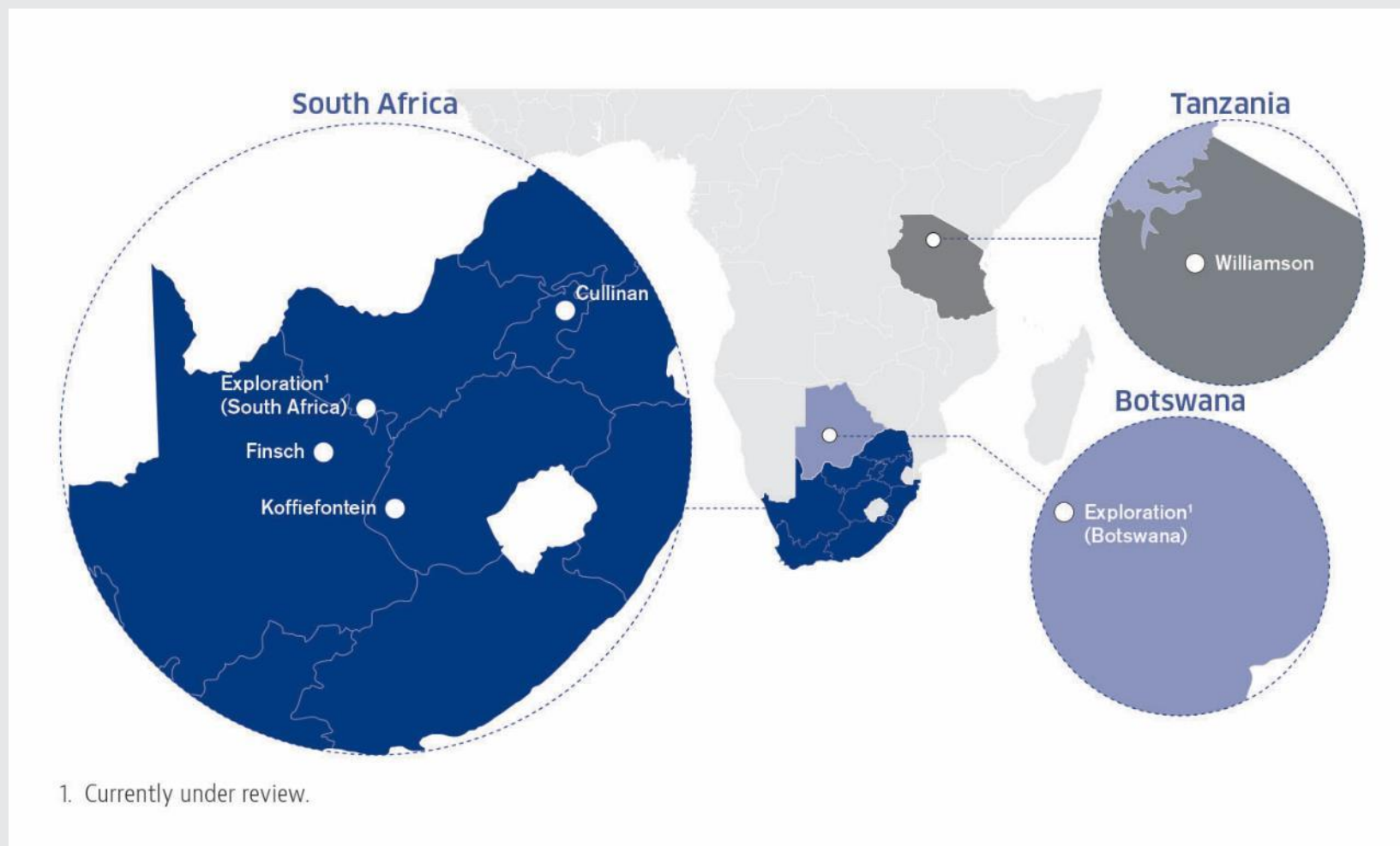


Diamonds are rare...and getting rarer

Only 30 significant kimberlite mines in production today



Focus on Africa



- Four producing mines (three in South Africa and one in Tanzania)
- Diversified portfolio key to managing production risk across the Group

Nearing End of +10 Year Heavy Capital Investment Phase

Date of acquisition by Petra and its partners

July 2007	July 2008	February 2009	May 2010 ¹	September 2011	January 2016
Koffiefontein	Cullinan	Williamson	Kimberley UG	Finsch	Kimberley Mines
					

¹ Disposal of KEM JV completed in December 2018

FY 2006 to FY 2018

- Acquisition costs: **\$330 million**
- Total production: **27.4 Mcts**
- Total revenue: **\$3.6 billion**
- Operating cashflow: **\$1.2 billion**
- Capital invested: **\$1.7 billion**

Delivering growth in

FY 2006		FY 2018 ¹
0.175 Mcts	Production	4.6 Mcts
\$21 million	Revenue	\$576.4 million
(\$4.5 million)	Adj. EBITDA ²	\$198.5 million
(\$8.8 million)	Adj. Op. Cashflow ³	\$155.3 million

1. Including KEM JV 2. Definition of Adjusted EBITDA is as disclosed in Petra's financial results 3. Cash generated from operations adjusted for the cash effect of the movement in diamond debtors

Petra Board of Directors



Adonis Pouroulis
Non-Executive Chairman

Mining entrepreneur whose expertise lies in the discovery and exploration of natural resources across Africa

Founded Petra in 1997 and floated first diamond company on AIM

Has since chaired the Company as it has developed into a mid-tier diamond producer of global significance



Johan Dippenaar
CEO

Over 25 years' experience in the leadership and management of diamond mining companies

Previously CEO of ASX quoted Crown Diamonds which operated a portfolio of three underground diamond fissure mines

Merger with Petra in 2005 and has led company through period of significant growth



Jacques Breytenbach
Finance Director

Assumed role in February 2018. Mr Breytenbach first joined Petra in 2006 as Finance Manager – Operations before becoming CFO in 2016. Prior to this he was Finance Manager – Capital Projects at Anglo Platinum

Leads financial management of Petra and is responsible for financing, treasury, financial controls, reporting, legal, investor relations, compliance and corporate governance



Tony Lowrie
Senior Independent Non-Executive Director

Over 45 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, Kenmare Resources, J. D. Wetherspoon plc and several quoted Asian closed end funds



Dr Patrick Bartlett
Independent Non-Executive Director

Acknowledged expert on kimberlite geology and design and block caving Formerly Chief Geologist for De Beers until retirement in 2003

In-depth knowledge of several Petra mines, having worked at Finsch, Koffiefontein, Kimberley Underground and Cullinan

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

Formerly a partner for +30 years at Deloitte & Touche LLP; primarily responsible for multinational and FTSE 350 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



Varda Shine
Independent Non-Executive Director

Previously, held the role of CEO of De Beers Trading Company where she worked with stakeholders across the supply chain (producing governments to luxury retailers) and delivered record sales and profits. She currently sits on the Boards of Lonmin Plc, the Mineral Development Company Botswana and Sarine Technologies. Ms Shine is also a Governing Board member of the Diamond Empowerment Fund (DEF) and a trustee of the Teenage Cancer Trust.



Bernard Pryor
Independent Non-Executive Director

A Metallurgical Engineer with 35+ years' experience. He is currently CEO of Alufer Mining and Non-Executive Chairman of MC Mining Limited. Mr Pryor was previously CEO of African Minerals Limited and Q Resources plc. Between 2006 and 2010 he held senior positions within Anglo American Plc as Head of Business Development and was CEO of Anglo Ferrous Brazil Inc. Prior to that he was COO at Adastra Minerals Inc in the DRC.



Richard Duffy
Chief Executive Officer, effective 1 April 2019

Mr Duffy has 27 years of global mining experience in a variety of leadership roles at Anglo American and AngloGold Ashanti Ltd. Including heading up their African operations as well as that of CFO.

In 2015 he co-founded Africa Energy Management Platform. Mr Duffy holds a B.Com degree from the University of Witwatersrand and an MBA from Henley Management College in the UK.

Capital Structure

Share Price (1 year to 14 February 2019)



As at 6 February 2019

% voting rights

Standard Life Aberdeen plc

11.6%

BlackRock, Inc.

11.5%

Prudential plc

5.3%

T. Rowe Price

5.0%

Cobas Asset Management

5.0%

Directors

3.8%

Listing

LSE: PDL

Average daily trading volume (shares) – (LTM)

2.9m

Shares in issue

865.3m

Free float

94.7%

Market cap @ 30.10p (14 Feb 2019)

£259.77 / \$332.48m

Debt Facilities

- Bank facilities (excl. FX lines) as at 31 Dec 2018: ca. \$104.5 million
- Bank debt facilities undrawn and available to the Group as at 31 Dec 2018: \$104.5 million, in addition to cash at bank of \$90.7 million
- South African bank debt was settled shortly after Year end; remaining available

Lender	Type	Size ZARM	Size US\$M ¹	Utilised at 31 Dec 2018 US\$M	Interest Rate	Repayment
Absa & Nedbank	ZAR Revolving credit facility	1,000	70	0	1M JIBAR + 5.0% ^{2&3}	October 2021
Absa & RMB (FNB)	ZAR Working capital facility	500	35	0	SA Prime – 1.0% ^{2&3}	Subject to annual renewal

1. Converted to USD using exchange rate of ZAR14.35/USD1

2. An increase of 1% will apply in the event that the Company's Consolidated Net Debt is greater than 2.5x but less than 3x Consolidated EBITDA

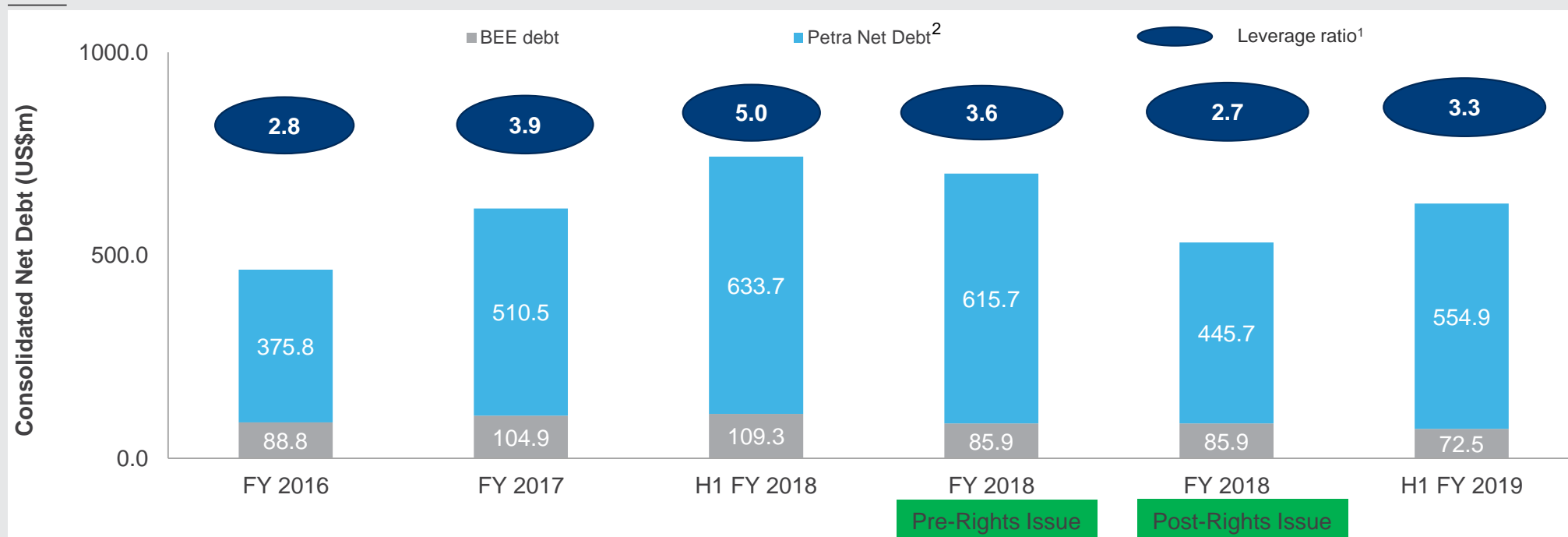
3. An increase of 2% will apply in the event that the Company's Consolidated Net Debt exceeds or is equal to 3x Consolidated EBITDA

Bank Debt Facilities – Covenants

Covenant	Maintenance Covenants		Distribution Covenants
	12 months to 31 Dec 2018	12 months to 30 June 2019 and thereafter	All periods
	Required ratio	Required ratio	Required ratio
Consolidated Net Debt ¹ to Consolidated EBITDA	≤3.5x	≤2.5x	≤2.0x
Consolidated EBITDA to Consolidated Net Finance Charges	≥3.0x	≥4.0x	≥6.0x
Consolidated Net Senior Debt ² to Book Equity ³	≤0.4x	≤0.4x	≤0.3x

1. Consolidated net debt is loans and borrowings, less cash, less diamond debtors and includes the BEE guarantees of ca. ZAR1,040 billion (\$72.5 million) as at 31 Dec 2018, issued by Petra to the lenders as part of the BEE financing concluded in December 2014
2. Consolidated Net Senior Debt means at any time the Consolidated Net Debt (excluding any second lien and other subordinated debt)
3. Book Equity is Equity excluding accounting reserves

....Targeting Leverage Reduction of $\leq 2x$ ND:EBITDA¹ by FY 2020



Rights Issue – the catalyst in accelerating Petra's deleveraging profile

- Future free cash flow
- Leverage reduction
 - Continued communication to resolve Tanzania issues
 - Engage with SA Lender Group to simplify financing agreements, including BEE loan structure

Long term,
sustainable
leverage target by
end of FY 2020

$\leq 2.0x^1$

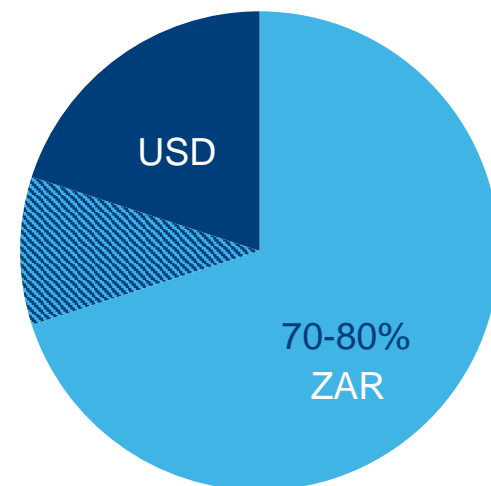
- Efficient use of free cash flow to reduce interest bearing debt
- Shareholder returns

Impact of ZAR/USD Movement on Petra

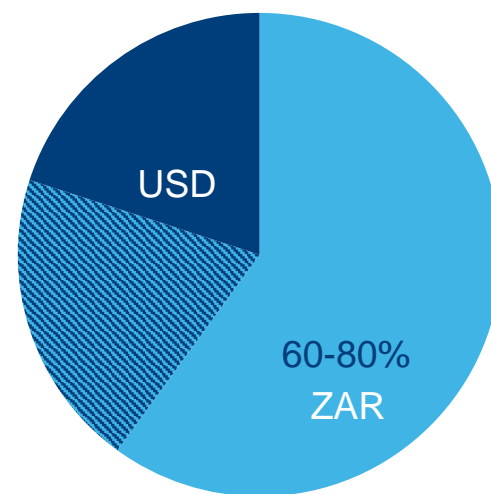
- US\$1:ZAR14.15 on 14 February 2019
- Increase / decrease of ZAR1 equates to:
 - ca. US\$20m on EBITDA
 - ca. US\$35m on FCF
- Short term hedging strategy to manage volatility
 - Collar style hedges on USD revenue converted to ZAR covering up to 50% of FY 2019 sales



USD:ZAR exchange rate – 1 July 2017 to 13 February 2019



70 - 80% of operating costs are ZAR denominated



60 - 80% of Capex is ZAR denominated

Capex Profile – FY 2019 & FY 2020

Financial Year		2019	2020
Operation			
Finsch	ROM tonnes treated (Mt)	3.2	3.2
	Tailings tonnes treated (Mt)	0.2	0.0
	Expansion Capex (ZARm)	200	200
	Sustaining Capex (ZARm)	125	120
Cullinan	ROM tonnes treated (Mt)	3.7 – 4.0	4.0
	Tailings tonnes treated (Mt)	1.5 – 1.7	2.0
	Expansion Capex (ZARm)	570	350
	Sustaining Capex (ZARm)	130	120
Koffiefontein	ROM tonnes treated (Mt)	1.0	1.0
	Expansion Capex (ZARm)	65	20
	Sustaining Capex (ZARm)	30	40
PETRA (SA Operations)	Expansion Capex (ZARm)	835	570
	Sustaining Capex (ZARm)	285	280
Williamson	ROM tonnes treated (Mt)	4.7	4.7 – 5.0
	Alluvial tonnes treated (Mt)	0.4	0.0 – 0.4
	Sustaining Capex (USDm)	5	5
PETRA (All Operations)	ROM tonnes treated (Mt)	12.6 – 12.9	12.9 – 13.2
	Tailings / other tonnes treated (Mt)	2.1 – 2.3	2.0 – 2.4
	Expansion Capex (USDm)	65	45
	Sustaining Capex (USDm)	27	27

1. All Capex numbers stated in FY 2019 money terms (ZAR12.75/US\$1 where applicable)
2. Depreciation on mining assets for FY 2019 guided at ca. US\$90 million.

H1 FY 2019 vs FY 2018 Operational Results

	Finsch		Cullinan		Koffiefontein		Williamson	
	H1 FY 2019	FY 2018	H1 FY 2019	FY 2018	H1 FY 2019	FY 2018	H1 FY 2019	FY 2018
ROM PRODUCTION								
Tonnes Treated (t)	1,503,335	3,084,395	1,996,624	3,741,086	377,391	649,259	2,510,451	4,659,563
Grade (cpht)	61.7	62.5	39.3	35.9	6.7	8.1	8.3	7.0
Diamonds recovered (carats)	927,934	1,926,467	785,444	1,342,020	25,275	52,537	208,064	328,681
TOTAL PRODUCTION								
Tonnes treated (t)	1,637,730	3,879,368	2,692,978	4,153,835	377,391	649,259	2,706,008	5,045,284
Diamonds recovered (carats)	947,424	2,073,477	832,026	1,368,720	25,275	52,537	214,421	341,102
SALES								
Diamonds sold (carats)	829,530	2,152,786	688,536	1,335,669	23,406	51,936	194,913	253,524
Average price per carat (US\$)	105	108	96	125	447	525	223	270
Revenue (US\$M)	87.0	231.9	66.2	167.0	10.5	27.2	43.5	68.5
On-mine cash cost per tonne treated	R400	R329	224	R239	R585	R596	US\$11.6	US\$10.7
CAPEX (US\$m)¹	12.4	50.0	20.5	62.7	3.2	12.3	3.2	4.6

Sustainability – Providing Stable Employment

- By investing its resources in its mines, Petra has put in place long-term, sustainable mine plans
- When Petra acquired mines: +/- 2,500 employees
- Today Petra employs more than 3,600 employees
- And several thousand contractors during expansion programmes
- Using accepted multiplier of x10: in excess of 50,000 people are dependent on our operations



Sustainability



Training and Development

- Leadership Development Programme to encourage career progression
- Ca. \$9.5m spent on training & development programmes in FY 2018

Labour Relations

- Labour relations are currently stable and three year agreement bodes well for a more stable environment during this period
- Under two weeks of labour disruption experienced in September 2017 at the SA operations (except Cullinan) prior to finalisation of three year wage agreement

Communities

- Enterprise Development Centres established at all South African operations to develop local businesses
- Education identified as the best way for Petra to contribute to the upliftment of its local communities and to South Africa as a whole
 - Early learning initiatives
 - School, scholarship and bursary programmes
 - Focus on development of technical skills – maths and science

Environment – continued focus on efficiencies

- All expansion programmes designed for improvements in energy, water and carbon emitted per tonne
- Ongoing initiatives to reduce energy usage, including continual investigation of renewable energy sources



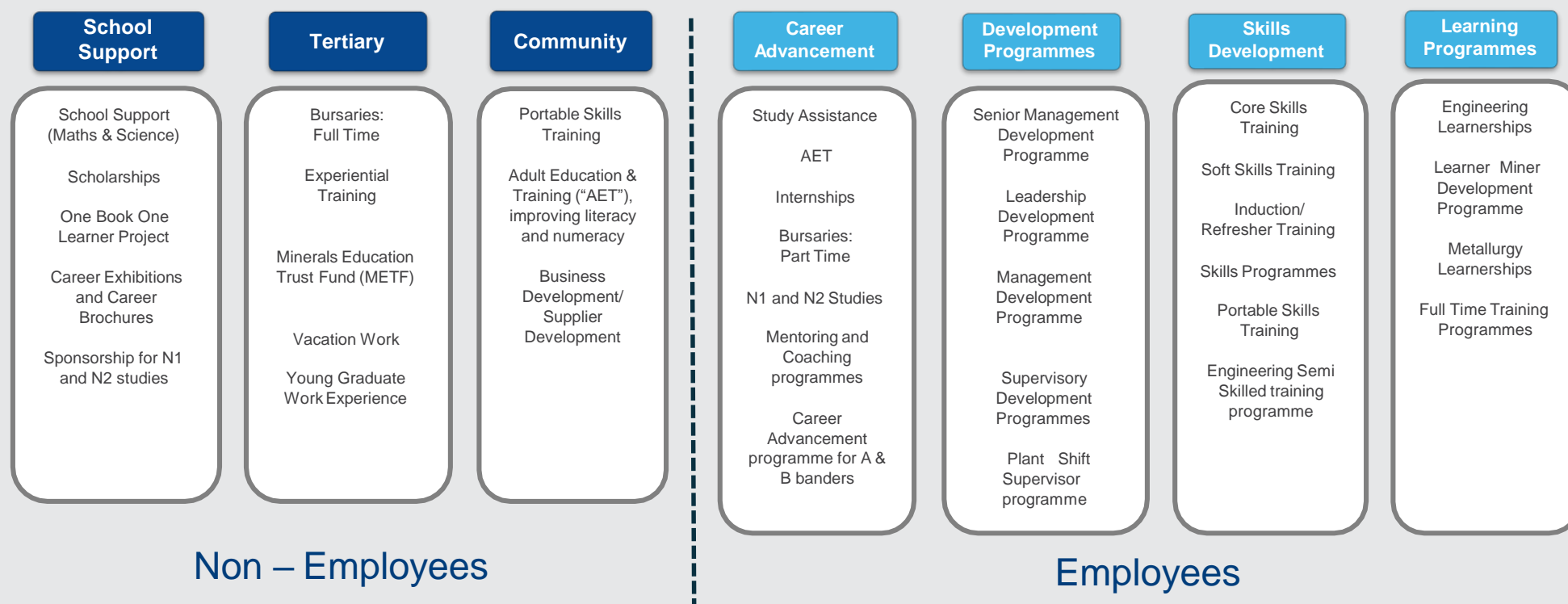
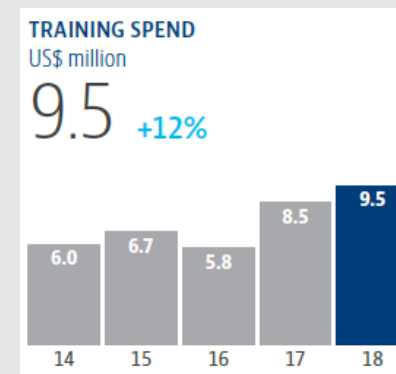
The handover of the multi-purpose sports facility to Onverwacht Primary School, near Petra's Cullinan mine



Petra facilitated exposure for 5 local enterprises at the Enterprise and Supplier Development Expo in Johannesburg

Focus on Developing our People

- Petra increased its training spend to US\$9.5 million in FY 2018
- Efforts start at grassroots level – improving education standards in local schools
- Bursaries, scholarships and training offered to community members
- Numerous Company programmes to develop our employees



Focus on the Development of Women

Diversity is proven to result in improved decision making and better results

- Petra has a number of Company initiatives aimed at encouraging and developing women at all levels of the business; in FY 2018 women represented:
 - 33% of engineering learnerships
 - 40% of mining learnerships
 - 39% of bursars
 - 33% of leadership development programme
 - 18% of total workforce
- Our Women in Mining Committee has created a platform for women at Petra's South African operations to share experiences, identify challenges and promote development opportunities



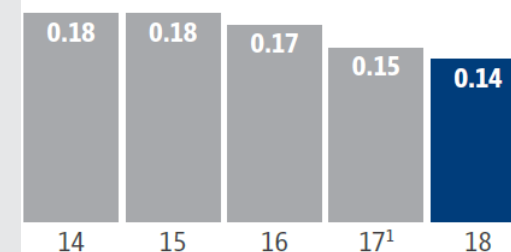
Minimising our Environmental Footprint

- Diamond mining is energy and water intensive but it does not use any harmful chemicals – vegetation grows freely on our tailings dumps
- Ongoing initiatives to reduce energy usage, including continual investigation of renewable energy sources
 - Continual reduction in carbon emissions per carat
 - Carbon sequestration implemented through maximisation of indigenous vegetated areas
- Ongoing initiatives to reduce water usage
 - 59% of water used on mine is recycled
- Petra has designated protected habitats totalling 10,255 ha adjacent to its mines to ensure preservation of fauna and flora
 - In all cases, apart from Kimberley, these protected areas equal or are larger than the footprint of the mining operations
- Environmental impact of our mining activities is not expected to last long after the cessation of operations due to continuous rehabilitation

CARBON EMISSIONS²

Thousand tCO₂-e/ct

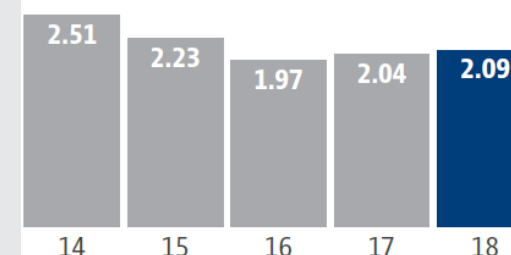
0.14 -7%



WATER USAGE³

m³/t

2.09 +2%



Tailings Residue Deposit Management

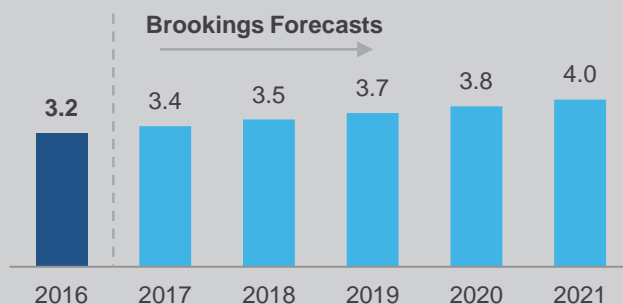
- Risk based Mandatory Codes of Practice (MCOP)¹ documents for all residue deposits are drawn up in South Africa as required by the Department of Mineral Resources, Mine Health and Safety Inspectorate, according to set guidelines
- The Williamson diamond mine does not require a MCOP by law, but in line with best practice, an operating manual for the tailings deposit was developed and implemented since 2016
- Third party Professional Engineers together with Mine Geotechnical Engineers are appointed by Petra to oversee and provide assurance on the design and operational standards of our tailings facilities
- Annual external audits are conducted in line with OHSAS18001:2007 and ISO 14001:2015 management standards, in addition to internal compliance, assurance and performance audits
- Important parameters that are being recorded, documented and managed include the overall condition of side slopes, benches and basin, drain flow records, deposition rates and corresponding rate of rise, freeboard, the phreatic surface level, structural integrity of the penstocks, pool size and location, impact on surrounding environment and zone of influence

Producing the Full Spectrum of Diamonds

Mass market goods

Growth in middle classes

The global middle class comprised ca. 3.2bn people at the end of 2016

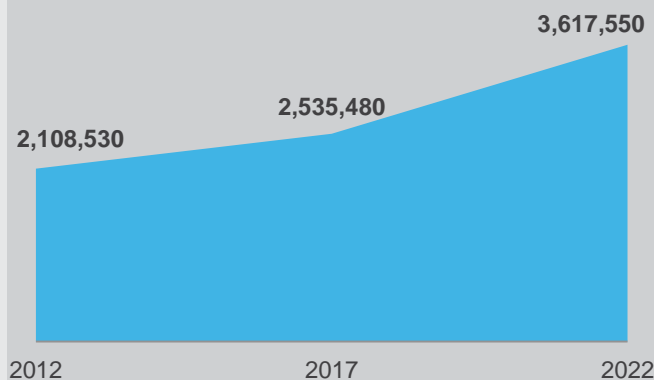


160 million people projected to join the global middle class over the next 5 years

Brookings – February 2017

High end goods

Growth in HNWI (+\$5m)



HNWI population projected to increase 43% by 2022

Knight Frank The Wealth Report 2018

Ultra collectables

Exceptional diamonds



The 3,106ct Cullinan Diamond

The 29ct Blue Moon of Josephine



The DPA - Sustaining Consumer Demand

Diamond Producers Association comprises De Beers, ALROSA, Rio Tinto, Dominion, Petra, Lucara, Murowa – together ca. 72% of world supply by value

The DPA seeks to actively influence sustainable consumer demand by:

- Promoting the integrity of the diamond industry and maintaining consumer confidence
- Providing generic marketing support, ensuring diamonds remain relevant to the next generation of consumers

DPA budget increased to US\$70 million in 2018

- Continued focus on major US market; comprises multi-channel advertising, innovative digital programmes, high-impact PR around the 'Real is Rare. Real is a Diamond' campaign
- 2018 marked first full year of marketing in India and the launch of marketing in China
- Industry advocacy and trade programmes to support the pipeline, plus challenging misleading synthetics industry narrative and language



DPA launched Real is Rare campaign in India in November 2017



PetraDiamonds

Thank You

Further enquiries:

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