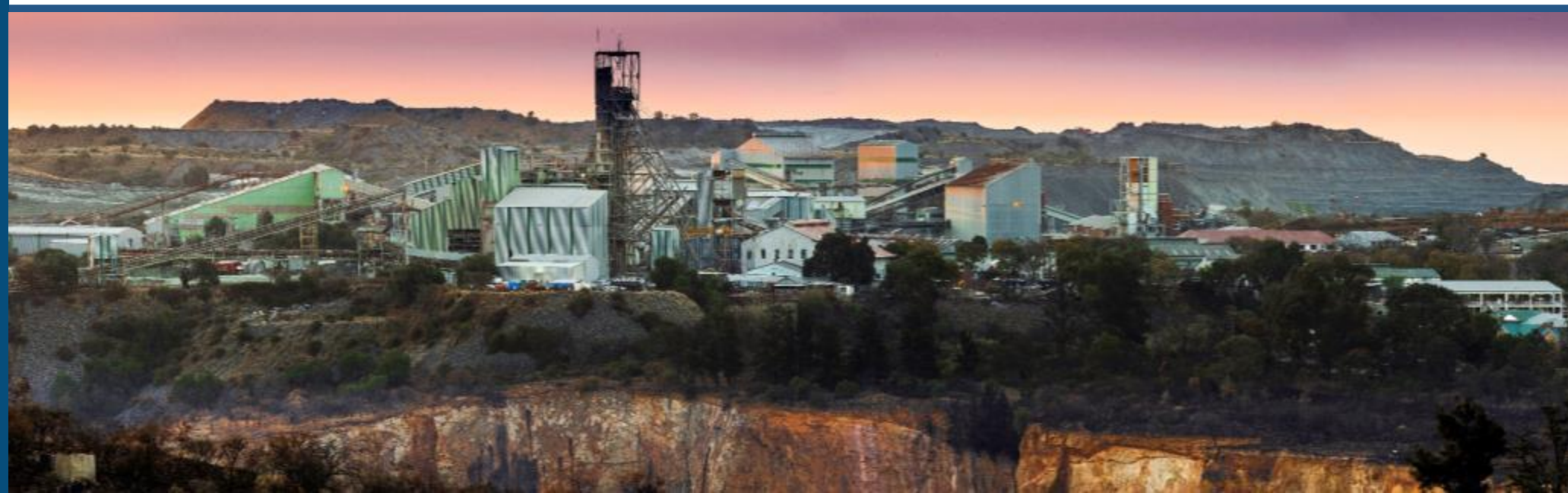




PetraDiamonds



Cullinan – The World's Most Celebrated Diamond Mine

20 March 2015

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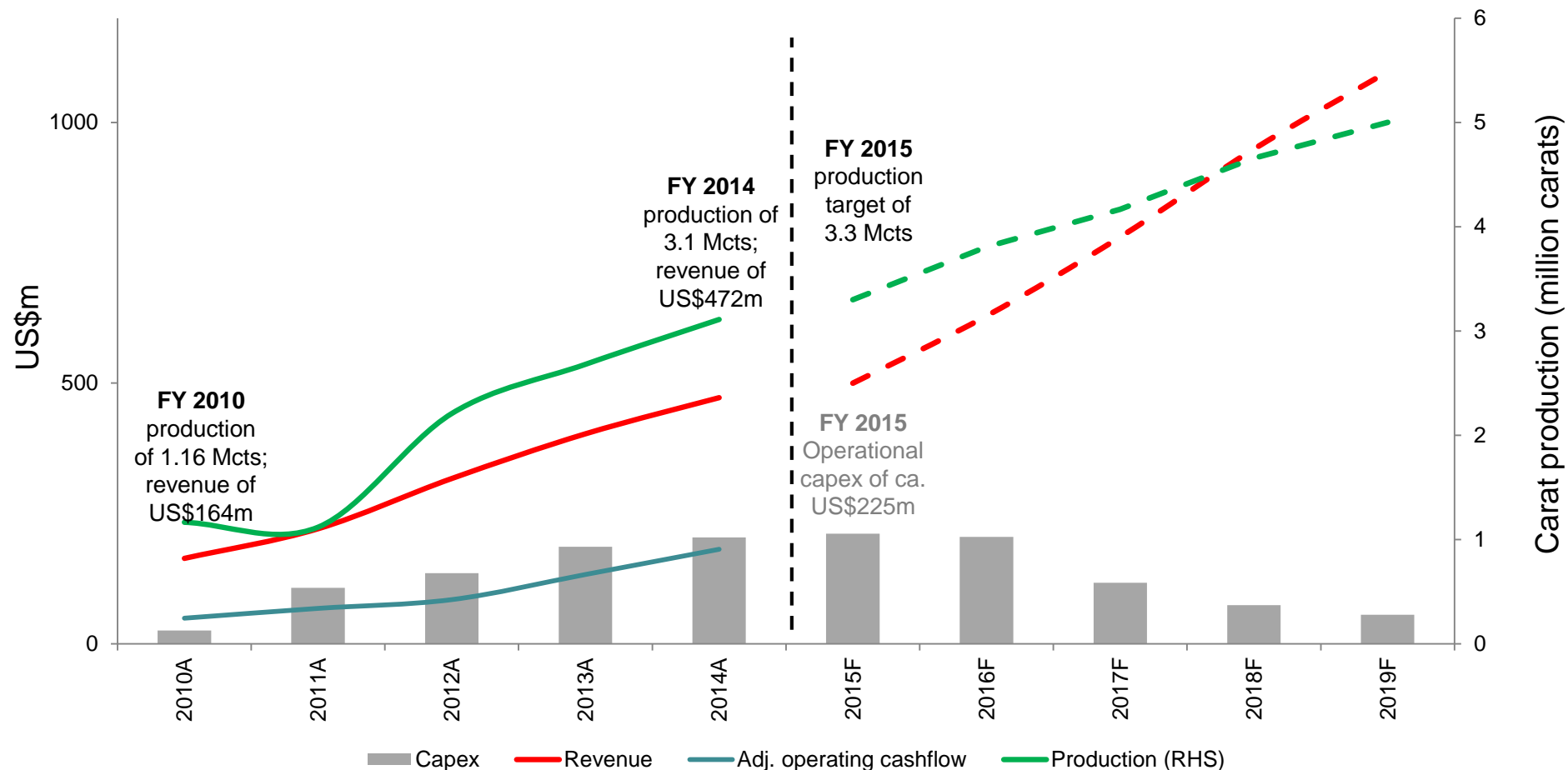
Cullinan Site Visit Itinerary

09:30	Arrive at Cullinan Diamond Mine
09:45	Overview of Cullinan Diamond Mine & Safety Induction
11:00	Underground visit
13:30	Surface visit – plant and open pit
14:00	Changehouse
14:30	Lunch with management, further discussions and Q&A
16:00	Estimated time of departure

PETRA OVERVIEW

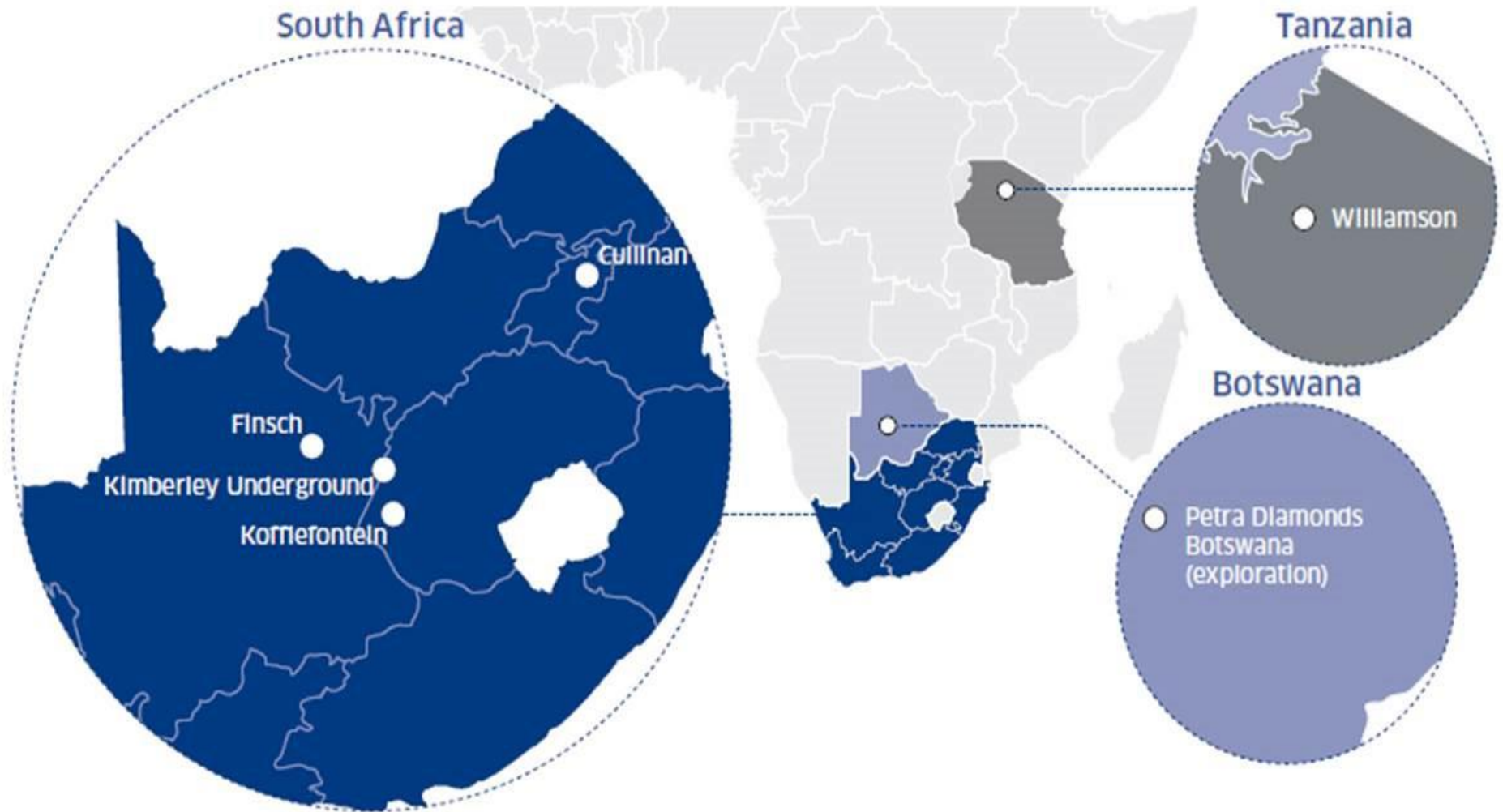
Path To 5 Million Carats Per Annum

- Brownfields expansion programmes expected to lift production ca. 60% by FY 2019 – all programmes on time and on budget



Note: All forecasts for Capex and production are management estimates. Capex is in nominal terms and excludes capitalised borrowing costs.

Location



CULLINAN OVERVIEW

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

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

A Unique Heritage

- 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; 138 stones of +200 carats; 802 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 – 199.6 Mcts (incl. 17.2 Mcts tailings)
- Block cave mining (high volume, low cost)
- FY 2014 production of 0.8 Mcts and revenue of US\$162.8 million
- C-Cut Phase 1 expansion plan to increase production to ca. 2.2 Mctpa by FY 2019 (2 Mctpa ROM & 0.2 Mctpa tailings)



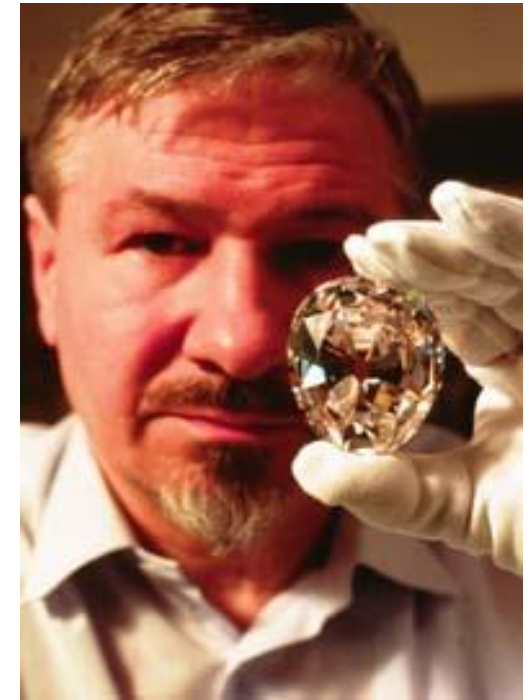
The Cullinan Heritage: 507cts rough, recovered in 2009 and sold for US\$35.3m in February '10



The Blue Moon: 29.6cts rough, recovered in 2014 and sold for US\$27.6m in February '14

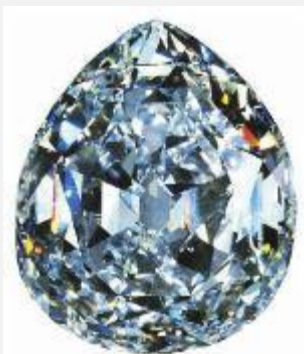
Writing the History of Diamonds

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



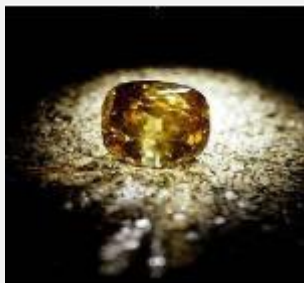
Also source of the largest polished diamonds in the world, incl. The Great Star of Africa (530 carats)

Iconic Diamonds from Cullinan



The Greater Star of Africa

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



The Golden Jubilee
755.50ct rough,
545.65ct polished
1986



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



The Cullinan Heritage
507.55 carats rough
2009



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



The Blue Moon
29.6ct rough, 12ct polished
2014

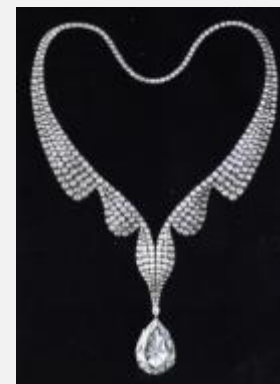
The Centenary
599.10ct rough,
273.85ct polished
1986



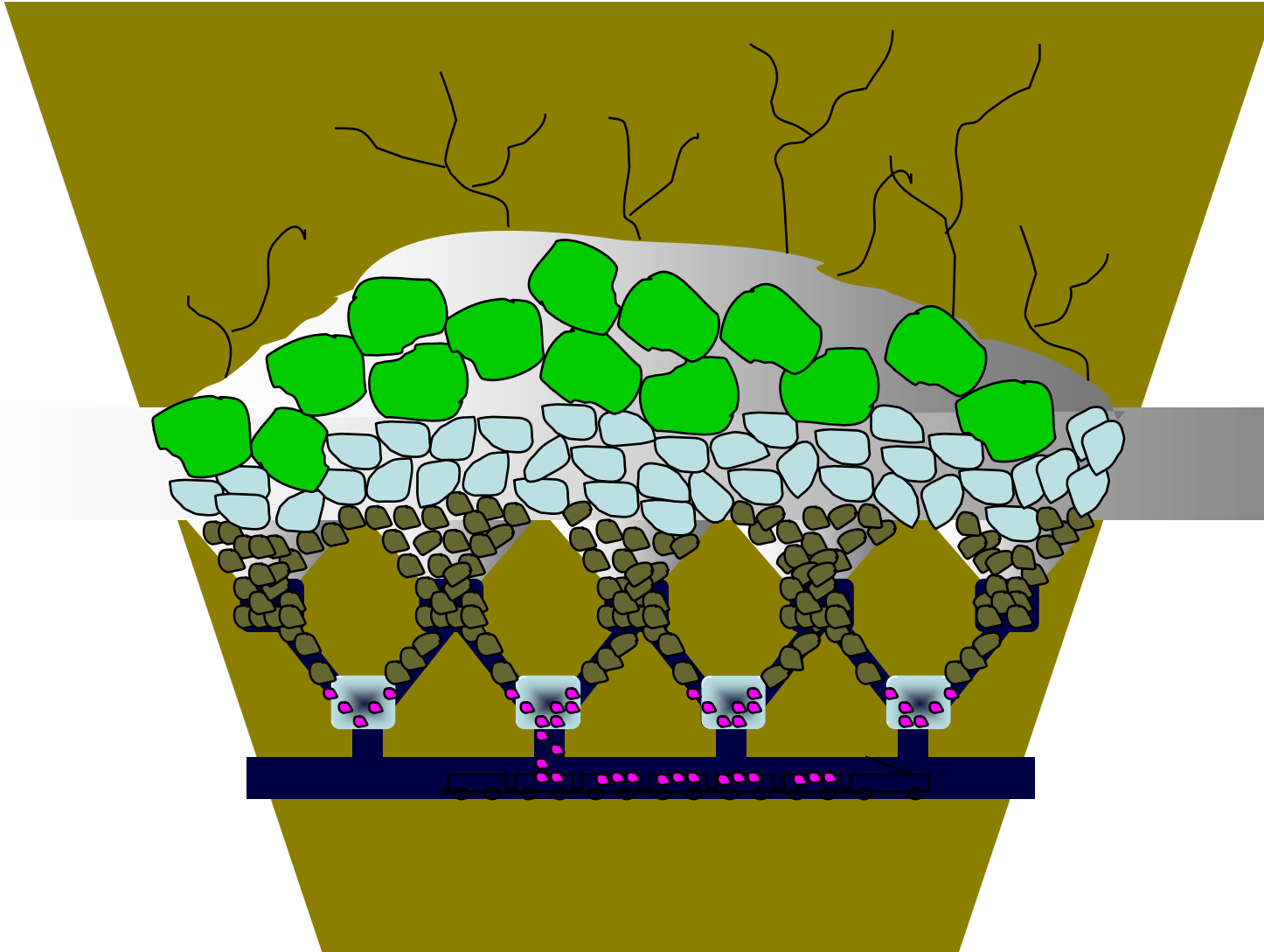
The Safia
338.46ct rough,
90.97ct polished
1990's



The Taylor Burton
240.80ct rough,
69.42ct polished
1966

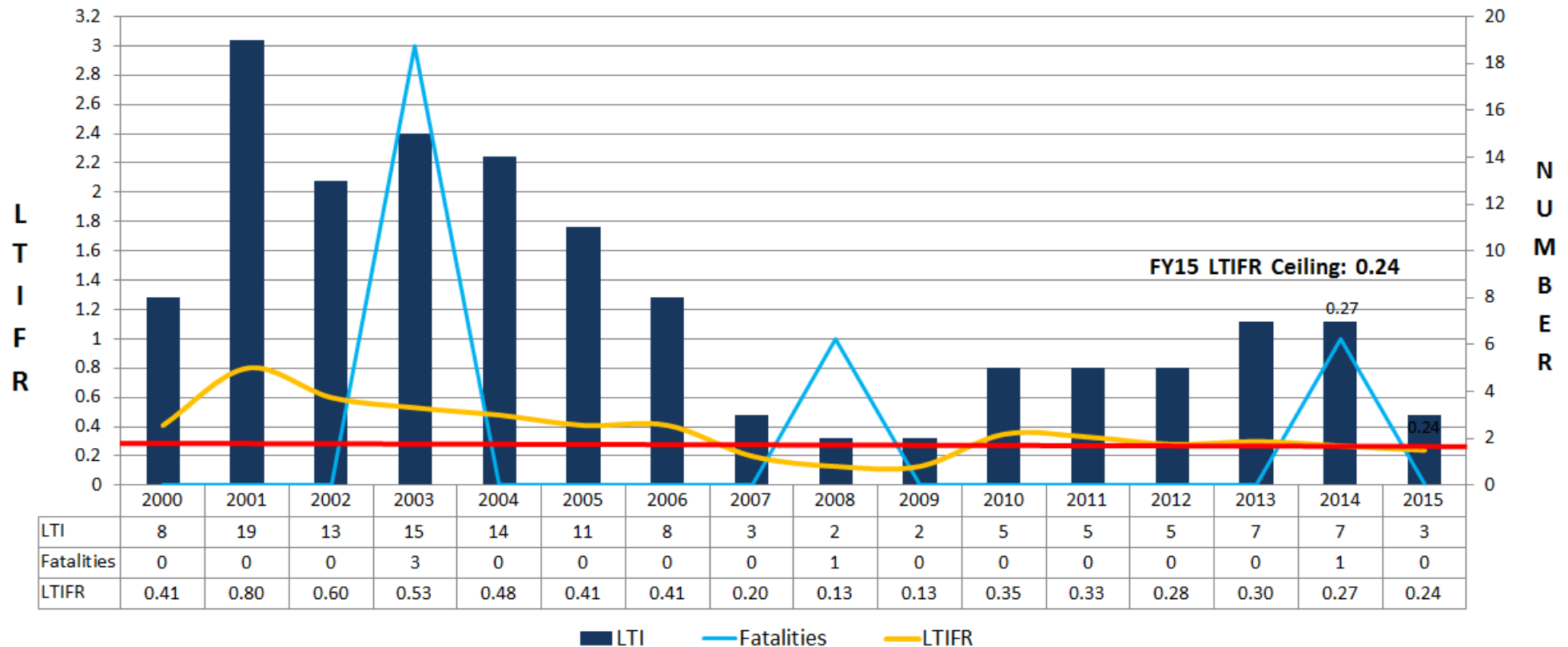


Block Caving Schematic



Safety Performance

LTI & LTIFR COMPARISON



Highest LTIFR/nr = 2001: 0.80 / (19)

Lowest LTIFR/nr = 2008&9: 0.13 (2)

2001 – 2006 = Increase in activities and projects
 2010 – current = Increase in activities, employees and projects with a lower number of LTI and LTIFR

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

H1 FY 2015 Results

	Unit	H1 FY 2015	H1 FY 2014	Variance	FY 2014
<u>Sales</u>					
Revenue	US\$m	77.7	61.3	+27%	162.8
Diamonds sold	Carats	314,957	409,117	-23%	881,343
Average price per carat	US\$	247 ¹	150	+65%	185 ²
<u>ROM Production</u>					
Tonnes treated	Tonnes	1,292,895	1,291,208	0%	2,546,383
Diamonds produced	Carats	333,770	399,819	-17%	706,728
Grade	Cpht	25.8	31.0	-17%	27.8
<u>Tailings Production</u>					
Tonnes treated	Tonnes	1,212,368	1,020,252	+19%	2,149,571
Diamonds produced	Carats	57,628	61,519	-6%	116,891
Grade	Cpht	4.8	6.0	-20%	5.4
<u>Total Production</u>					
Tonnes treated	Tonnes	2,505,263	2,311,460	+8%	4,695,954
Diamonds produced	Carats	391,398	461,338	-15%	823,619
<u>Capex</u>					
Expansion Capex	US\$m	47.0	30.1	+56%	73.5
Sustaining Capex	US\$m	3.4	4.7	-28%	14.7
Borrowing costs capitalised	US\$m	3.6	2.4	+50%	4.9
Total Capex	US\$m	54.0	37.2	+45%	93.1

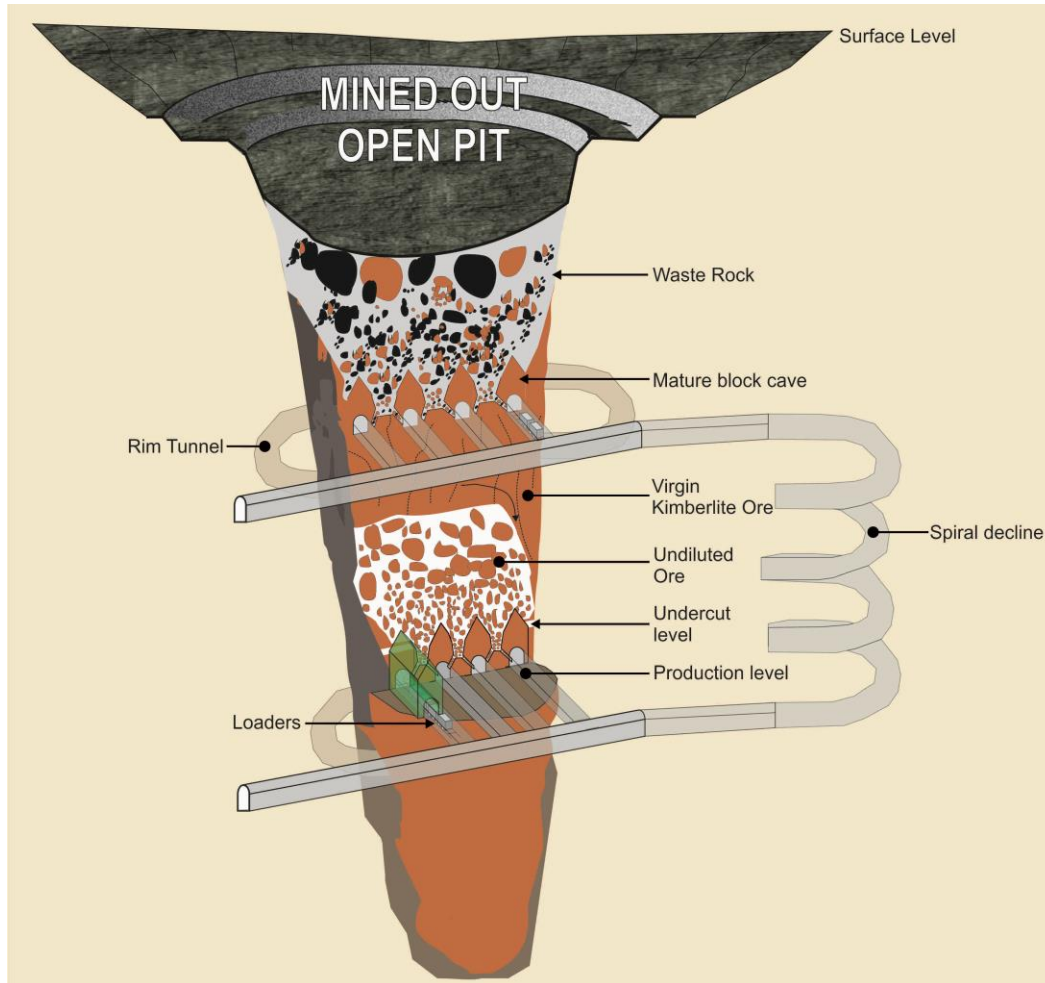
1. Excluding exceptional diamonds, the average value for H1 FY 2015 was US\$124 per carat

2. Excluding exceptional diamonds, the average value for FY 2014 was US\$146 per carat

- Handling waste material from the high volume of development metres is impacting ROM grade
- This will be addressed by a stabilisation in the volume of waste development metres, a gradual increase of the initial undiluted tonnes, and the initiatives to open up access to higher grade mining areas. It is planned to reduce the waste development metres with around 30% for the next financial year.
- H2 FY 2015 ROM grade guidance adjusted from 29.4 cpht to 27.2 cpht
- FY 2015 average value per carat adjusted from US\$152 to US\$130 due to softer market

MINING OVERVIEW

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:
 - *Cullinan* c. 26 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

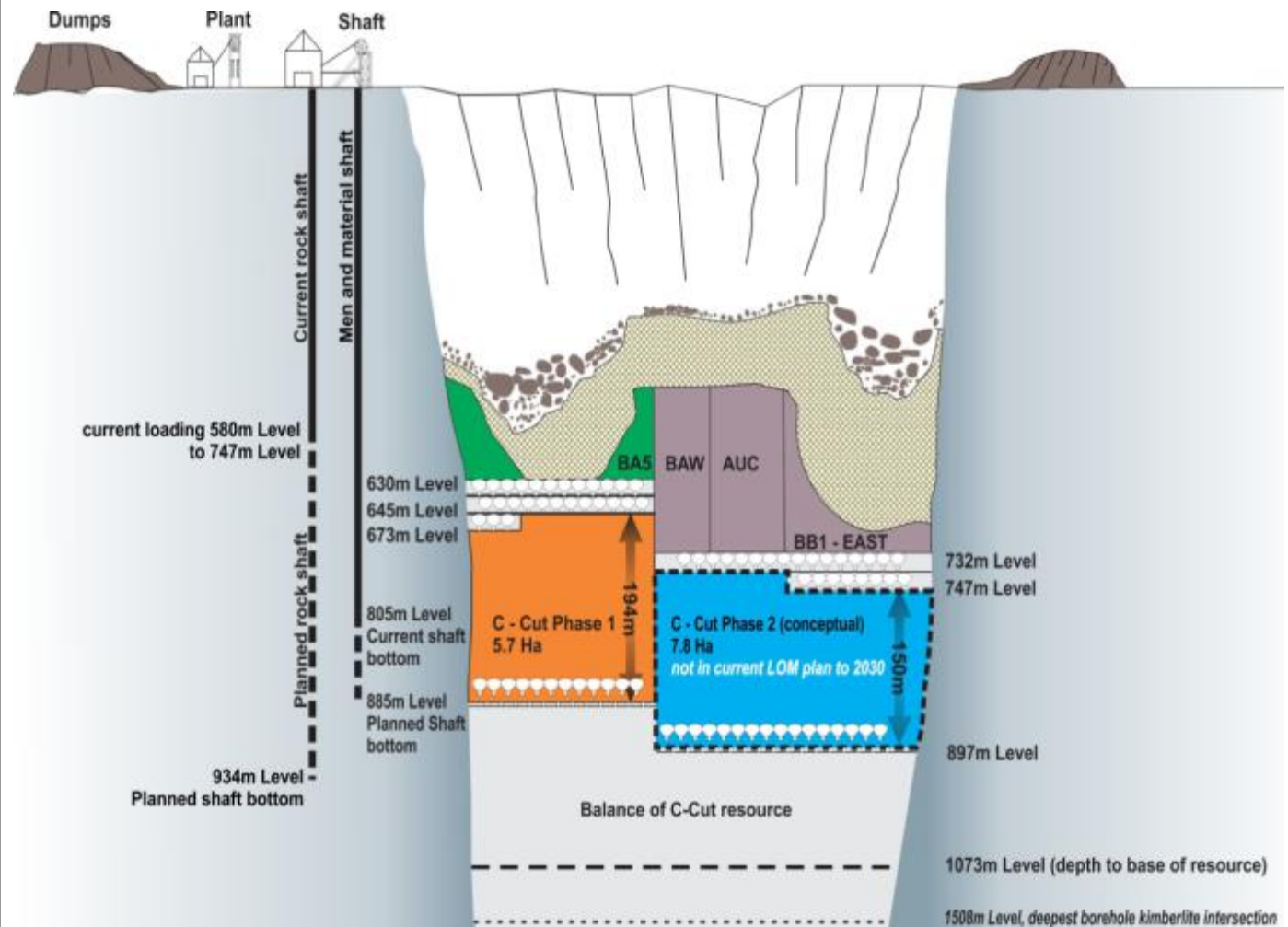
Cullinan Mine Plan – High Level

Current mining taking place in B-Cut at 732m and rehabilitation mining commencing on 645m

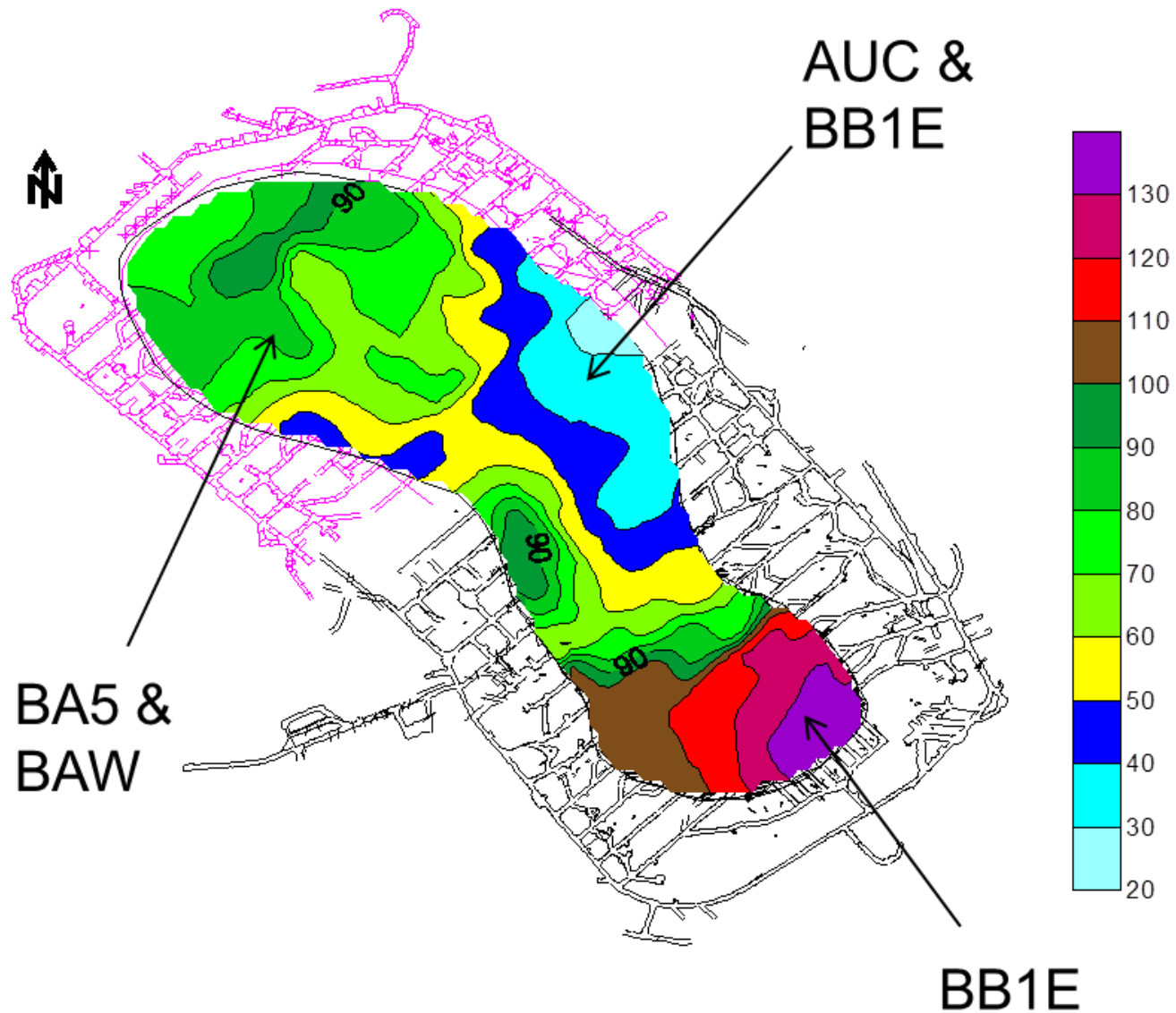
C-Cut Phase 1 – new block cave being established on western side of orebody; production build up from FY 2016 – 16 yr mine plan

Dramatic simplification of ore-handling system

C-Cut Phase 2 – not in current mine plan



Grade Variation of the Orebody



ROM Grade Volatility Mitigation

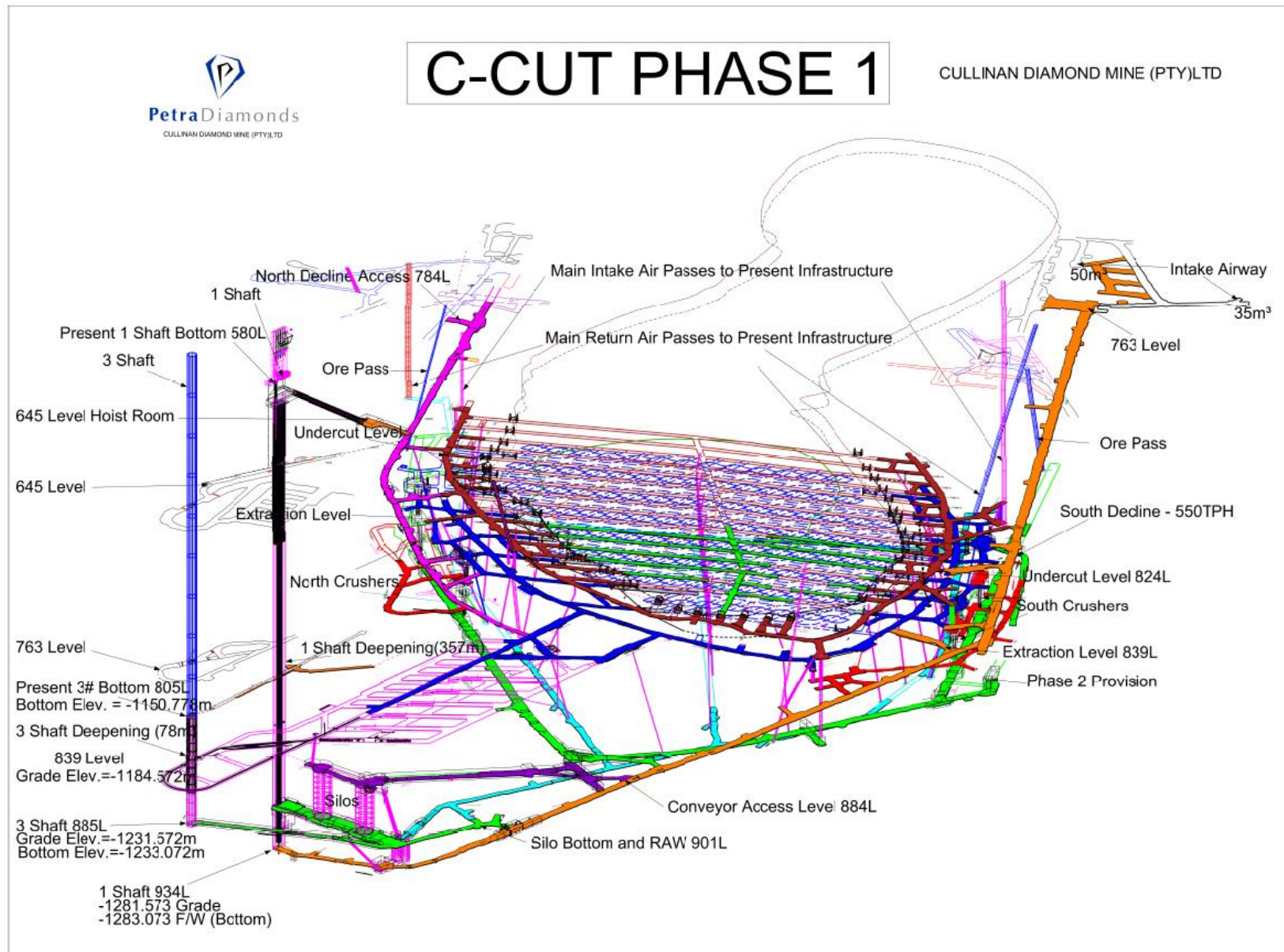
To date:

- Increase in underground and surface tonnes treated helps offset lower grade
- Recovery of 'special / exceptional' diamonds assists mine revenue
- Strict Opex and Capex control
- Rehabilitation of 645mL in BA5, providing access to undiluted tonnes in Western side of orebody
- BB1E tunnel ripping, providing access to undiluted tonnes

In FY 2015:

- Continued rehabilitation mining at 645mL in BA5
- Continued BB1E tunnel ripping
- Blue development tonnes from C-Cut Phase 1 block to increase from 2,500 tonnes in FY 2014 to ca. 78,000 tonnes budget in FY 2015
- Maintain ROM plant throughput
- Increase tailings throughput to 2.5 Mt
- Focus on recovery of high value diamonds

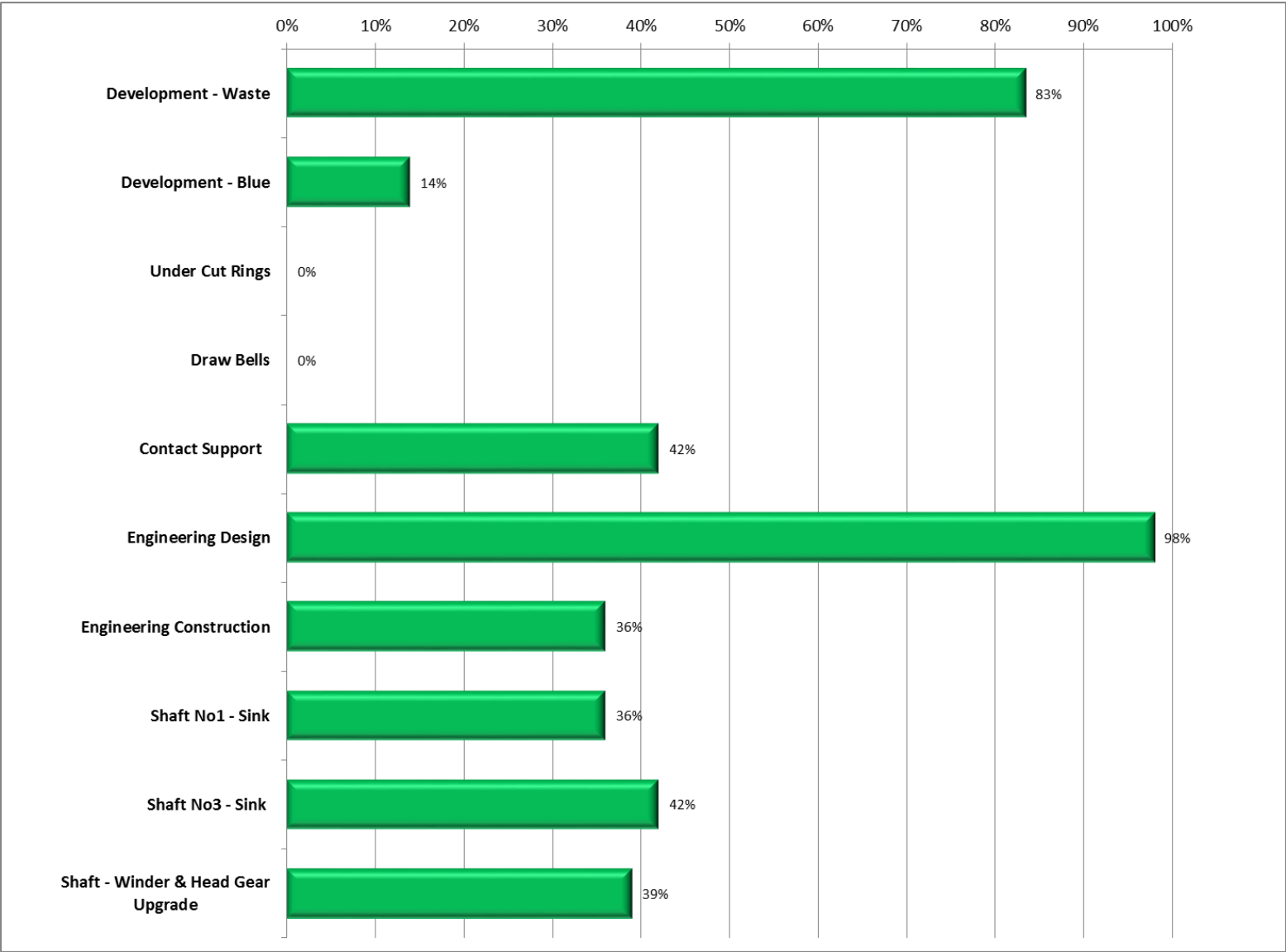
Cullinan – C-Cut Phase 1 Battery Limits



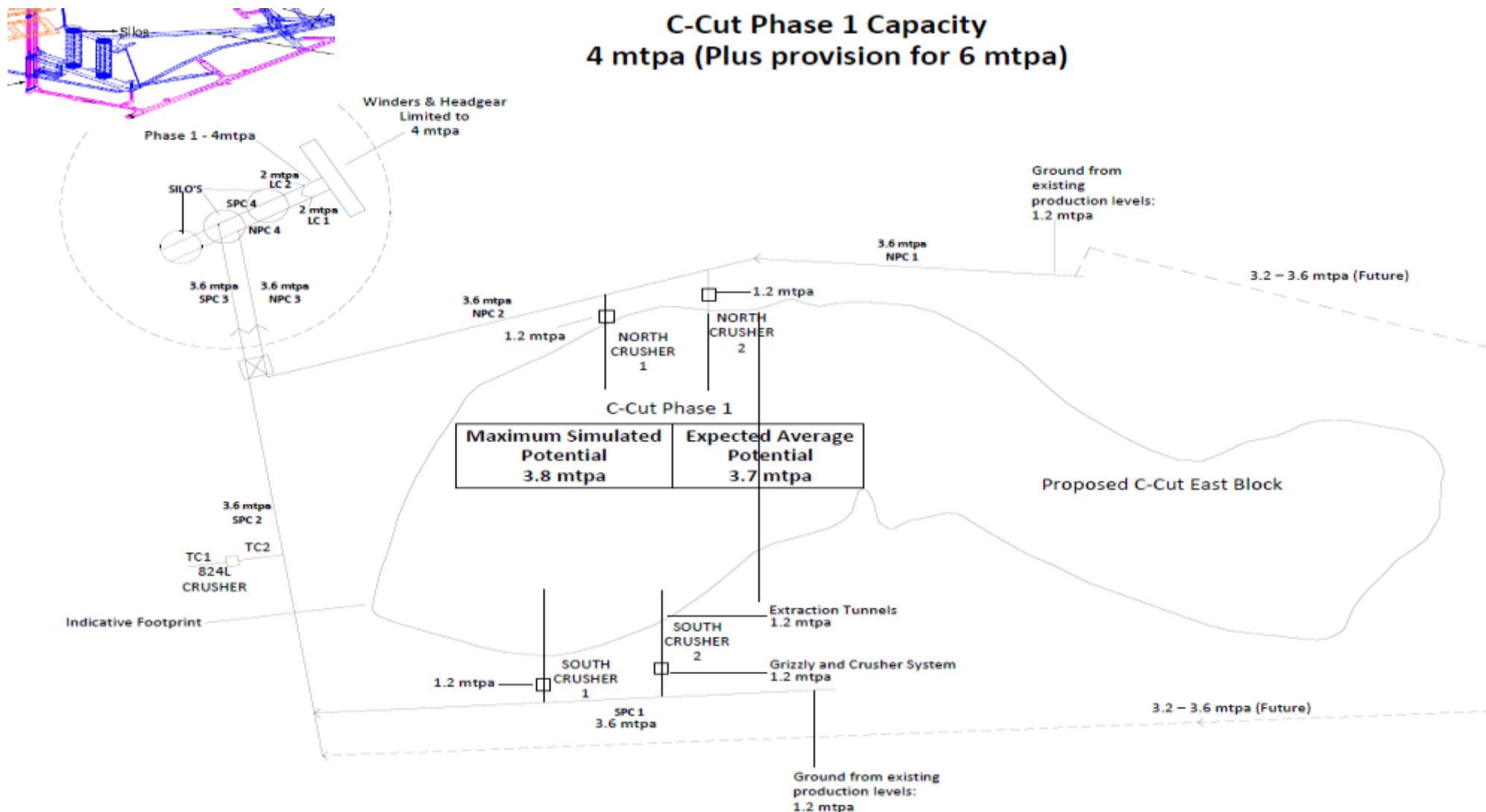
Cullinan – Development Programme

Development Programme	2013	2014	2015	2016	2017	2018	2019
Commenced rehabilitation of BA5 areas at 645m to create access to undiluted ore							
Development of declines, access tunnels and shaft deepening on track							
Tailings ramp up to steady state 2.7 Mtpa							
New production levels are being established at 839m and shaft to 934m to be commissioned							
Dramatic simplification of ore-handling; new system at 880m will allow for future ramp-ups to utilise full C-Cut footprint							
Initial production from new C-Cut cave							
Upgrading and streamlining of plant facilities in order to handle increased tonnes							

C-Cut Phase 1 – Project Summary

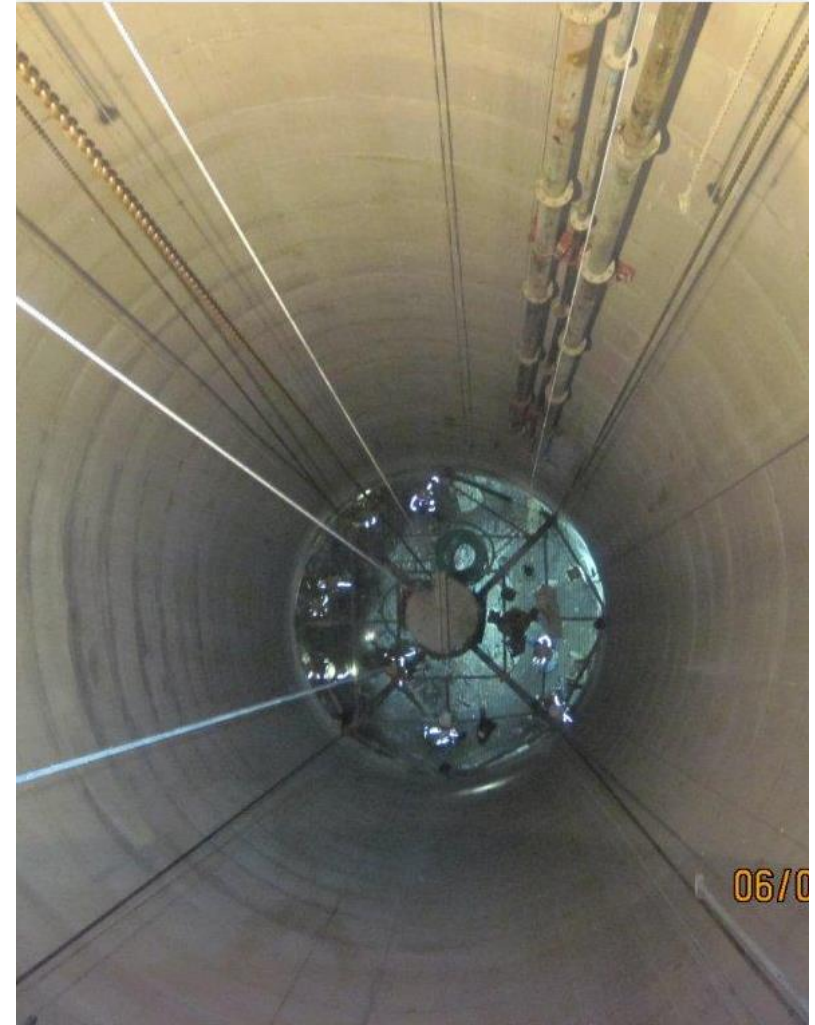


C-Cut Phase 1 Ore-handling Schematic



Expansion Plan – Current Status

- Shaft deepening (and related infrastructure) to 934m in progress
- Sinking progressed with Shaft N°1 at a depth of 162m out of 357m and Shaft N°3 at a depth of 41m out of 83m
- Development of blue (kimberlite) and waste tunnels in progress: >14,623 metres developed to date
- Refinements to allow for increased flexibility and to increase capacity of mine infrastructure
 - Specifications upgraded to cater for anticipated extension of life of the block cave into BBIE
 - Batching plant to deliver >1,000m³ 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
- Contact openings and blue development in progress: 1st undercut rings planned for June 2015



Expansion Plan – Current Status



Under Cut Holing Tunnel 21



Support Installation



Drilling

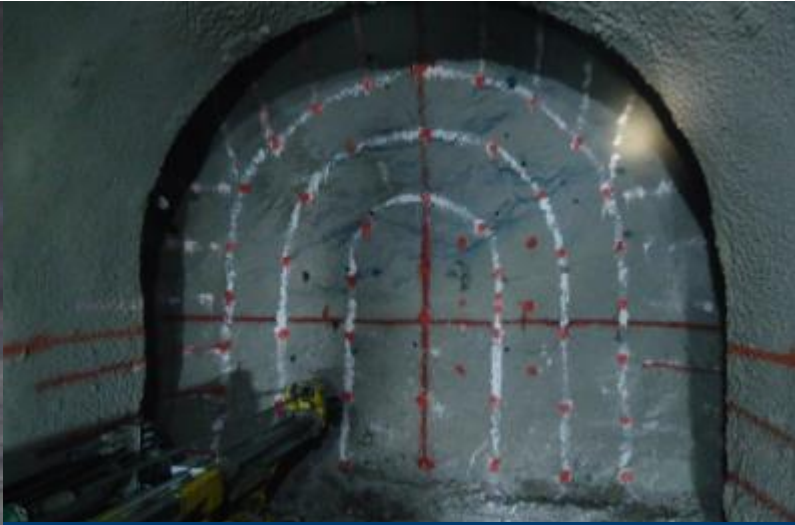


Under Cut Secondary Support

Expansion Plan – Current Status



Blue Development



Blue Development : Drilling



Blue Development – Rock Seal



Blue Development : Secondary Support

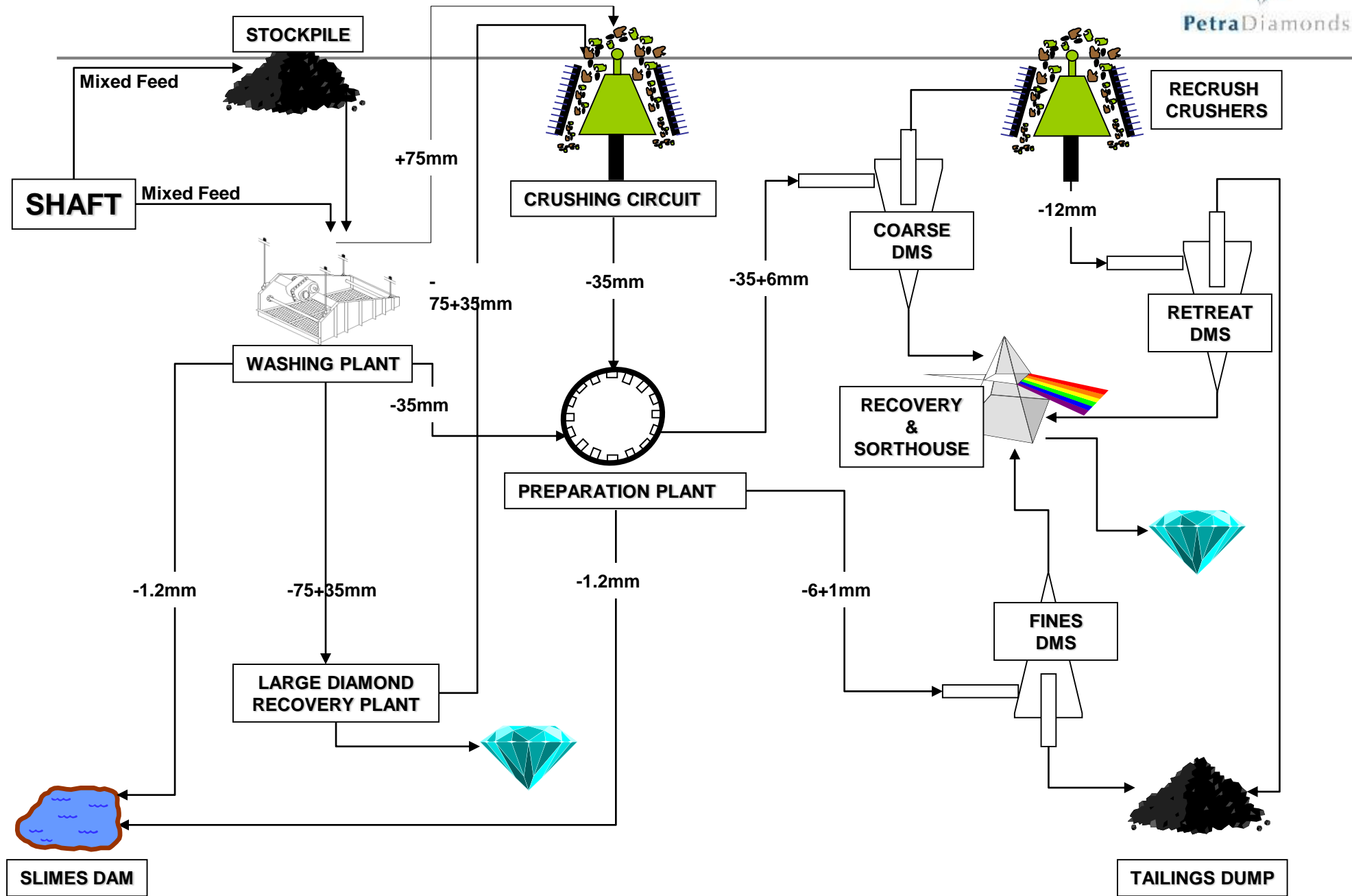
PLANT OVERVIEW

An Aerial Perspective

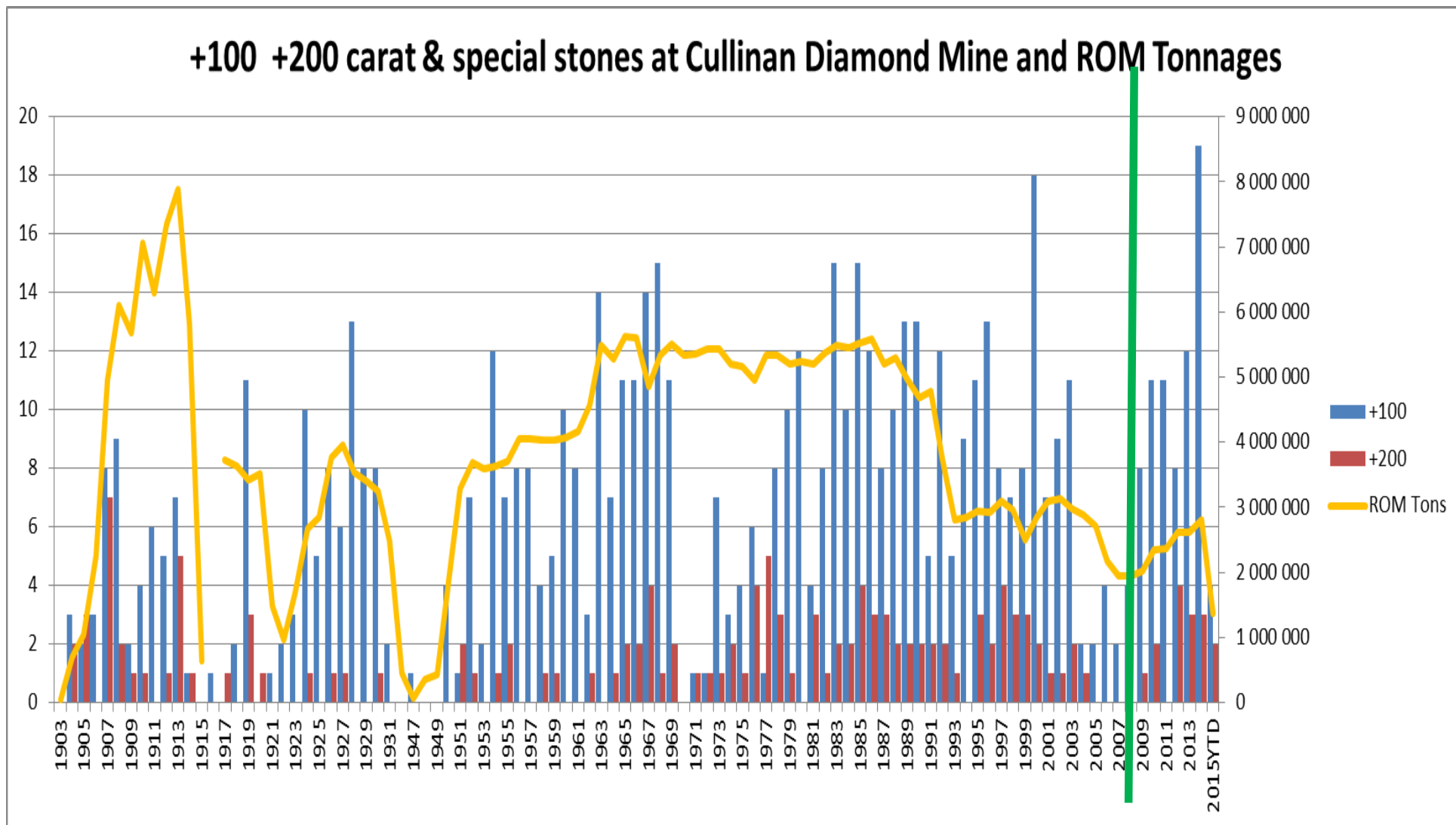
- Existing plant footprint ca. 27ha, including 13.5km of conveyor belts
- Ongoing objective to simplify and streamline processing route



Treatment Plant Flow Diagram



Consistent Production of Large Diamonds



Exceptional Diamonds (+US\$5 million stones)

- Exceptional diamonds contributed on average US\$18 million pa from FY 2008 to FY 2014
- Higher average in last two years: US\$26 million pa from FY 2013 to FY 2014
- Company business model not reliant on exceptional diamond recoveries
- Cullinan is known as a source of very large, high quality Type II diamonds and rare blue diamonds

FY 2014

- 126 carat white diamond sold for US\$8.5 million
- 29 carat blue diamond sold for US\$25.6 million



The exceptional 126 carat white recovered in November 2013, Cullinan



The exceptional 29.6 carat blue recovered in January 2014, Cullinan

H1 FY 2015

- 122 carat blue diamond valued at US\$27.6 million in a beneficiation agreement; Petra received US\$23.5 million and retains a 15% share in polished proceeds
- 232 carat white diamond sold for US\$15.2 million



The 122.52 carat blue diamond recovered in June 2014, Cullinan



The 232 carat white diamond recovered in September 2014, Cullinan

Major Tailings Project

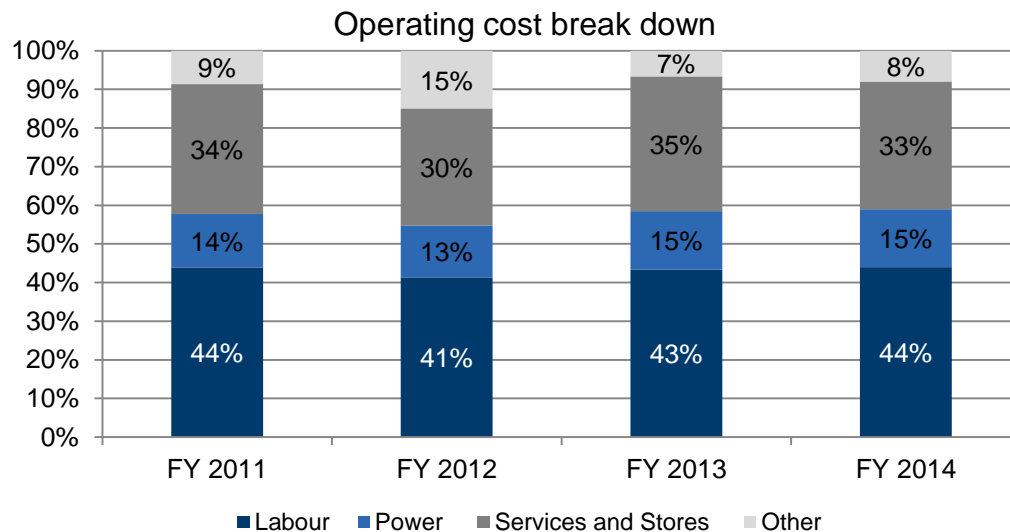
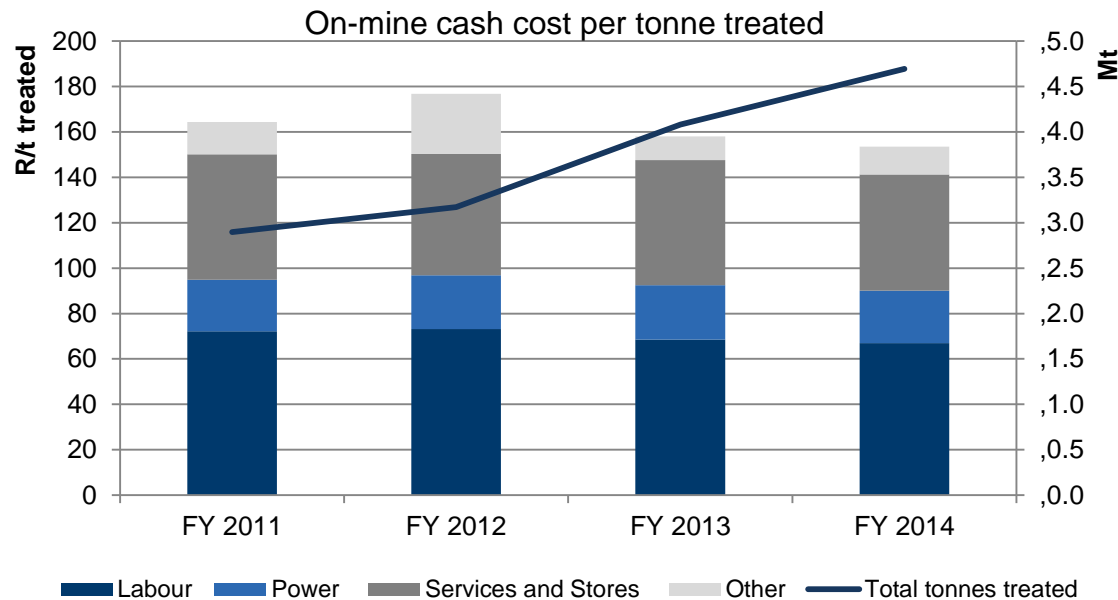
Resource of 165 Mt (17.1 million carats)

- New tailings treatment facility completed
- Throughput to increase from 2.1 Mtpa (FY 2014) to steady state 2.5 Mtpa in FY 2015 at a grade of ca. 5.0 cpht
- Throughput to increase to 2.7 Mtpa at a grade of ca. 7.5 cpht by FY 2016, following commissioning of re-crush circuit
- Tailings resources sufficient to serve as feed material for > 50 years



COSTS & CAPEX

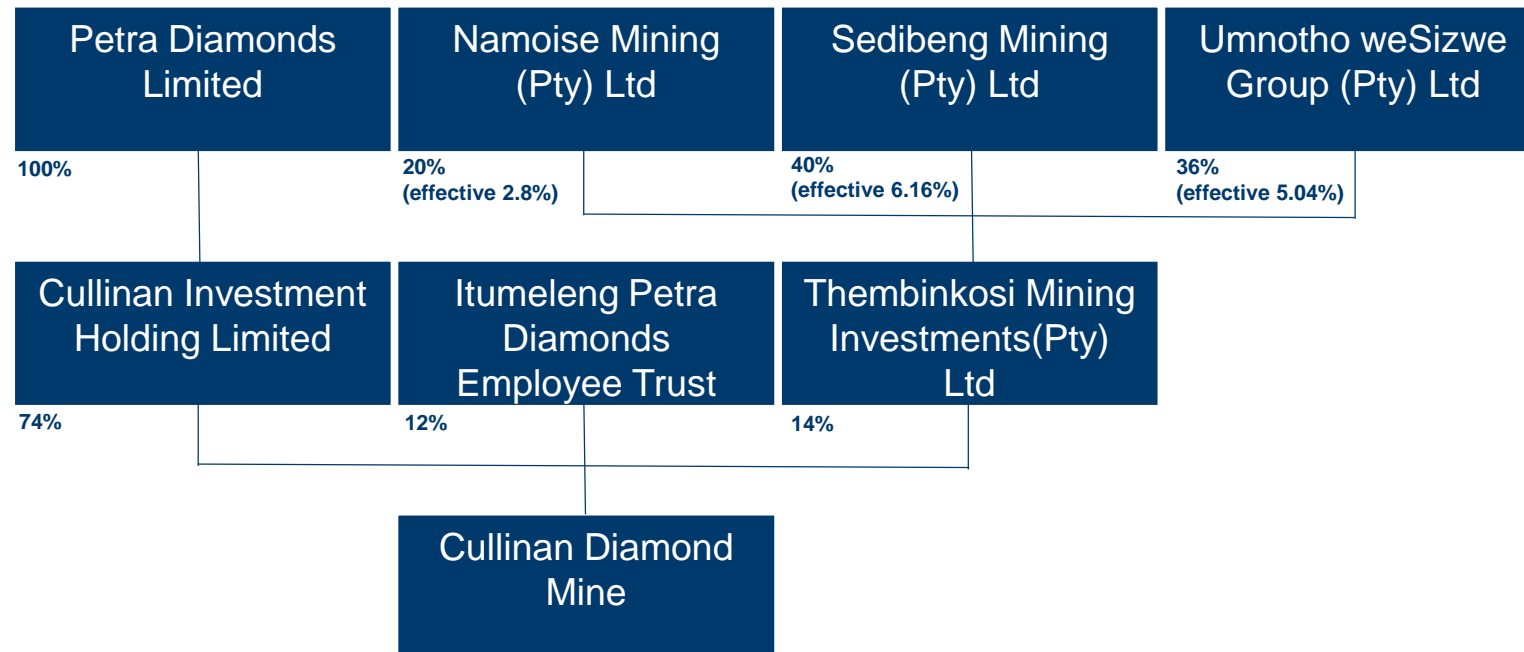
Operating Cost History and Make-up



- 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

Labour Relations Risk Mitigation

- Labour relations at Cullinan have been stable in FY 2015
- No migrant labour - 65% of employees come from local/provincial area to Cullinan
- Strong focus on internal communications and engagement with employee representatives
- Petra concluded 3 year wage agreement with NUM in September 2014 (10% pa)
- Itumeleng Petra Diamonds Employee Trust owns 12% of mine
 - First IPDET distributions in December 2014



Power Risk Mitigation

- Diamond mining industry is light user of power in comparison to other commodities (no smelting requirements etc)
- Cullinan is already operating under its allotted power capacity (mine used to run at higher tonnage levels in its history)
- Eskom consults with industry pre load shedding, enabling customers to react appropriately
- Petra strategy to prioritise higher value underground ROM production by temporarily halting tailings production
- Madupi Unit 6 has produced first power with synchronisation to start in 3 months time; Kusile to come on stream by end of 2017

Eskom Load Reduction	Impact on Petra	Frequency
Stages 1 & 2	10% load reduction within a two hour notice – Petra handles with selective use of winders/pumps	Come and go
Stage 3	20% load reduction within a two hour notice – will impact tailings production	Handful of times
Stage 4	Only essential loads will be allowed	Hasn't happened yet

Capex Overview

- Total expansion Capex of ca. R4.3 billion (ca. US\$390 million)
- R2.2 billion capital spent to date (H1 FY 2015); remaining Capex of R2.1 billion (ca. US\$190 million) to FY 2019
- Capex fully funded from current debt facilities, treasury and mine cashflows
- Split of Capex guidance at Cullinan:

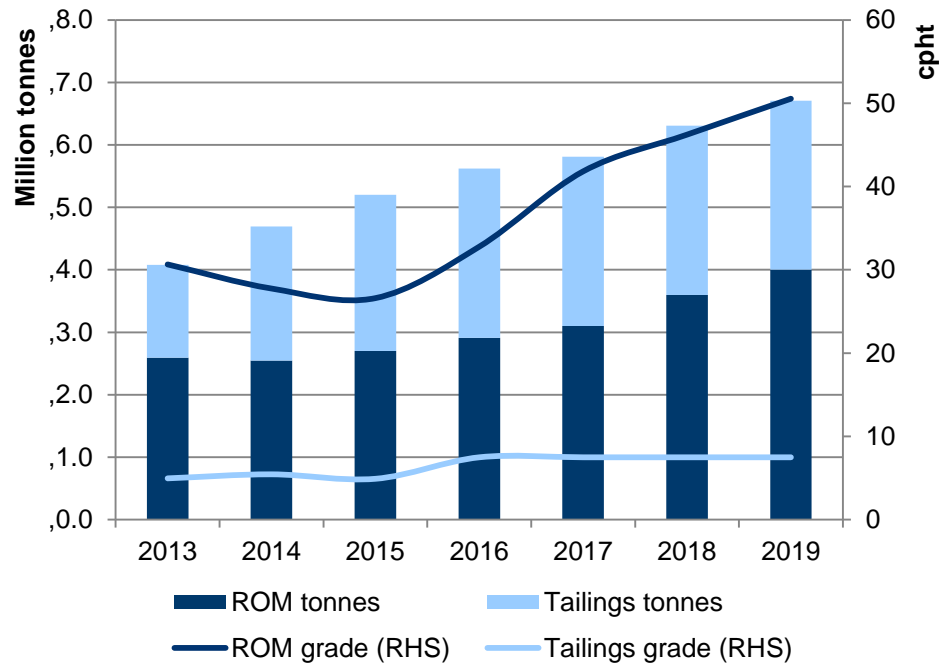
Financial Year	2014A	2015F	2016F	2017F	2018F	2019F
ROM tonnes treated	2.5	2.7	2.9	3.1	3.6	4.0
Tailings tonnes treated (Mt)	2.1	2.5	2.7	2.7	2.7	2.7
Expansion Capex (ZARm)	740	959	996	333	118	99
Sustaining Capex (ZARm)	152	70	76	75	79	78

OUTLOOK

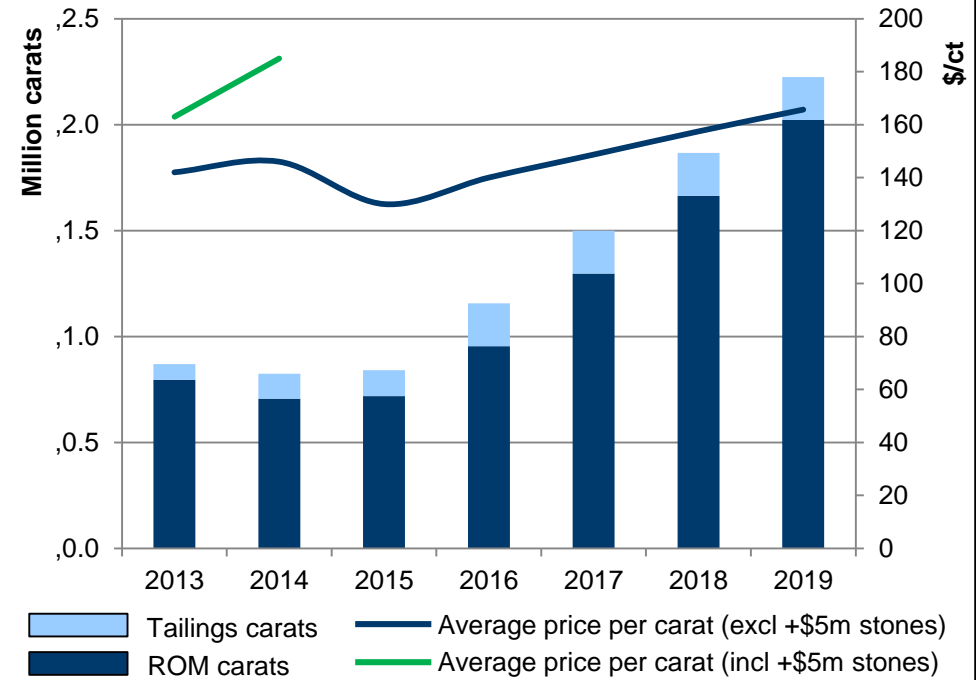
Production Plan

- ROM tonnages to rise 48%, but ROM carat production expected to rise 180%

Tonnes treated and grades



Carat production and average diamond values





Rising Production

- ROM production ramping up from 0.8 Mctpa to ca. 2.2 Mctpa by FY 2019
- Initial mine plan of 16 years, but potential mine life of +50 years



Rising Margins

- Grade to almost double to ca. 50 cphd by FY 2019
- Ongoing plant modifications to improve recoveries
- Cost efficiencies due to simplified orehandling system
- Cullinan margins expected to go from ca. 45% (FY 2014) to +50% (FY 2019)



Rising Prices

- Positive long term outlook based on fundamentals
- 'Mass luxury' to drive market; affordable diamond jewellery for all budget ranges

A major producer with a sustainable mine plan



PetraDiamonds



Corporate Social Responsibility

Health & Safety

- OHSAS 18001 certification
- Implementation of MOSH initiative
- 1,533 medicals carried out during FY 2015
- Chronic disease awareness:
 - October – Heart disease month (included a GO WILD, GO RED awareness day)
 - November – Diabetes month (wellness day promoted testing for diabetes together with HP, BMI & cholesterol)
 - December – HIV/AIDs month (1,017 employees tested)
 - Bulk SMS system is used to remind employees and supervisors of health checks for chronic conditions



- ISO 14001 certification
- Annual internal environmental audits carried out
- Proactive and effective incident reporting
- Phytoremediation project trials in progress:
 - Upscale modelling results finalised
 - Next phase of project can commence (additional release of no.7 dam water (treat & release))
- Alien invasive eradication
 - Lantana on the perimeter of the mine removed
- Solar power change houses introduced



Mine Community Development Projects

- Expansion of a Technical Centre at Chipa Tabane High School in Refilwe, launched in May 2014 at a cost of R2 million
- The construction of 4 classrooms, an administration block and a library at the primary school in Onverwacht is underway
- The mine is investigating a possible partnership with the Department of Health for the expansion of the Refilwe Clinic to a 24-hour Health Facility



Corporate Social Responsibility

Community support

- Supporting the Lethabo Day Care centre, within the premises of the Onverwacht primary school, by donating R50,000 from Golf day proceeds.
- Another R50,000 was donated to the Refilwe Day Care Centre



More....

- The sports grounds at Sedibeng Primary School in Refilwe were levelled and further development is investigated (planting grass etc) – R1m was spent
- Donations at Chokoe Primary School – Guard house, 2 x touch screen computers, 4-in-1 printer, sick bay and class-room renovations
- The mine is in the process of constructing the Refilwe Sports Grounds. The fencing was done and the levelling of the area is planned for the first week in December 2014. Project will be implemented in phases.

Corporate Social Responsibility – Mandela Day



Education Initiatives

Long-term strategy to address the scarcity of technical skills in the industry

- Implementation of a Maths and Science Centre at 3 local schools
 - Assisting with improving Maths & Science results
 - Increasing number of applicants for careers in mining
- Bursary programme – bursaries awarded to 3 beneficiaries:
 - 2 learners studying for a Mining and an Electrical Engineering Degree (one of which was a recipient of Petra's Scholarship programme; both were beneficiaries of the Maths & Science project)
 - A former CDM experiential learner will also be sponsored in 2nd year Mining Engineering studies
- Vocational work provided to Petra Diamonds bursars and local community learners who meet the requirements for this initiative in order to complete their workplace projects
- Scholarships: 16 learners from local schools (Grades 10 -12), excelling in Maths and Science



Career Day

- The event focused on Grade 12 learners from schools in the City of Tshwane Metropolitan Municipal Regions 5 and 7 which are CDM's mine communities
- The aim of the event was to raise awareness and provide information on careers in mining
- 12 stalls covering Mining, Engineering, Geology, Health and Safety, Metallurgy, Training and Financial Education were exhibited
- Partners included the Maths & Science Centre, University of Pretoria, WITS and the Department of Education
- This initiative will enable future recruitment of technical skills and professionals from the local communities, helping to reduce unemployment and uplift the standard of living of the surrounding communities

AET

Eighteen AET learners are currently writing their first AET examination

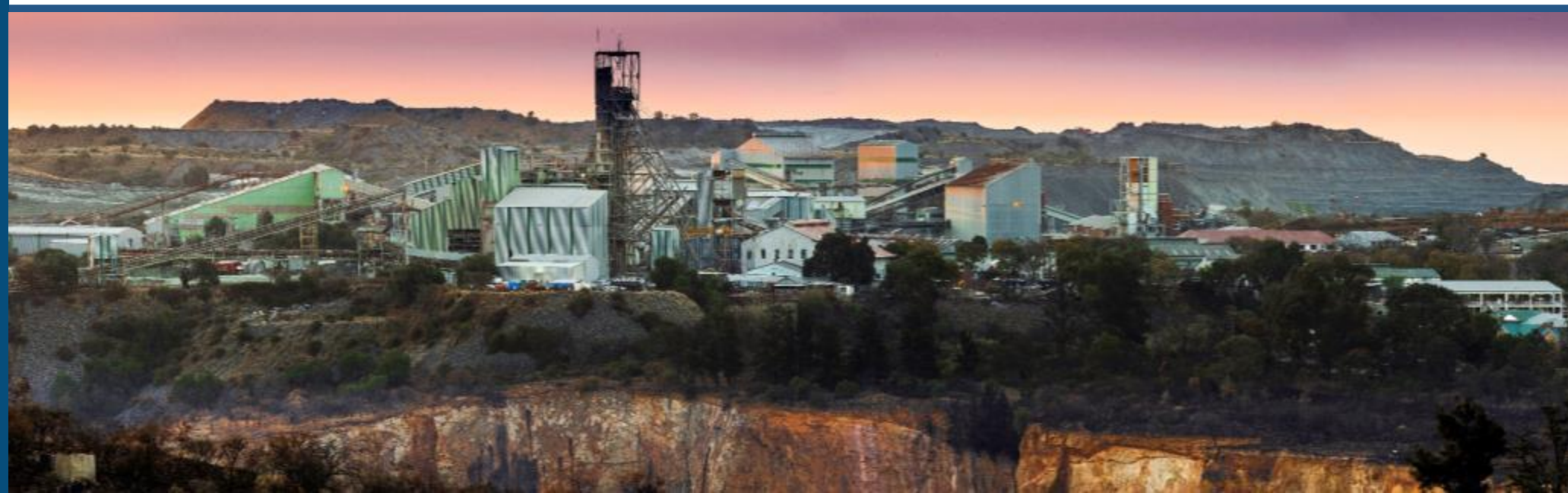


Training Centre

- Centre re-certified for ISO 9001:2008 in November 2014
- MQA accreditation was issued for another 3 years for Rockbreaking learnerships, Metallurgy level 2, Engineering and AET
- An average of 2,500 employees and contractor employees are serviced through this centre per annum



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Safety Induction

General Risks



Track Bound & Trackless Machinery and Ask,

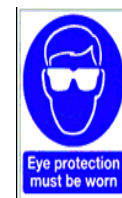


Uneven surfaces Stairs & Elevated Heights Issued



Moving Components - Point

Do Not Touch



Noise & Dust – PPE Will Be



Explosives – No Smoking, Open Flames, No Mobile Phones

If you should feel uncomfortable or claustrophobic at any time during the visit please don't hesitate to speak up . Do not wonder off from the group.

RESCUE PACK INDUCTION



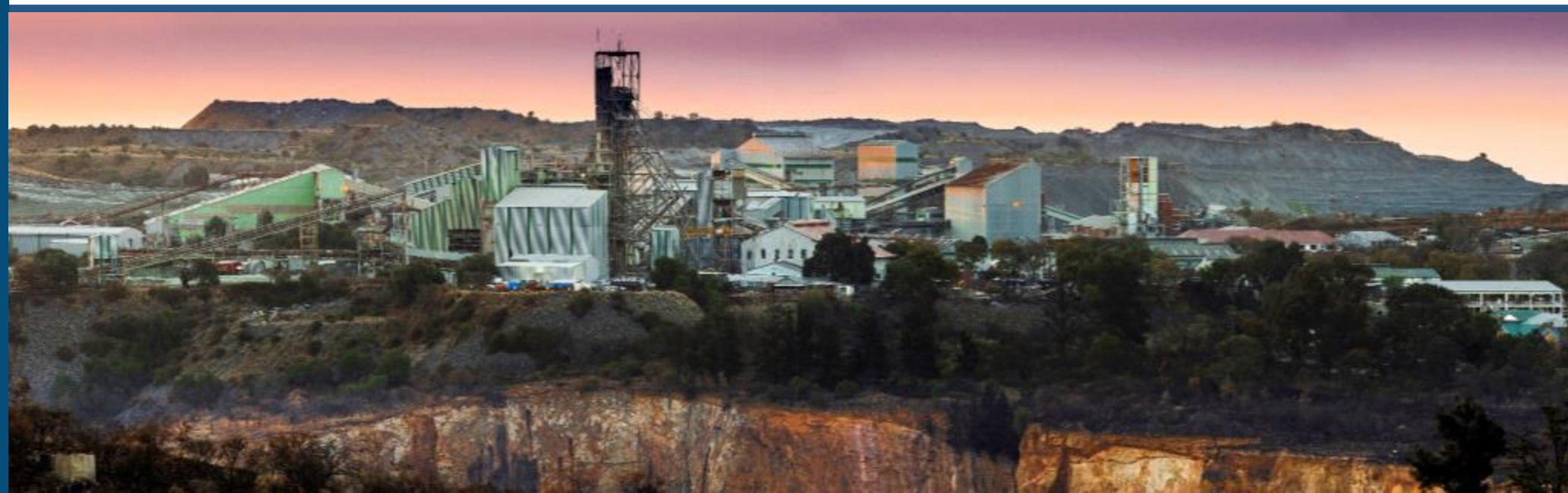
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Enjoy the visit



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Appendix

Appendix – Analyst Guidance

Cullinan - Overview	Description	Guidance notes (FY 2015)
<ul style="list-style-type: none"> • LOM: Current plan up to 2030 • Residual C-Cut resource to possibly extend LOM +30 years • Direct Ownership: 74%, Effective ownership: 77.0% 	ROM Tonnes (Mt)	FY 2015: 2.7 Mt; 2.9 Mt in FY 2016, 3.1 Mt by FY 2017, 3.6 Mt by FY 2018 and reaching steady state production of 4 Mtpa by FY 2019
	ROM Grade (cpht)	FY 2015: 26.6 cpht, ca. 33cpht in FY 2016 (pillar mining, 645L and C-Cut development tonnes), ca. 41 cpht in FY 2017, 46 cpht in FY 2018 and to +50 cpht by FY 2019
	Tailings Tonnes (Mt)	FY 2015: 2.5 Mt and ca. 2.71 Mtpa from FY 2016 onwards
	Tailings Grade (cpht)	FY 2015: ca. 5 cpht, increasing to ca. 7.5 cpht by FY 2016, following commissioning of re-crush circuit
	Cash on mine cost	ca. R750m (FY 2015)
	Fixed / variable split	80% / 20%
	Cash on-mine cost / ROM tonne	To remain at ca. R237 (real terms) until C-Cut Phase 1 block cave is fully operational, yielding cost benefits associated with more efficient orehandling systems. Unit cost of ca. R180 / tonne by FY 2019
	Cash on-mine cost / Tailings tonne	FY 2015: ca. R40 / tonne, remaining flat in real terms



PetraDiamonds



Further enquiries:

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