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PREMIUM

Petra Diamonds (LSE:PDL)

FY 2014 Preliminary Results

18 September 2014

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FY 2014 – Consistent Delivery

- *Consistent growth*
 - Increasing production, revenues and cashflow
- *Consistent operational delivery*
 - Major expansion programmes on track to reach ca. 5 Mcts by FY 2019
 - Value accretive optimisation of mine plans
 - Continuing focus on recoveries
- *Consistent financial discipline*
 - Overheads, operating costs and capex all well controlled
- *Consistent maintenance of robust financial position*

Management currently evaluating bringing forward the commencement of dividend payments from FY 2016



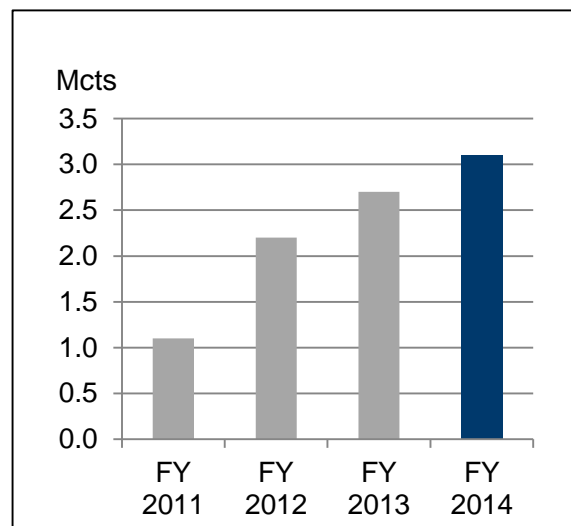
The 29.6ct Cullinan blue diamond sold in February 2014 for US\$25.6 million was unveiled as a perfect polished gem: the 12 carat Blue Moon diamond is 'internally flawless' and 'fancy vivid' blue – currently on display in the Natural History Museum of LA.



Image courtesy of Cora International
Photographer: Tino Hammond

FY 2014 – Key Performance Indicators

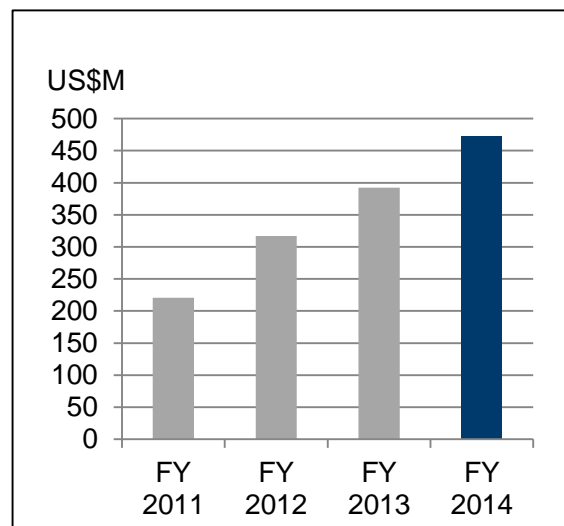
Production



+17% to 3.1 Mcts

- Above guidance of 3 Mcts
- Continued successful progression of expansion plans

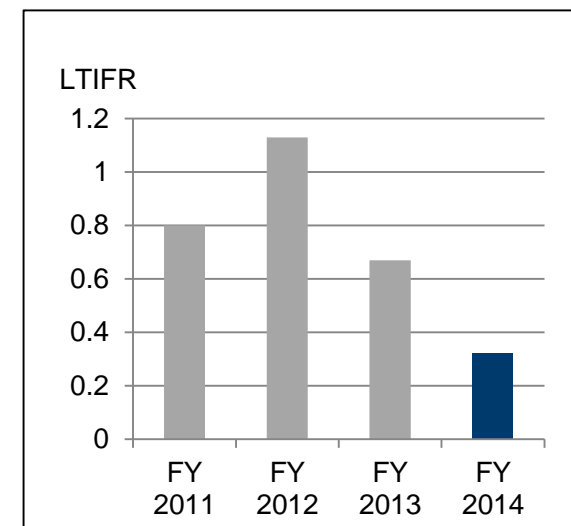
Revenue



+20% to \$471.8m

- Strong production
- Firm diamond pricing
- Sale of two exceptional stones

Safety

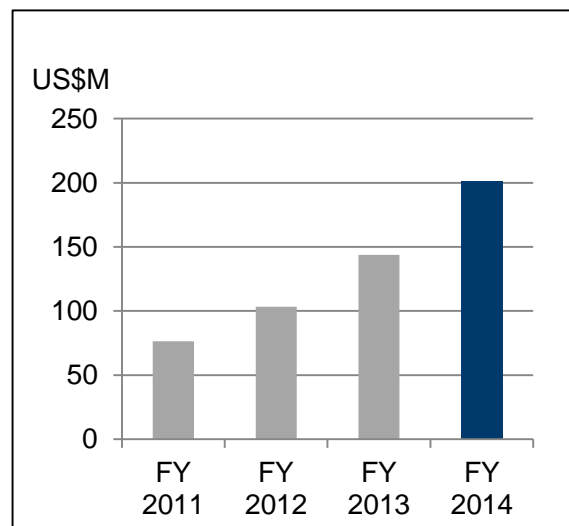


LTIFR -52% to 0.32

- Striving to achieve zero harm

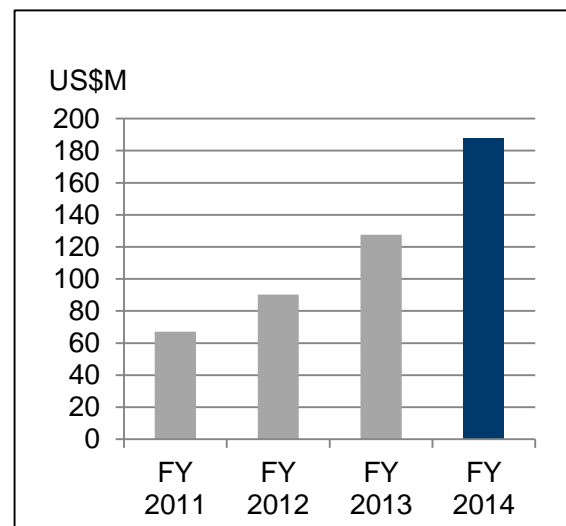
FY 2014 – Key Performance Indicators

Profit from Mining Activities¹



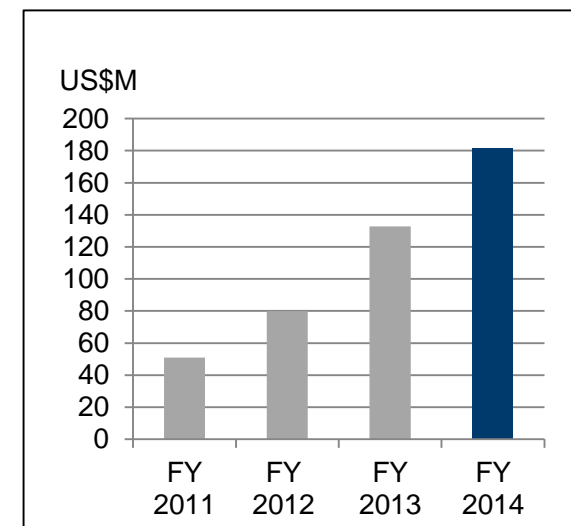
+40% to \$201.1m

EBITDA²



+47% to \$187.7m

Operating Cashflow³



+36% to \$181.2m

- Operating margin of 43%
- Strong cost control
- Assisted by weaker Rand

1. 'Profit from Mining Activities' is revenue less adjusted mining and processing costs plus other direct income
2. 'EBITDA' is adjusted EBITDA stated before share-based expense, impairment charges, net unrealised foreign exchange gains and losses, and loss on discontinued operations
3. '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

FY 2014 – Summary of Results

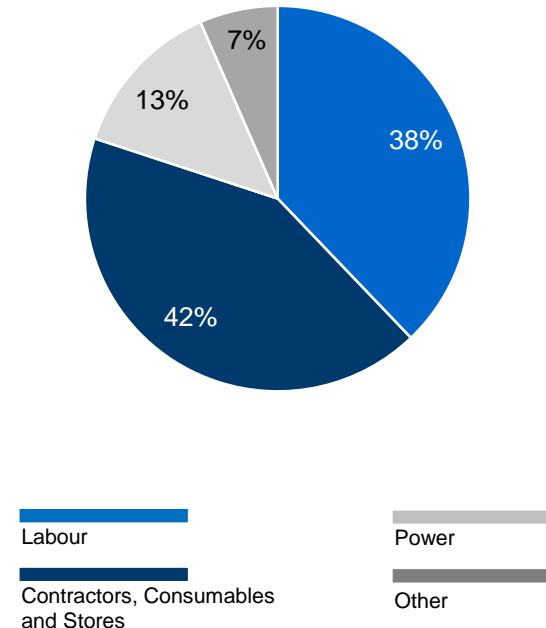
| | FY 2014 (US\$m) | FY 2013 (US\$m) |
|-------------------------------------------------------------------------------|--------------------|--------------------|
| Revenue ¹ | 471.8 | 392.5 |
| Adjusted mining and processing costs ¹ | (277.4) | (254.8) |
| Other direct income | 6.7 | 6.1 |
| Profit from mining activities¹ | 201.1 | 143.8 |
| Exploration expense | (2.8) | (4.8) |
| Corporate overhead | (10.6) | (11.4) |
| Adjusted EBITDA¹ | 187.7 | 127.6 |
| Depreciation | (41.7) | (42.3) |
| Share-based expense | (4.2) | (3.3) |
| Net finance expense | (7.1) | (3.3) |
| Tax expense | (41.0) | (25.1) |
| Adjusted net profit after tax¹ | 93.7 | 53.6 |
| Impairment charges ¹ | (13.9) | - |
| Net unrealised foreign exchange gains / (losses) | 3.6 | (4.7) |
| Loss on discontinued operations, net of tax ¹ | (15.9) | (21.0) |
| Net profit after tax – Group | 67.5 | 27.9 |
| Basic EPS from continuing and discontinued operations – US\$ cents | 9.69 | 6.30 |
| Basic EPS from continuing operations – US\$ cents | 12.80 | 10.43 |
| Adjusted basic EPS from continuing operations – US\$ cents¹ | 14.82 | 11.34 |

1. Refer to preliminary results announcement dated 18 September 2014 for detailed notes explaining non IFRS adjusted disclosures

Operating Costs

- On-mine cash costs decreased by 1%
- South Africa inflationary pressures (electricity and labour: +8%), offset by higher tonnages (+4%), tight cost control, combined with the positive impact of a weaker Rand (-13%)
- September 2014: 3 year labour agreement reached with NUM for 10% per annum; results in average wage increase for Group of ca. 8.2% in FY 2015

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



Cost per tonne treated performance at Finsch and Cullinan

| | | FY 2012 | FY 2013 | FY 2014 | FY 2015 (Guidance) |
|----------|-----|---------|---------|---------|-----------------------|
| Finsch | ZAR | 134 | 139 | 146 | 158 |
| Cullinan | ZAR | 177 | 158 | 154 | 138 |

Financial Overview

FY 2014: cash generated by operations of US\$196.3 million vs cash capex of US\$209.1 million

As at 30 June 2014:

- Cash: US\$34.0 million, diamond debtors of US\$55.4 million, diamond inventories of US\$27.0 million
- Bank loans and borrowings: US\$158.9 million
- Gearing: 25%
- Net debt: US\$124.9 million

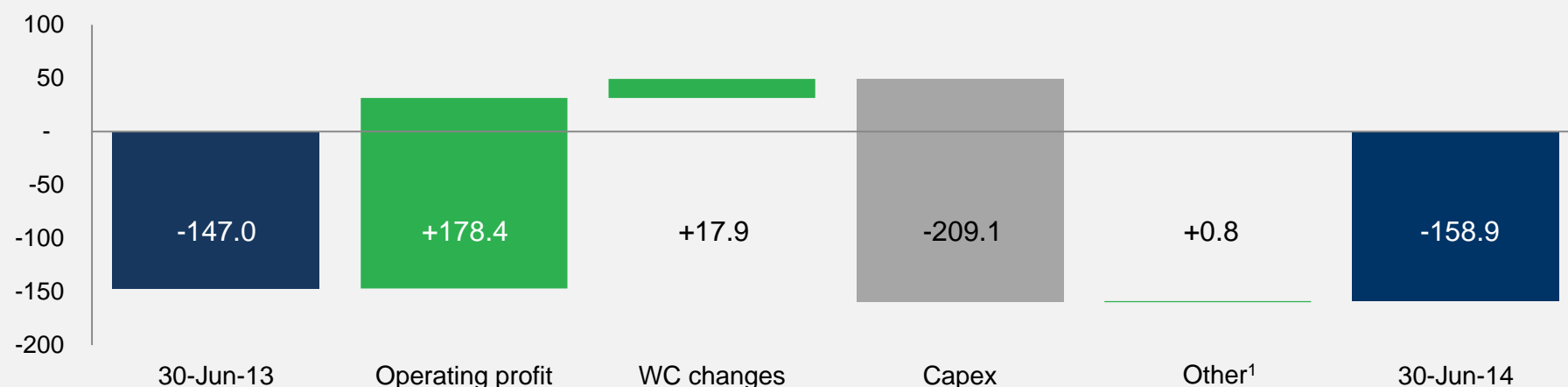
As at 30 June 2014:

- Facilities undrawn and available: US\$39.9 million
- BEE loans due to Petra: US\$89.2 million

Post balance sheet event:

- US\$23.5 million received for 85% interest in 122ct blue diamond

Loans and Borrowings Movement (US\$ million)



1. 'Other' includes effect of exchange rate fluctuations on loans and borrowings, proceeds from issuance of share capital and increases in cash balances

FY 2014 Petra Production Profile

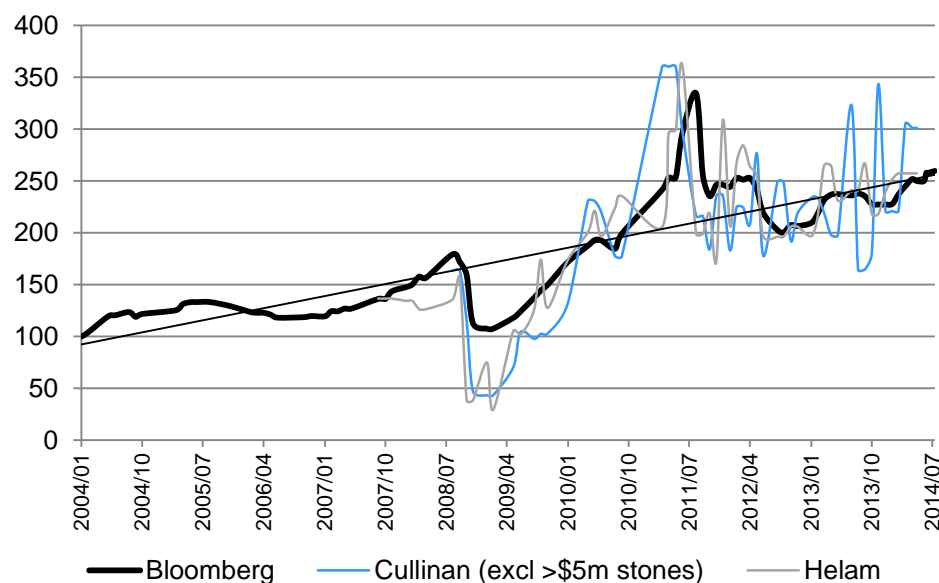
- Kimberlite production profile (diamond quality and size ranges) remains *highly constant* over time, resulting in *accuracy for diamond price forecasting*
- *Ever growing volumes* across the full diamond spectrum (from lowest to highest value)
- Growing trend for *mass luxury* supported by strong pricing performance in smaller / 2nd to 3rd quality goods



Rough Diamond Pricing

- *Diamond market performed well in FY 2014*, reflecting the fundamentals of constrained supply and robust demand from the US and emerging markets
- Rough diamond *prices up ca. 10%* from January 2014 to June 2014
- Petra has *guided for higher rough pricing in FY 2015*; rough market to remain underpinned by fundamentals

Rough Diamond Index



Petra – Rough Diamond Prices (US\$/ct)

| | Guidance Weighted Average US\$/ct FY 2015 | Actual Weighted Average US\$/ct FY 2014 | Actual Weighted Average US\$/ct FY 2013 |
|--------------------------|-------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Finsch | 108 | 99 | 120 |
| Cullinan | 152 ¹ | 185 ² | 163 ³ |
| Koffiefontein | 654 | 542 | 471 |
| Kimberley Underground | 329 | 303 | 295 |
| Williamson | 295 | 307 | 261 |

1. Excludes guidance for exceptional diamonds (stones above US\$5 million in value)
2. Excluding exceptional stones, the average was US\$146 per carat
3. Excluding exceptional stones, the average was US\$142 per carat

Exceptional Diamonds

- Petra classifies 'exceptional diamonds' as *stones that sell for +US\$5 million* each
- 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 is not reliant on exceptional diamond recoveries

FY 2014

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

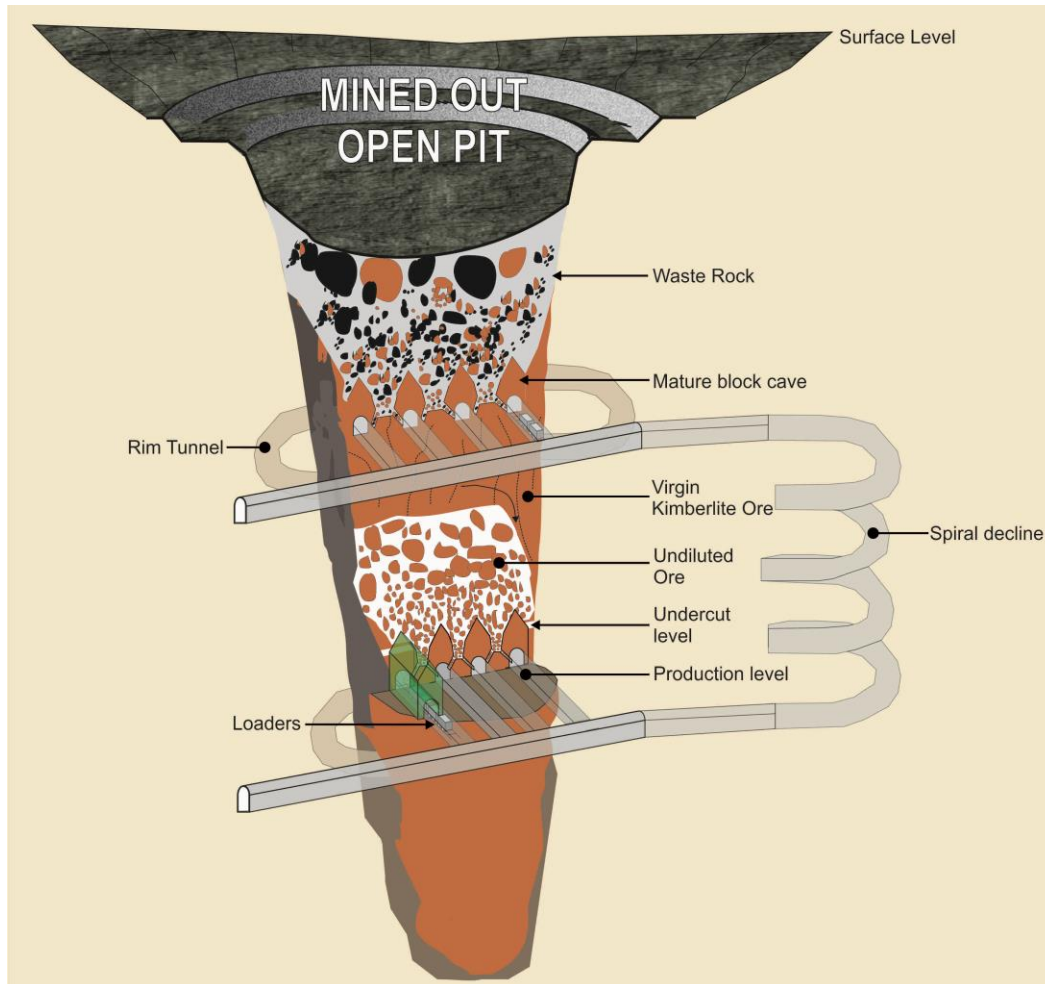


H1 FY 2015

- 122 carat blue diamond valued at US\$27.6 million in a beneficiation agreement; Petra paid US\$23.5 million and retains a 15% share in polished proceeds
- 232 carat white diamond: expected to be sold Q2



Moving into Undiluted Ore



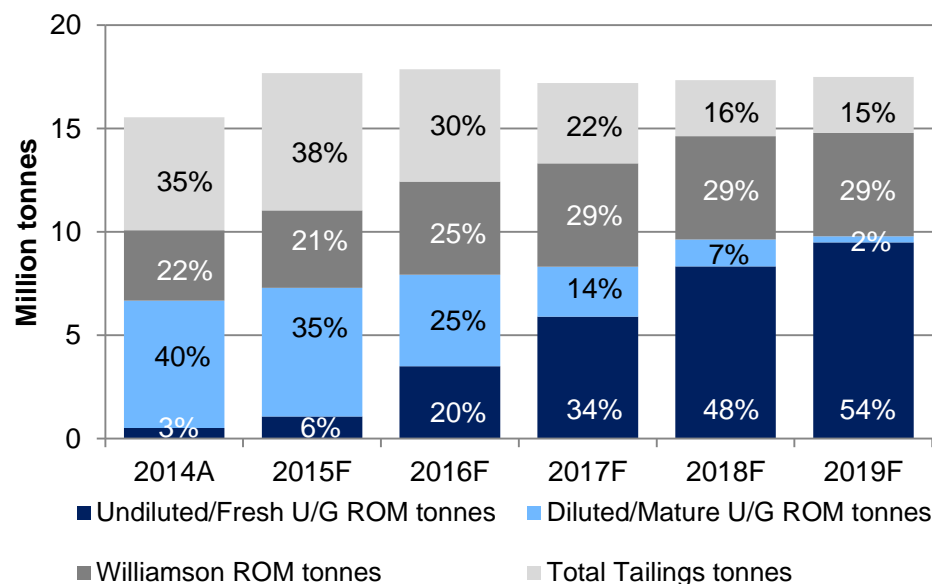
- Caving is a safe and proven mechanised mining method; provides access to higher volumes of ore than other methods
- Current underground mining taking place in diluted, mature caves nearing end of lives
- Expansion programmes to take next 'cut' by deepening and establishing new block/sub level caves in undiluted kimberlite
- Grades expected to rise significantly, increasing margin per tonne mined:
 - *Finsch* ca. 38 cpht to ca. 58 cpht¹
 - *Cullinan* ca. 28 cpht to +50 cpht¹
- Will reduce wear and tear on processing systems (waste rock is harder and more abrasive than kimberlite)

Significant Margin Expansion

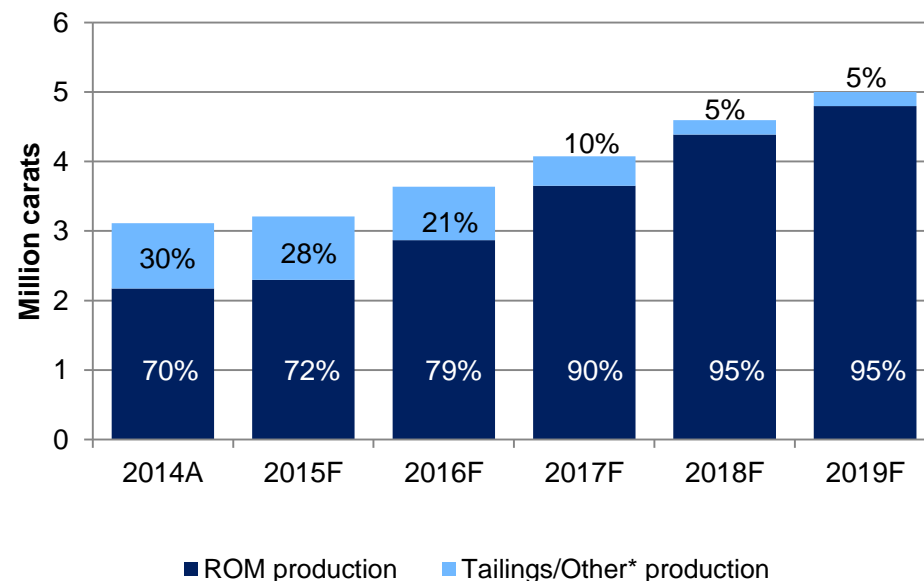
Operating *margins to gradually rise from ca. 40% to +50% by FY 2019*

- ROM grades expected to increase ca. 50% once expansion programmes open up undiluted ore blocks
- Higher value ROM carats in production mix expected to increase to ca. 95%
- Unit costs to be well managed due to simplified orehandling systems and other efficiencies

Split of Petra's production profile from different ore sources
million tonnes mined



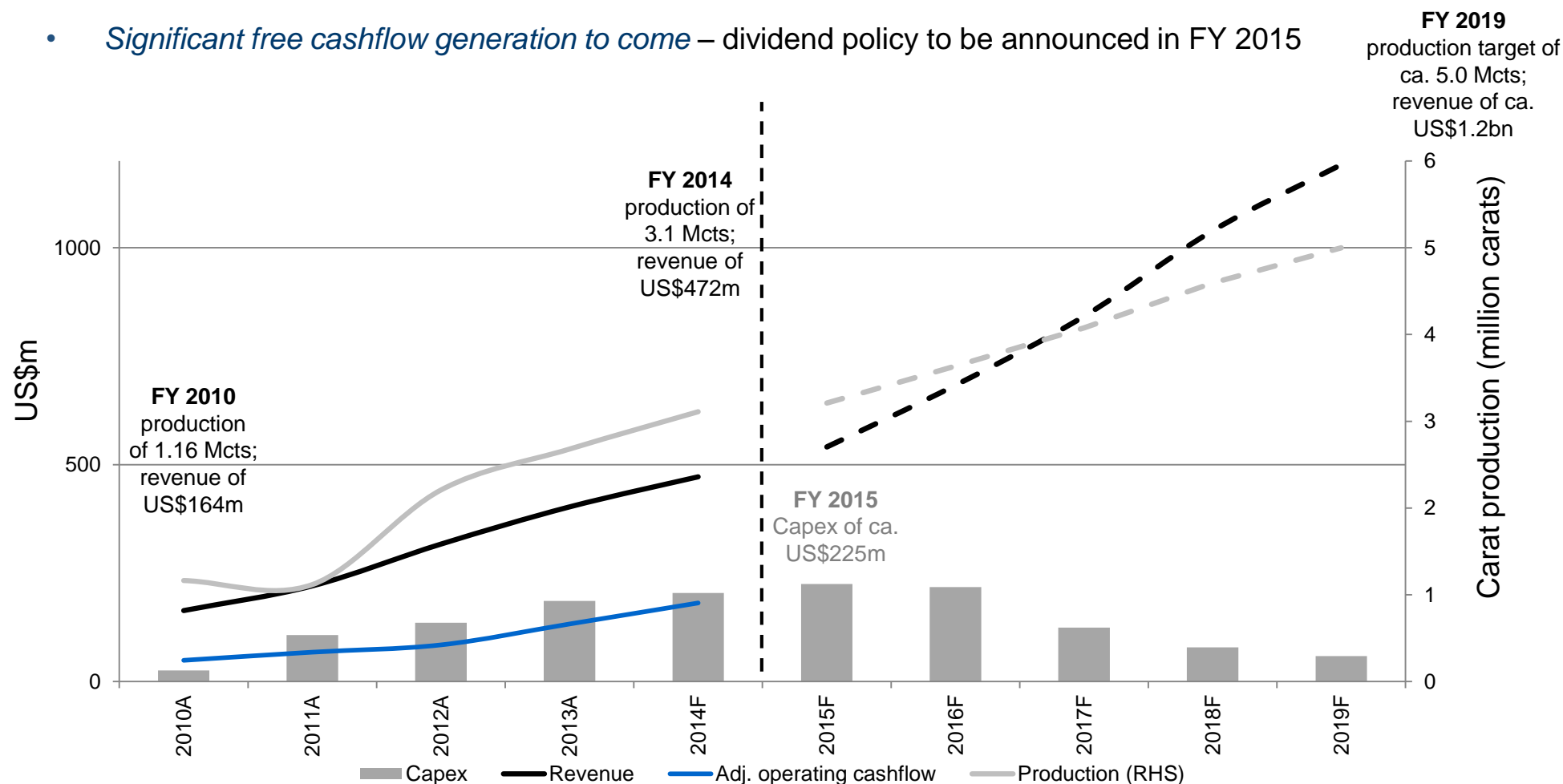
Split of ROM (primary production) vs Tailings/Other* (re-processing old dumps) – carats produced



* 'Other' includes Ebenhaezer tonnes from Koffiefontein and alluvials from Williamson

Organic Growth Path to 5 Million Carats pa

- Operating cashflow to cover capital programme from FY 2015 onwards
- *Significant free cashflow generation to come* – dividend policy to be announced in FY 2015



Note: All forecasts for Capex, revenue and production are management estimates. Capex is in nominal terms; diamond prices are calculated using a 4% real price increase.

FY 2014 Development Snapshot

Underground development



Optimising orehandling



Plant refinements

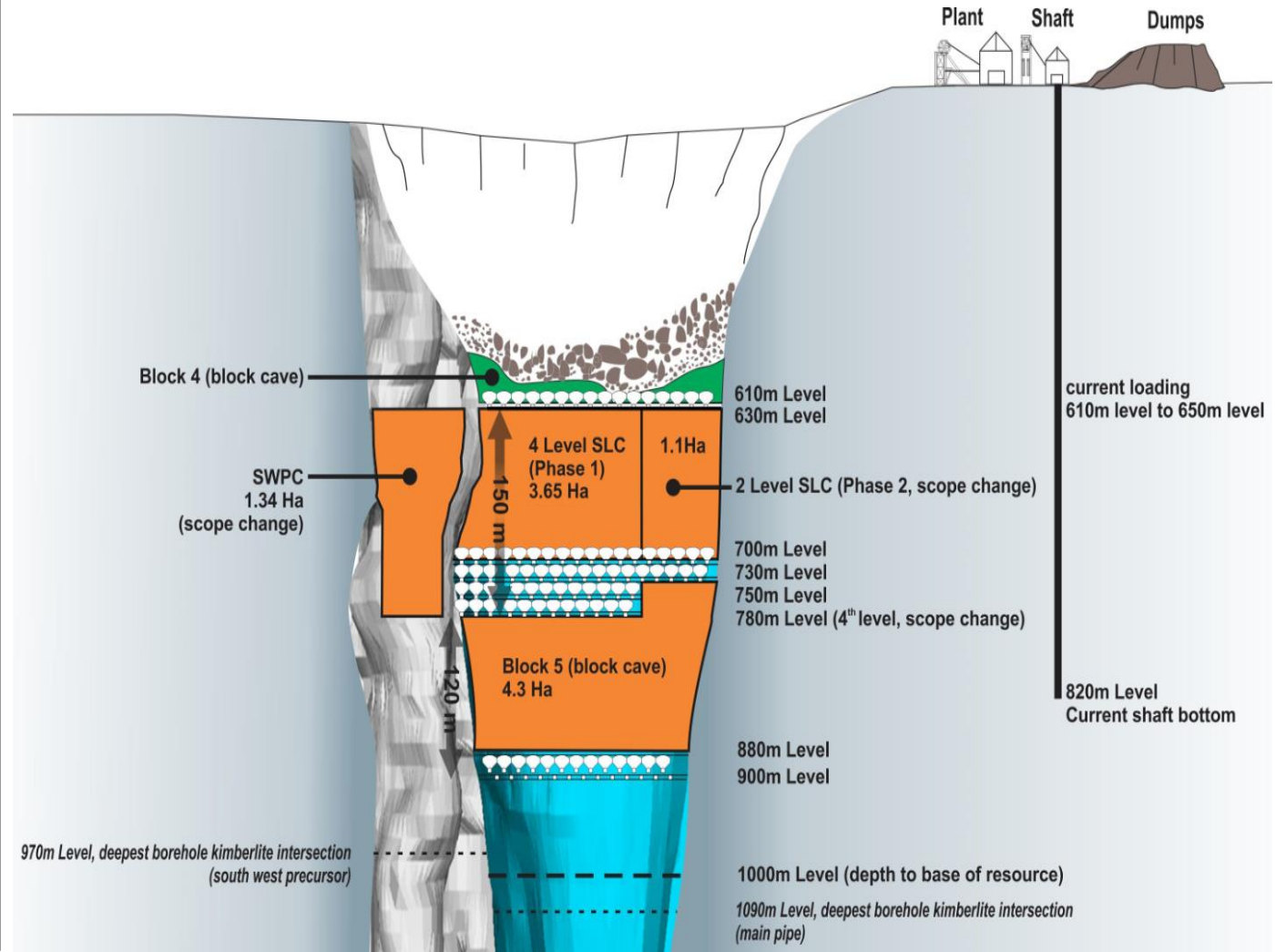


Finsch – Development Programme

Expansion Plan – to take production to c.2.0 Mtpa by FY 2017

- Mining currently taking place in Block 4 at 630m – **FY 2014**
- Development of SLC over 4 levels from 700m to 780m; first production – from **FY 2015**
- Dedicated conveyor ore-handling infrastructure (to transfer SLC ore to existing infrastructure at 650m) – from **FY 2016**
- Mining of South West Precursor from 630m to 780m – from **FY 2016 (SCOPE CHANGE)**
- Decommissioning of Block 4 automated ore-handling system – **FY 2017**
- Production ramping up to steady state 3.5 Mtpa – **FY 2018 (previously FY 2021)**
- Pre 79 Tailings treated to **FY 2017**
- Block 5 Block Cave at 900m – **FY 2024**

4,055 development metres and 302 raiseboring metres in FY 2014

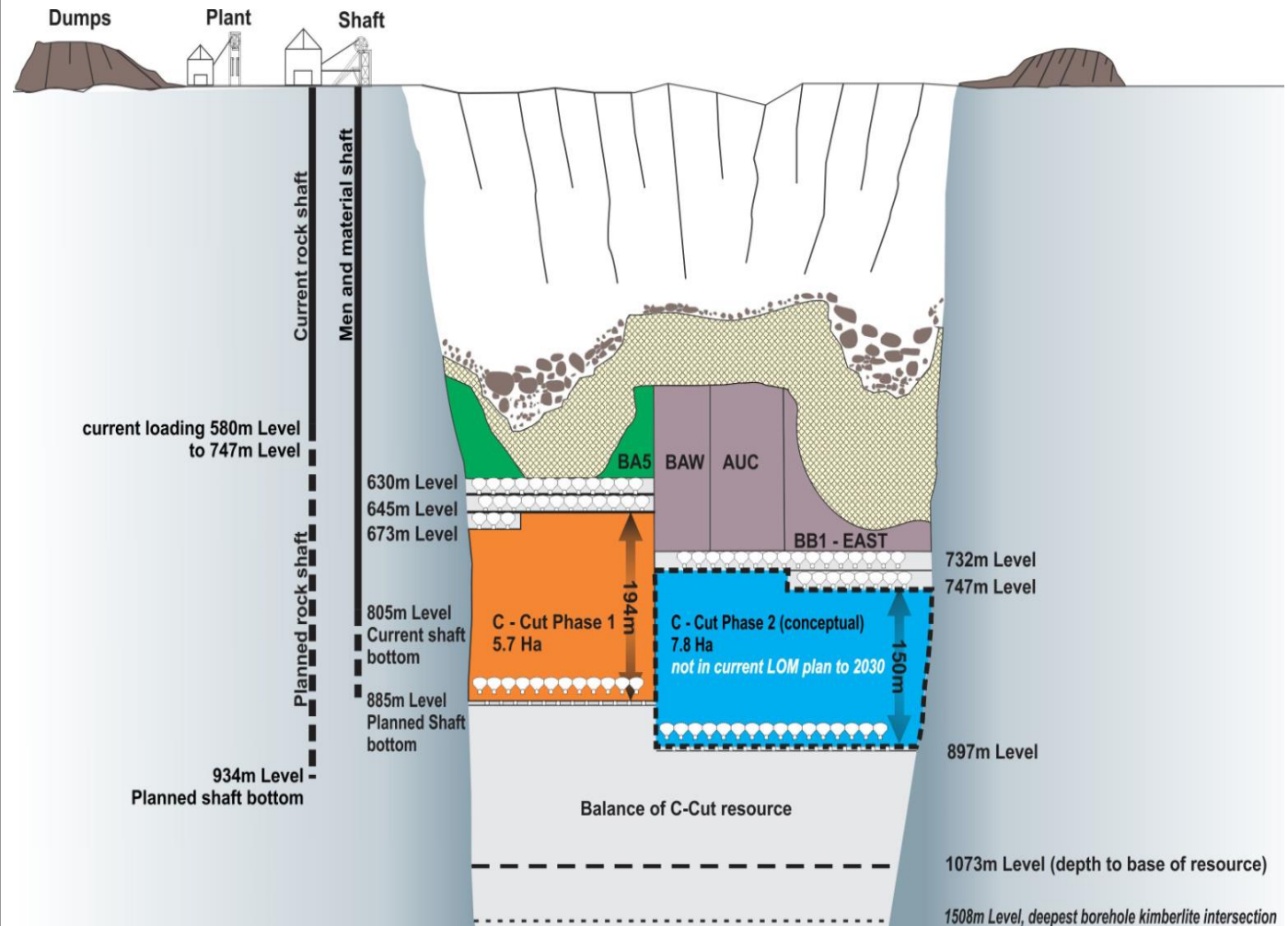


Cullinan – Development Programme

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 – **FY 2014**
- 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**
- 880m ore-handling system, allowing for future ramp-ups to utilise full C-Cut footprint – 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**

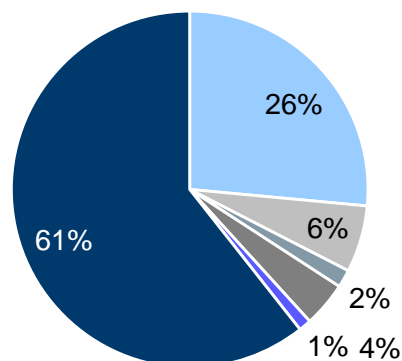
5,669 development metres and 854 raiseboring metres in FY 2014



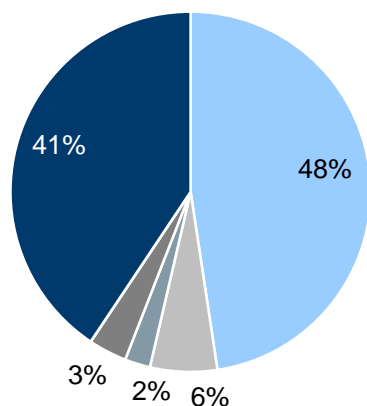
Production and Revenue – FY 2014 vs FY 2019

Gross Production

FY 2014 actual: 3.1 million carats¹

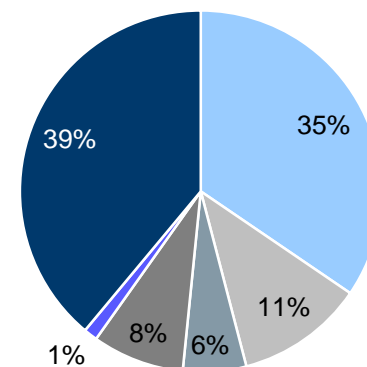


FY 2019: c.5 million carats²

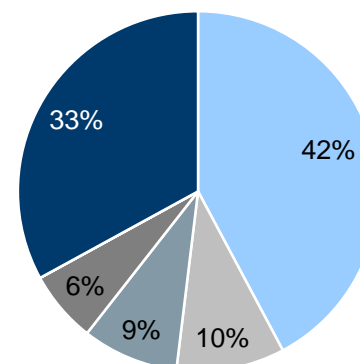


Gross Revenue

FY 2014 actual: US\$471.8 million¹



FY 2019: c.US\$1.2 billion²



1. Continued operations

2. FY 2019 figures are management estimates; revenue calculated using a 4% annual real price increase



- Organic growth to ca. 5 million carats based on existing portfolio
- Brownfield expansions of existing mines – lower mining risk and capex intensity
- Capex to be funded entirely from operating cashflow from FY 2015



- Petra expects firmer market conditions, underpinned by constrained supply and robust demand, to continue in FY 2015
- Positive long term outlook based on fundamentals
- 'Mass luxury' to drive market; affordable diamond jewellery for all budget ranges



- Total tonnage profile to remain relatively flat FY 2015 to FY 2019, but production to grow ca. 60%
- Group margins expected to go from ca. 40% (FY 2014) to +50% (FY 2019)
- Significant free cashflow generation

Management currently evaluating bringing forward the commencement of dividend payments from FY 2016

Sustainability Highlights

Education

Koffiefontein supports local Reikaeletse Secondary School



Training

Carpentry skills training taking place at Cullinan



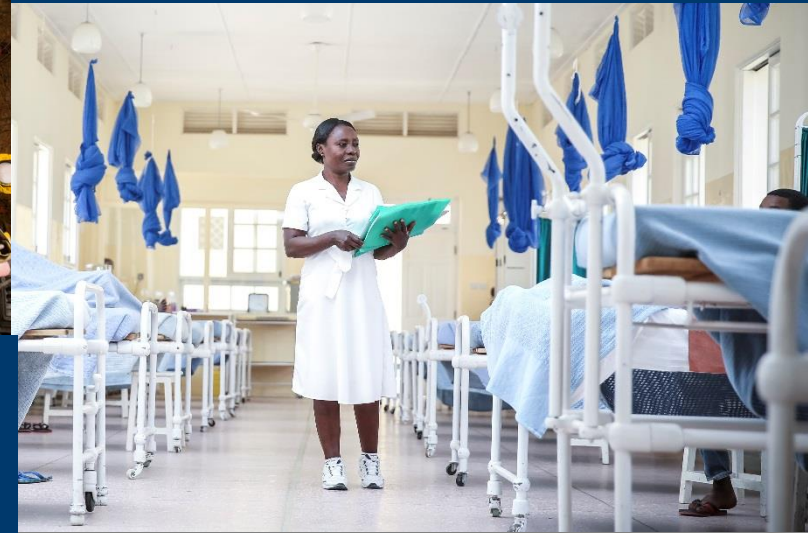
Environmental Initiatives

Biogas project in Tanzania



Community Health

A nurse does her ward rounds at the Mwadui Hospital, owned and operated by Williamson



Focus on Safety

Strategies, systems and awareness initiatives in place to keep our people safe



PetraDiamonds

Dump Truck at Williamson



Appendix

Capital Structure

Share Price (1 year) vs FTSE 250 & FTSE 350 Mining



1. T. Rowe Price holds 51,182,170 shares with voting rights attached to them, being 9.99% of Petra voting rights
2. Of this holding, 30,929,516 shares are held by M&G Investment Funds 3

High Quality Share Register

(as at 1 September 2014)

| | % ISC |
|------------------------------------------------|-------|
| Al Rajhi Holdings W.W.L. | 12.9% |
| T. Rowe Price ¹ | 10.2% |
| JP Morgan Asset Management Holdings Inc. | 7.8% |
| BlackRock Investment (UK) Limited | 7.3% |
| Prudential plc group of companies ² | 6.1% |
| Directors | 2.5% |

Listing

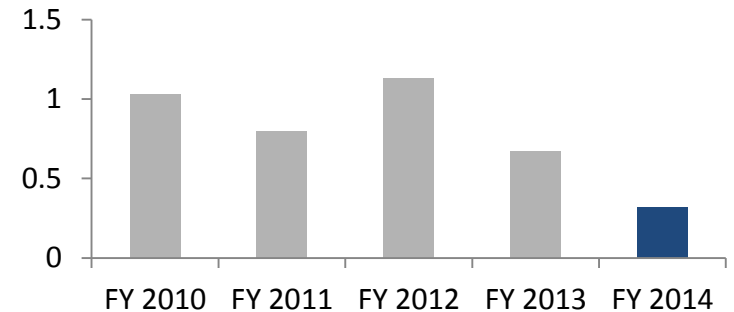
LSE: PDL

| | |
|--------------------------------------------------------|--------|
| Average daily trading volume (shares) – (last 12 mths) | 0.9m |
| Shares in issue | 512.1m |
| Free float | 81.9% |
| Market cap @ 197p (17 September 2014) | £1.0bn |

FY 2014: Safety and Environmental Performance

- Group LTIFR of 0.32 14 (FY 2013: 0.67) – good achievement in comparison to industry average (particularly for underground operations)
- Regrettably Petra experienced a fatality in January 2014 at Cullinan due to an accident at an electricity substation at surface – full investigation and remedial action taken
- OHSAS 18001 (international health and safety standards) re-certification achieved for all underground pipe mines
- ISO 14001 (international environmental standards) re-certification achieved for all underground pipe mines
- Finsch mine chosen as Best in Class in South Africa's MineSAFE Awards for the diamond sector (October 2013)
- Williamson won Presidential Award in Corporate Social Responsibility (August 2013), an Occupational Safety and Health in Mining Award (April 2014) and NSSF Best Complying Employer's Award (May 2014)

LTIFR



Ignas Balyoruguru (HR Manager) and Arlen Loehmer (General Manager) holding Williamson's NSSF Award

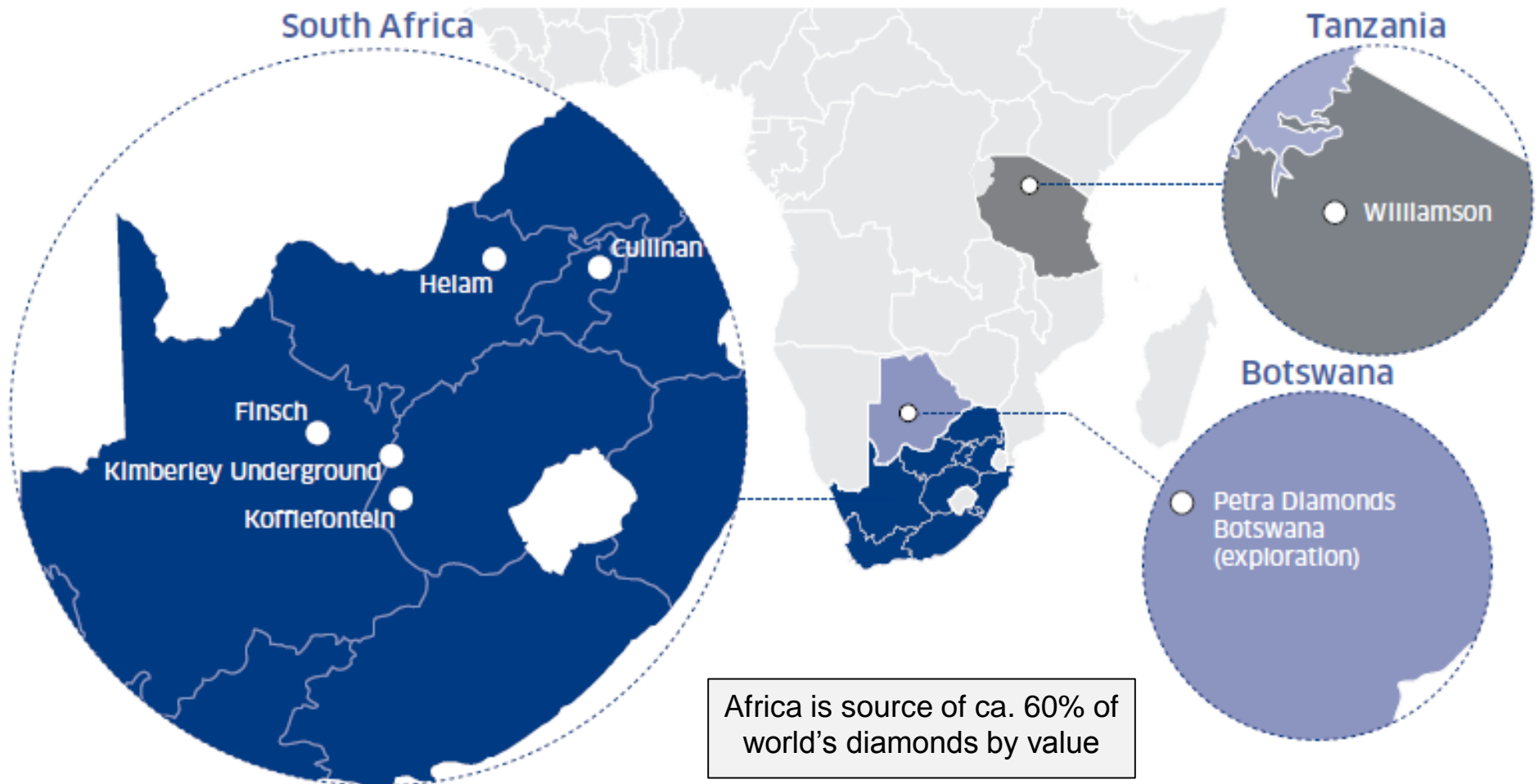
FY 2014 – Operations Results

| Operation | Finsch (74% ¹ Petra; 26% BEE) | | Cullinan (74% ¹ Petra; 26% BEE) | | Koffiefontein (74% ¹ & ² Petra; 26% BEE) | | Kimberley UG (74% ¹ Petra; 26% BEE) | | Williamson (75% Petra; 25% Government of Tanzania) | |
|---------------------------------------------------|---------------------------------------------|-----------|-----------------------------------------------|-----------|-------------------------------------------------------------------|-----------|---------------------------------------------------|---------|-------------------------------------------------------|-----------|
| | FY 2014 | FY 2013 | FY 2014 | FY 2013 | FY 2014 | FY 2013 | FY 2014 | FY 2013 | FY 2014 | FY 2013 |
| <u>ROM Production</u> | | | | | | | | | | |
| Tonnes treated (t) | 2,910,195 | 2,609,935 | 2,546,383 | 2,595,004 | 245,833 | 239,161 | 908,498 | 804,725 | 3,405,524 | 2,730,133 |
| Grade (cpht) | 38.1 | 34.1 | 27.8 | 30.7 | 7.1 | 6.0 | 14.0 | 14.3 | 5.2 | 5.5 |
| Diamonds recovered (carats) | 1,109,022 | 890,360 | 706,728 | 795,370 | 17,502 | 14,356 | 126,917 | 115,400 | 178,379 | 150,342 |
| <u>Total Production</u> | | | | | | | | | | |
| Tonnes treated (t) | 5,578,473 | 5,210,546 | 4,695,954 | 4,080,893 | 677,666 | 1,481,521 | 908,498 | 804,725 | 3,810,690 | 3,115,319 |
| Diamonds recovered (carats) | 1,885,160 | 1,412,465 | 823,619 | 868,975 | 50,375 | 34,800 | 126,917 | 115,400 | 188,465 | 164,376 |
| <u>Sales</u> | | | | | | | | | | |
| Diamonds sold (carats) | 1,856,939 | 1,336,418 | 881,343 | 816,611 | 49,250 | 35,168 | 127,729 | 113,383 | 178,171 | 165,324 |
| Average price per carat (US\$) | 99 | 120 | 185 | 163 | 542 | 471 | 303 | 295 | 303 | 254 |
| Revenue (US\$M) | 183.7 | 160.6 | 162.8 | 133.0 | 26.7 | 16.6 | 38.8 | 33.4 | 53.9 | 41.9 |
| <u>On-mine cash cost per tonne treated</u> | R146 | R139 | R154 | R158 | R293 | R136 | R301 | R265 | 11 | 12 |
| <u>Total Capex</u> | 67.8 | 48.6 | 93.1 | 89.0 | 30.7 | 20.4 | 10.1 | 21.6 | 8.9 | 11.7 |

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': <http://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






Focus on Africa

- Six producing mines (five in South Africa and one in Tanzania), plus exploration in Botswana
- Diversified portfolio is key to managing production risk across the Group



An Exceptional Growth Path

Petra acquired five non-core 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 |
|  |  |  |  |  |
| 74% Petra ¹ ; 26% 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 12yr Mine Plan +20yr Potential Life | Block Cave 17yr Mine Plan +50yr Potential Life | Open Pit 20yr Mine Plan +50yr Potential Life | Block Cave 13yr Mine Plan +13yr Potential Life | Sub-level / Block Cave 17yr Mine Plan +25yr Potential Life |

The Petra Approach: Mine Management

- Focus on efficiencies and simplification of management structures
- Disciplined cost control, share services across mines, efficient central overhead
- Focus on 'value' as opposed to 'volume' production

The Petra Approach: Project Development

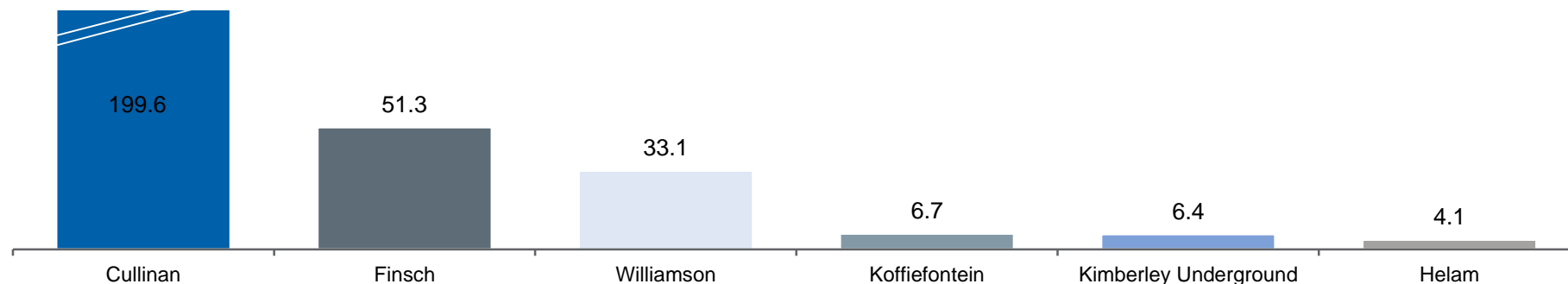
- Utilise in-house expertise/knowledge in design and execution of capital programmes
- Phased approach to achieve low capital intensity
- Make decisions, get started

1. See slide 24 for further disclosures re. Petra's effective interest in its mines

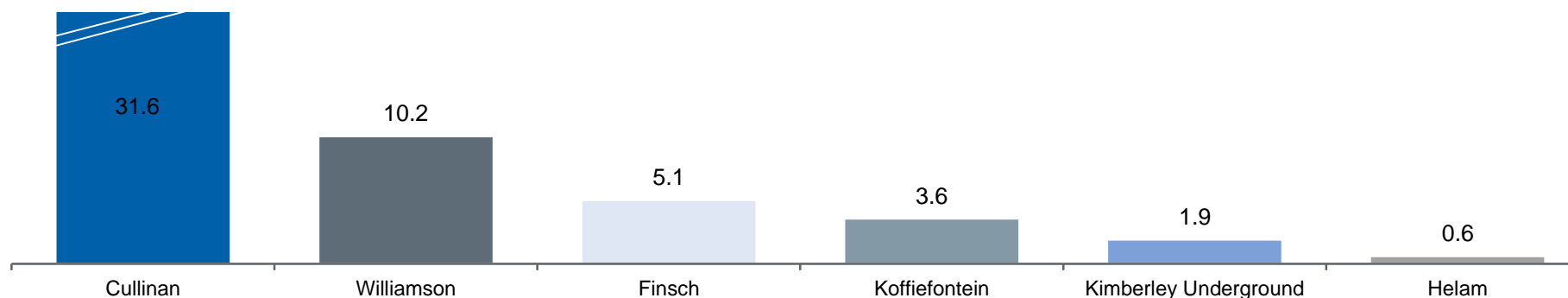
2014 Resource Statement (30 June 2014)

- World-class Resource base of *301.1 million carats worth ca. US\$58.3 billion*

Gross Resources (Mcts)



Gross In Situ Value (US\$bn)¹

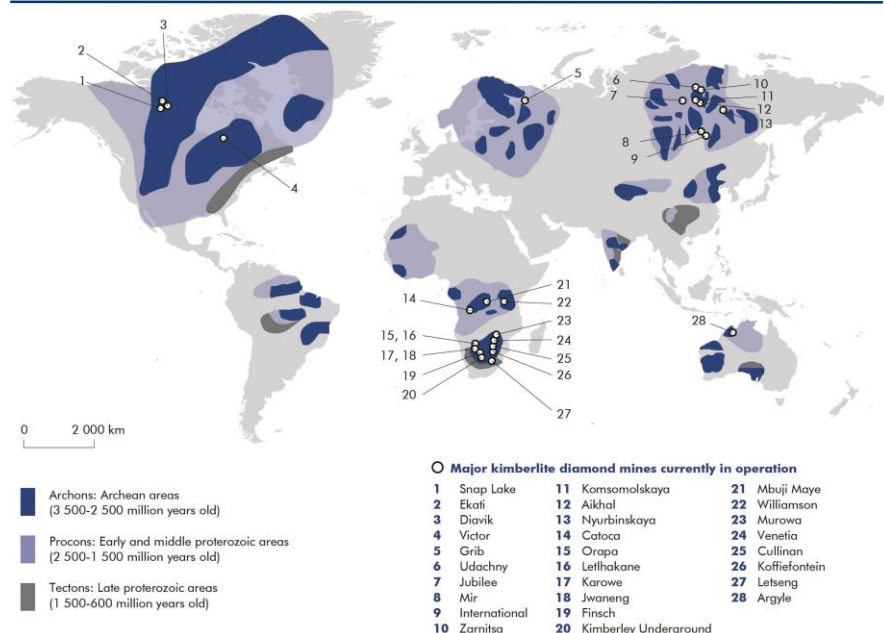


1. FY 2014 average carat values used to calculate in situ values

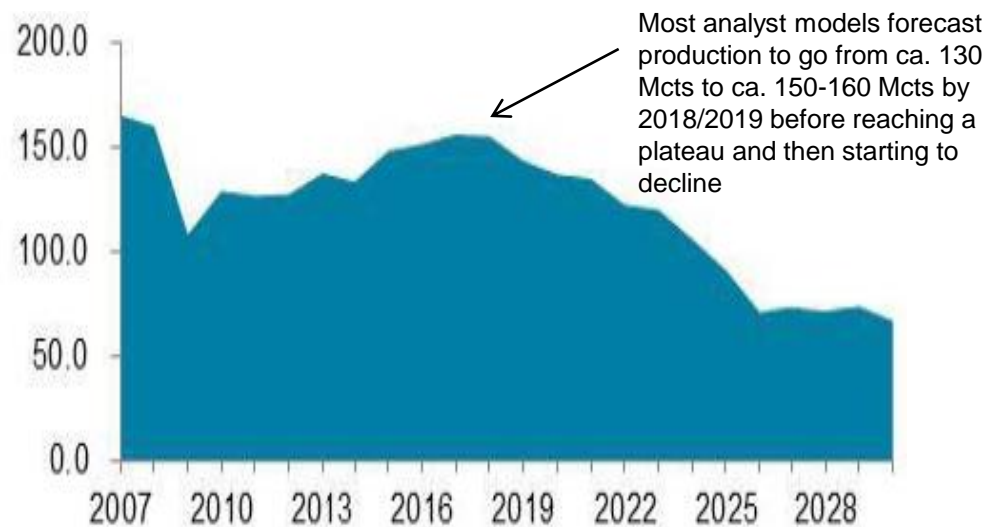
Diamond Market – Constrained Supply

- *Limited supply*: only ~30 significant kimberlite mines in production; no major discoveries since 1990's
- *Major mines maturing*: past production peak; moving underground = lower tonnages + higher operating costs
- *Poor exploration success*: chance of finding an economic kimberlite is less than 1%
- *Long lead times*: development of a new mine from discovery to production estimated at 7 – 14 years
- *'Peak diamonds' has passed*: analysts do not expect global output to reach +170 Mcts levels again (2005/6)

Limited Supply – less than 30 significant kimberlite mines



Rough diamond supply (known assets) – million carats

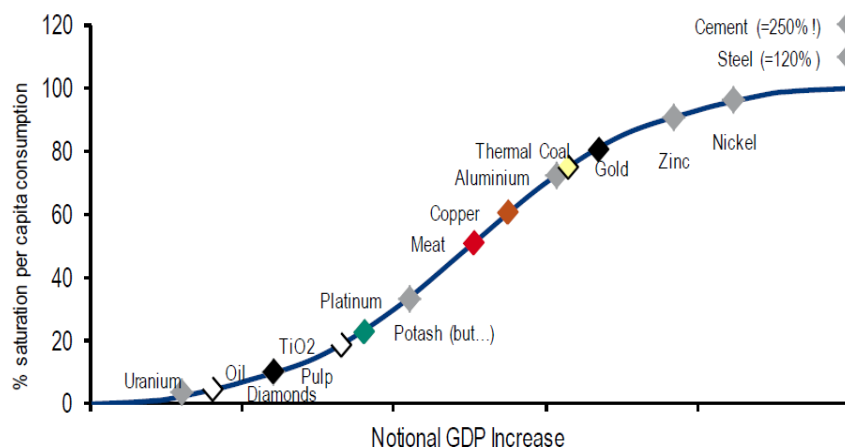


Source: Rio Tinto (June 2014)

Diamond Market – Growing Demand

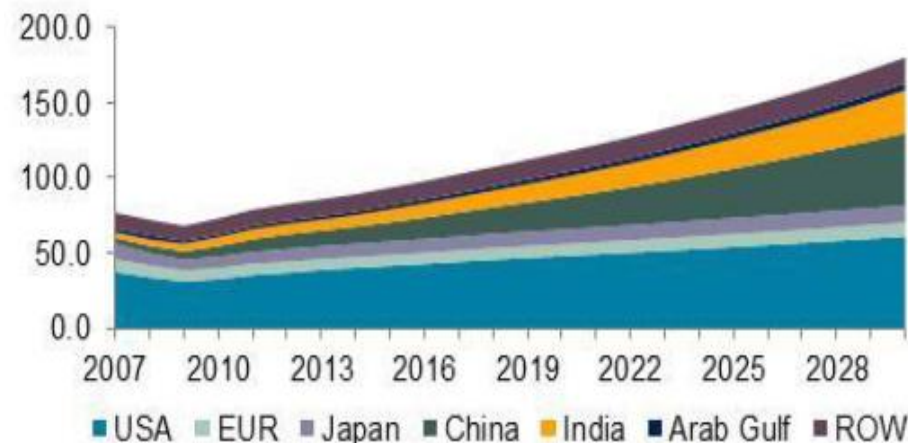
- *US recovery*: very strong diamond buying culture; market grew +7% in 2013 (source: De Beers)
- *Late cycle credentials*: demand also driven by urbanisation trend and rising wealth in emerging markets
- *Growing middle classes*: ca. 3 billion people to join middle classes over next 20 years (source: E&Y 2013)
- *Exciting potential*: consumption per capita in emerging regions still way below that of mature markets
- *Mass luxury*: China/India starting to follow US model of affordable diamond jewellery (\$200 to +\$2,000)

Per capita consumption of key commodities relative to “US steady state”



Source: Bank of America Merrill Lynch Global Research estimates (September 2014)

**Growing Demand (US\$ billions)
China and India combined to reach size of US market by 2025**

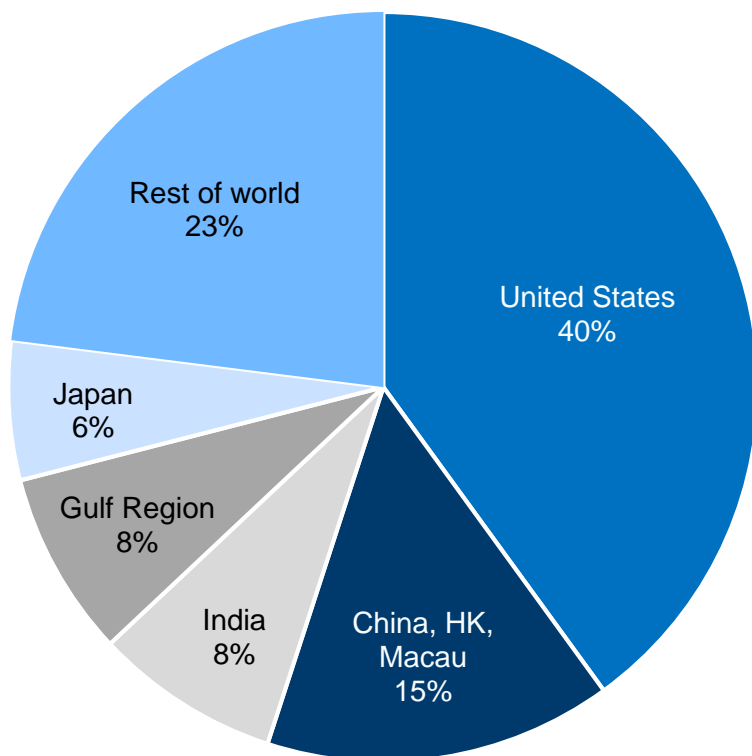


Source: Rio Tinto (June 2014)

The Diamond Market in 2013

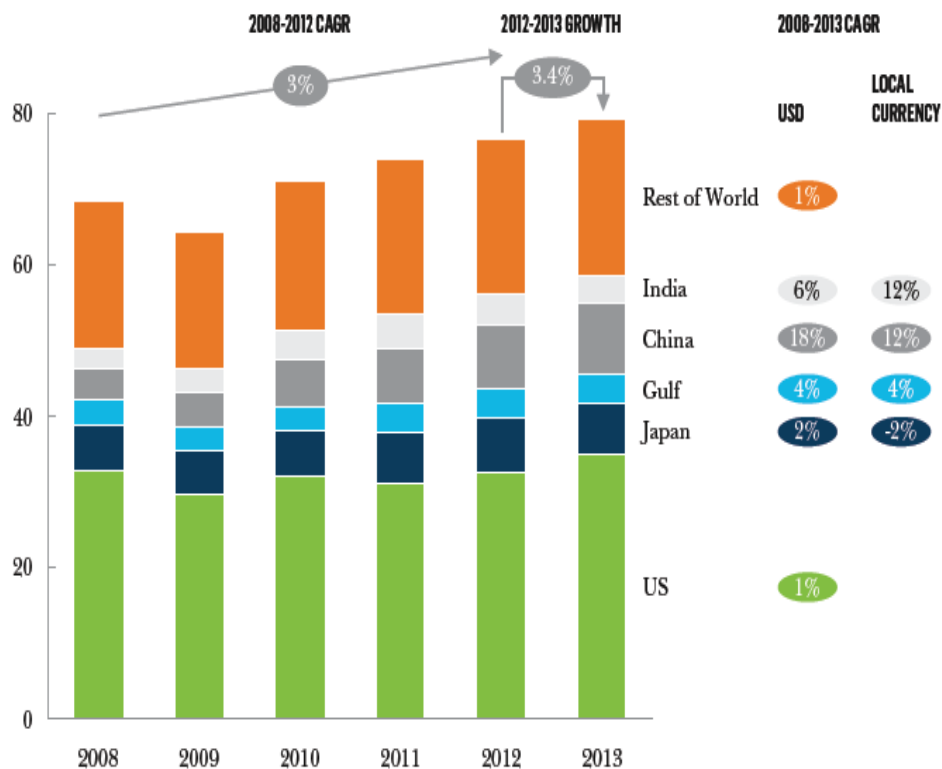
- Global diamond jewellery sales +3%: US\$79 billion

Share of World Polished Diamond Consumption in Value (US\$ PWP)



Source: De Beers (September 2014)

Diamond Jewellery Value, Growth by Geography (US\$bn)



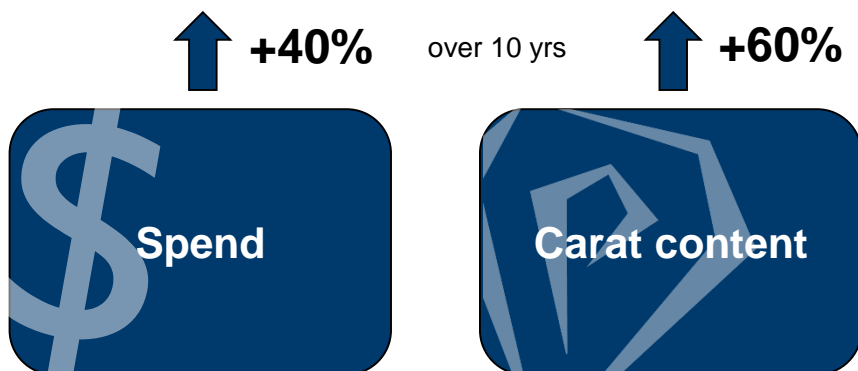
Source: De Beers (September 2014)

Diamond Market – US (+7% Growth in 2013)

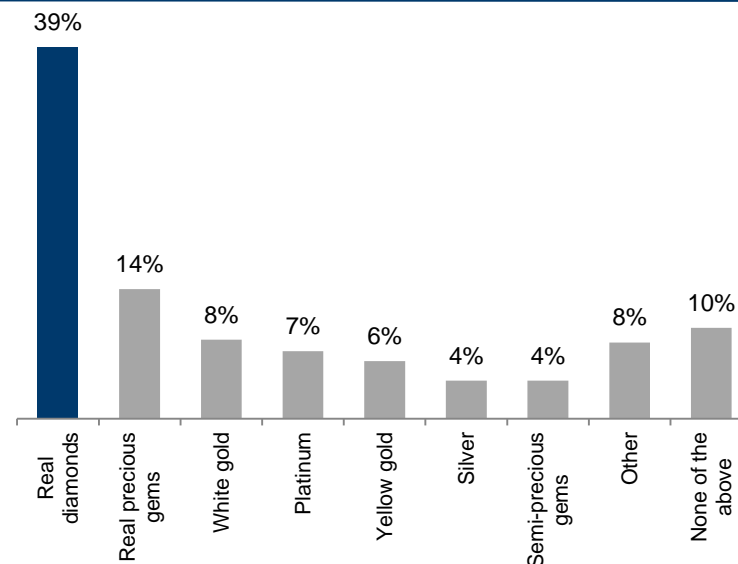
- Total US retail sales of diamond jewellery reached pre-2009 downturn levels in 2013
- Polished diamond content in jewellery increased 20% from 2008

US bridal market (De Beers research):

- 79% of couples buy a diamond engagement ring; 17% of women buy another diamond jewellery piece at engagement (5% 10 years ago)
- Average cost of diamond engagement ring has increased from \$2,500 in 2003 to \$3,700 in 2013
- Older, more affluent brides; increasing number of remarriages
- Rebound in marriages expected post recession



Most desired fine jewellery to receive (% of all women), 2013



Strong diamond buying tradition in the US Diamonds are accessible to consumers at all levels

Best Sellers under \$500

Find the *perfect ring* for your budget.

Shop all Best Sellers under \$500 ▶



Engagement Rings ▶



Bridal Sets ▶



Wedding Bands ▶

Source: Walmart website

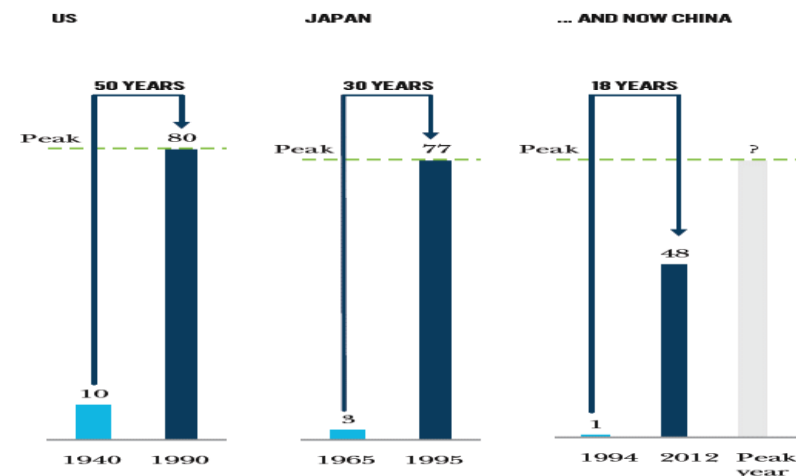
Diamond Market – China (+14% Growth in 2013)

Chinese Demand (De Beers research)

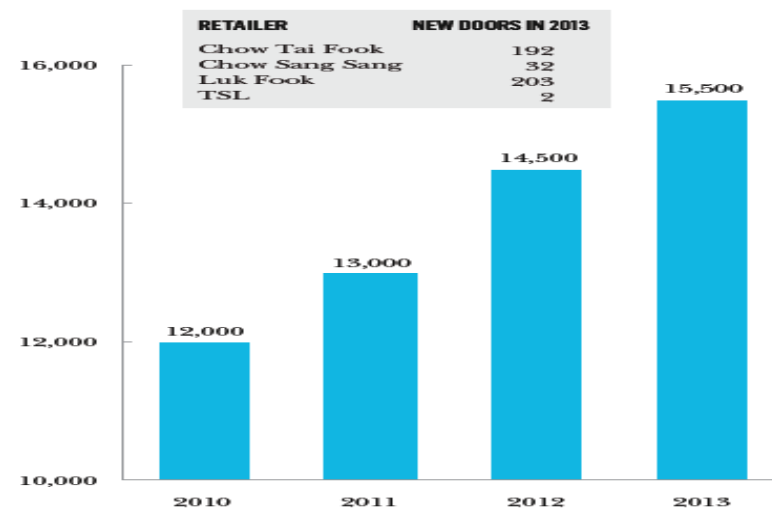
- Share of diamonds sold in jewellery to Chinese consumers grew from 3% in 2003 to 21% in 2013
- Average prices jumped 32% from 2003 to 2013 to +RMB8,000 (ca. US\$1,300); average carats per piece rose from 0.18 to 0.25
- Fine jewellery is the object/experience most desired by urban women in China
- Diamond jewellery ownership is 20% in top urban cities vs. ca.70% in US
- Custom of giving diamond bridal jewellery continues to grow (see top RH chart)
- Retailers' confidence in Chinese diamond jewellery market demonstrated by 29% expansion in stores offering diamond jewellery from 2010 to 2013



Penetration of bridal diamond jewellery (%)



Diamond jewellery retail expansion in China (approx. no. doors)



Source: De Beers (September 2014)

Rare Diamonds Continue to Break Records



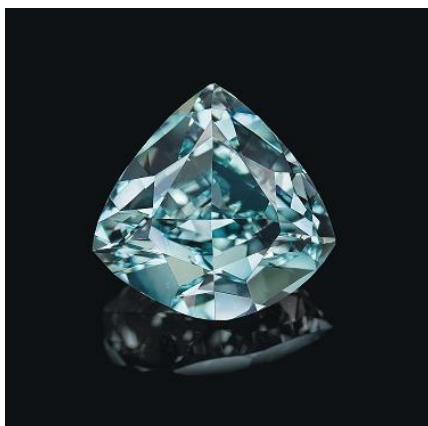
14 May 2014:

The pear-shaped fancy blue 13.2ct diamond, renamed 'The Winston Blue', sold for ca. **US\$23.8 million**, or ca. **US\$1.8 million** per carat - a new world record price per carat for a blue diamond. It is the largest flawless vivid blue diamond in the world and is thought to be from Cullinan.



10 June 2014:

A 5.5ct oval pink diamond sold for **US\$9.5 million**, or ca. **US\$1.7 million** per carat, at Christie's New York Important Jewels sale. The diamond is an oval-cut fancy vivid pink with VVS1 clarity.



14 May 2014:

The Ocean Dream, a fancy vivid blue-green triangular-cut diamond weighing 5.5ct, achieved a total of **US\$8.8 million**, or ca. **US\$1.6 million** per carat, at auction. The Ocean Dream achieved a new world auction record for a blue-green diamond.



13 May 2014:

The 14.8ct orange diamond, which sold for over **US\$35.5 million**, or ca. **US\$2.4 million** per carat, a world record for a fancy vivid orange diamond and one of the highest price per carat for any coloured diamond sold at auction.

These rare natural treasures are akin to priceless works of art

Iconic Gems 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

507.55 carats rough
Cullinan, 2009

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



The Golden Jubilee

755.50ct rough, 545.65ct 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



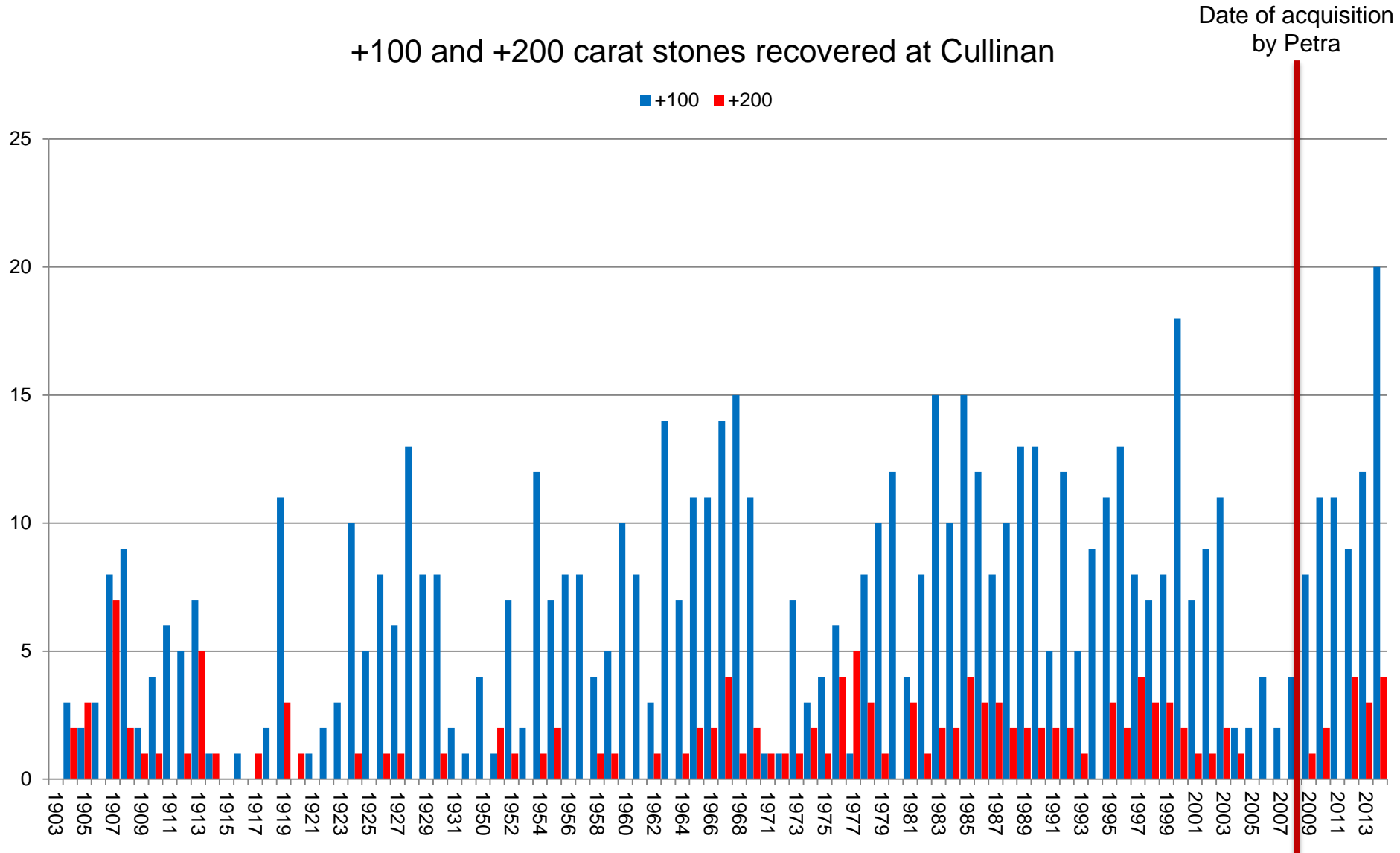
The Blue Moon

29.6ct rough, 12ct polished
Cullinan, 2014

The Taylor Burton
240.80ct rough, 69.42ct polished
Cullinan, 1966



Cullinan – Historical Large Diamond Records

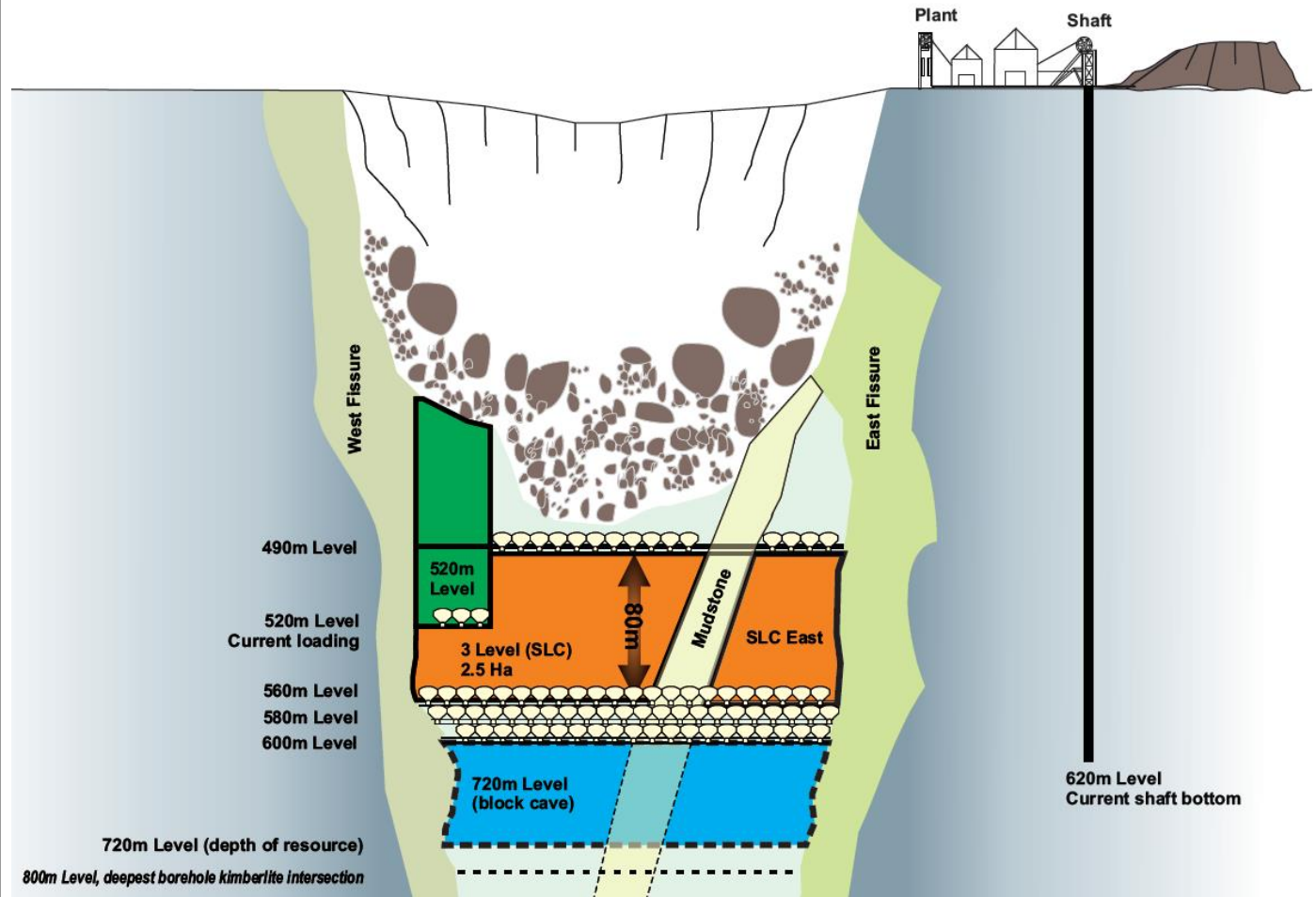


Koffiefontein – Development Programme

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

- ROM production supplemented by ore from Ebenhaezer open pit (~5ha) – **FY 2015 to FY 2016**
- Installation of SLC from 560m to 600m – **FY 2014 to FY 2016 SCOPE CHANGE**
- SLC tunnel infrastructure underway and ore-handling conveyor installation in final commissioning – **FY 2014**
- Ramp up ROM production to 1.1 Mt by **FY 2017**

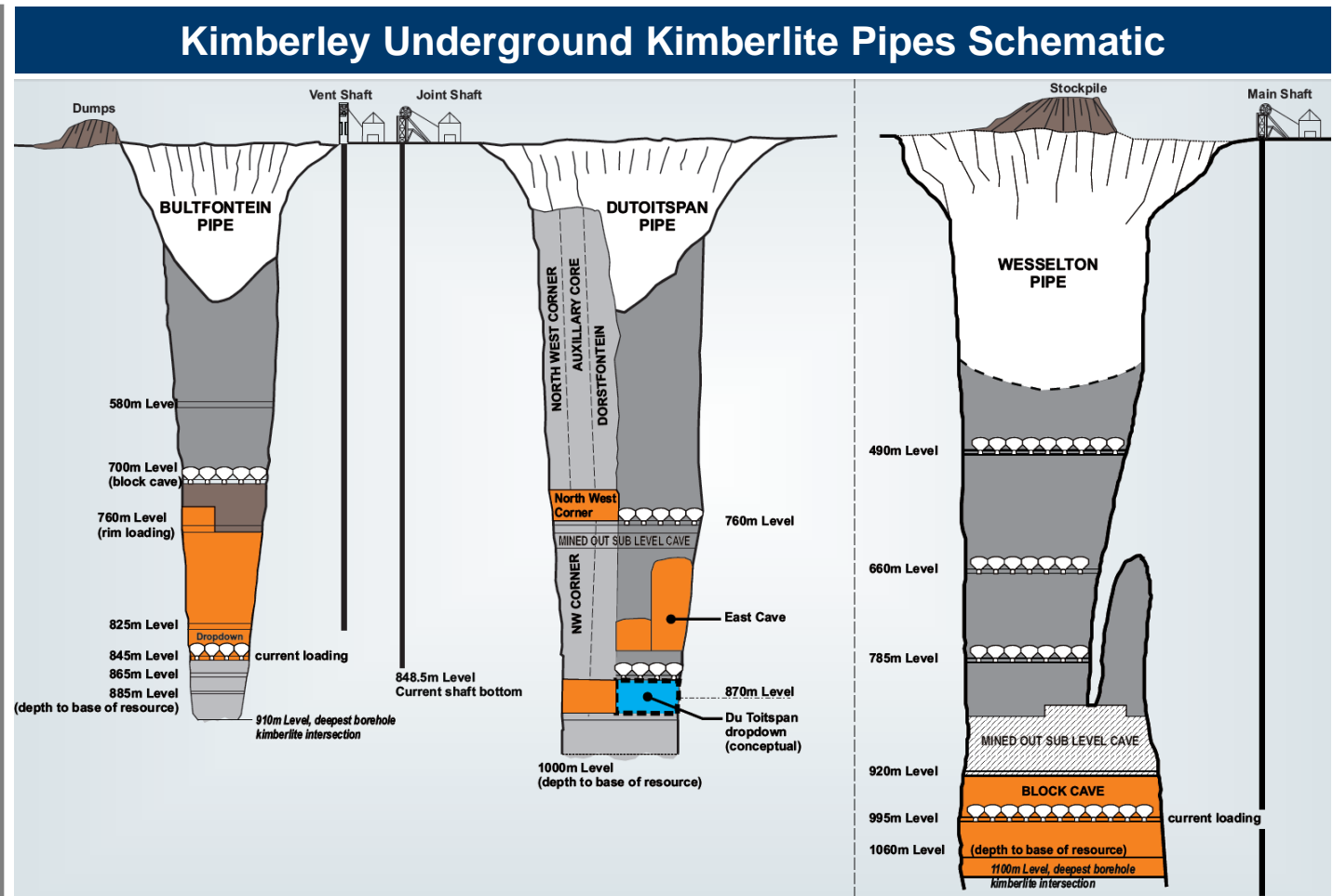
Koffiefontein Kimberlite Pipe Schematic



Kimberley Underground – Development Programme

Expansion Plan – planned production of ca. 170,000 ctpa from FY 2015

- Construction and commissioning of plants at both Joint Shaft and Wesselton Shaft – completed in **FY 2013**
- ROM stockpile of ca. 244 Kt at Wesselton to be treated in **FY 2015** and **FY 2016**
- Planned ROM tonnes treated of ca. 1.2 Mtpa – from **FY 2015**
- Sampling programme to extend mine life – in progress

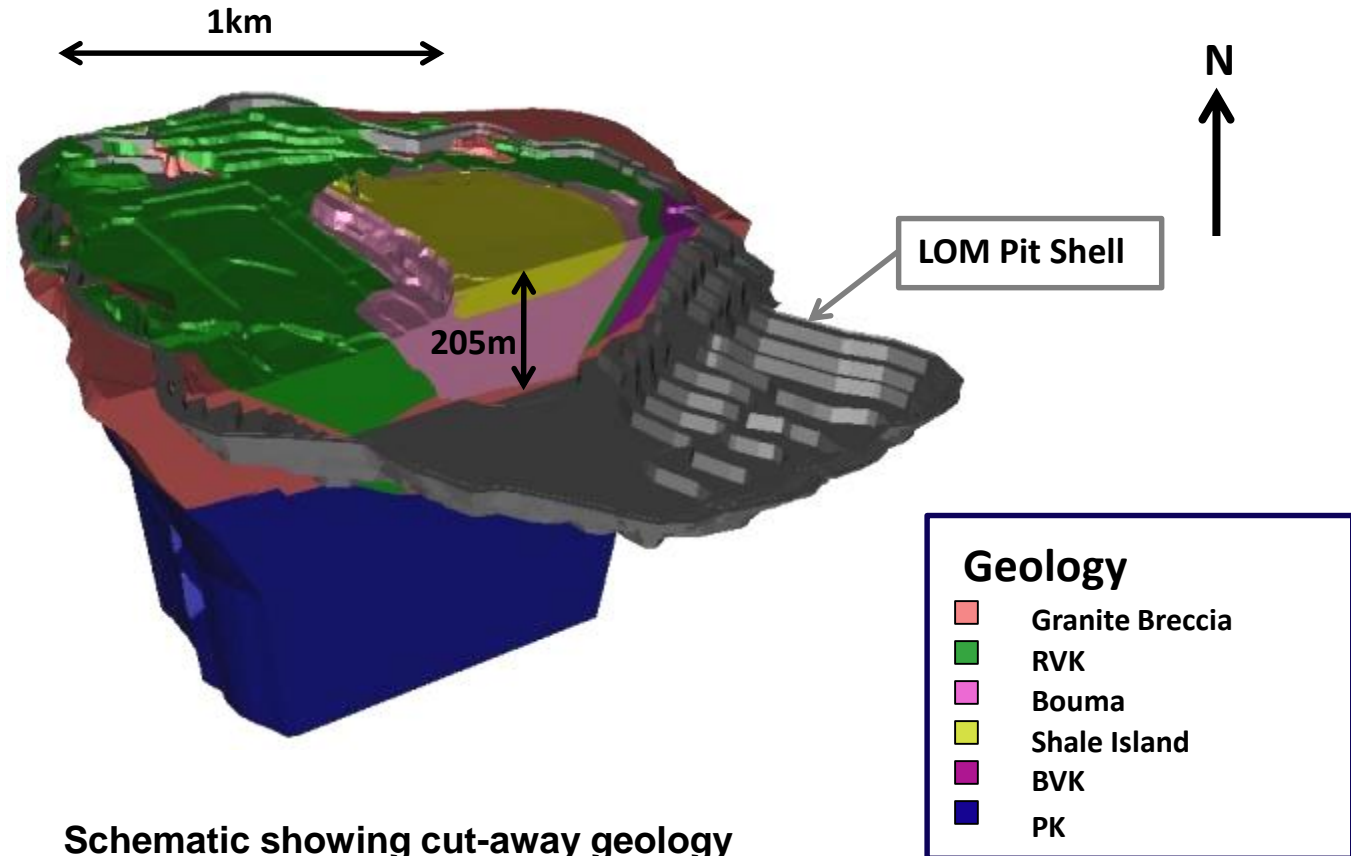


Williamson – Development Programme

Expansion Plan – to take production to c. 300,000 ctpa by FY 2017

- Re-crush circuit in plant, plus other plant design efficiencies, allowing for increased throughput – from **FY 2014**
- Successful ramp-up of production to 3.4 Mt – **FY 2014**
- ROM stockpile (~440,000t containing +30,000 carats), established due to the pit-shaping operations to be treated – up to **FY 2016**
- Ramp up of ROM production to c. 5 Mtpa (300,000 cts) by **FY 2017**

Williamson Kimberlite Pipe Schematic

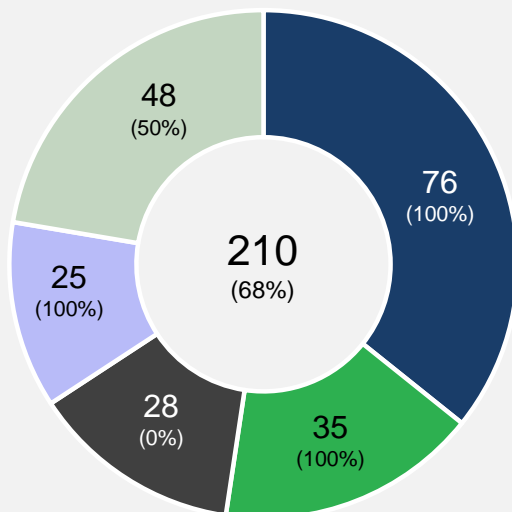


Schematic showing cut-away geology and planned open pit

Debt Facilities

Debt Facilities¹

US\$ million
(Percentage utilised in brackets)



ABSA and FNB: Amortising term

IFC: Amortising term

ABSA and FNB: Revolving credit

IFC: Revolving credit

ABSA and FNB: Working capital and foreign exchange settlement facilities

| Lender | Type | Size US\$M | Interest Rate | Repayment |
|------------------|----------------------------------------------------------------|------------|-----------------|------------------------------------|
| Absa & RMB (FNB) | Amortising term facility | 76.0 | JIBAR + 4.0% | 5 semi-annual payments from Mar 16 |
| IFC | Amortising term facility | 35.0 | LIBOR + 4.0% | 5 semi-annual payments from Mar 16 |
| Absa & RMB (FNB) | Revolving credit facility | 29.0 | JIBAR + 5.5% | Repayable Sep 18 |
| IFC | Revolving credit facility | 25.0 | LIBOR + 5.5% | Repayable Sep 18 |
| Absa & RMB (FNB) | Working capital facility and foreign exchange settlement lines | 48.0 | SA Prime – 0.5% | Subject to annual renewal |

1. Utilising an exchange rate of US\$1:R10.634

Capex Profile

| Financial Year | | 2014A | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------------|------------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|
| Finsch | ROM tonnes treated (Mt) | 2.9 | 2.8 | 3.0 | 3.3 | 3.5 | 3.5 |
| | Tailings tonnes treated (Mt) | 2.7 | 2.6 | 2.3 | 1.0 | - | - |
| | Expansion Capex (ZARm) | 527 | 619 | 623 | 494 | 331 | 148 |
| | Sustaining Capex (ZARm) | 128 | 120 | 86 | 78 | 75 | 74 |
| Cullinan | ROM tonnes treated (Mt) | 2.5 | 2.7 | 2.9 | 3.0 | 3.9 | 4.0 |
| | Tailings tonnes treated (Mt) | 2.1 | 2.7 | 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 |
| Koffiefontein | ROM tonnes treated (Mt) | 0.2 | 0.7 | 1.0 | 1.1 | 1.1 | 1.1 |
| | Surface tonnes treated (Mt) | 0.4 | 0.8 | 0.3 | - | - | - |
| | Expansion Capex (ZARm) | 258 | 198 | 120 | 37 | - | - |
| | Sustaining Capex (ZARm) | 58 | 51 | 32 | 32 | 34 | 35 |
| Kimberley Underground | ROM tonnes treated (Mt) | 0.9 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| | Expansion Capex (ZARm) | 61 | 123 | 58 | 37 | - | - |
| | Sustaining Capex (ZARm) | 44 | 41 | 34 | 34 | 34 | 33 |
| PETRA (SA Operations) | Expansion Capex (ZARm) | 1,586 | 1,899 | 1,798 | 901 | 449 | 247 |
| | Sustaining Capex (ZARm) | 382 | 282 | 227 | 218 | 221 | 220 |
| Williamson | ROM tonnes treated (Mt) | 3.4 | 3.7 | 4.5 | 5.0 | 5.0 | 5.0 |
| | Expansion Capex (ZARm) | 0.4 | 0.4 | - | - | - | - |
| | Expansion Capex (USDm) | 3 | 7 | 7 | - | - | - |
| | Sustaining Capex (USDm) | 7 | 6 | 6 | 6 | 5 | 5 |
| PETRA (All Operations) | ROM tonnes treated (Mt) | 10.0 | 11.2 | 12.6 | 13.5 | 14.6 | 14.8 |
| | Tailings/other tonnes treated (Mt) | 5.7 | 6.5 | 5.3 | 3.7 | 2.7 | 2.7 |
| | Total tonnes treated (Mt) | 15.7 | 17.7 | 17.9 | 17.2 | 17.3 | 17.5 |

1. All Capex numbers are stated in FY 2015 money terms (except for FY 2014 actuals).
2. Depreciation on mining assets for FY 2014 guided at c. US\$40 million (at a R10.3/US\$1 exchange rate).
3. As in prior guidance, capital estimates above do not include any capitalised borrowing costs. Guidance is to assume 90% of borrowing costs are to be capitalised.
4. The Block 5 Block Cave expansion capital (post FY 2019) is guided at c. ZAR260 million p.a. (FY 2015 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.

South Africa and Tanzania

| | South Africa | Tanzania |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Corporate tax | 28% | 30% |
| Diamond royalty | Formula based on profitability of mining operation; 0.5% up to 7% of turnover | 5% of turnover |
| Rough diamond export levy | 5%, certain exemptions apply; Petra sells all SA goods in Joburg | n/a |
| State Diamond Trader | Petra offers 10% of SA production to the SDT; Petra values the goods internally and then agrees market price with Government Diamond Valuator | n/a |
| Black economic empowerment | Petra's SA operations are all fully compliant with BEE legislation (26% ownership) | n/a |
| New Order Mining Rights | Petra holds new order mining rights for all its operations, excluding in relation to the Fissure Mines, where old order mining rights are held | n/a |



PetraDiamonds



Open pit mining at Williamson

Further enquiries:

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