

Petra Diamonds


Presented by
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Petra Diamonds

Petra Diamonds is a diamond mining group focused on the exploration and mining of diamonds in Africa.

Petra's strategy is to build a portfolio of producing mines together with a world class exploration base, achieving the objective of becoming a successful mid-tier diamond producer and explorer.



It has world-class exploration assets in Angola and Botswana, successful operating mines in South Africa and near-term production in Sierra Leone.

A growing force in winning diamonds from Africa's rich resources

Petra Diamonds

The merger in May 2005 with ASX-listed Crown Diamonds created a new force in the diamond industry, building a **mid-tier diamond group** with strong exploration and production expertise.

Petra is positioned to benefit from the robust diamond market, due to growing production from its operating mines and the 'blue sky' upside of its world-class exploration assets.



The board and management of **Petra Diamonds** are well qualified and experienced in the technical aspects of diamond mining and exploration as well as in managing the corporate affairs of London's largest quoted diamond group.

A growing force in winning diamonds from Africa's rich resources

A unique investment opportunity



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Juniors

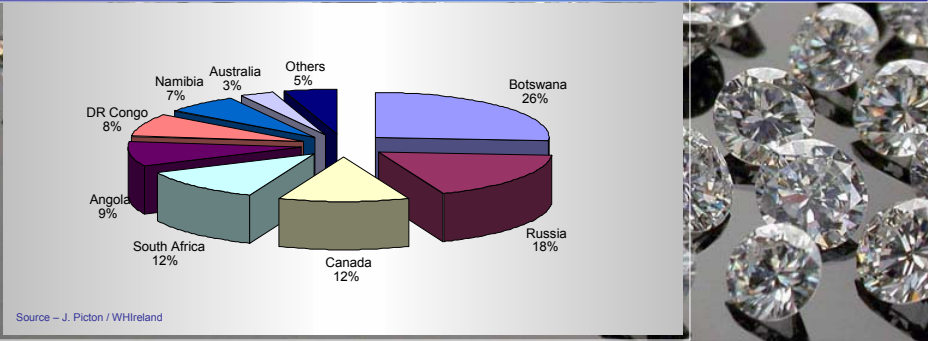
Petra is a mid-tier diamond producer focused on the exploration and mining of diamonds in Africa

Diamond market

Demand for rough diamonds is growing and supply is constrained, driving prices higher. Rough diamond prices, which rose by about 50% between 2003 and 2005, are set to rise further over the next decade.

Petra, with expected 2006 production of 200,000 carats and a medium term target of 500,000 carats, is well placed to benefit.

As Reuters stated in July 2005, "The market, at least from the miner's perspective, is dazzling."



Source - J. Picton / WH Ireland



Total World Production US\$13.bn

Operations

South Africa



Sedibeng



Star



Angola

Alto Cuito



Botswana

Kalahari



Sierra Leone

Kono



Petra has a portfolio of producing mines and a world-class exploration asset base

Project Alto Cuilo

As at January 2006:

twenty six kimberlitic occurrences had been identified at Alto Cuilo, with an estimated total surface area of approximately 1,080 hectares; and

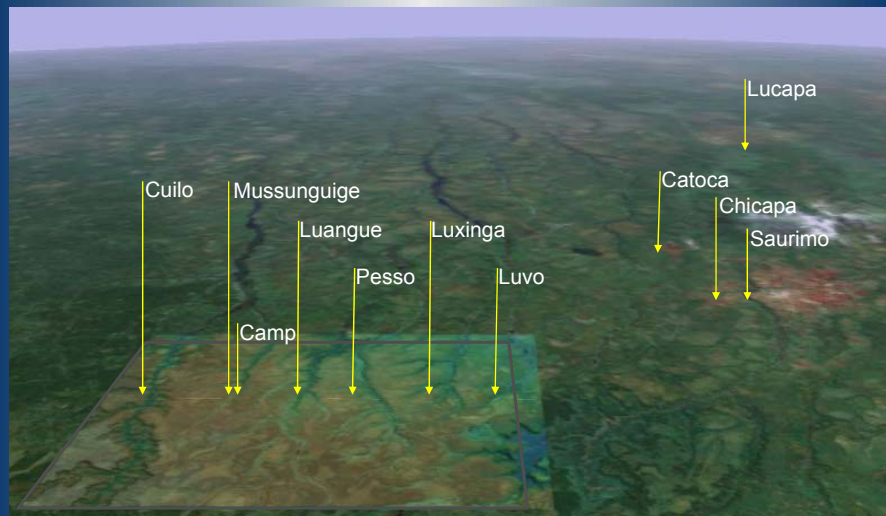
drilling in excess of 15,000 metres on approx 115 holes had been undertaken, with approx 75% of these holes intersecting kimberlitic material, an exceptional success rate. Some holes intersected kimberlitic material to vertical depths of 280 metres.

Drilling of selected anomalies has resulted in a substantial increase in the total estimated surface area of kimberlitic discoveries to approx 1,080 hectares, this area being estimated from analysis of Helimag data.

A second drill rig arrived in November 2005 – needed as there are approximately 3,300 hectares of anomalies to be drilled.

ANGOLA

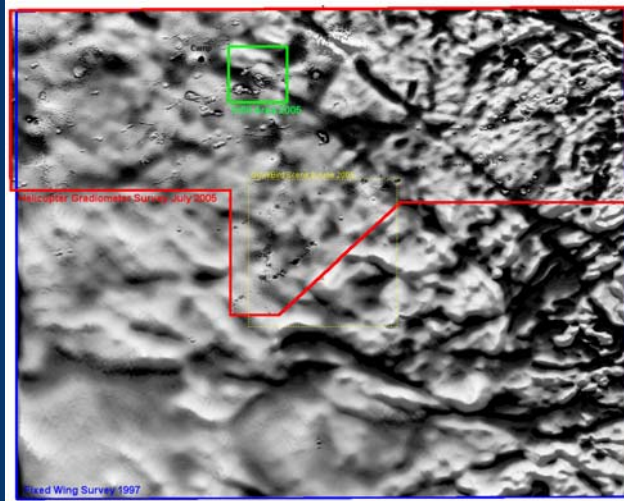
Alto Cuilo - Location



Perspective view of concession (with satellite DTM drape) from an altitude of 60km, looking north

ANGOLA

Magnetic data survey areas

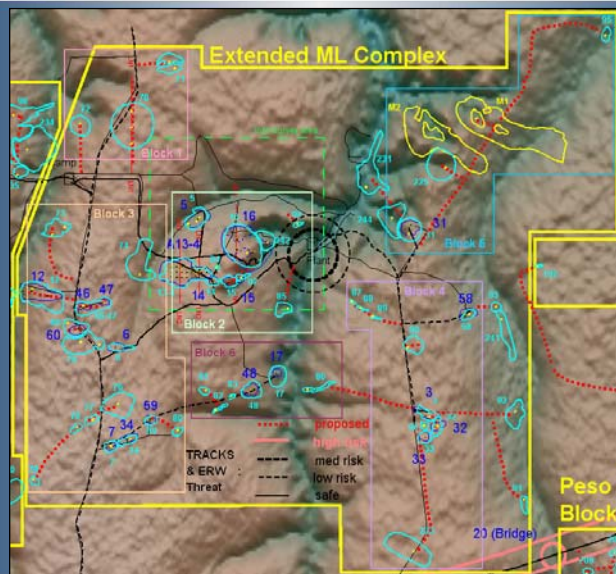


Low-level Midas Survey Plane
(Helimag Survey)

RTPVD1 shaded from the north

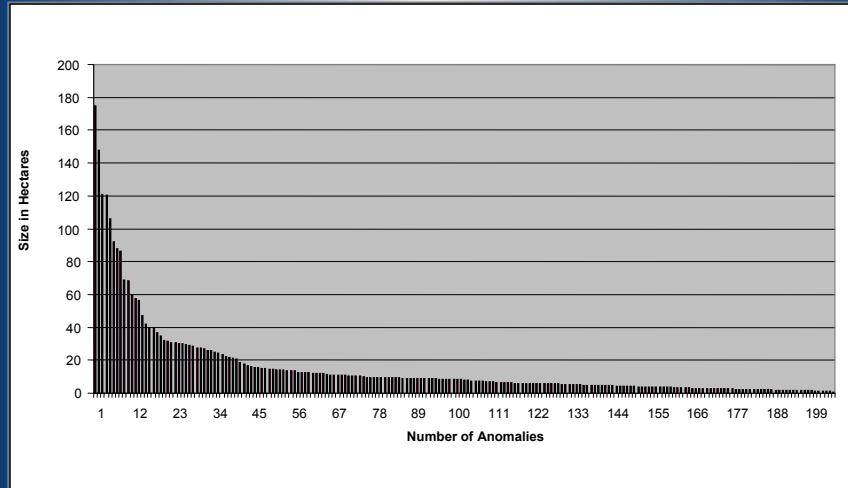
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Extended ML Complex



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Magnetic anomaly plot



KIMBERLITE SIZES

Project Alto Cuilo

A large diameter drill rig is scheduled to arrive June 2006 to take bulk samples from the most prospective anomalies.

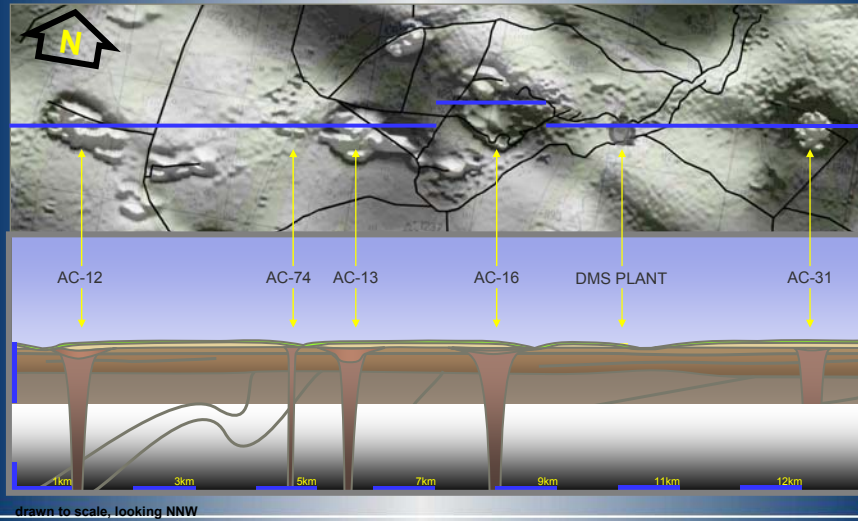
A 10 tonne per hour mobile dense media separation plant has also been ordered to treat these bulk samples and is scheduled to also arrive June 2006.

A Helimag survey was carried out in mid 2005, identifying major new anomalies of up to 125 hectares in surface area. These discoveries were in addition to the existing 109 hectare (approximately 115 million tonne) deposit identified by Petra in 2004.

Over 1,200 carats of diamonds recovered from bulk samples, including large high quality stones. Average value from 310 carat sample was US\$295/carats.

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Stylised cross section



Mussunuige to Luangue East

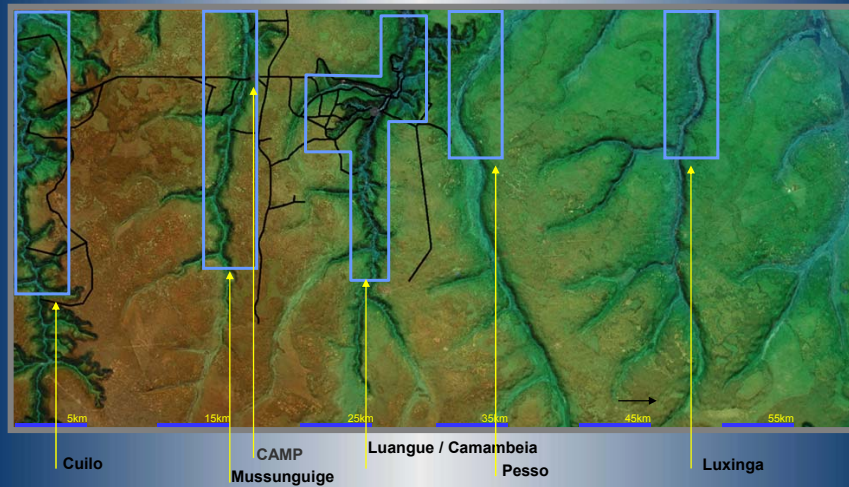
Project Alto Cuilo

Alluvial pitting and trenching work continues in order to further evaluate the potential for economically viable alluvial deposits, with 245 pits already completed.

Pits have returned varying grades, with one sample of 94.7 carats per hundred cubic metres being recorded (although on a very small sample).

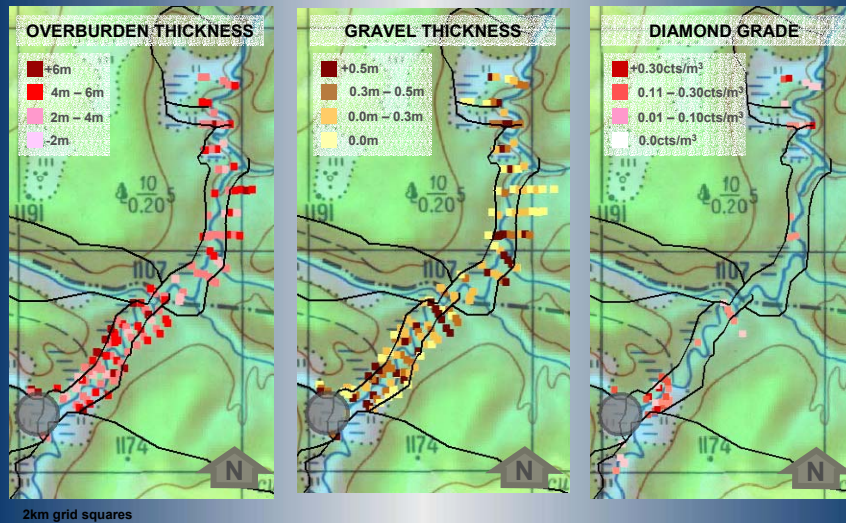
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Alluvial Prospecting Target Areas



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Alluvial Prospecting Data



Luangue Valley

Project Alto Cuilo

A JV agreement is in place between Petra and BHP Billiton with regards to Alto Cuilo. BHP Billiton can spend up to US\$60 million on Alto Cuilo, earning a 75% share of Petra's participation in the project.

BHP Billiton is working with Petra to develop & explore the concession, giving the project access to their technology & skills.

BHP Billiton is sole funding all activities, with spend averaging US\$1m per month. As at 31 December 2005, BHP Billiton had advanced funding of over US\$12m.

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Key Investment Criteria

- Huge diamond potential – currently 5th largest global diamond producer by value
- Largely untapped diamond resources, many significant diamond players want to be involved
- Peace in place – a strong climate for business growth (major US oil supplier +/- 17% of US oil imports)
- Secure legal tenure on exploration & mining projects
- Internationally acceptable regulatory & mining law framework in place
- Sound financial & banking systems

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Kalahari Diamonds

Botswana is the world's largest producer of diamonds by value, hosting several of the world's largest mines at Jwaneng, Orapa, Letlhakane and Damatshaa.

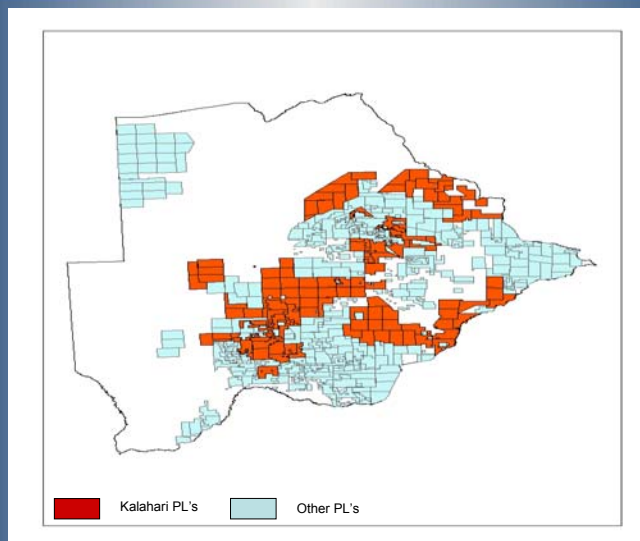
Botswana has maintained one of the world's highest economic growth rates since independence in 1966, with diamond mining accounting for most of the success.

40% of country is underlain by Kaapvaal craton and it has sound political, mineral & fiscal regimes.

These attributes probably make it the world's best address for diamonds.

BOTSWANA

Kalahari Prospecting Licences



BOTSWANA

Kalahari Diamonds

Petra acquired Kalahari Diamonds in 30 September 2005. Kalahari Diamonds is the holder of approximately 80,000kms² of highly prospective diamond exploration ground in Botswana.

The acquisition of Kalahari gave Petra;

- the largest land area under diamond exploration in Botswana, all of that land being on craton
- access to the Gope kimberlite field that is known to host six or seven kimberlites
- rights to deploys BHP Billiton's Falcon technology in Botswana
- a significant addition to its world class exploration base
- Petra's proven track record in the development of medium sized ore bodies will enable the efficient evaluation of the Gope kimberlites and, if economic, ensure they are quickly turned to account

BOTSWANA

Kalahari Diamonds

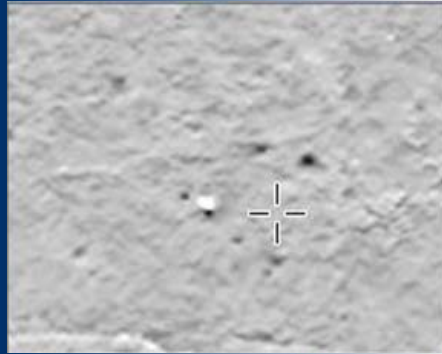
Kalahari has the rights to direct deployment of BHP Billiton's cutting-edge Falcon technology within Botswana.

Kalahari sand covers much of the country and this has meant that traditional diamond exploration faced difficulties in the detection of kimberlites. Falcon technology is a unique dimension in diamond exploration as it is able to "see through" the sand cover.

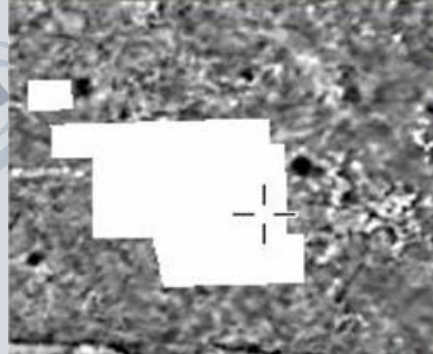
Petra will use the Falcon technology, together with other types of airborne geophysics, such as gradient magnetics, to identify previously undetected kimberlites.

BOTSWANA

Gope Kimberlites



Government Airborne Magnetics



Falcon Magnetics

BOTSWANA

Kalahari Diamonds

Petra's 2006 work programme will:

- focus on the Gope area where there are several known diamondiferous kimberlites on Petra's licence areas – to include a low level horizontal magnetic gradiometer survey
- continue flying by Falcon of the Tshwaane block, with approx 8,000 line kms flown to date
- re-evaluate the geophysical data accumulated in other fly blocks before the acquisition by Petra

BOTSWANA

South Africa

In South Africa, Petra Diamonds operates three mines –

- Helam
- Sedibeng
- and Star

These mines were acquired when Petra merged with Crown Diamonds in May 2005.

The mines are kimberlite fissure operations, each with a remaining life of mine in excess of 15 years.

The mines have a total resource (on a 10 year basis only) of approx 4.2 million carats at an average grade of approx 60 cpht.

This 10 year resource is conservative and takes no account of significant untapped exploration targets.

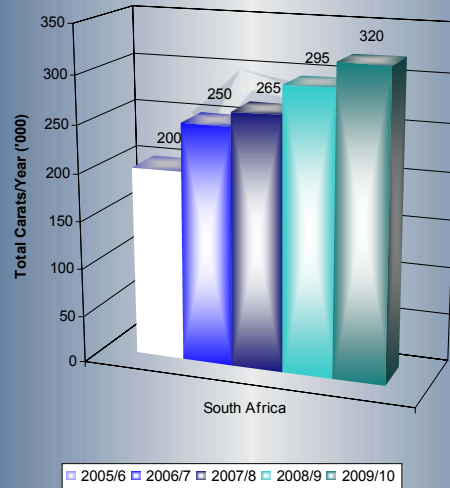
South Africa

The mines produced 144,000 carats in the year to June 2005 and are on track for significantly higher production of 200,000 carats for the year to June 2006.

Petra has expansion plans in place to further increase production from these three mines to 300,000 carats by 2009.

Revenue for the six months to 31 December 2005 was £5.4m. Helam and Sedibeng performed well; production issues at Star will be rectified by June 2006.

Production Growth (expected)



SOUTH AFRICA

Helam

Helam is a high grade fissure mine, 100% owned by Petra. The fissures have been exploited over a strike length of 7,000 metres and to a depth of 700 metres below surface.

The mine has consistently produced more than 80,000 carats per annum over the past 3 years and in the year to June 2006 is targeting 126,000 carats.

Helam also has some encouraging, and as yet unexplored, brown fields exploration targets.

For the six months to December 2005, the mine produced a total of 60,044 carats and generated sales revenue of US\$4.4m at an average price per carat of US\$81.

SOUTH AFRICA

Sedibeng

Sedibeng comprises the Messina and Dancarl operations which cover a 2,400 metre kimberlite fissure, the Bobbejaan Fissure. It is owned 74.5% by Petra, the balance being held by Petra's BEE partner. The mine produces exceptional quality diamonds.

Sedibeng is targeting 46,000 carats in the year to June 2006. For the six months to December 2005, the mine produced a total of 18,891 carats, and generated sales revenue of US\$4.1m at an average price per carat of US\$268.

In November 2005 the mine produced a 76 carat diamond which was sold for US\$465,000. With the changes now made to the mining methods, it is expected that such stones will be produced on a regular basis.

SOUTH AFRICA

Star

Star (100% owned by Petra) exploits a series of kimberlite fissure segments over an east-west trending strike length of 4.5 kilometres, part of a more extensive 15km long series of fissures.

Star is targeting 28,000 carats in the year to June 2006. For the six months to December 2005, the mine produced a total of 9,703 carats and generated sales revenue of US\$1.2m at an average price per carat of US\$150.

Changes to semi-mechanised mining are underway which will increase production and improve security.

SOUTH AFRICA

Kono Project

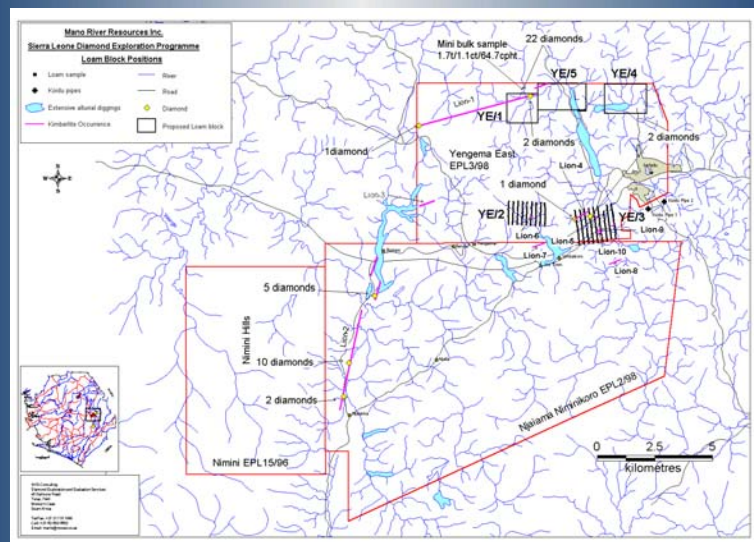
The Kono project area is located in the world renowned Koidu diamond field in the Kono district of east Sierra Leone.

Diamonds were first discovered in the Kono district in 1930. Known kimberlite pipes and fissures at Koidu are reported to contain some 6 million carats, the majority of these stones being of gem quality.

Official diamond exports from Sierra Leone saw exports for the six months to June 2005 of US\$76 million. The average price per carat was just under US\$280 per carat, which demonstrates the exceptional quality of Sierra Leone diamonds.

SIERRA LEONE

Kono Project



SIERRA LEONE

Kono Project

Petra is in JV with Mano River Resources. Petra has earned a 51% interest in the Kono project, through the expenditure of US\$3 million. Mano will now co-fund expenditure to maintain its interest. Petra is project manager.

The strike length of the Kono fissures may exceed the total strike length of Petra's South African fissure mines.

Further, the Kono fissures have the potential to yield high grades of approximately 100 cpht, as indicated by both Mano's and Petra's sampling of fissure Lion 5.

SIERRA LEONE

Kono Project

A production plant has been shipped to Sierra Leone and will be commissioned on site by June 2006.

Petra's site establishment team has transferred to Sierra Leone and site facilities are established.

Mining and engineering equipment has been shipped to Sierra Leone and all is on track for diamond recovery by June 2006.

Exploration shafts and facilities have been designed to facilitate a seamless transition to full scale mining. The production plant will be positioned centrally between the Lion fissures to reduce ore transportation time from the exploration and mining sites.

SIERRA LEONE

Kono Project

Full scale production will commence during 2006, with the mining being similar to that at Petra's South African operations.

Experienced personnel from the Petra's SA operations are on the ground to ensure smooth implementation.

Trenching prior for selection of intrusion points has given very encouraging results, with fissure widths of up to 1.7m having been exposed. Geological samples have returned exceptional mineral probing results.

The region around the known dykes is unexplored and there is a strong likelihood of further discoveries.

Petra estimates long term production may ultimately be up to 200, 000 carats pa at the Kono project.



SIERRA LEONE

Compared to its peers on AIM, Petra -



- is the largest diamond producer, producing 167,000 carats for the year to Dec '05 and expecting 200,000 carats for the year to June '06

- has the highest sales revenue, at £5.5m for the 6 months to Dec '05 and expecting £12m for the year to June '06

- is the largest employer (approx 2,000 employees), giving it real depth in mining and technical ability

- is compliant with IRFS, expensing all exploration expenditure rather than capitalising it to the BS

- has the largest market capitalisation (as at 22 Feb '06 £90m)

CORPORATE

Petra is, after De Beers -

the largest producer of diamonds by volume in South Africa

and

the largest employer in the South African diamond industry



CORPORATE

Key Financial Facts

Production year to June 06 – expected	200,000 carats
Revenue year to June 06 – expected	£12m
Cash (Jan 06)	£7m
Net balance sheet assets (June 05)	£37m
Shares in issue (70% institutional shareholders)	148m
Market cap (22 Feb)	£90m

CORPORATE

Summary

an outstanding exploration portfolio combined with cash flow positive, producing mines

highly experienced management, exploration and production teams

a strong treasury - £7 million at bank and negligible debt



operations in 3 of the world's top 5 diamond producing countries

increasing production from South Africa and Sierra Leone – 2006 forecast 200,000 carats, 2010 target 500,000 carats

Alto Cuilo is a world class asset, with over 1000 hectares of kimberlite under exploration and a further 3,000 hectares of anomalies to be investigated – unprecedented in diamond exploration – and in JV with BHP Billiton

A growing force in winning diamonds from Africa's rich resources

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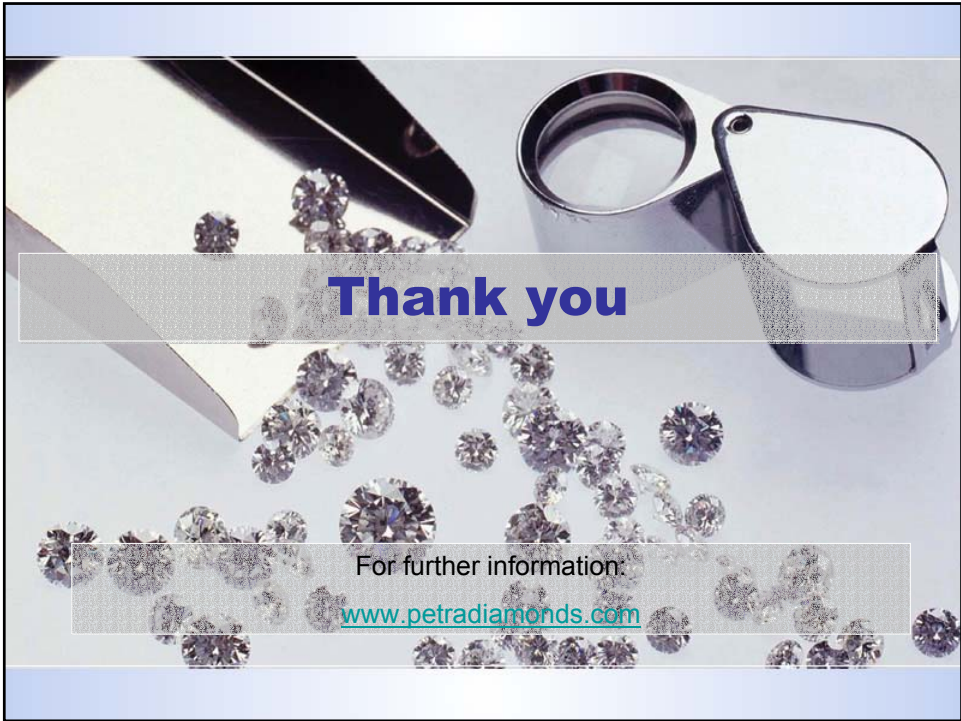
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