



29 December 2016

LSE: PDL

Petra Diamonds Limited
 (“Petra”, “the Group” or “the Company”)

Report on Payments to Governments for the Year ended 30 June 2016

Petra Diamonds Limited publishes the Company’s payments to governments for the year ended 30 June 2016 (“the Year” or “FY 2016”) (the “Report”).

Background

This Report, which provides an overview of the payments to governments made by Petra Diamonds Limited, its subsidiaries and jointly controlled operations, is required under the United Kingdom’s (“UK”) Report on Payments to Governments Regulations 2014 (as amended) (“the Regulations”), which apply to large, UK-listed extractive companies. The Report aims to satisfy the Regulations as well as the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the UK.

For the purposes of this Report, government will include any national, regional or local authority of a country, and includes a department, agency or entity that is a subsidiary of a government, and excludes any expenses on utilities procured from State Owned Enterprises.

Level of reporting

Petra is required to report payments made which individually or collectively exceed GBP 86,000 (EUR 100,000) within a financial year. The Report has been prepared in terms of this stipulation contained in the Regulations, however payments below this threshold may also be included.

Payments per government

Total payments to governments under the Regulations amounted to \$8.9 million in FY 2016.

| Expense Type (US\$ thousand) ^{1,2} | Bermuda | Botswana | Netherlands | South Africa | Tanzania | UK | Total |
|--|----------------|-----------------|--------------------|-------------------------|-----------------|-----------|--------------|
| Corporate taxes | | | 144 | | 237 | | 381 |
| Mining and other licence fees | | | | | 523 | | 523 |
| Royalties | | | | 1,472 | 3,957 | | 5,430 |
| Infrastructure improvements | | | | 748 | 493 | | 1,241 |
| Other | | | | 673 | 627 | | 1,300 |
| Total | 0 | 0 | 144 | 2,893 | 5,838 | 0 | 8,875 |

1. Payments are shown in US\$ equivalent amounts for the financial year ending 30 June 2016.

2. Certain financial data has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

Payments by project

The following table shows payments to governments made by the Group broken down by project and geography.

| Geography / Project | Expense Type (US\$ thousand) ^{1,2} | | | | | |
|---|--|-------------------------------|--------------|-----------------------------|--------------|--------------|
| | Corporate taxes | Mining and other licence fees | Royalties | Infrastructure improvements | Other | Total |
| <i>South Africa</i> | | | | | | |
| Finsch | | | 777 | 289 | 248 | 1,314 |
| Cullinan | | | 394 | 220 | 14 | 628 |
| Combined Kimberley Operations | | | 170 | 6 | 245 | 421 |
| Koffiefontein | | | 131 | 233 | 139 | 503 |
| Corporate and Other | | | | | 26 | 26 |
| Total South Africa | | | 1,472 | 748 | 672 | 2,892 |
| <i>Tanzania</i> | | | | | | |
| Williamson | 237 | 523 | 3,957 | 493 | 627 | 5,838 |
| Total Tanzania | 237 | 523 | 3,957 | 493 | 627 | 5,838 |
| <i>Other jurisdictions</i> | | | | | | |
| Petra Diamonds Netherlands | 144 | | | | | 144 |
| Total Petra Diamonds Netherlands | 144 | | | | | 144 |
| Total | 381 | 523 | 5,430 | 1,241 | 1,300 | 8,875 |

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Types of payments

The information is reported under the following summary headings:

Corporate Taxes

These are taxes paid by Petra on its income and profits in accordance with legislation enacted in the applicable jurisdictions, but exclude taxes levied on consumption (e.g. VAT, personal income taxes and sales taxes). Payments are reported net of refunds.

Mining and other license fees

These are mining licenses and regional levies paid by Petra in accordance with legislation enacted in the applicable jurisdictions.

Royalties

Royalties levied on the sale of rough diamonds. South African royalties are calculated on a sliding scale based on profitability and Tanzanian royalties are levied at a fixed rate.

Infrastructure improvements

These include Community Social investment and Local Economic Development related expenditure on permanent infrastructure, such as the Onverwacht school and sports grounds, which forms part of Cullinan's local community.

Other

Payments towards custom and excise duties, property rates and taxes.

There were no reportable payments to a government for production entitlements or signature, discovery or production bonuses during the year under review.

This report is also available on the Company's website at:

www.petradiamonds.com/investors/results-reports/.

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market. The Company has interests in five producing operations: three underground mines in South Africa (Finsch, Cullinan and Koffiefontein), the Kimberley Operations (including the Kimberley Underground mine and extensive tailings retreatment operations) and one open pit mine in Tanzania (Williamson). It also maintains an exploration programme in Botswana.

Petra has a core objective to steadily increase annual production to ca. 5.3 million carats by FY 2019. The Group has a significant resource base in excess of 300 million carats.

Petra conducts all operations according to the highest ethical standards and will only operate in countries which are members of the Kimberley Process. Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL' and is a constituent of the FTSE4Good Index. For more information, visit the Company's website at www.petradiamonds.com.