

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

Cost savings target increased to more than US\$30m per annum and entry into definitive transaction agreement for the sale of Koffiefontein

In line with its approach to building business resilience, Petra announces additional steps to reduce costs and provides an update of the sale of its interest in the Koffiefontein Diamond Mine (KDM).

Richard Duffy, Petra's Chief Executive Officer, said:

"We remain on track to deliver the US\$75 million of cash savings in FY 2024 as a result of capital deferrals and cost savings of circa US\$10 million. The Company has further increased its cost savings target for FY 2025 to more than US\$30 million per annum, on a sustainable basis going forward, across its South African operations, centralised services and overheads. This cost rebase will align our group support structures with our more streamlined operational requirements and transition Petra to a more smoothed capital profile to enable sustainable net free cash flow generation, notwithstanding the continued slower recovery of the diamond market as a result of ongoing economic uncertainty and weakness in China.

Regular updates on the Company's delivery against the US\$30 million plus annualised cost savings target will be provided and an update on our revised Life of Mine Plans, incorporating our transition to a more smoothed capital profile, will be shared at the end of June 2024.

Since taking the decision to close Koffiefontein, Petra has remained committed to also exploring a responsible exit in consultation with its stakeholders. I am pleased that the sale agreement reached with Stargems will, once completed, provide ongoing economic activity in the region. We believe Stargems has the technical and financial capability to conduct operations in a responsible manner for all stakeholders. We look forward to working closely with the DMRE, employees, community representatives and other key stakeholders in completing the sale. As a result of this transaction, Petra will avoid incurring closure-related costs of US\$15-18 million included in the Company's 31 December 2023 balance sheet provisions."

Further reduction in operating expenditure

The Company's group structure is being realigned to meet the requirements of the operations. Regrettably, as a result of this group restructure, S189(3) notices (proposed retrenchments) under the South African Labour Regulations Act (LRA) have been issued to all group employees to commence consultations around affected roles.

At Finsch Mine, a proposal to revise throughput tonnages from circa 2.8 to 2.2 million tonnes per annum has required a review of the current continuous operations shift configuration. As a result, S189(3) notices under the LRA have been issued to affected employees and consultations with organised labour have commenced.

At Cullinan Mine, cost savings targets have been set assuming currently planned throughput tonnages going forward.

Collectively, the measures outlined above are expected to deliver in excess of US\$30 million of sustainable annualised operating cost savings from FY 2025 onwards.

Entry into definitive transaction agreement for the sale of Koffiefontein

Further to Petra's announcement on 13 December 2023 regarding its entry into a non-binding term sheet for the sale of KDM, Petra is pleased to announce it has now entered into a definitive transaction agreement with affiliates of the Stargems diamond group (Stargems) for this transaction. Stargems has a significant global presence in the diamond and jewellery industry, including as an owner and operator of diamonds mines in South Africa.

On completion of the sale, Petra will transfer its stake in the entity that owns KDM to Stargems for a nominal cash consideration and will no longer be responsible for KDM's environmental rehabilitation liabilities and care and maintenance costs. In Petra's interim results for H1 FY 2024, provisions totalling US\$23.1 million were made for liabilities, costs and commitments associated with KDM. After completion, Petra will remain liable for funding certain ongoing social commitments relating to KDM that were made during Petra's ownership.

Completion of the sale is subject to obtaining the consent of the Department of Mineral Resources and Energy in accordance with Section 11 of South Africa's Mineral and Petroleum Resources Development Act.

Petra will provide further updates on the progress of completing the sale in due course.

Petra is being advised on the sale by Questco Corporate Advisory, a South African-based boutique corporate advisory firm, and Edward Nathan Sonnenbergs Inc. as legal advisors.

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in three underground mines in South Africa (Finsch and Cullinan Mine) and one open pit mine in Tanzania (Williamson). The Koffiefontein mine is currently on care and maintenance in preparation for sale or closure.

Petra's strategy is to focus on value rather than volume production by optimising recoveries from its high-quality asset base in order to maximise their efficiency and profitability. The Group has a significant resource base which supports the potential for long-life operations.

Petra strives to conduct all operations according to the highest ethical standards and only operates in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL'. The Company's loan notes due in 2026 are listed on the Irish Stock Exchange and admitted to trading on the Global Exchange Market. For more information, visit www.petradiamonds.com.

