

Independent auditors' report

to the shareholders of Petra Diamonds Limited

We have audited the Group financial statements (the financial statements) of Petra Diamonds Limited for the year ended 30 June 2010 which comprise the Consolidated income statement and Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Consolidated statement of cash flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing.

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with applicable law and IFRS as adopted by the European Union. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the report to consider whether it is consistent with the audited financial statements. The other information comprises 2010 Financial year highlights, Corporate profile, A timeline of growth, Asset overview, Summary of results – FY2010, Making history – The Cullinan Heritage, Chairman's statement, CEO's review, Results and financial review, Reserves and resources, Board of directors, Sustainable development, Directors' report, Directors' remuneration report and Corporate governance statement. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1981 as enacted in Bermuda relating to the responsibilities of auditors and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1981 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as at 30 June 2010 and of its profit for the year then ended.



BDO LLP

Chartered Accountants

London

24 November 2010