

RNS Number : 6103S
Petra Diamonds Ltd
21 May 2009

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AIM: PDL

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

Kono Project placed on temporary care and maintenance

Petra Diamonds announces that the Kono kimberlite fissure project in Sierra Leone, a joint venture with Stellar Diamonds Limited ("Stellar"), has been placed on temporary care and maintenance. This decision will be reviewed by both parties when the rough diamond market improves sufficiently to achieve a more reasonable sales value for the Kono trial mining production.

The Kono project is currently sole-funded by Stellar and is at an advanced stage of exploration, with underground trial mining having been undertaken at the Pol-K and Bardukimberlites.

The project has no carrying value in Petra's balance sheet and therefore there are no impairments to be recognised by Petra with regards to the care and maintenance decision.

Johan Dippenaar, CEO of Petra, commented: *"Despite the encouraging diamond grades we continue to encounter at Kono, it is not sustainable to maintain the development and trial mining until we see diamond prices at a more appropriate level. We have therefore decided, along with our partner Stellar Diamonds, to place the project on temporary care and maintenance and it will be relatively quick and easy to resume trial mining at a later date."*

Project Update

The total number of diamonds produced to date from the trial mining is over 4,400 carats. The in-situ grade of the Pol-K kimberlite consistently averages 65 carats per hundred tonnes ("cpht"). At Bardu, a new kimberlite intrusion has recently been intersected and sampled and has returned an average grade of 140 cpht, with a high frequency of +1 carat stones.

A parcel of 2,697 carats of diamonds was recently exported to Antwerp for sale. The parcel comprised mainly Pol-K goods (80%), along with Bardu goods (20%). The sale

realised US\$125,000 at an average value of US\$46.34 per carat. By means of comparison, in September 2008 a sale of 811 carats from Pol-K and 252 carats from Bardu realised average prices of US\$152 and US\$52 per carat respectively (US\$128 per carat average).

The difference between the two sales values demonstrates the present adverse conditions in the diamond market. On this basis Petra and Stellar have agreed that the Kono project be placed on temporary care and maintenance until the rough diamond market improves sufficiently to achieve more reasonable sales values for what the partners consider to be good quality run of mine diamond product.

Petra's interest in the Kono project is 51%, with joint venture partner Stellar Diamonds Limited ("Stellar"), a 59.6% owned subsidiary of Mano River Resources Inc (AIM: MANA, TSX-V: MNO), holding the remaining 49%. Stellar is currently sole-funding the project and Petra has until 31 December 2009 to elect to refund Stellar for the 51% of the exploration incurred since 1 January 2009, or alternatively to dilute its interest in Kono.

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About Petra Diamonds

Petra Diamonds is a rapidly growing diamond mining group, focused on the African continent. A number of recent acquisitions have established Petra Diamonds as one of the world's largest independent diamond groups by resources, with a total resource base of 265 million carats worth US\$27.3 billion (as at September 2008 Resource Statement). The Company's objective is to continue to develop its stature as a leading diamond producer in all of the countries in which it operates.

In South Africa, Petra Diamonds has interests in five producing mines - Cullinan,

Koffiefontein, Helam, Sedibeng and Star - and has also reached agreement to acquire, from De Beers, the Kimberley Underground mines. In Tanzania, Petra has a 75% interest in the Williamson mine. Petra Diamonds is on track to increase its annual production from 200,000 carats in the year to June 2008 to over 1 million carats in the year to June 2009.

Petra Diamonds will only commit to working in countries which are members of the Kimberley Process and shareholders can remain assured that the Company's diamonds will only ever be 100% conflict free. Petra Diamonds is listed in London under the share code PDL.

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