



18 October 2006

Petra Diamonds Limited

Bulk Sampling Commenced at Alto Cuilo Project in Angola

Petra Diamonds Limited ("Petra"), the AIM-quoted and ASX-listed diamond mining group, is pleased to announce that bulk sampling has commenced at the Alto Cuilo project ("Alto Cuilo") in Angola. This programme is being undertaken to generate a better understanding of the kimberlite deposits as well as producing critical data relating to grade and value per carat.

The large diameter drill rig ("LDD rig") has commenced operation and will initially stockpile 200 tonne bulk samples from each selected kimberlite, to be treated by the 10 tonne per hour Dense Media Separation ("DMS") plant which is expected to be commissioned in November 2006. This lead time will enable the exploration team to stockpile sufficient material to enable the DMS plant to go directly to full capacity treatment of the samples when it is commissioned. Priority targets have already been identified and ranked for LDD drilling according to mineral chemistry, surface area and logistical considerations. Initial results are expected by December 2006.

The LDD rig is a RB40 drill rig from Prakla Bohrtechnik in Germany and will be drilling holes with a diameter of 43 centimetres (17 inches) to depths of up 350 metres. The LDD rig is able to extract volumes of material large enough to enable Petra to evaluate macro diamonds that may be contained therein, as well as giving more accurate data relating to overall grade and carat value.

Johan Dippenaar, Petra's CEO, commented, "The commencement of bulk sampling is a significant step in the development of Alto Cuilo, following the extensive exploration that has been carried out to date. The bulk sampling programme is important as the results will give us a much better idea of the potential project economics. Alto Cuilo is now at the advanced stage of exploration and, working with our joint venture partner BHP Billiton, we continue to fast track the development of this major project."

To view first pictures of the drill rig in operation please go to www.petradiamonds.com

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Notes

1. The information in this update that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Jim Davidson, Pr. Sci Nat (reg No 400031/06), who is a Member of the Geological Society of South Africa, a 'Recognised Overseas Professional Organisation' ('ROPO'), included in a list promulgated by the ASX from time to time. Jim Davidson is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the

activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Jim Davidson has given his written consent to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Jim Davidson is the Qualified Person for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006

2. It should be noted that the potential quantity in this report is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

For further information, please contact:

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