

**MEDIA RELEASE**

**De Beers Unveils Next Generation Diamond Mine in the  
Historic Home of Diamonds**

**Tuesday 4 November 2008** – De Beers' Voorspoed Diamond Mine in South Africa, the first of a new generation of mines that sets new standards in environmental and social performance, was officially opened today by the Honourable Ms Buyelwa Sonjica, South African Minister of Minerals and Energy. Ms. Sonjica was joined at the opening ceremony by Nicky Oppenheimer (Chairman of the De Beers Group), Manne Dipico (Chairman of De Beers' Broad Based Black Economic Empowerment (BBEE) partner, Ponahalo Holdings Limited, and the Deputy Chairman of De Beers Consolidated Mines (DBCM)), together with Gareth Penny (Managing Director of the De Beers Group) and David Noko (Managing Director of DBCM). The mine Operations Manager, Andy Taylor, hosted the guests, with leaders of local government, members of the community and all mine staff. South Africa is the home of the modern diamond mining industry following the discovery of diamonds in 1866.

Voorspoed is the first De Beers mine to be opened in South Africa since DBCM entered into the groundbreaking BBEE transaction with Ponahalo in 2006. The mine has an exemplary environmental, rehabilitation and eventual closure plan that began to be implemented before construction of the mine, and long before the first diamond was even recovered from the ground. As a result, Voorspoed has a far-reaching environmental and social investment programme that has already begun to ensure that the mine's impact will be felt in the communities in which De Beers and Ponahalo operate.

As a new generation mine, Voorspoed will be operated by a new generation of miner. Voorspoed employees are more qualified than is traditional for a mining environment in South Africa. All employees have fully completed secondary school, and many have had tertiary education. The mine already has an outstanding record of 'women in mining' and 25 per cent of technical and mining jobs are held by women, while 36 per cent of the mine complement is female.

Speaking before the opening ceremony today, Nicky Oppenheimer said "This is an historic milestone for De Beers and our empowerment business partners. Voorspoed is the embodiment of insights we have made throughout our years of operation, about how to operate an efficient mine in a way that helps our producer partners achieve their aspirations of turning natural resources into shared national wealth. I am particularly pleased that Ponahalo has played such an active role in developing this new mine and in involving the community, members of which account for nearly fifty per cent of the Voorspoed workforce."

Mr. Oppenheimer added, "Voorspoed is the first major new diamond mine to be opened in South Africa for almost two decades, and is testament to our confidence in the robust future of the diamond industry. "

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Also speaking before the ceremony, David Noko said “Voorspoed represents a new generation of mines operated by De Beers; the employee profile is young - less than 35 years - and all employees recruited have an education level higher than any other diamond mine in South Africa. The role of the modern miner is more empowered and well-rounded than ever before. Voorspoed is an example of what is meant by mutually beneficial partnerships – the model that De Beers works to and continually strives for.”

Mr. Noko concluded “I would particularly like to pay tribute to our partners, Ponahalo, who have contributed so much to the success that we are celebrating today. Few people fully appreciate that it is more than just financial investment that is required to bring a mine on stream. It also takes the commitment of a vast team over many years. I would therefore like to thank all the people that have worked tirelessly to make today possible.”  
Ends

### **All about Voorspoed Mine**

Voorspoed is expected to produce approximately 800 000 carats per annum when in full production, making the mine an important contributor to De Beers’ Group future production at a time when known diamond reserves have never been lower. The mine will ramp up production from a position of having produced approximately 60 000 carats by October 2008.

The Voorspoed Mine is situated approximately 30 km North East of Kroonstad in the Fezile Dabi District of the Free State Province. The mine was awarded its New Order Mining Licence on 10 October 2006. De Beers acquired the mine in 1912 from the Voorspoed Diamond Mining Company (VDMC), who had closed the insolvent mine after experiencing difficulty mining the hard and competent kimberlite. The technology now employed, efficiency of employees, value of diamonds and the confidence De Beers has to invest R1.3 billion rand in South Africa, and in this new diamond mine has allowed the development of Voorspoed to go ahead with confidence. Voorspoed Mine is expected to be operational for the next 12 to 16 years which includes the mine’s pre-strip; ramp up of production and closure. Over the full life of mine, Voorspoed is expected to produce in excess of 10 million carats.

The recovery of diamonds from the limited initial production of 60 000 carats has been promising with a value of approximately \$120 a carat, above the South African average of \$100 a carat. An occasional fancy coloured diamond has been recovered though at this point in time the initial mine production is too small a sample to determine with any certainty the future production profile.

All major construction was completed by Murray and Roberts by the end of March 2008, and commissioning activities started in December 2007 while construction was underway. Production ramp-up started in May 2008, testing full production levels by the end of September 2008 (nine months ahead of the project baseline schedule). During the construction phase of the mine the employment at the site rose to a peak of 1200 employees.

During the life of the mine, in excess of R1 billion rand will be generated in the Free State region. At peak production levels, 70 per cent of the 430 full time employees at Voorspoed will be from the local community. The mine complement is 87 per cent historically disadvantaged South African (HDSA), HDSA employees account for 72 per cent of the management positions. The mine will also make use of local suppliers for its non-core activities, with the focus being to promote regional Black Economic Empowerment (BEE) through the facilitation and transfer of business and entrepreneurial skills. More than 50 per cent of procurement is already sourced from Black Empowered and Owned companies. The mine is also proud to be promoting the ‘Women in Mining’ initiative, with women accounting for 25 per cent of the technical staff employed to date, and opportunities have been identified for employees with disabilities and the first three appointments have been made in the technical and services support areas of work. A total budget

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of R86.5 million has been provided for environmental management during the life of the mine and is further evidence that the stewardship of environmental resources is a core part of De Beers' commitment to the future of the countries in which we operate.

### **About De Beers**

De Beers, established in 1888, is the world's leading diamond company with leadership expertise in the exploration, mining and marketing of diamonds. De Beers, and its joint venture partners, operate in 25 countries across five continents employing around 20,000 people. From its mining operations across Botswana, Namibia, South Africa and Canada, De Beers produces and markets approximately 40 per cent of the world's supply of rough diamonds. As part of the company's operating philosophy, the people of De Beers are committed to *Living up to Diamonds* by making a lasting contribution to the communities in which they live and work. De Beers encourages sustainable working to ensure long-term positive development for Africa, and returns approximately US\$4.7 billion to the continent every year. For further information about De Beers visit [www.debeersgroup.com](http://www.debeersgroup.com)

### **About Ponahalo**

In 2005, De Beers announced a groundbreaking Broad-based Economic Empowerment agreement with Ponahalo Investment which saw the sale of 26 per cent of the equity of De Beers Consolidated Mines (DBCM) to Ponahalo. The shareholders in Ponahalo represent a broad cross-section of South African society, including business leaders, women, and communities, people with disabilities and pensioners and current De Beers employees. This sale is heralded to be a clear demonstration of De Beers becoming a company that truly reflects the non-racial ideals of South Africa and its commitment to transformation in the economy and society.

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**Enquiries:** Photographs of the mine and the opening ceremony are available at [www.debeersgroup.com](http://www.debeersgroup.com)

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