

Mongolia

Under Explored, Highly Prospective, Low Cost On Shore Oil



PETROMATAD

Booth #1865

A wide, straight dirt road with deep tire tracks leads from the foreground into the distance. The road is flanked by dry, yellowish-brown grass and patches of snow. In the far distance, an oil rig and several small buildings are visible on the horizon under a clear, bright blue sky.

The Prolific Central Asia Lacustrine Play

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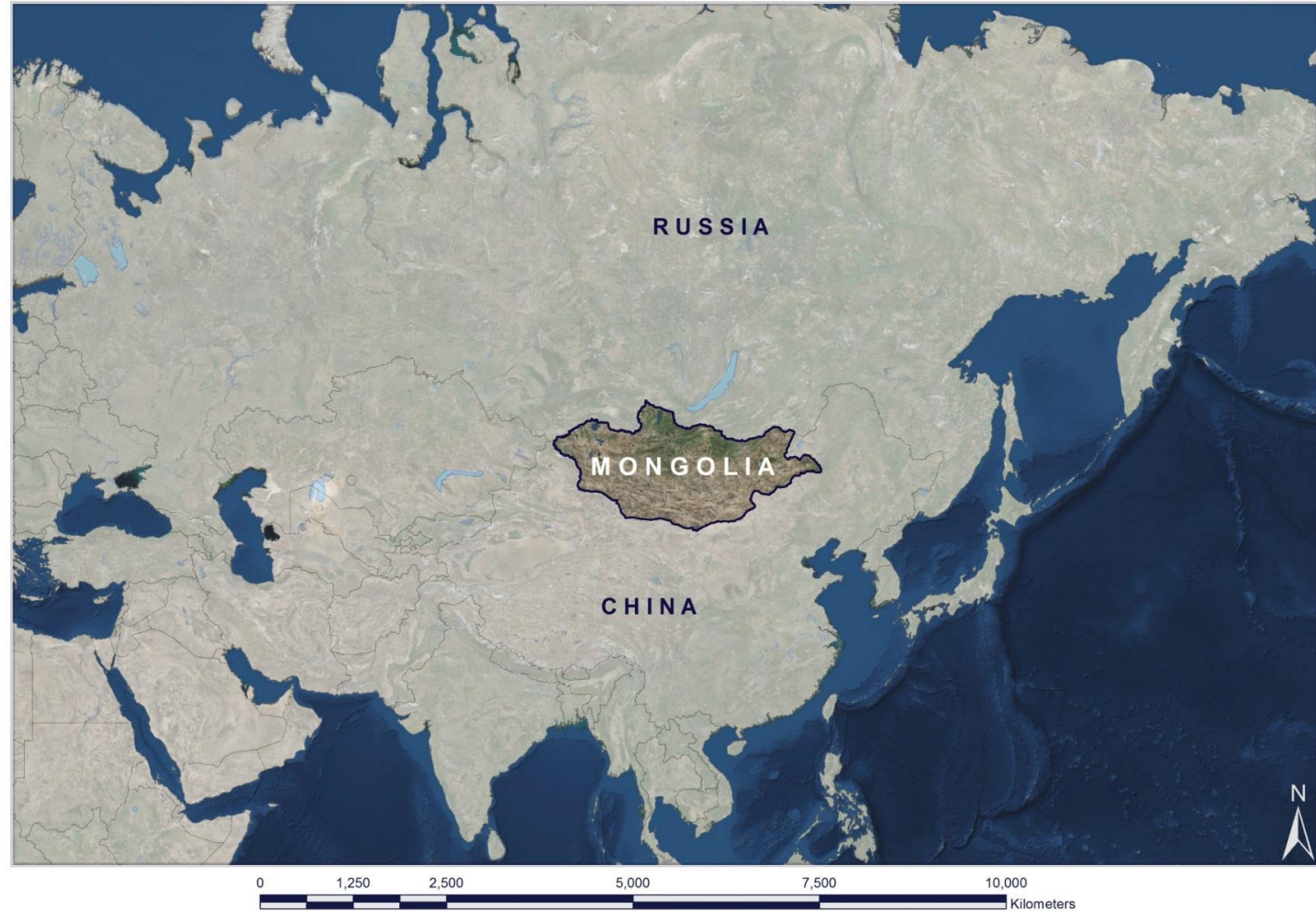
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Mongolia Overview

- Central Asia's only democracy after 70 years as a Soviet satellite
- Annual GDP is \$12Bn and to date is heavily reliant on the mining sector
- Produces 21,000 barrels of oil/day (2017) from fields close to Chinese border
 - including from Blocks XIX and XXI adjacent to Petro Matad's Block XX
- Exports 100% of produced crude to China at a price benchmarked to globally traded crude
- Pays a high price for refined products from Russia which has a monopoly on supply
- Energy independence a priority for the government
- Petro China, Sinopec, Petro Matad are the only internationally recognized E&P players operating in country
- Very little petroleum exploration activity
 - despite having numerous prospective basins adjacent, and geologically similar, to prolific oil producing basins in China



Company Overview

Petro Matad Limited

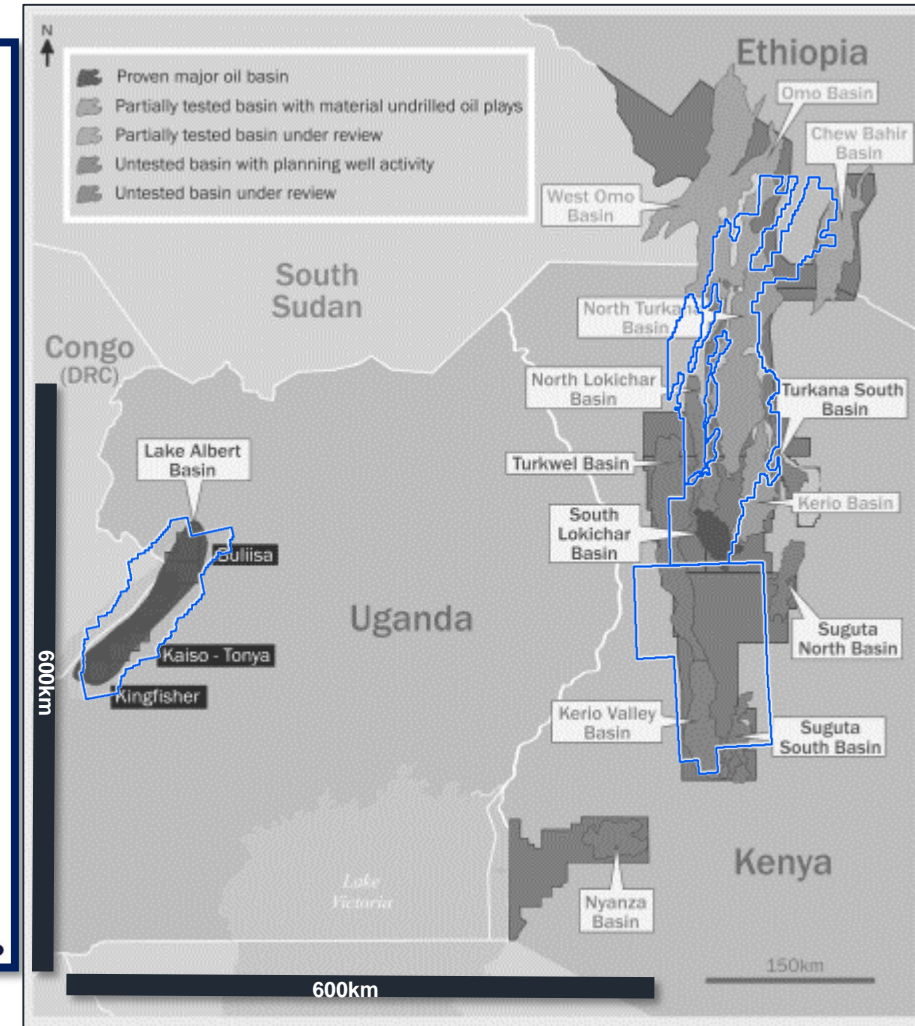
- London, AIM Listed (MATD)
- Proven Operator, Mongolia Focused
- Large acreage position **~15 Million Acres** (>60,000km²) **@ 100%**
 - Including proven productive and undrilled basins geologically similar to prolific basins in N China
- Entering a transformational period of operational activity
 - 4 well drilling campaign with low risk, near field targets and high impact basin opener wells
 - Extensive follow-up target portfolio

Petrovis

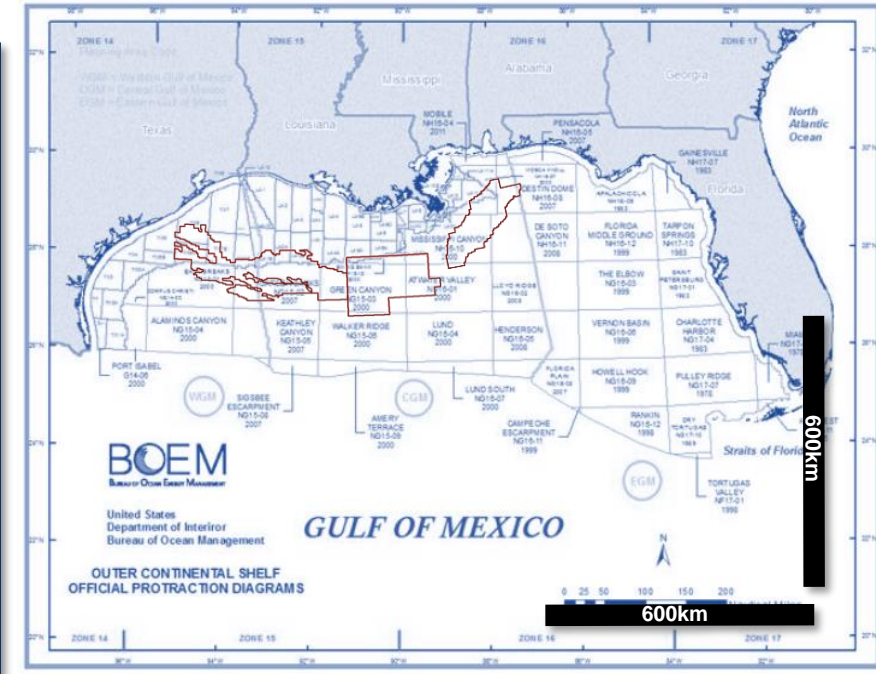
- Petro Matad's major shareholder
- Mongolia's largest fuel importation and distribution company
- Founding stakeholder and supportive throughout the company's life
- Aspirations to participate in development of domestic Mongolian refining business



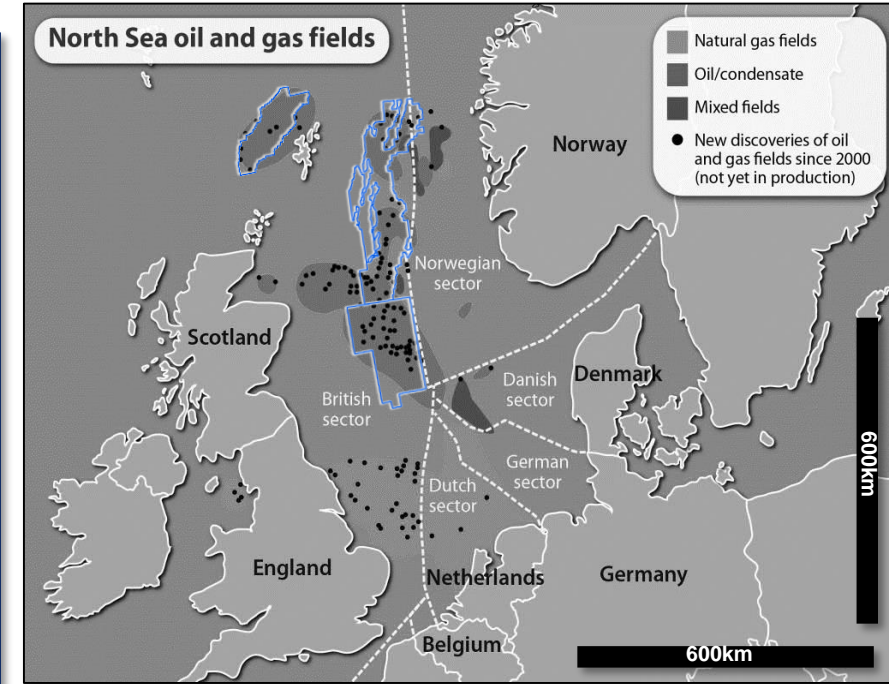
Petro Matad Acreage Position

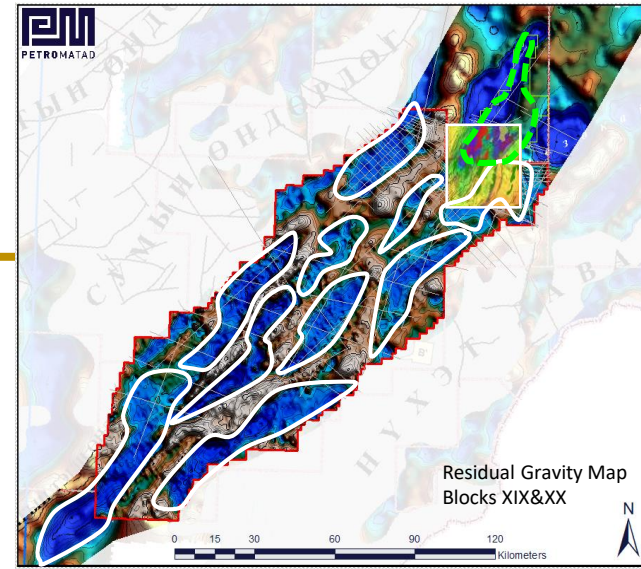


Petro Matad Acreage Position



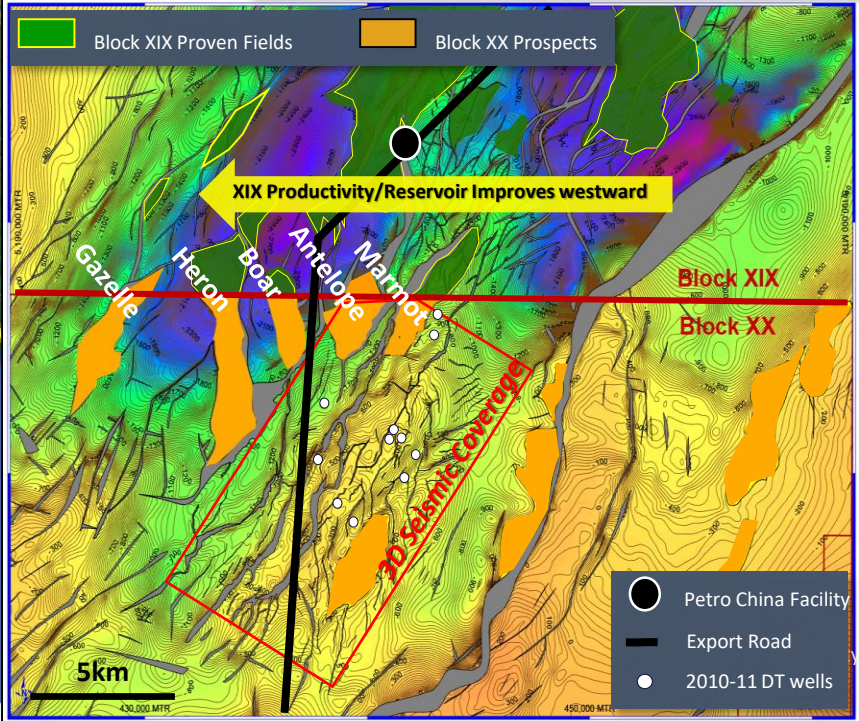
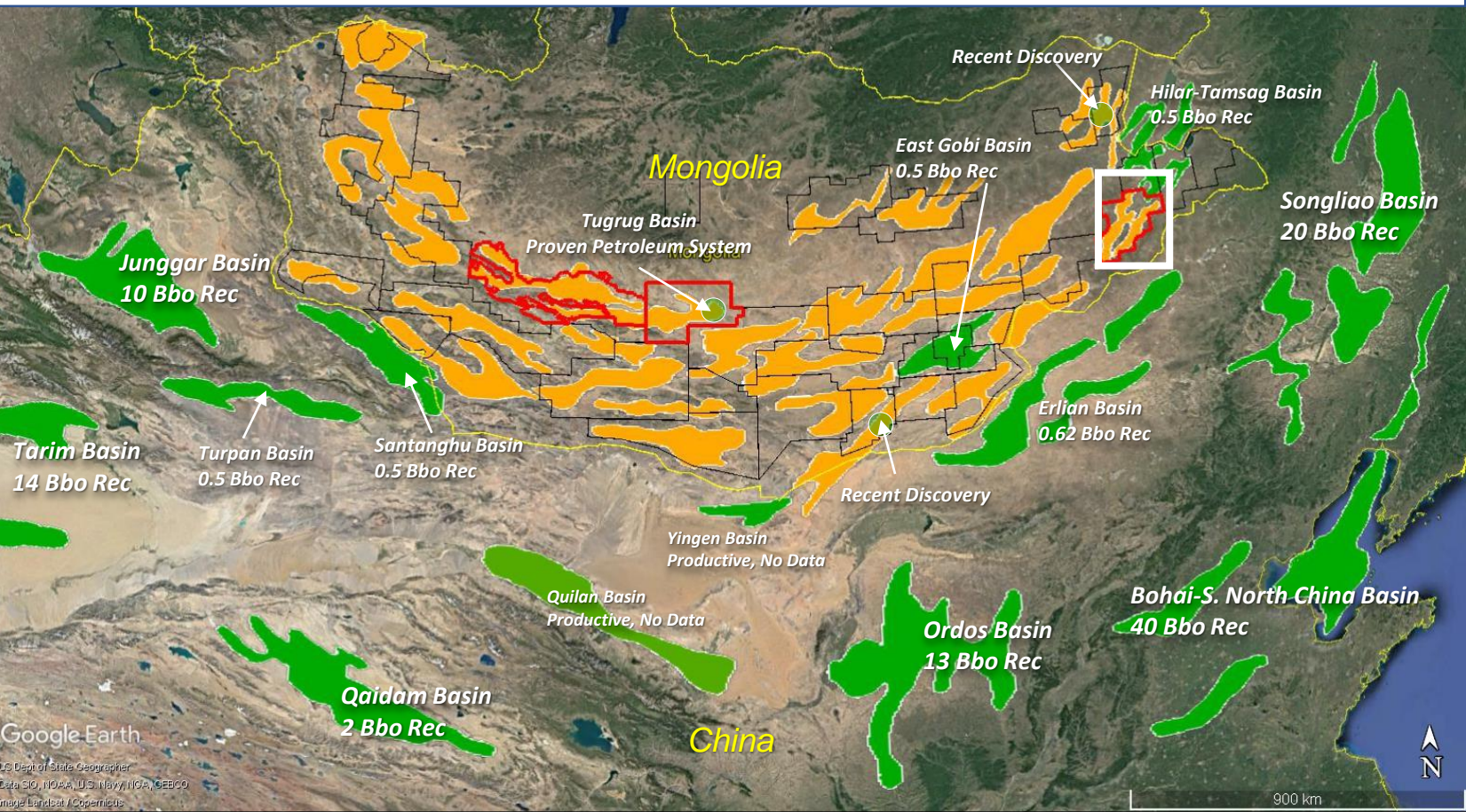
Petro Matad Acreage Position





China: The Proven Prolific Analog

Productive and Prospective Basins of East-Central Asia



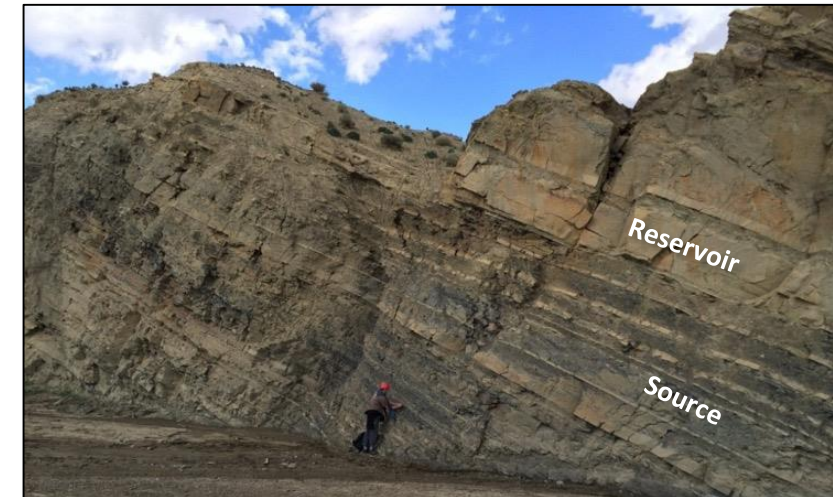
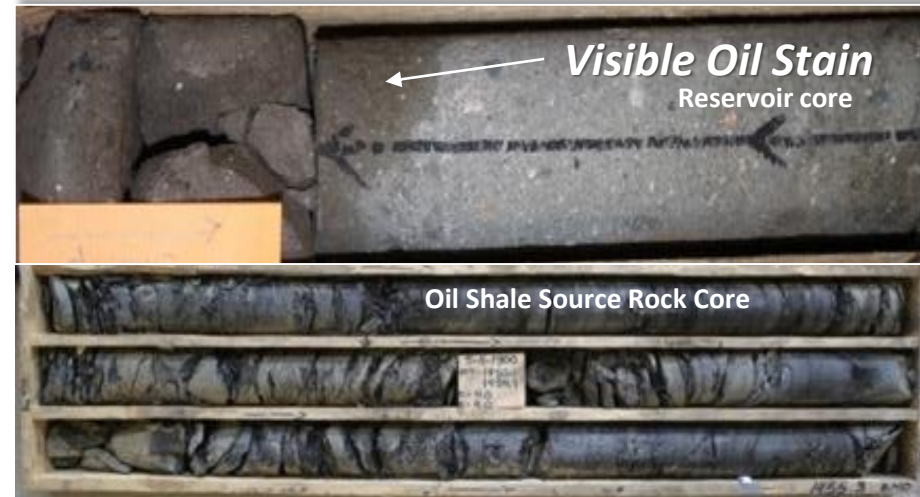
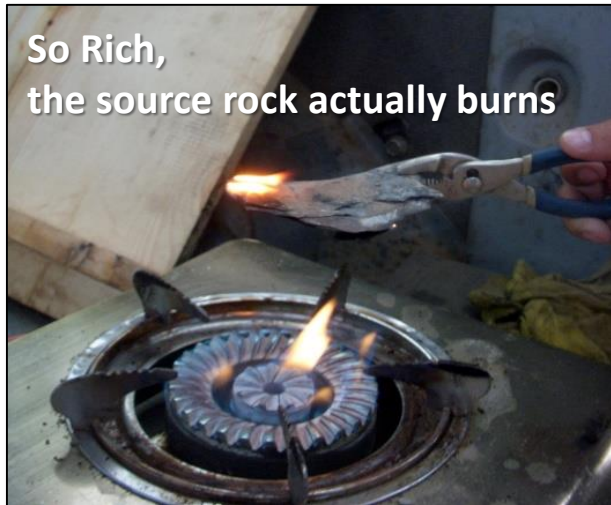
References:

- The Cretaceous Play and the exploration potential of the East Gobi Basin, Mongolia. 2015, Qin Et al
- Tellus Database, CGG Robertsons
- Analysis of the distribution of onshore sedimentary basins and hydrocarbon potential Z. Et Al
- Company internal estimates in China. 2015. Jiang

The Rocks

Late Jurassic - Early Cretaceous Mega-Sequence (MS2)

- Extensional lake basins preserved the geologic components for the proven productive oil province of the China-Mongolia region
- This system generates the giant oil fields of Eastern China and has been proven productive in Eastern Mongolia as well
- Source rocks are world class oil shales. They are thick, rich and have very high oil generation potential
- Reservoir rocks are interbedded with the source rock and have high porosity and good permeability potential
- The oil shales also act as effective top seals and create effective seals across faults



Source, Reservoir, and Seal in Place

Proven Petroleum System – Western Basins

TSC-1: Stratigraphic core hole (TD: 1,603m)

- Situated on basin margin
- Proved source and reservoir presence
- High porosity sands (10-30%). Good permeability in basal sands (50md+)
- 40m of good quality source rock with 3-5% TOC

Live oil staining in sand and basement

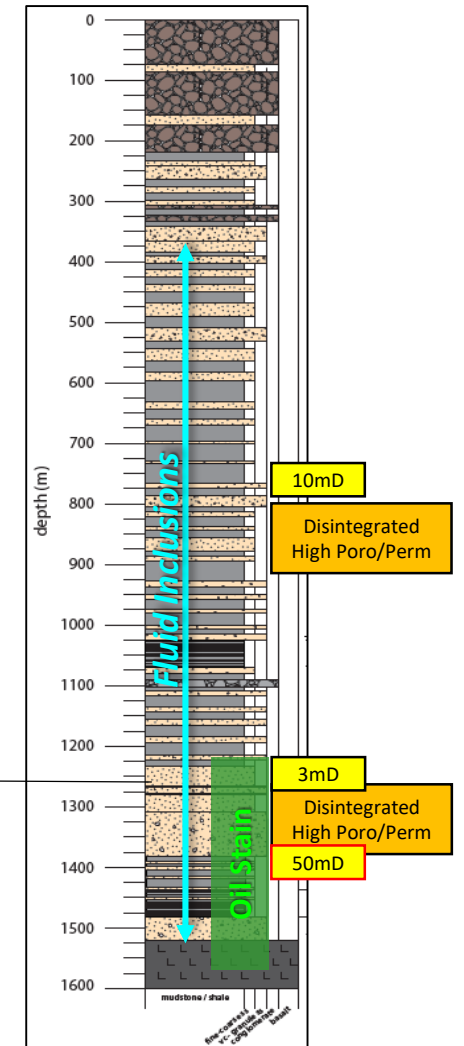
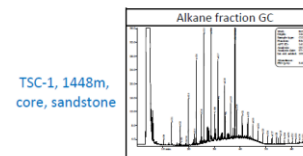
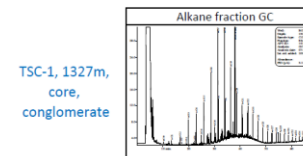
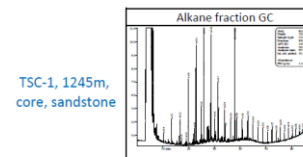
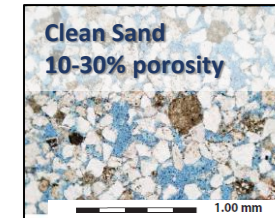
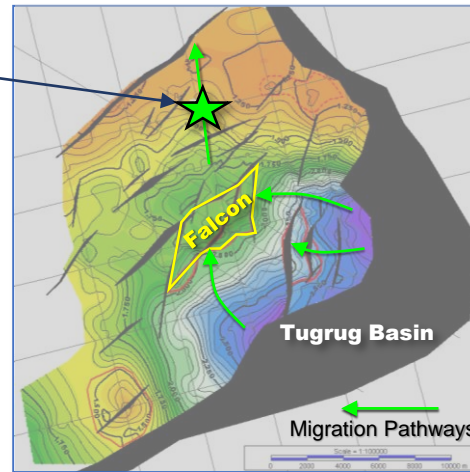
- Pervasive oily fluid inclusions observed in sands
- Source rock in well is immature, so oil has migrated to this location
- Oil extracted not biodegraded indicating currently active migration
- Derived from a brackish lacustrine source

Core hole gives good tie to seismic

- Penetration of basement gives confident tie to seismic
- Seismic shows source and reservoir units thickening in to basin

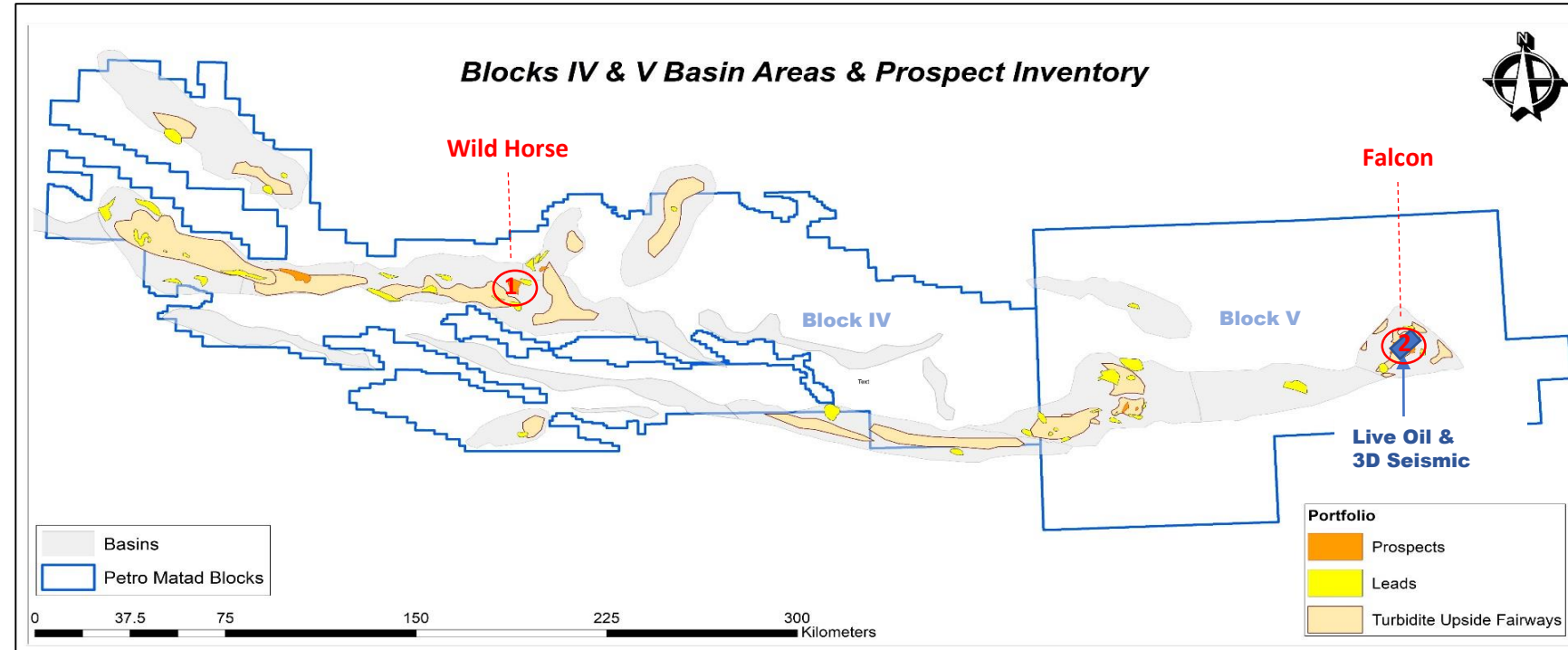
Core hole eliminates play risk for the Falcon area

- Chance of success is solely prospect specific
- Very unusual for the first well in an undrilled area



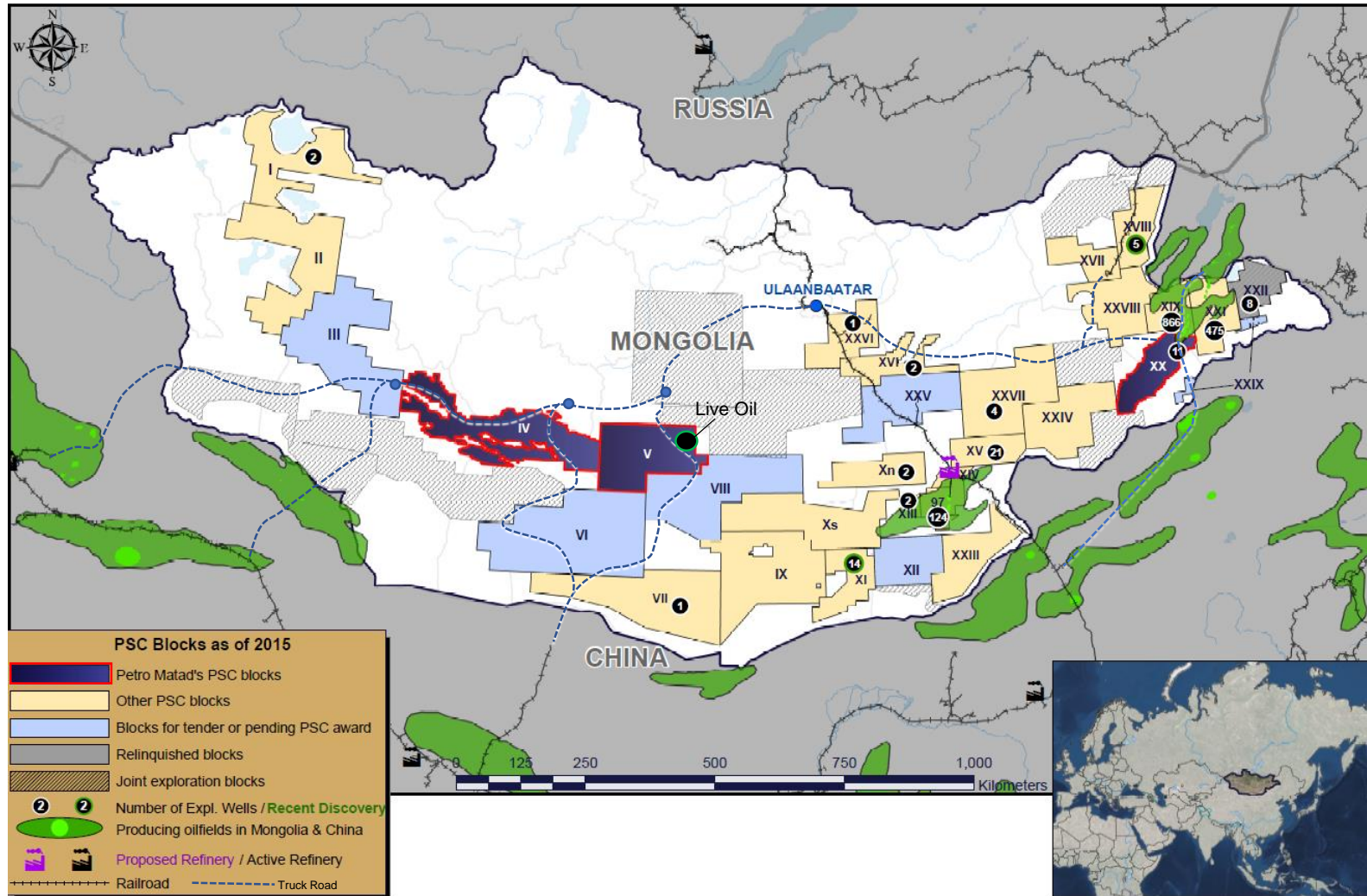
Basin Opener Opportunity – Western Basins

- 12 prospective basins
- Source and Reservoir Proven in outcrops and core
- 4 core holes (3500m of core) with oil shows
- Blockwide gravity and magnetics, 11,000km FTG,
- 4000km 2D seismic,
 - 200km² 3D
- Multi-billion barrel in place potential *



- Inventory of 55 Prospects and Leads *
- First 2 targets identified
- Risk independent - drilling back to back from Q2 - 2018
- Extensive portfolio of follow up targets, de-risked upon success
- **Recoverable potential > 2Bbo ***

Under-Explored, Proven Productive, with Routes to Market



Conclusion

Low cost, onshore, oil exploration

- Near field exploration and appraisal targets. Low cost to drill and quick to monetise
- High impact basin opener exploration with evidence of working petroleum systems
- Geologically analogous to proven productive basins in Northern China

Petro Matad – well positioned

- Petro Matad's in-country reputation and experience make it an industry leader in Mongolia
- Supported by major shareholder, Petrovis, a key player in the Mongolian energy sector
- Entering an exciting and potentially transformative operational season in 2018/19



Visit Booth #1865 for more information

Thank You

Photo overlooking a portion of the Taats Basin, Block V.
One of twelve prospective basins in Petro Matad's Western Acreage

