

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take you are recommended to seek advice from a person authorised under the Financial Services and Markets Act 2000 who specialises in advising in connection with shares and other securities.**

If you have sold or otherwise transferred all your shares in Petro Matad Limited (the **Company**) please forward this document, together with the accompanying form of proxy, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of shares in the Company, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read in conjunction with the Annual Report and Accounts in respect of the year ended 31 December 2013.

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## **Petro Matad Limited**

*(Incorporated in the Isle of Man with company number 1483V)*

### **Notice of Annual General Meeting to be held on 21 November 2014**

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Notice of the Annual General Meeting to be held on 21 November 2014 at 4 p.m. local time (8 a.m. GMT) at Petrovis Building, Amar Street 8, Sukhbaatar District, Ulaanbaatar, Mongolia is set out on pages 5 to 7. A form of proxy for use in relation to the Annual General Meeting is enclosed.

The action to be taken by Shareholders is set out on page 3. Whether or not you propose to attend the Annual General Meeting you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it by post or, by hand, to: Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgewater Road, Bristol BS99 6ZY or by fax to +44 (0)870 703 6322, or by email to [externalproxyqueries@computershare.co.uk](mailto:externalproxyqueries@computershare.co.uk), or via the CREST system, in each case as soon as possible but in any event so as to be received not less than 48 hours (not taking into account any part of a day which is not a working day) before the time appointed for the Annual General Meeting. Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours (not taking into account any part of a day which is not a working day) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.



**Petro Matad Limited**  
**(Isle of Man Company 1483V)**

*Газрын Тосны Хүчийг Мөнх Тэнгэрийн Оронд*  
*The Power of Oil for the Land of Eternal Sky*

*Directors:*

George Watkins (Chairman)  
Dr. Oyungerel Janchiv (Deputy-Chair)  
Mary Ellen Collins (Non-Executive Director)  
Enkhmaa Davaanyam (Non-Executive Director)  
Philip Vingoe (Non-Executive Director)  
David Skeels (Non-Executive Director)  
Amarzul Tuul (Executive Director)  
John Henriksen (Chief Financial Officer)  
Ridvan Karpuz (Director of Exploration)

29 October 2014

Dear Shareholder

## **Annual General Meeting 2014**

I am writing to inform you that an Annual General Meeting (the **AGM**) of Petro Matad Limited (the **Company**) will be held at 4 p.m. local time (8 a.m. GMT) on 21 November 2014 at Petrovis Building, Amar Street 8, Sukhbaatar District, Ulaanbaatar, Mongolia. The formal notice of the AGM and resolutions to be proposed are set out on pages 5 to 7.

### **RESOLUTIONS TO BE PROPOSED AT THE AGM**

#### **ORDINARY BUSINESS**

##### **Annual Report and Accounts (Resolution 1)**

Shareholders will be asked to receive and adopt the annual report and audited accounts of the Company for the year ended 31 December 2013 (the **Annual Report and Accounts**).

##### **Re-appointment of Directors (Resolutions 2 to 4)**

In accordance with Article 89, one third of the Directors of the Company are required to submit themselves for re-election at each annual general meeting of the Company. Accordingly, Janchiv Oyungerel, Mary Ellen Collins and David Skeels being the Directors who have been longest in office since their appointment or last re-appointment, shall retire and be submitted for re-election.

Brief biographical details of each of the Directors standing for re-election appear at Appendix 1. The Board has considered the position of the Directors and recommends their re-election.

#### **SPECIAL BUSINESS**

##### **Amendments to the Articles – disapplication of pre-emption rights (Resolution 5)**

We are asking shareholders to approve certain amendments to our Articles in relation to the renewal of the authority to disapply pre-emption rights. Resolution 5 will be proposed as a special resolution.



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It is possible that in order to meet its probable future financing requirements, the Company may decide to seek to raise funds by way of one or more non pre-emptive issues of shares for cash.

Under Article 6 of the existing Articles, the Directors require authority from Shareholders to allot shares without first offering them to existing Shareholders in proportion to their existing holdings. Resolution 5, if passed will replace the existing disapplication of pre-emption rights set out in Article 6.4 with substitute authority to the Directors to disapply the pre-emption rights for issues of Ordinary Shares:

- (a) paid up otherwise than in cash;
- (b) pursuant to awards granted under the Company's long term incentive plan or any other share option scheme adopted by the Company; and
- (c) in addition to (a) and (b) up to 100,000,000 Ordinary Shares.

Such authority, if given, will expire at the conclusion of the annual general meeting of the Company in 2015, without prejudice to the allotment of shares pursuant to any offer or agreement made or entered into prior to such expiry. The replacement of the current Article 6.4 shall be without prejudice to the allotment of shares pursuant to offers or agreements made under the current authority.

Copies of the existing Articles and the new Articles will be available for inspection during normal business hours at the registered office of the Company until the date of the AGM or upon request. Copies will also be available at the AGM until its conclusion.

#### **Authority to make market purchases (Resolution 6)**

Article 14.1(b)(iii) provides that the shareholders may grant a general mandate to the Directors to exercise all of the powers of the Company to repurchase such number of shares in the open market as the shareholders may so authorise. On 11 September 2013, the Company passed a special resolution granting the Directors a general mandate to repurchase shares in the open market with an aggregate nominal value of not more than 15 per cent of the aggregate nominal value of the share capital of the Company in issue as at 10 July 2013. This general mandate will expire at the conclusion of the AGM.

Resolution 6, which will be proposed as a special resolution, will if approved, renew the existing share repurchase authority. It is proposed that the Directors be granted a general mandate to exercise all of the powers of the Company to repurchase shares in the open market with an aggregate nominal value of not more than 15 per cent of the aggregate nominal value of the share capital of the Company in issue at the date hereof. Pursuant to the Articles, this general mandate will continue in force until the earlier of (a) the conclusion of the Company's 2015 annual general meeting or (b) the revocation or variation of this general mandate by a subsequent special resolution.



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## **ACTION TO BE TAKEN**

You will find enclosed a form of proxy for use at the AGM.

Please complete, sign and return the enclosed form of proxy as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned either by post or, by hand, to: Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgewater Road, Bristol BS99 6ZY, or by fax to +44 (0)870 703 6322, or by email to [externalproxyqueries@computershare.co.uk](mailto:externalproxyqueries@computershare.co.uk) or via the CREST system, in each case so as to be received by the Company's registrars as soon as possible and in any event no later than 48 hours (not taking into account any part of a day which is not a working day) before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person should you subsequently find that you are able to be present.

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours (not taking into account any part of a day which is not a working day) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## **RECOMMENDATION**

Your Directors consider that the proposals described in this letter are in the best interests of the Company and its Shareholders as a whole and unanimously recommend Shareholders to vote in favour of all the resolutions to be proposed at the AGM, as they intend to do (other than in respect of their own appointment as directors) in respect of their own beneficial holdings amounting in aggregate to 24,256,644 Ordinary Shares, representing approximately 8.68 per cent. of the Company's issued share capital.

Yours sincerely

George Watkins  
*Chairman*



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## **Appendix 1**

### **Director's biographies**

#### **Dr. Oyungerel Janchiv, Deputy Chair**

Dr. Oyungerel graduated from the Institute of Petrochemical and Gas Industry, Moscow in 1979. She began her career as an economist at the Ulaanbaatar Oil Terminal and in 1982 became the Chief Economist at the Petroleum Supply Department at the Mongolian Ministry of Transportation where she was employed until 1991. In 1991, she was appointed the General Director of the Petroleum Import Concern of Mongolia and in 1994 became the General Director and Chair of the Board of Directors of the government owned company, Neft Import Company (NIC). In 1996, she founded Petrovis LLC and was the General Director until January 2008 and has been Chair ever since. She has completed an Oil Economics and Marketing Program at the Arthur D. Little Institute in Cambridge, USA. In January 2007, she completed a doctorate in economics in Moscow, Russia. In 2010, she became a Non-Executive Director of Mongolian Mining Corporation (MMC) which is listed on the Hong Kong Stock Exchange. MMC is a high quality coking coal producer and exporter in Mongolia.

#### **Mary Ellen Collins, Non-Executive Director**

Ms. Collins has over 30 years experience in international corporate banking, including extensive experience in Russia, Eastern Europe and Central Asia. She began her banking career with Chase Manhattan in New York, and subsequently with Security Pacific Bank (later Bank of America) in Los Angeles, London and Paris. She was Director for Corporate Recovery at the European Bank for Reconstruction and Development in London until 2005. Ms. Collins holds an MBA in Finance from Wharton and a BS in Foreign Service from Georgetown University, Washington, D.C. She is a Non-Executive Director for companies in Latvia and Mongolia.

#### **David Daniel Skeels, Non-Executive Director**

Mr. Skeels was educated as a geologist and has over 40 years' experience of working in the oil and gas industry. He spent 20 years at Conoco focusing on international upstream projects and has held a number of management positions, including Manager Exploration and Reservoir Management, West Siberia and Vice President and Manager Exploration, Indonesia where he was responsible for the Belida discovery in 1989. Mr. Skeels then spent 10 years at BG Group where he was General Manager in Kazakhstan building the relationship between the company, the government and state agencies. He was recognized by the President of Kazakhstan for his contributions to the Kazakh oil and gas industry. Recently he has been working with governments and state organisations in Eastern Europe, Azerbaijan and Kazakhstan.



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## **Petro Matad Limited**

**(the Company)**

*(Incorporated in the Isle of Man with company number 1483V)*

### **Notice of Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company (the **Meeting**) will be held at 4 p.m. local time (8 a.m. GMT) on 21 November 2014 at Petrovis Building, Amar Street 8, Sukhbaatar District, Ulaanbaatar, Mongolia for the transaction of the following business:

#### **ORDINARY BUSINESS**

To consider and, if thought fit, pass the following resolutions:

- 1 To receive and adopt the report of the directors and accounts of the Company for the year ended 31 December 2013 together with the report of the auditors.
- 2 To re-elect Janchiv Oyungerel who retires pursuant to Article 89 of the Company's articles of association and who, being eligible, offers himself for re-election, as a Director.
- 3 To re-elect Mary Ellen Collins who retires by rotation pursuant to Article 89 of the Company's articles of association and who, being eligible, offers herself for re-election, as a Director.
- 4 To re-elect David Skeels who retires by rotation pursuant to Article 89 of the Company's articles of association and who, being eligible, offers himself for re-election, as a Director.

#### **SPECIAL BUSINESS**

To consider and, if thought fit, pass the following resolutions as special resolutions:

- 5 THAT the Company's articles of association be amended by the substitution for the current article 6.4 of the following:

“6.4 The Directors shall have (notwithstanding the restrictions set forth in Article 6.1) the power and authority (without the need for further sanction) to allot and issue Ordinary Shares on a non pre-emptive basis:

- (a) if they are, or are to be, paid up wholly or partly otherwise than in cash;
- (b) pursuant to awards granted under the Company's long term incentive plan or any other share option scheme adopted by the Company; and
- (c) otherwise than as provided in paragraphs (a) and (b) up to 100,000,000 Ordinary Shares,



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provided that such authority, unless renewed, shall expire at the end of the 2015 annual general meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired and the replacement of the previous Article 6.4 by this Article shall be without prejudice to the allotment of shares pursuant to offers or agreements made under any prior authority.”

- 6 THAT the directors be granted, pursuant to Article 14.1(b)(iii) of the Company’s articles of association, a general mandate to exercise all of the powers of the Company to repurchase ordinary shares in the Company in the open market with an aggregate nominal value of not more than 15 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of this Notice.

By order of the Board,

Dated 29 October 2014

John Henriksen  
Director

Registered Office: Victory House, Prospect Hill, Douglas, Isle of Man IM1 1EQ  
Notes:

- 1 A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- 2 A Form of Proxy is provided with this notice. Completion and return of such a proxy will not prevent a member from attending the Meeting and voting in person should they wish to do so.
- 3 To be effective, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be returned either by post, or, by hand, to: Computershare Investor Services (Jersey) Limited, The Pavilions, Bridgewater Road, Bristol BS99 6ZY, or by fax to +44 (0)870 703 6322, or by email to [externalproxyqueries@computershare.co.uk](mailto:externalproxyqueries@computershare.co.uk), or via the CREST system, in each case so as to be received by the Company’s registrar not less than 48 hours (not taking into account any part of a day which is not a working day) before the time appointed for the Meeting or any adjournment thereof. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer’s agent (ID number 3RA50) not later than 48 hours (not taking into account any part of a day which is not a working day) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer’s agent is able to retrieve the message. The Company may treat as invalid a proxy



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- appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 4 Every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote), shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder. A resolution is passed either (i) on a show of hands by a majority of in excess of 50 per cent of such members as are present and voting; or (ii) on a poll of members of the Company holding in excess of 50 per cent of the voting rights attributable to the shares held by the member or members present and voting at the relevant meeting. A “special resolution” is passed either (i) on a show of hands by a majority of not less than 75 per cent of such members as are present and voting at the relevant meeting; or (ii) on a poll of members of the Company holding not less than 75 per cent of the voting rights attributable to the shares held by the member or members present and voting at the relevant meeting.
  - 5 Pursuant to Regulation 22(1) of the Uncertificated Securities Regulations 2006 of the Isle of Man (SD No. 743/06), the Company has specified that only those members registered on the register of members of the Company at close of business on 19 November 2014 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after close of business on 19 November 2014 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
  - 6 Where a corporation is to be represented at the Meeting by a corporate representative, such corporation must deposit a certified copy of the resolution of its directors or other governing body authorising the appointment of the representative at the Company’s registered office address not later than 48 hours before the time appointed for the Meeting.
  - 7 If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company’s securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
  - 8 As at 27 October 2014, being the last practicable date prior to the printing of this Notice, the Company’s issued share capital consisted of 279,487,279 Ordinary Shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 29 October 2014 are 279,487,279.
  - 9 Copies of the service agreements and letters of appointment between the Company and its Directors and copy of the proposed new Articles of Association of the Company with copy of the existing Memorandum and Articles of Association marked to show the changes being proposed in Resolutions 5 to 6 will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 3.30 p.m. (8.30 a.m. GMT).