



# FRONTIER EXPLORATION OPPORTUNITY IN MONGOLIA BLOCKS IV, V AND XX

OIL BARREL CONFERENCE, LONDON



07 February 2013

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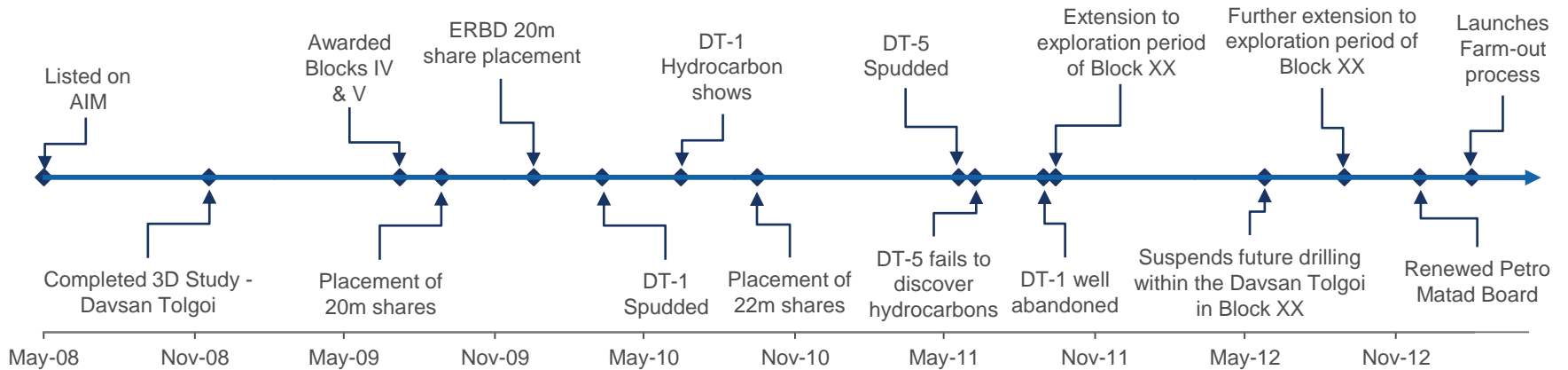
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# CORPORATE OVERVIEW

AIM listed oil & gas company engaged in the exploration of hydrocarbons in Mongolia

## Timeline



## Board of Directors

	<b>Dr. George Edward Watkins</b> Chairman		<b>Ridvan Karpuz</b> Director of Exploration		<b>Enkhmaa Davaanyam</b> Non-Executive Director
	<b>Dr. Oyungerel Janchiv</b> Deputy Chair		<b>Amarzul Tuul</b> Executive Director of Petro Matad's subsidiaries		<b>Dr. Philip Arthur Vingoe</b> Non-Executive Director
	<b>John Rene Henriksen</b> CFO		<b>Mary Ellen Collins</b> Non-Executive Director		<b>David Daniel Skeels</b> Non-Executive Director

# CORPORATE OVERVIEW (CONT.)

The first substantially Mongolian owned company to be listed on an international stock exchange

## Share Price<sup>1</sup>



## Key Shareholders<sup>2</sup>

Name	Number of Ordinary Shares	Percentage
Petrovis Matad Inc.	36,684,262	19.65%
European Bank for Reconstruction and Development	31,741,110	17.00%
Forestberries LLC	11,000,000	5.89%
GLG Partners LP	10,853,132	5.81%
Janchiv Oyungerel	6,585,000	3.53%
<b>Total number of issued shares</b>	<b>186,676,001</b>	

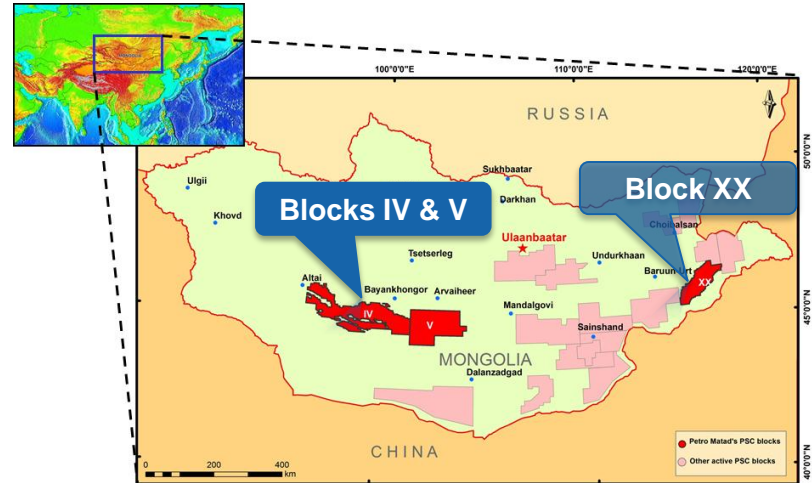
Source: 1. FactSet as of 04-Feb-2013

2. As at 25 January 2013. The respective holdings of Janchiv Oyungerel and Petrovis Matad Inc. are aggregated on account of Janchiv Oyungerel's shareholdings of over 20% in Petrovis Matad Inc. The holdings as set out above is the direct interests of Janchiv Oyungerel.

# EXECUTIVE SUMMARY

Petro Matad is a London AIM listed oil & gas company engaged in the exploration of hydrocarbons in Mongolia, with the following key elements:

- ✓ Prominent land position covering prospective frontier and emerging hydrocarbon basins in Mongolia
- ✓ 3 PSC's: Block IV, V and XX. The acreage has been explored to varying degrees over the past 6 years by Petro Matad, which currently holds 100% in each
- ✓ Operational office in the capital city, Ulaanbaatar, with 60 employees
  - ✓ The only oil & gas company with fully staffed exploration and operational teams in the country
  - ✓ The team consists of multinational staff and consultants

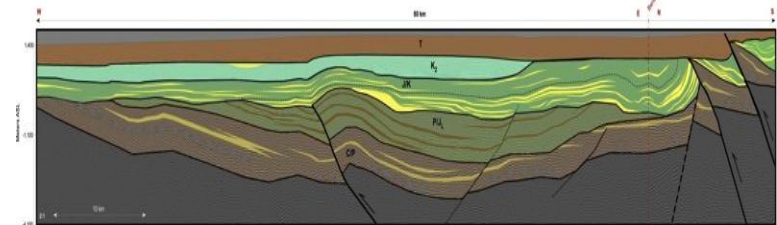
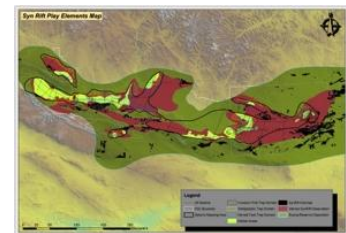
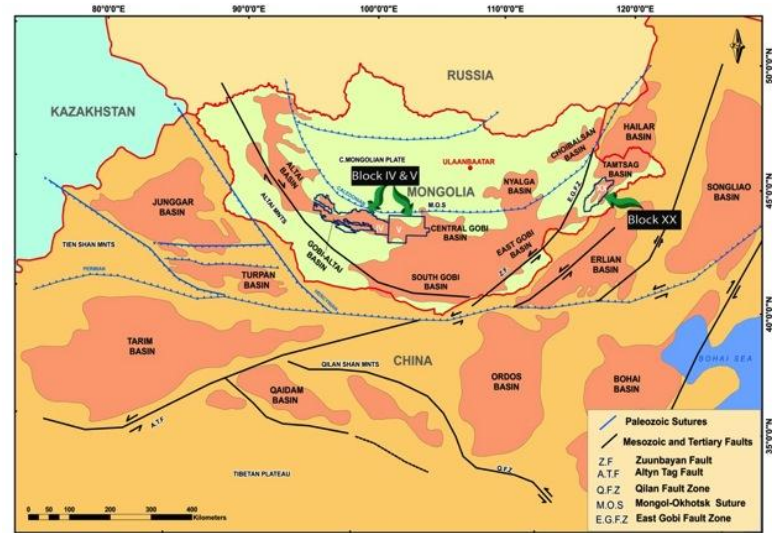


<b>Assets</b>	Blocks IV, V and XX
<b>Working Interest</b>	100%
<b>Licence Area</b>	60,300 km <sup>2</sup>
<b>Basin Area</b>	21,000 km <sup>2</sup>

# 2012: A YEAR OF CONSOLIDATION

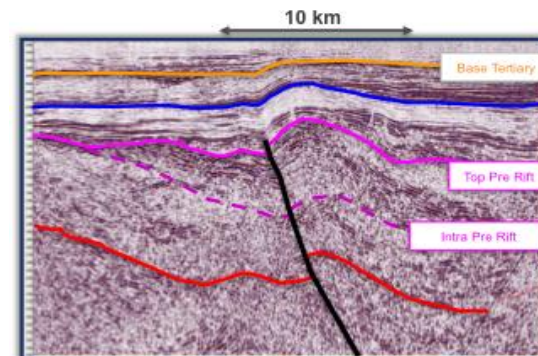
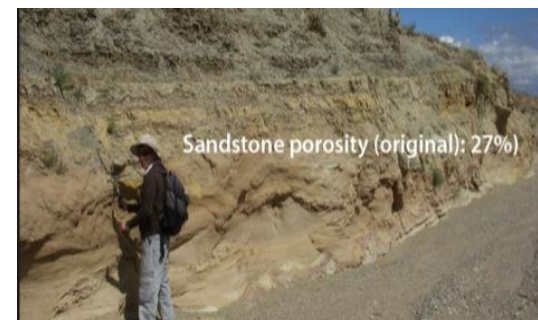
## Key Highlights

- ✓ New Board
- ✓ Non-executive directors with proven track record in exploration and production
- ✓ Experienced management and technical team in place
- ✓ Implemented “best practise exploration” approach:
  - Understand Petroleum System
  - Establish Play Fairways
  - Use Analogues
  - Define independent multiple leads
  - Established focused work program to de-risk leads and define drillable targets



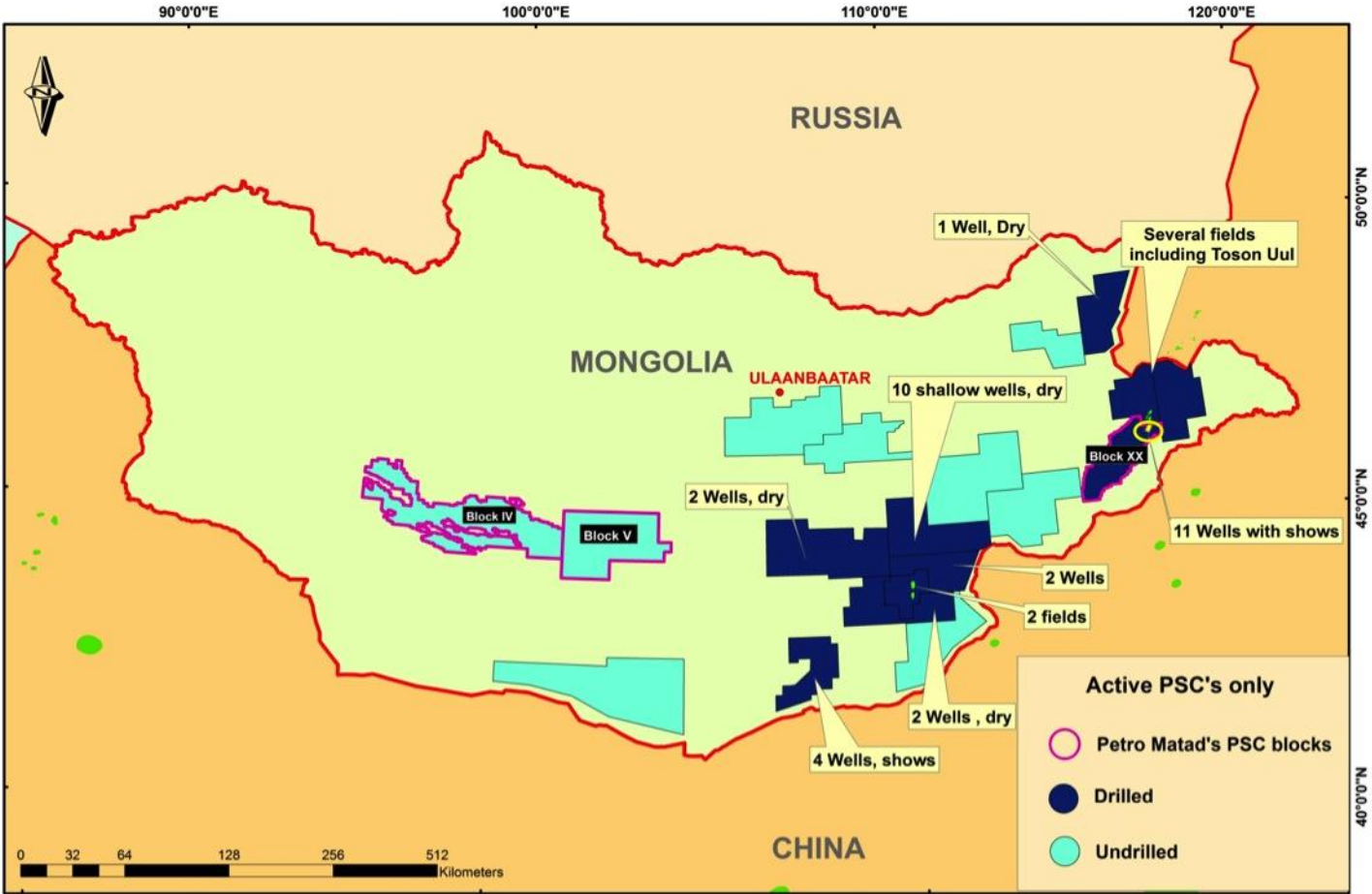
# WHY MONGOLIA WITH PETRO MATAD?

- ✓ Right Geology & Paleogeography with ***potential multiple petroleum systems*** in the neighbourhood
- ✓ One of the ***Last Frontiers*** in the region
- ✓ ***Basin Opener*** Opportunities
- ✓ Diverse ***Play Types***
- ✓ Diverse Lead Portfolio with ***Multiple Targets***
- ✓ Proven Operational Capability
- ✓ Good Fiscal Terms



# EXPLORATION ACTIVITY IN MONGOLIA

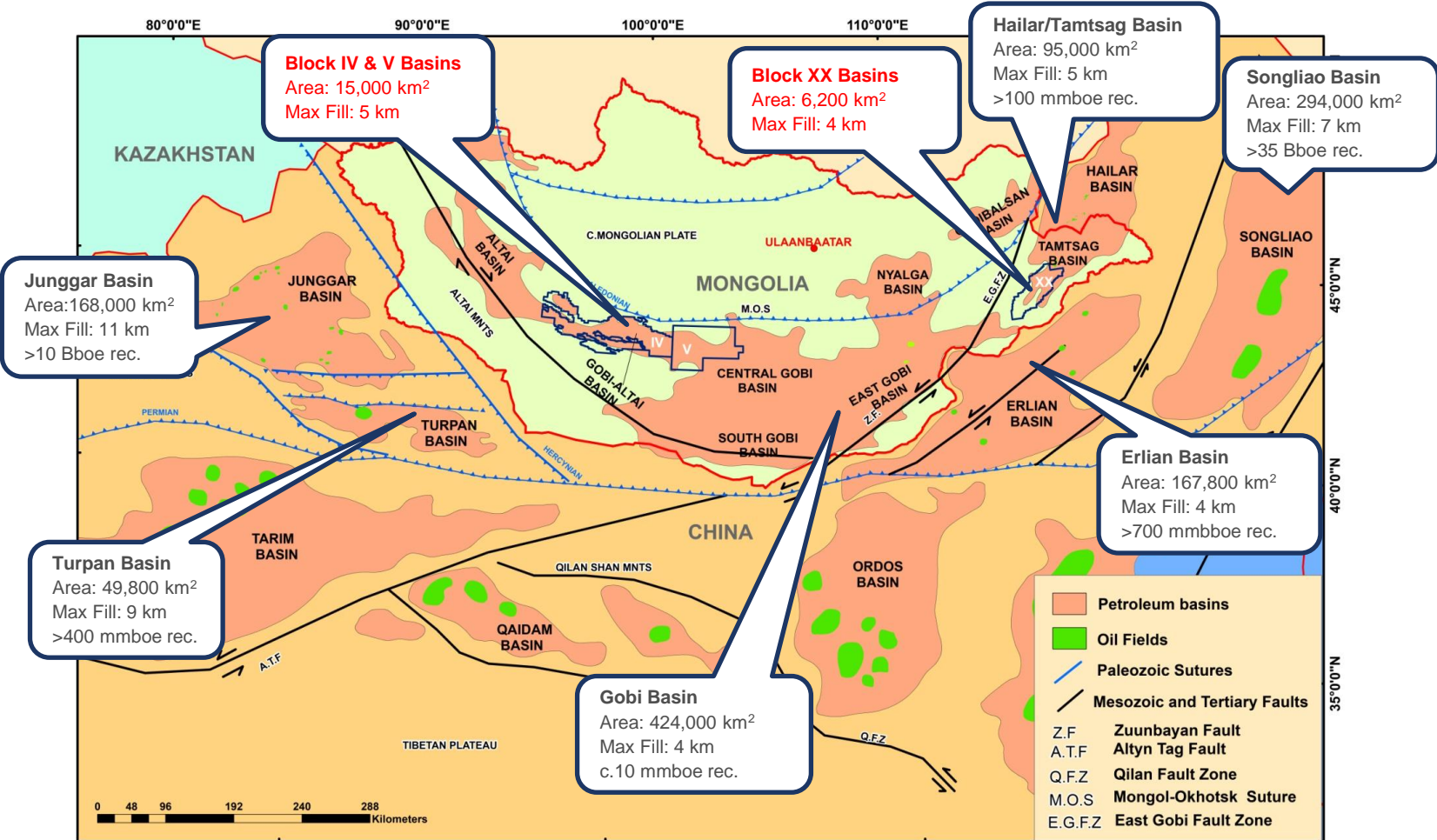
Limited exploration in Mongolia, with fields only in Blocks 97 & XIX / XXI





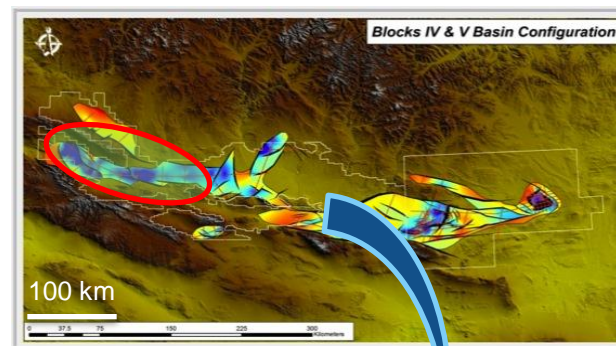
# PROLIFIC ANALOGUE BASINS IN CHINA

All analogue basins with significant exploration are proven, many with giant fields

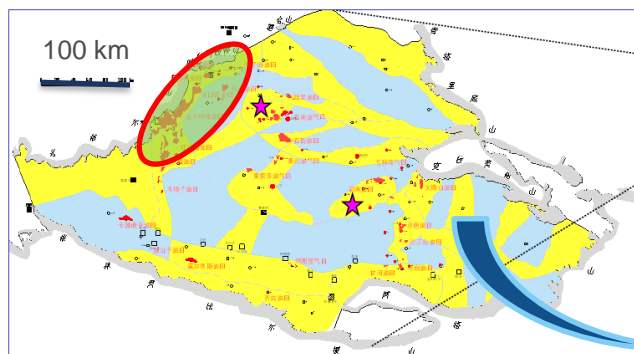


# BLOCKS IV & V ANALOGUE BASINS

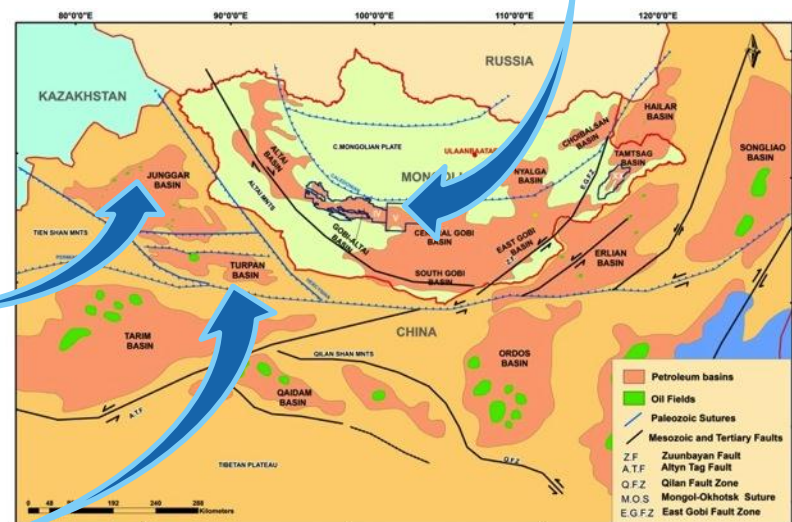
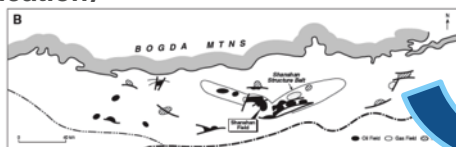
- ✓ Prolific oil & gas producing Junggar, Turpan and Erlian Basins of China are analogous to Blocks IV and V Basins
- ✓ Comparison with the analogue basins indicate multiple petroleum systems & play models and both conventional and unconventional hydrocarbon potential
- ✓ Recoverable reserves in analogue basins: Junggar-10 billion boe, Turpan- 400 mboe, Erlian- >700 mmboe and oil pool sizes ranges from 365 mmboe to 6 billion boe.
- ✓ Prospective resources in Blocks IV and V: >3.5 billion barrels and recoverable resources > 1 billion barrels



**Junggar Basin Oil & Gas Fields and Basin Configuration(ref. external publication)**

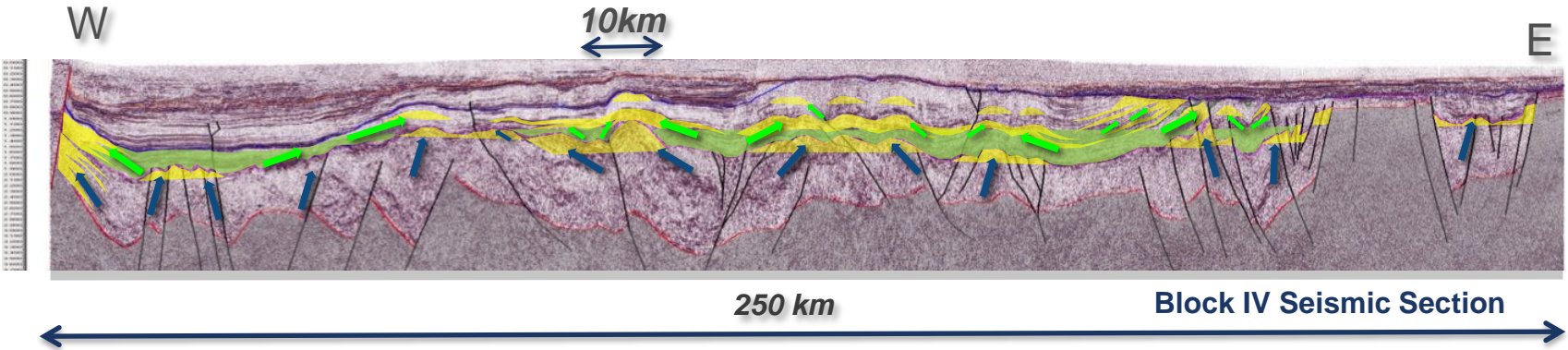
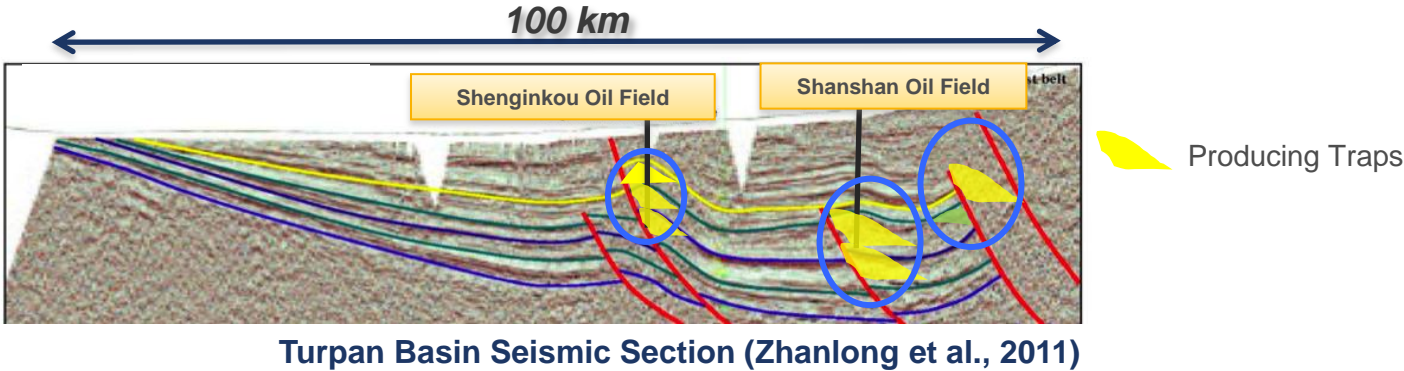


**Turpan Basin Oil & Gas Fields(ref. external publication)**



# BLOCKS IV & V ANALOGUE BASINS

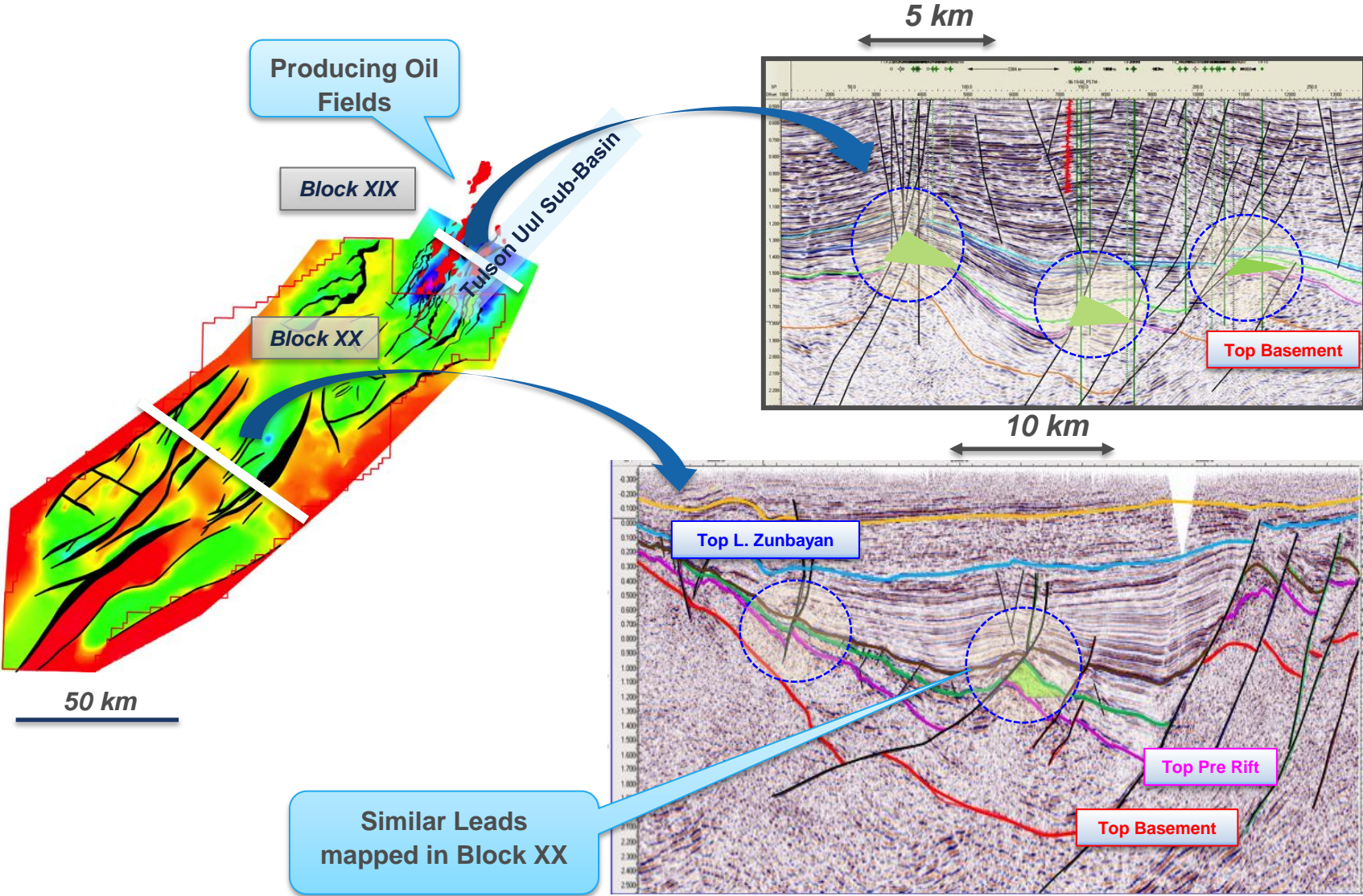
Basin and Structural style similarities suggest similar traps to be expected in Blocks IV & V



- Base Tertiary
- SynRift (paleo oil window below 1600m TVD)
- PreRift (mature where quality source rocks exist)
- Basement

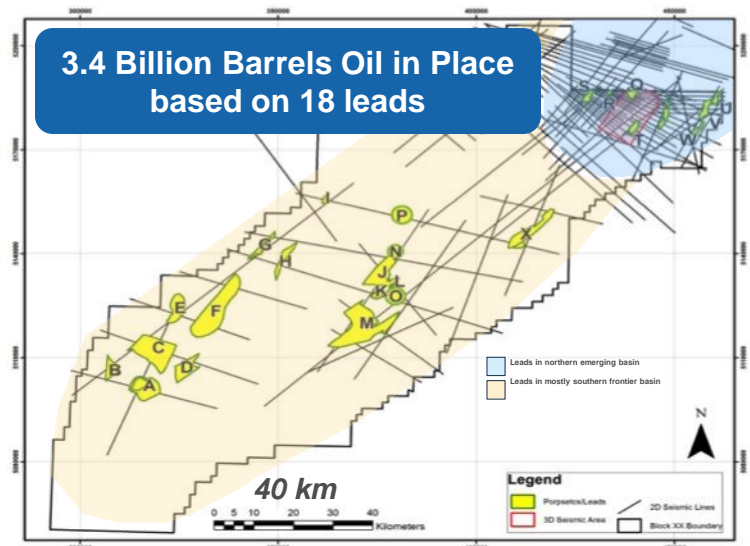
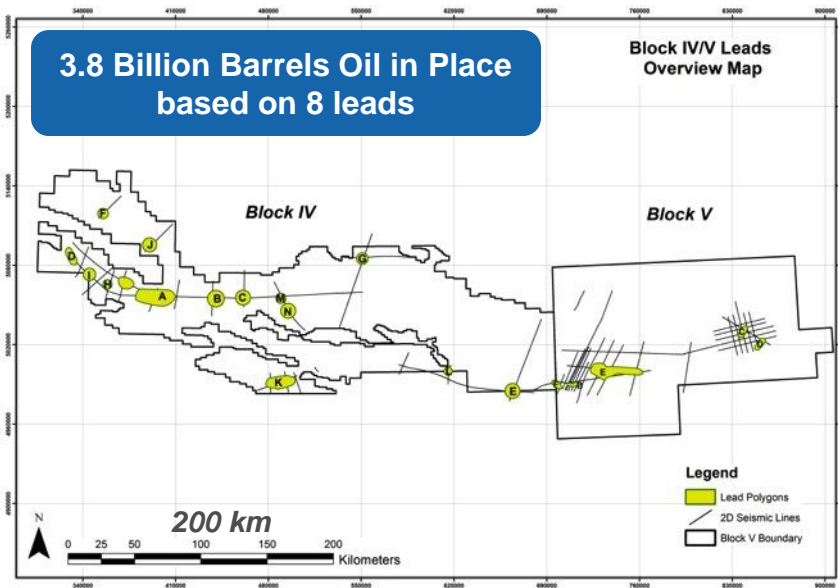
- ◀ Syn Rift Kitchens
- ◀ Potential Hydrocarbon Traps
- ▶ Syn Rift HC Charge
- ▶ Pre Rift HC Charge

# BLOCK XX PRODUCING ANALOGUES



# UNRISKED PROSPECTIVE RESOURCES

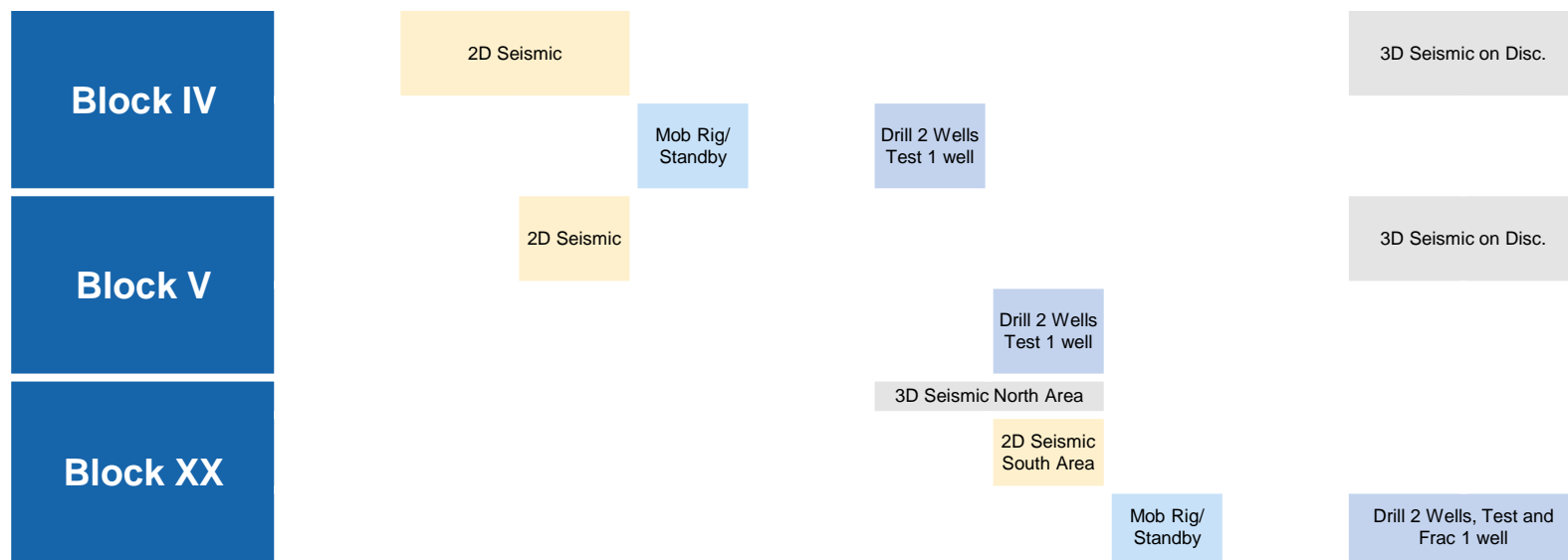
Block	Deterministic Mid-Case Prospective Resources (OIP mmbbls)	Deterministic Mid-Case Recoverable Prospective Resources (mmbbls)	Comments
Block IV	3,330	870	17 leads, 5 with volume estimates
Block V	460	161	5 leads, 3 with volume estimates
Block XX North	337	50	6 leads, 6 with volume estimates
Block XX South	3,112	622	20 leads, 12 with volume estimates
<b>Total</b>	<b>7,239</b>	<b>1,703</b>	



# FORWARD WORK PROGRAMME

De-risk and mature the leads to drillable prospects in 2014 and 2015

Expenditure US\$m	2013		2014		2015	
	H1	H2	H1	H2	H1	H2
Exploration Work Programme	2.8	6.0	1.6	4.6	9.1	
Capital (Mainly Drilling)	0.3	1.0	7.6	8.6	9.1	
All Other	3.2	3.7	3.4	4.0	7.4	
<b>Total</b>	<b>6.3</b>	<b>10.7</b>	<b>12.5</b>	<b>17.3</b>	<b>25.6</b>	



Source: Company estimates

# **SUMMARY – MONGOLIA E&P OPPORTUNITY**

- ✓ **A unique opportunity to invest in a frontier area covering 60,300 km<sup>2</sup>, and gain a dominant position in Mongolia**
- ✓ **All basins have little to no drilling to date**
- ✓ **Three 100% owned Blocks are available**
- ✓ **Excellent source rocks, reservoirs and trapping styles identified**
- ✓ **Both conventional and unconventional resources potential**
- ✓ **Lots of positive analogues in nearby basins**
- ✓ **Significant resource potential: > 7 billion barrels OIIP (unrisked)**
- ✓ **Comprehensive technical evaluation has been done to date, with a major re-evaluation completed in 2012**

# FARM-OUT PROCESS



- ✓ **Petro Matad Limited (“Petro Matad”) is seeking strategic partner(s) to progress exploration activities on three 100%-owned onshore Blocks in Mongolia comprising 60,300 km<sup>2</sup>**
- ✓ **Have mandated Macquarie**
- ✓ **Data Room opened this week**