



**PETRO
MATAD**

Oil & Gas Exploration Opportunities

mongolia2013

INVESTMENT SUMMIT

HONG KONG



AJM MATD



Executive Summary

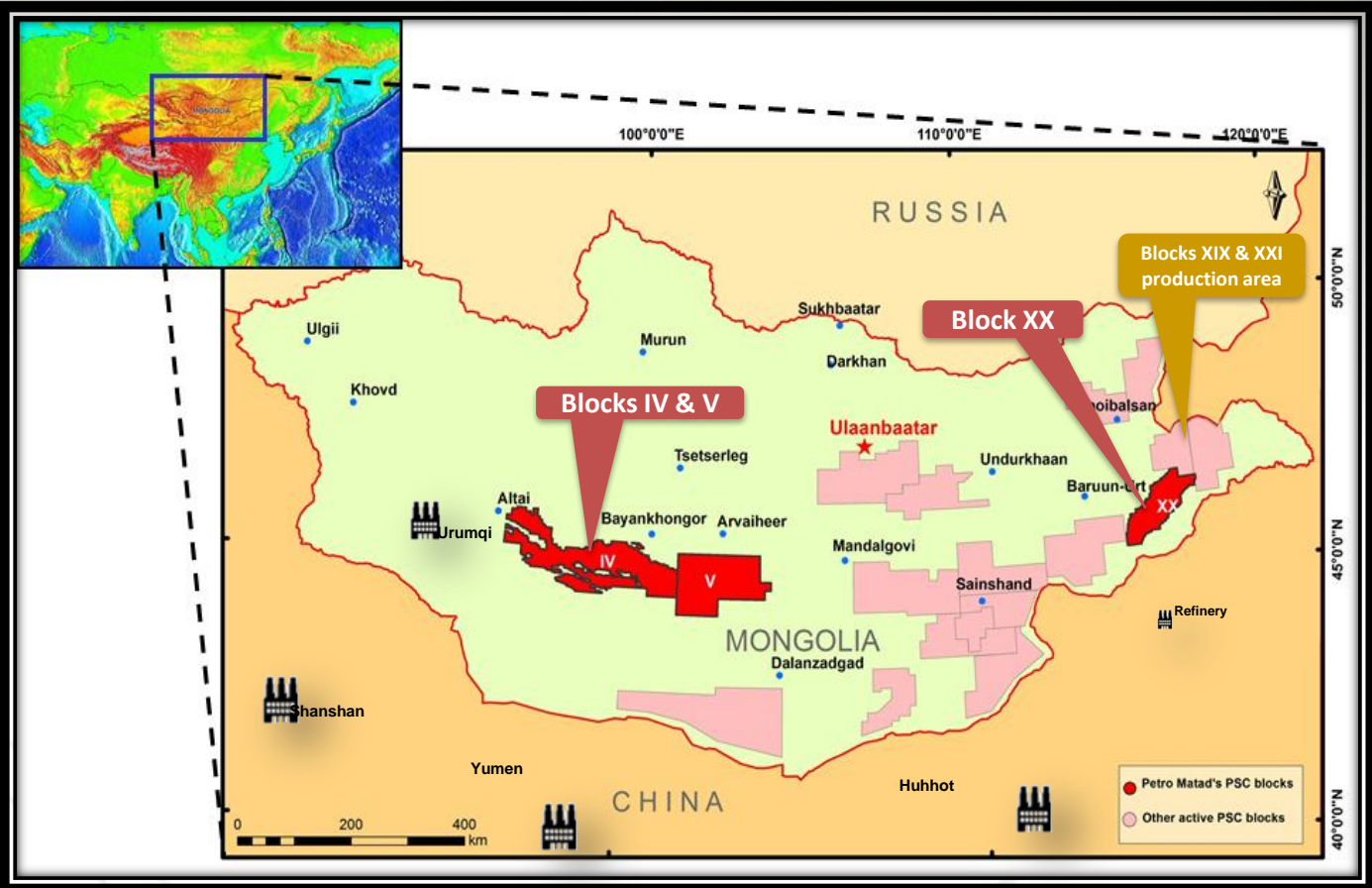
London AIM-traded upstream oil & gas exploration company.

Majority Mongolian owned. Largest shareholder: Petrovis

3 PSC's: c.60,500 km², held 100% (Blocks IV, V & XX)

Advanced exploration programme, Planning to drill in 2014

Office in Ulaanbaatar, c.60 staff, Focussed on technical excellence & HSE



Assets	Licence Area	Working Interest
Block IV	28,999 km ²	100%
Block V	21,150 km ²	100%
Block XX	10,343 km ²	100%
Total	60,492 km²	

Company Profile

New management team; implemented 'exploration best practice' approach in 2012










Board has >120 years oil company operational experience, proven oil finders

Extensive Mongolian energy sector experience on Board through Petrovis

Experienced technical team in Mongolia

Active operator since 2007

Board of Directors

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



New Board Members appointed in 2012

Commitment to Technical Excellence



4 field seasons complete (2010-2013)

>2500 samples collected & analysed, 4 stratigraphic wells in IV & V with 3500m of core



6000kms of 2D seismic acquired, plus 133km² of 3D

195kms of new 2D acquisition underway in Blocks IV & V



11 wells drilled in northern Block XX, adjacent to Petro-China production area.

Blocks IV & V undrilled



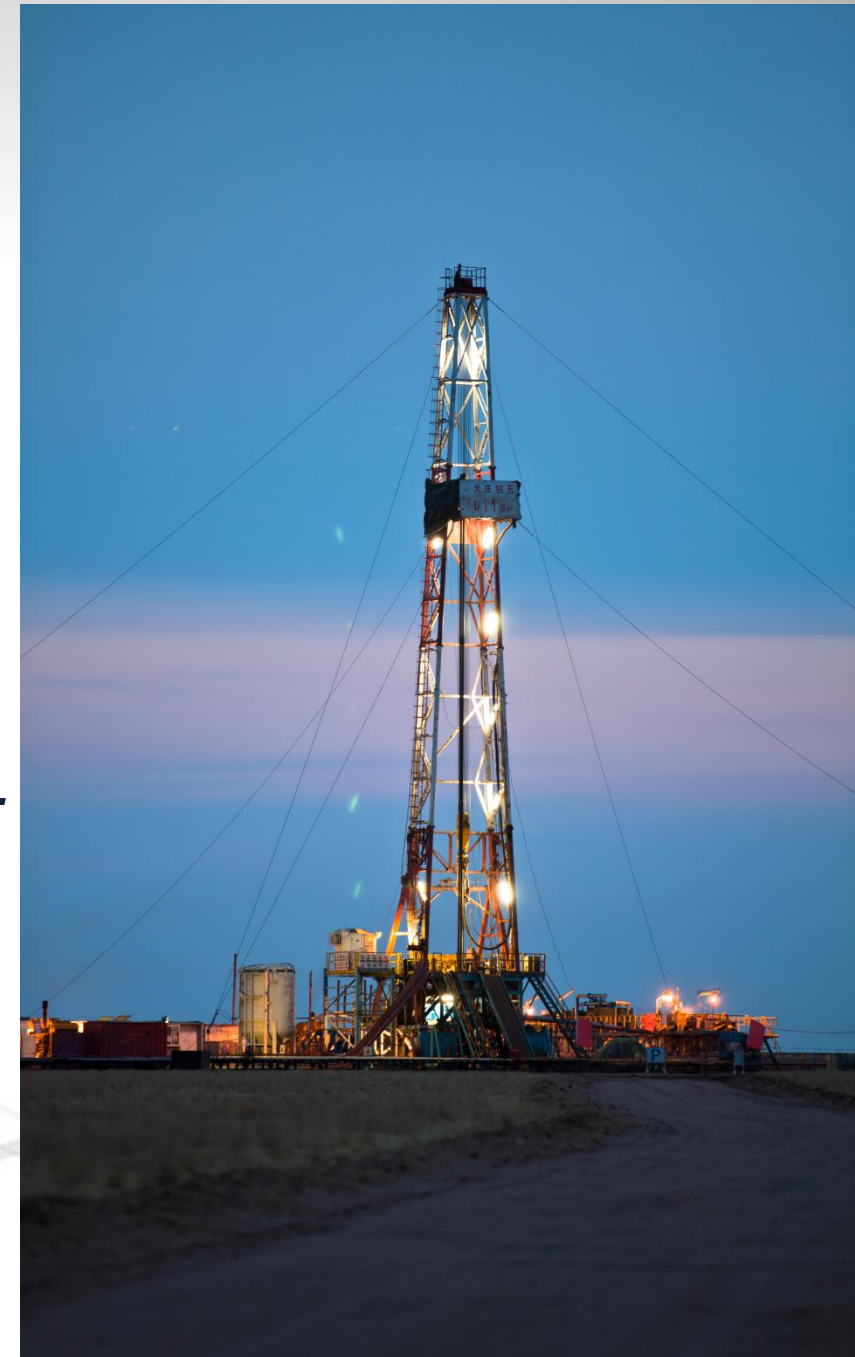
Extensive regional studies undertaken

internally and using consultants & academia

Message: Petro Matad has built a strong technical foundation on which to help build a new Mongolian oil & gas industry, to the highest HSE standards

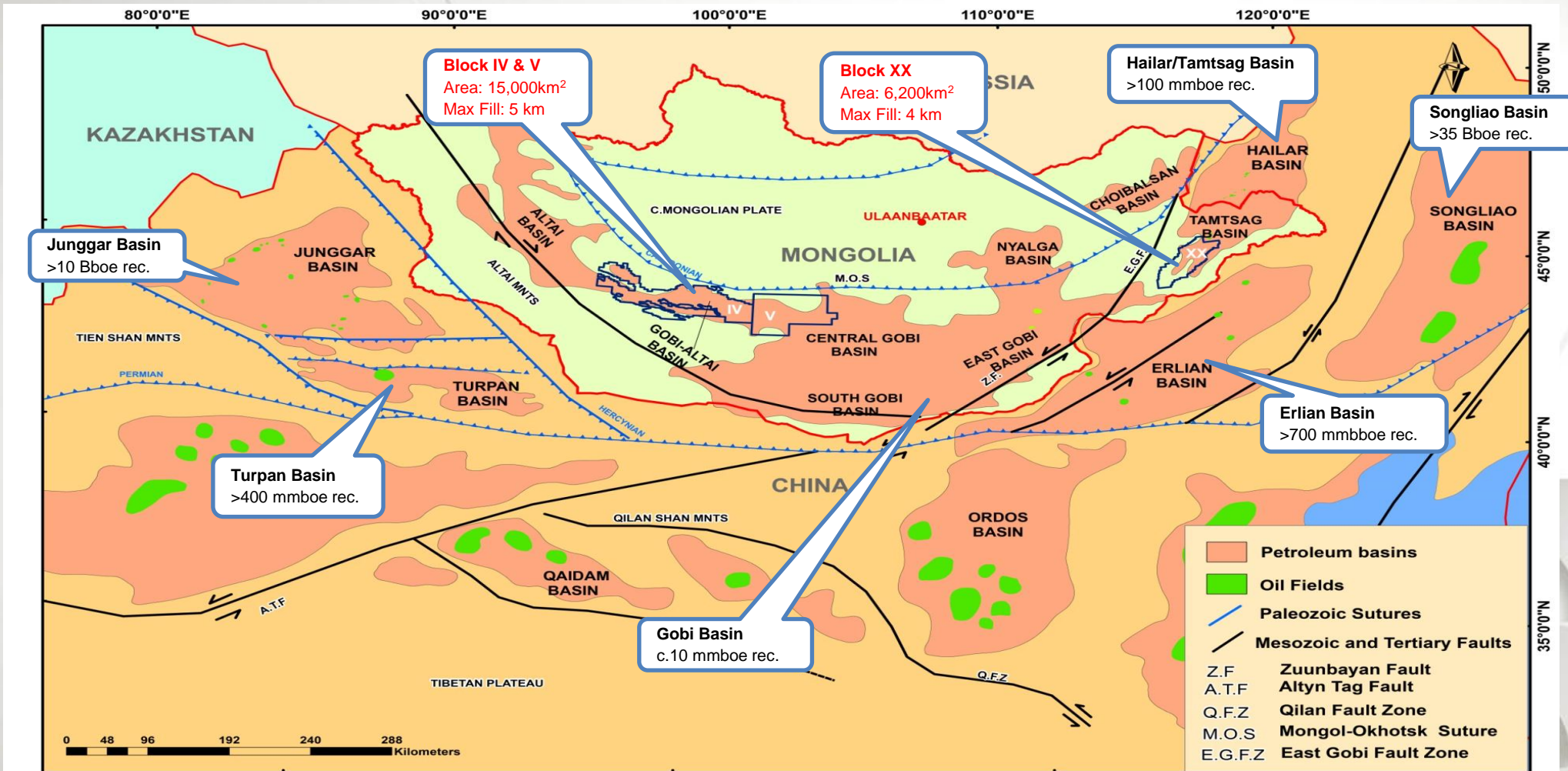
Why Mongolia?

- ✓ *Contains several large under-explored sedimentary basins that have all the elements for working petroleum systems and large resource potential.*
- ✓ *These basins are geologically similar to highly productive basins in China, many with multi-billion barrel reserves.*
- ✓ *Basin opener opportunities*
- ✓ *Existing producing petroleum province with infrastructure close to Block XX, operated by Petro-China (Blocks XIX, XXI - >2Bbbls in-place)*
- ✓ *Attractive fiscal terms and updated petroleum law*



Prolific Analogue Basins in China

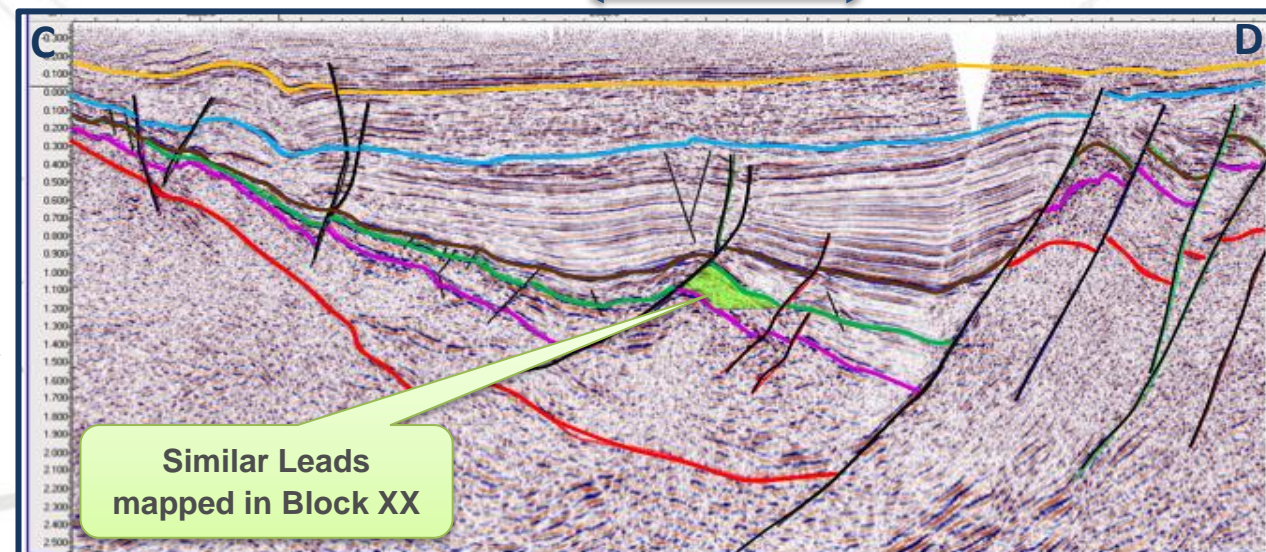
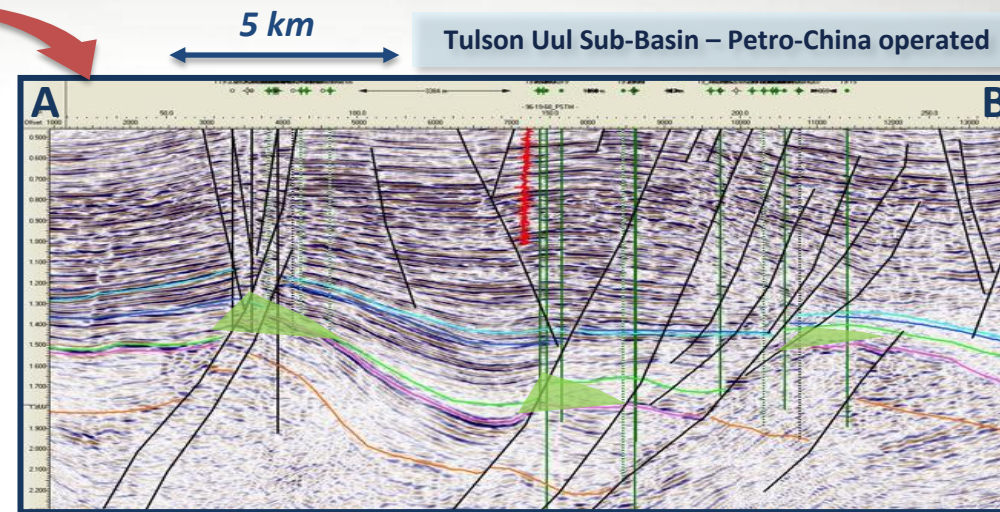
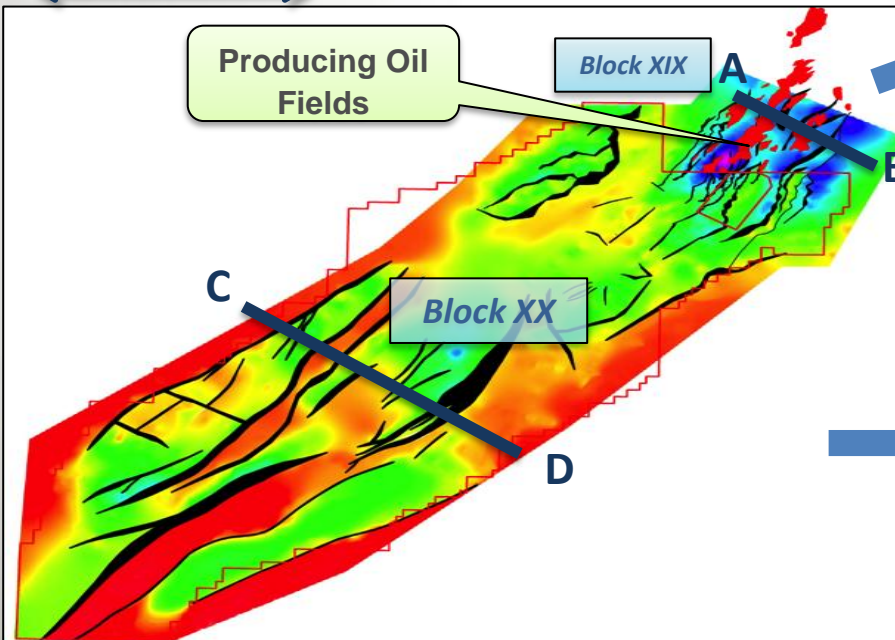
All analogue basins with significant exploration are proven, many with giant fields



Block XX - Producing Analogue



50 km



Regional Oil & Gas Infrastructure

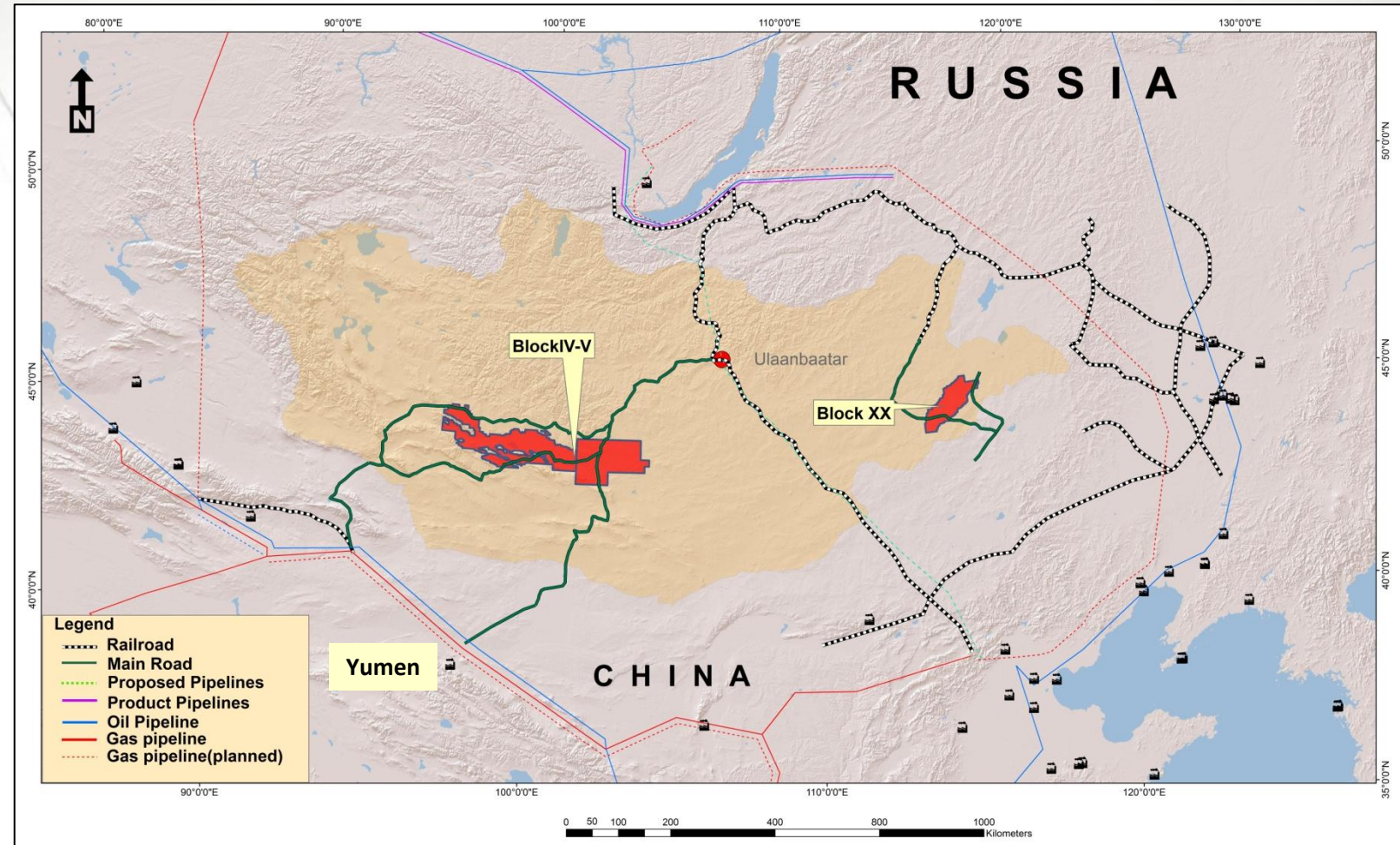
The development concept will be updated following any discoveries

Block IV & V – Potential Delivery Options

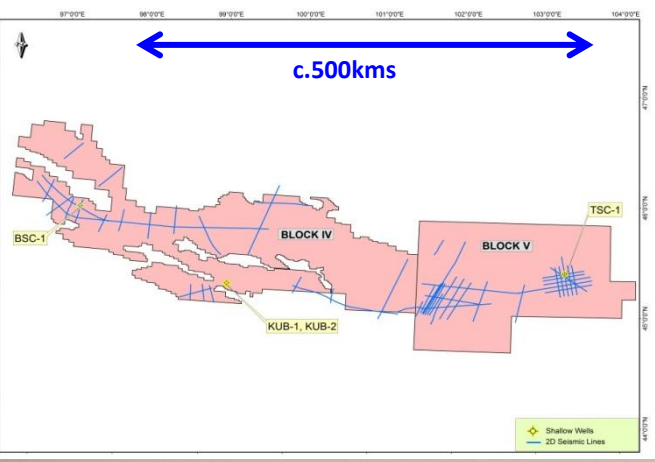
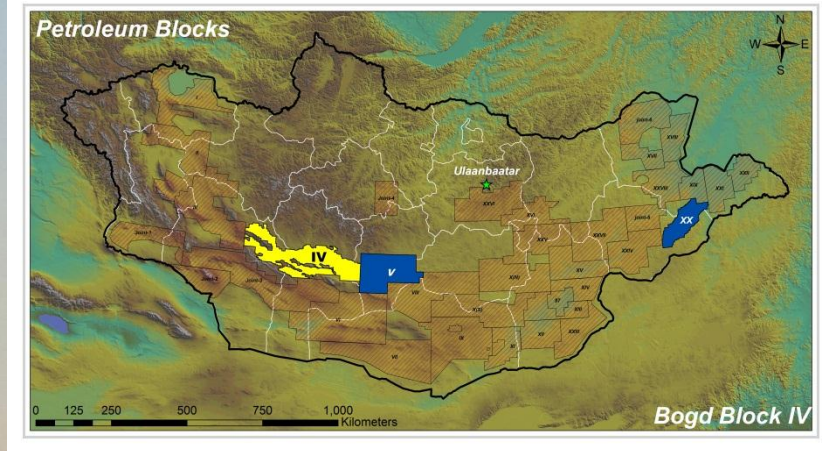
- ✓ Oil trucked c.500km to planned new-build refinery, or to Ulaanbaatar for supply to rail line to China
- ✓ Oil pipeline to Yumen, which is c.500km south of Blocks IV & V
- ✓ Alternate export route by road to China with a rail line just south of the Mongolian border





Block XX – Potential Delivery Options





- ✓ Existing infrastructure Blocks XIX and XXI
- ✓ Crude from XIX & XXI is trucked c.400km to terminal in China and then piped and railed to the Hohhot refinery
- ✓ Truck crude c.50km from Block XX to Blocks XIX & XXI
- ✓ Or truck crude c.50km directly to the border



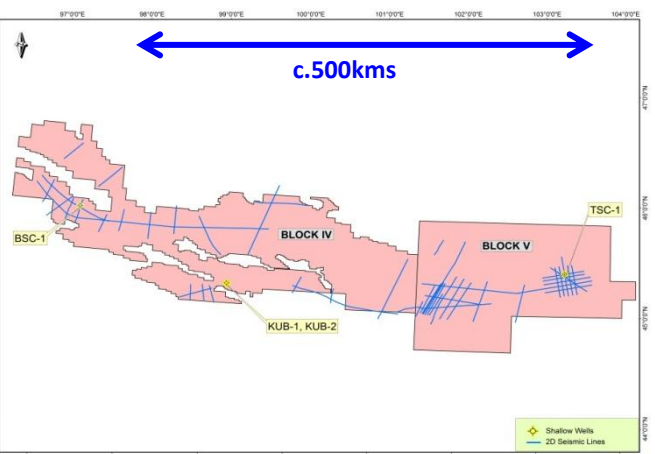
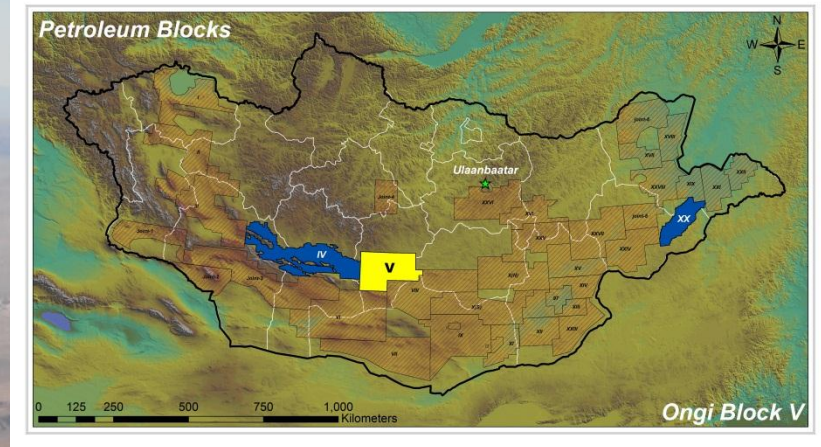
Block IV BOGD



-  1,111 km of 2D seismic
-  Extensive geologic sampling and mapping.
-  3 Stratigraphic Core Tests
-  6 main basins identified, 2 main plays

-  >8,000km² of prospective basin area
-  Rich oil shale, excellent mature source rocks
-  Clean high porosity reservoir rocks
-  Multiple leads and trap styles

Block V ONGI



1,327km of 2D seismic



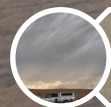
Extensive geologic sampling and mapping.



1 deep stratigraphic test, with oil shows



3 main basins identified, 2 main plays



c.7,000km² of prospective basin area



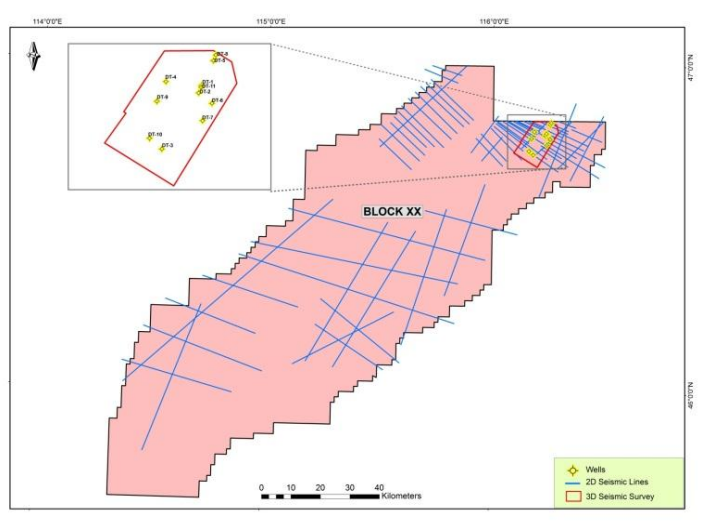
Rich oil shale, excellent mature source rocks



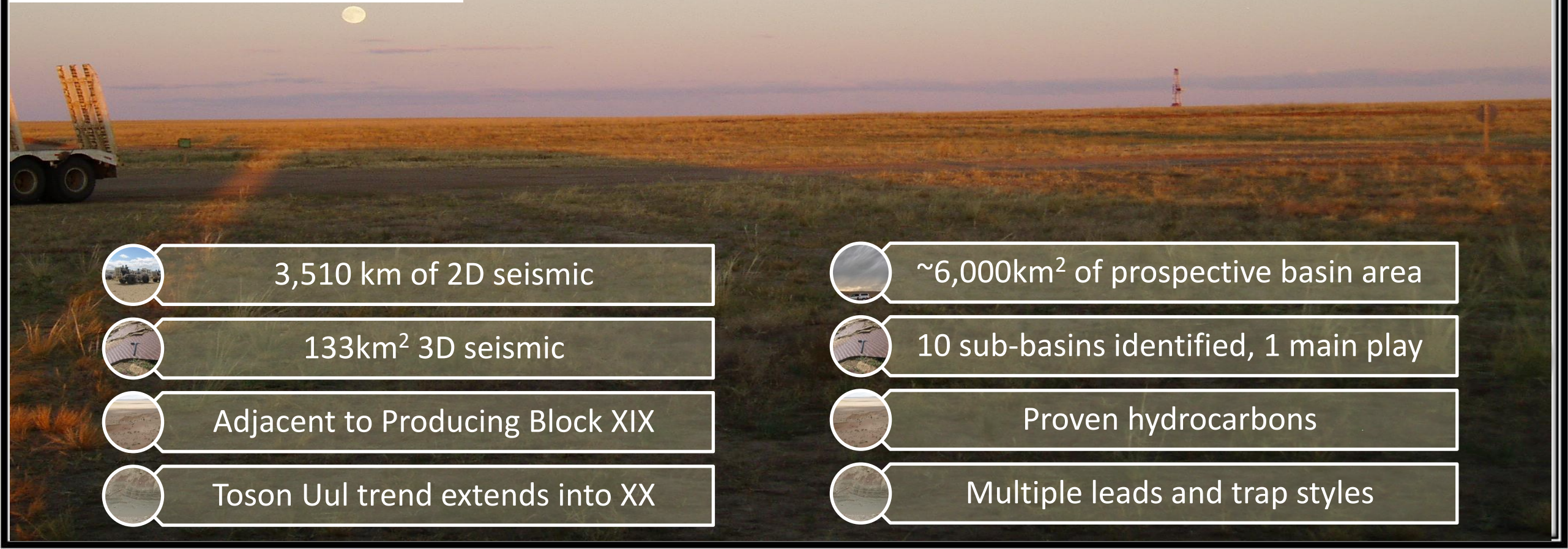
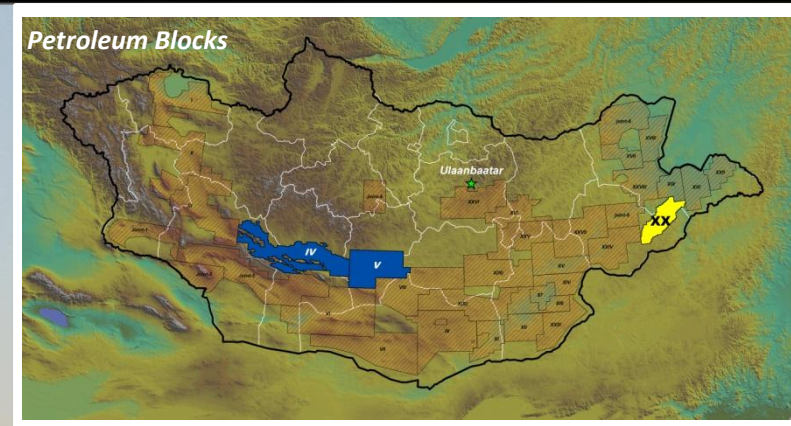
Clean high porosity reservoir rocks



Multiple leads and trap styles



Block XX MATAD



3,510 km of 2D seismic



133km² 3D seismic



Adjacent to Producing Block XIX



Toson Uul trend extends into XX



~6,000km² of prospective basin area



10 sub-basins identified, 1 main play



Proven hydrocarbons



Multiple leads and trap styles

Petroleum Systems Identified (data from Blocks IV & V)

SOURCE

Thick, rich and mature lacustrine shale.

- 200-800m net shale
- 3-27% TOC
- 0.6-0.9 Ro
- Potential for oil shale development
- Basin modelling indicates extensive generation potential



RESERVOIR

High Porosity fluvial-deltaic sands.

- 10-30% porosity
- Clean granitic source
- Laterally continuous



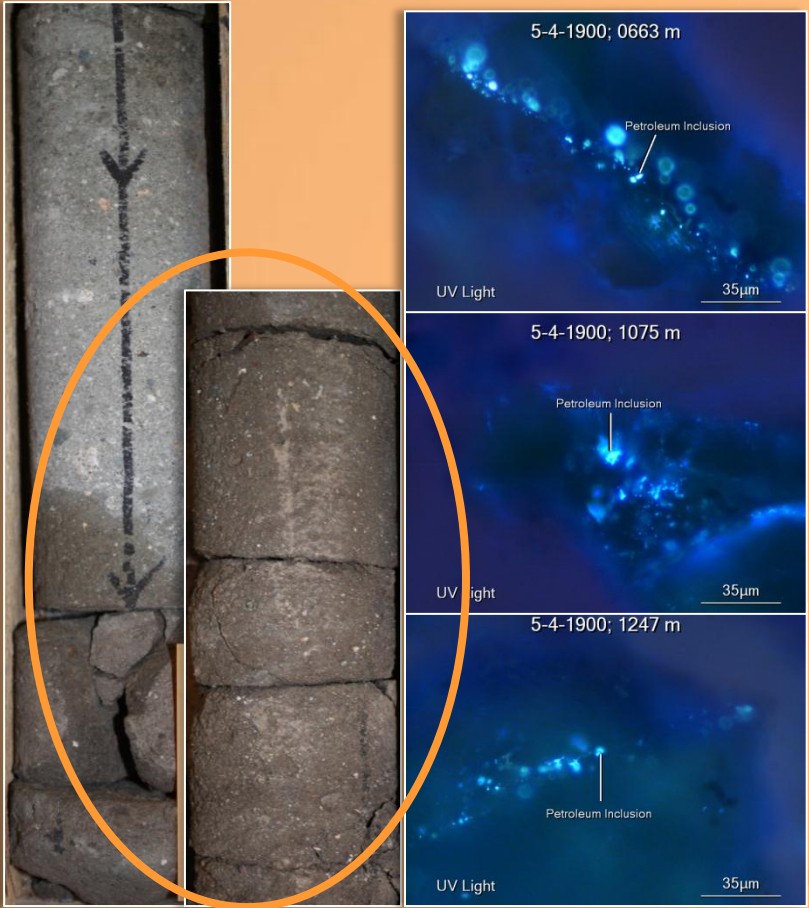
TRAPS

Rotated fault block, thrust anticline, stratigraphic and combination styles identified.

Direct Hydrocarbon Indicators

Block V

- Dead oil from core of 5-4-1900 strat test
- Oily fluid Inclusions from strat well



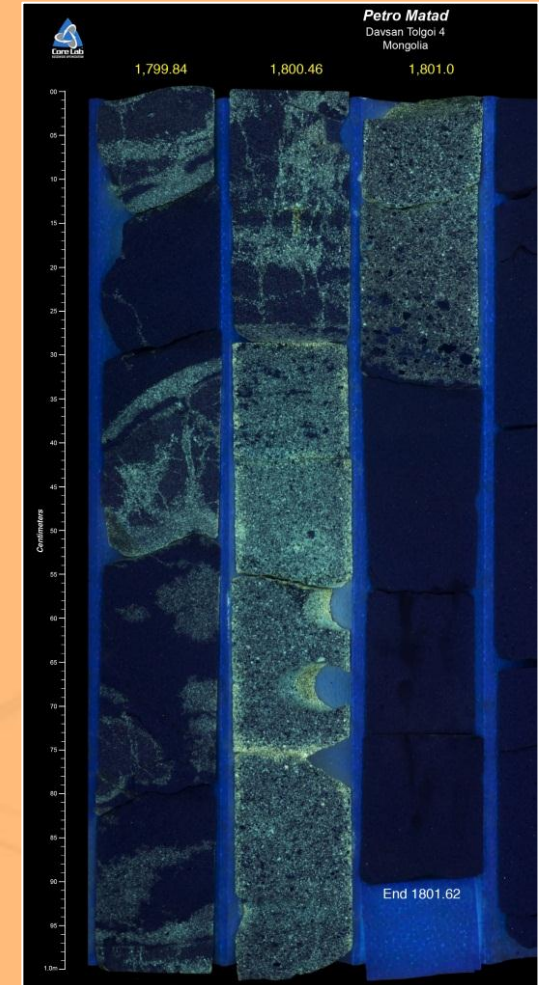
Block IV

- Oily fluid Inclusions from outcrop samples



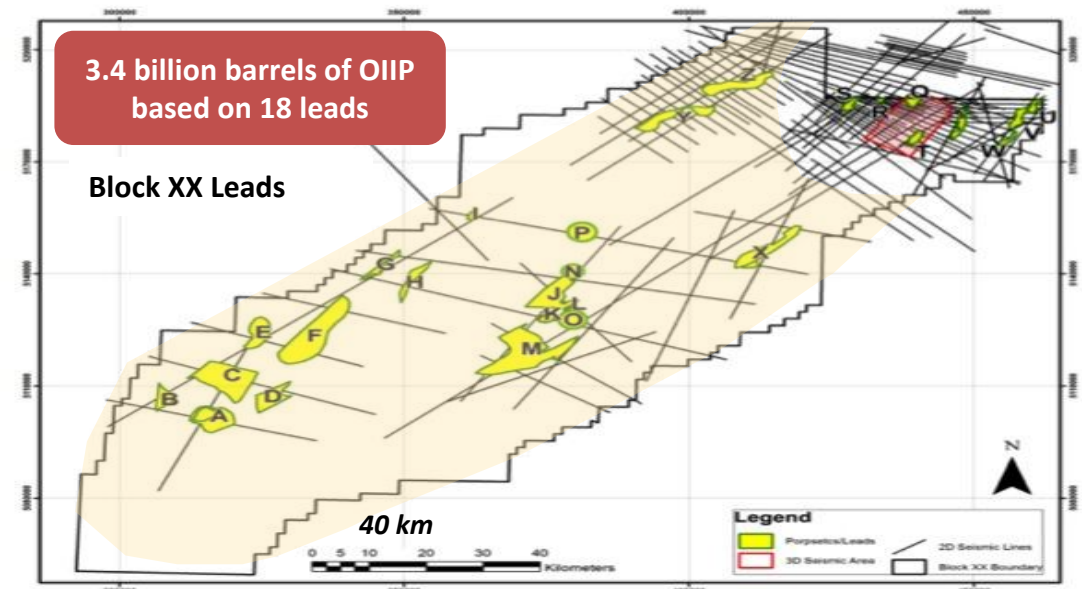
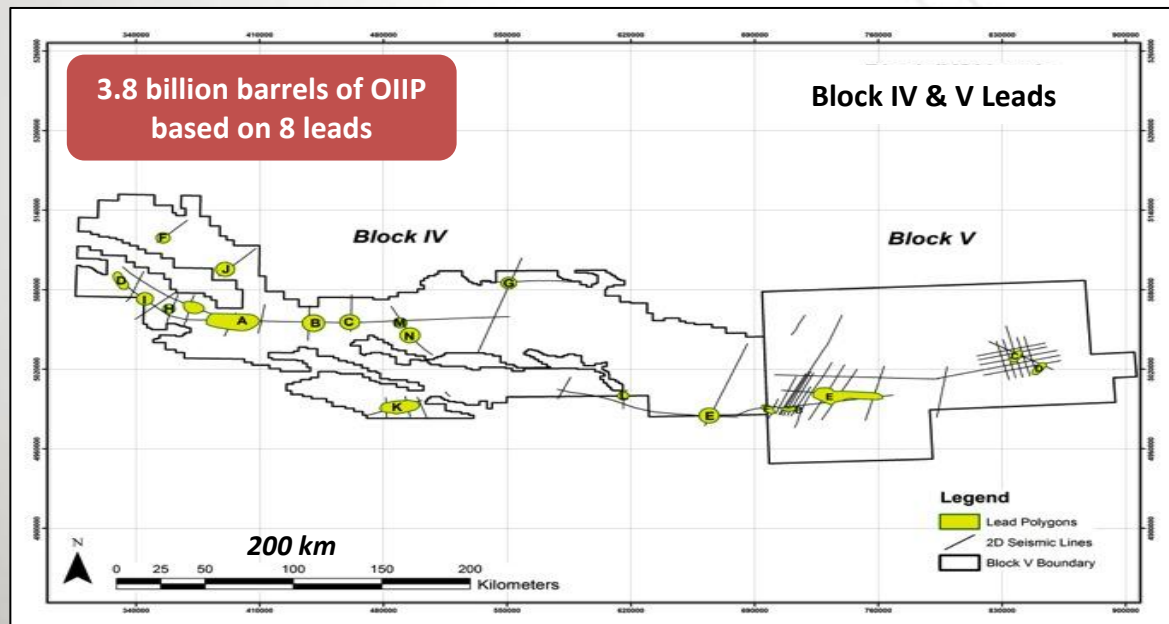
Block XX

- Live oil from DT-4 well, fluorescing under UV light



Unrisked Prospective Resources

Block	Deterministic Mid-Case Prospective Resources (OIP mmbbls)	Deterministic Mid-Case Recoverable Prospective Resources (mmbbls)	Number of identified leads with volume estimates	Total number of identified leads
Block IV	3,330	870	5	17
Block V	460	161	3	5
Block XX (North)	337	50	6	6
Block XX (South)	3,112	622	12	20
Total	7,239	1,703	26	48



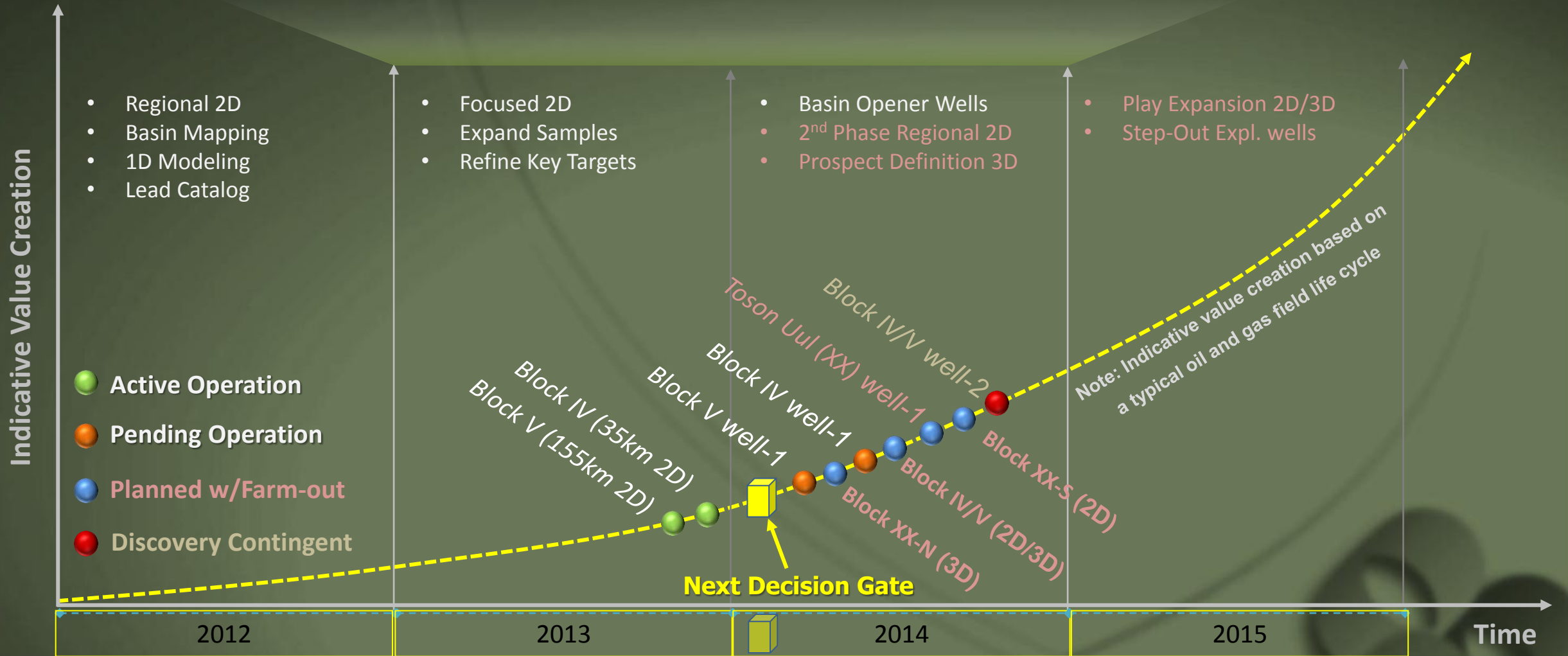
Source: Company estimates, NOTE: leads reflect sparse seismic grid

Investment Opportunity & Farm-Out Process

- ✓ Petro Matad is seeking to raise capital through equity sale. In parallel, it is also seeking to acquire strategic partner(s) by farming down its 100% interest in its 3 blocks
- ✓ A number of potential counterparties have been in the data room since early February 2013, and negotiations are ongoing
- ✓ A farm-down, in the form of a carry for the near term (2013-2015), in addition to an equity financing, would leave Petro Matad fully funded for the future planned exploration programme



NEAR TERM LOW SPEND ASSETS STRATEGY



Regional studies high-graded areas for hydrocarbon generation

Strong leads were chosen to undergo testing

Basin Opener Drilling

Strategy:

Prioritize the Undrilled frontier of Blocks IV & V

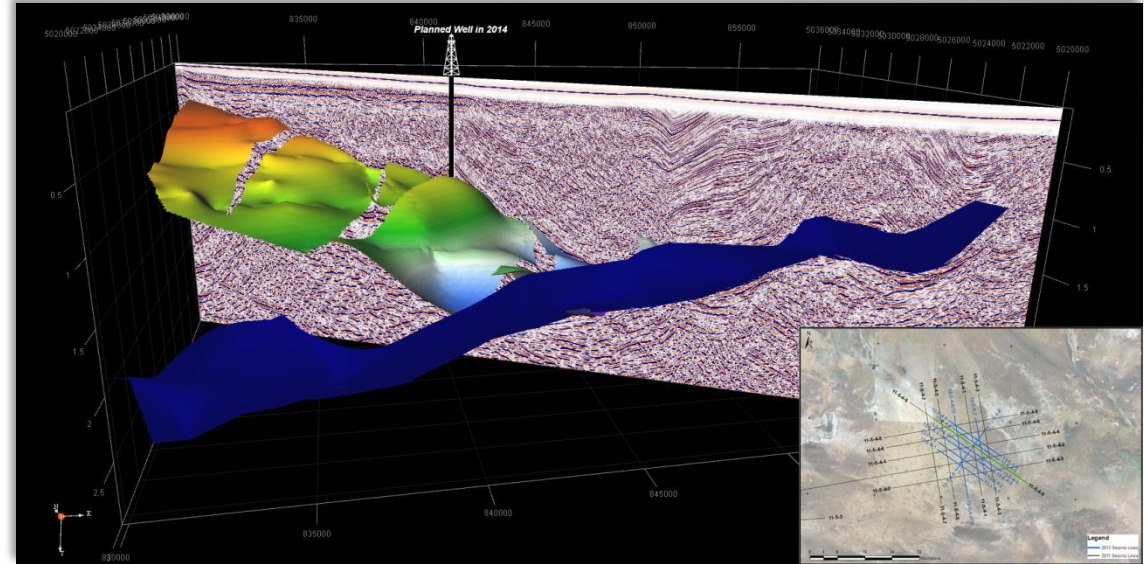
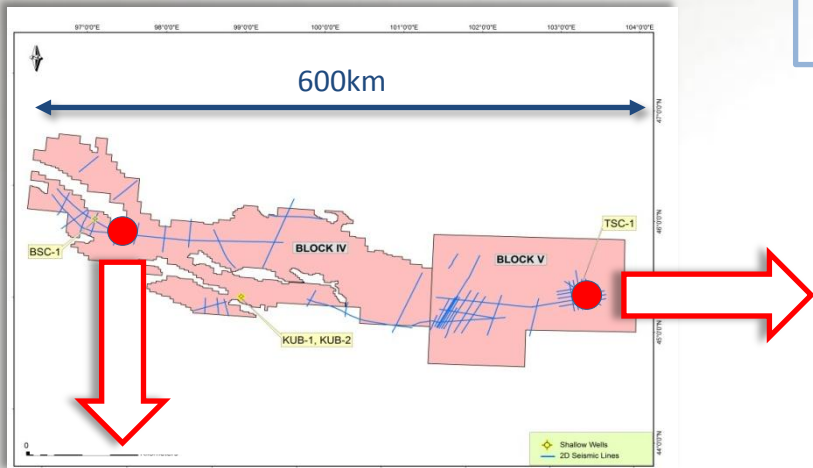
Operation:

Prospect scale 2D is being acquired over two leads (below)

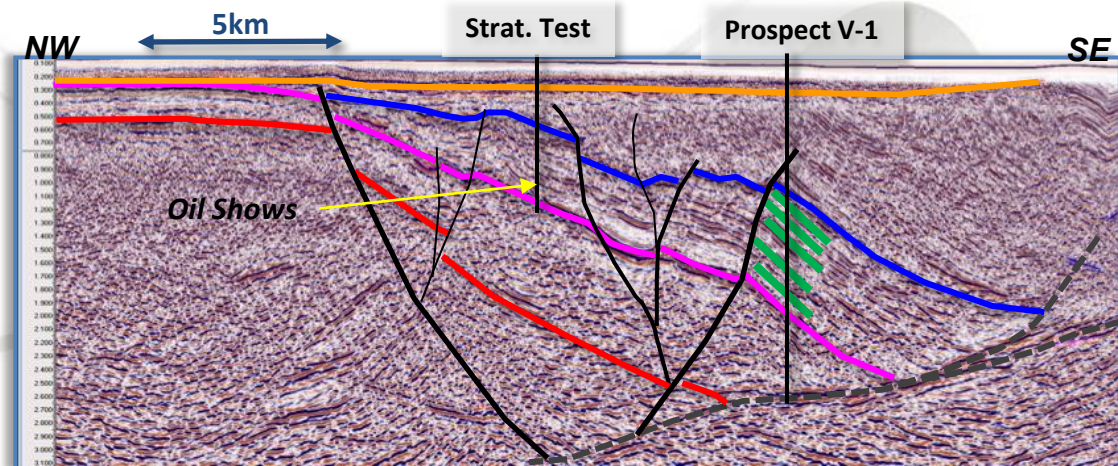
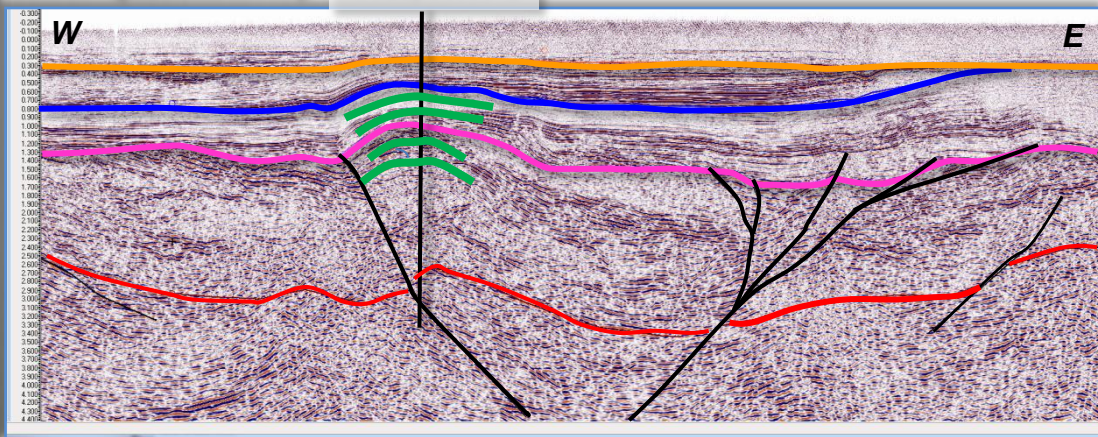
Plan:

First exploration wells in western Mongolia to be drilled in Q2 2014.

Drilling Plans for 2014



10km Prospect IV-1



Summary

Mongolia E&P Opportunity with Petromatad

- ✓ Opportunity to invest in frontier & emerging areas covering 60,500 km²
 - ✓ Three 100% owned blocks in Mongolia
 - ✓ Excellent mature source rocks, reservoirs and trapping styles identified
 - ✓ Both conventional and unconventional resource potential
 - ✓ Comparable prolific producing analogues in nearby Chinese basins
 - ✓ Significant resource potential: > 7 billion barrels OIIP (unrisked)
 - ✓ Comprehensive technical evaluation undertaken, with a major re-evaluation completed in 2013
 - ✓ Significant database available, drill-ready prospects for 2014-15
 - ✓ Opportunity to partner highly technically competent Mongolian oil company with possible farminees
 - ✓ Close association with Petrovis, to provide complete upstream, midstream and downstream package, has created the best investment vehicle available
 - ✓ Robust scoping economics (>30% profit oil in several scenarios)
- 

Contacts

If you are interested in investing in a fully operable oil and gas company with a revitalised and advanced exploration programme, high quality frontier and emerging exploration acreage, a significant database of seismic, wells and samples; plus the possibility of significant strategic partners following the farm out process, then please come and talk to us:

Exploration Director

Mr Ridvan Karpuz

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CFO

Mr John Henriksen

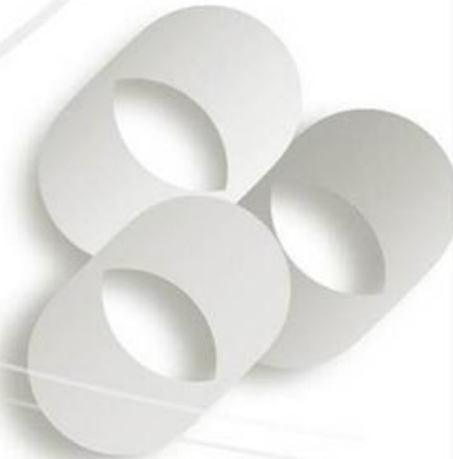
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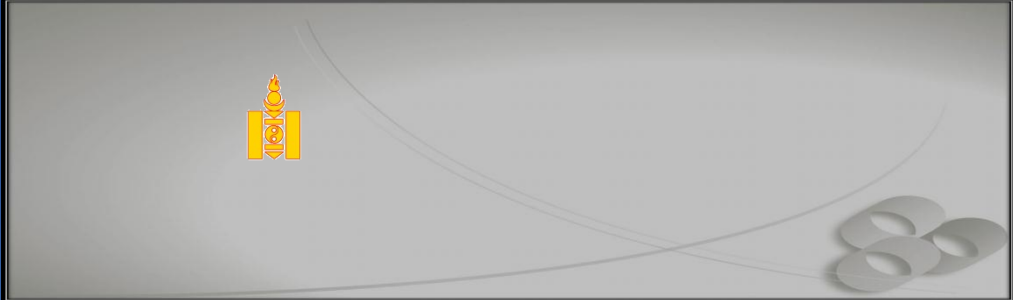
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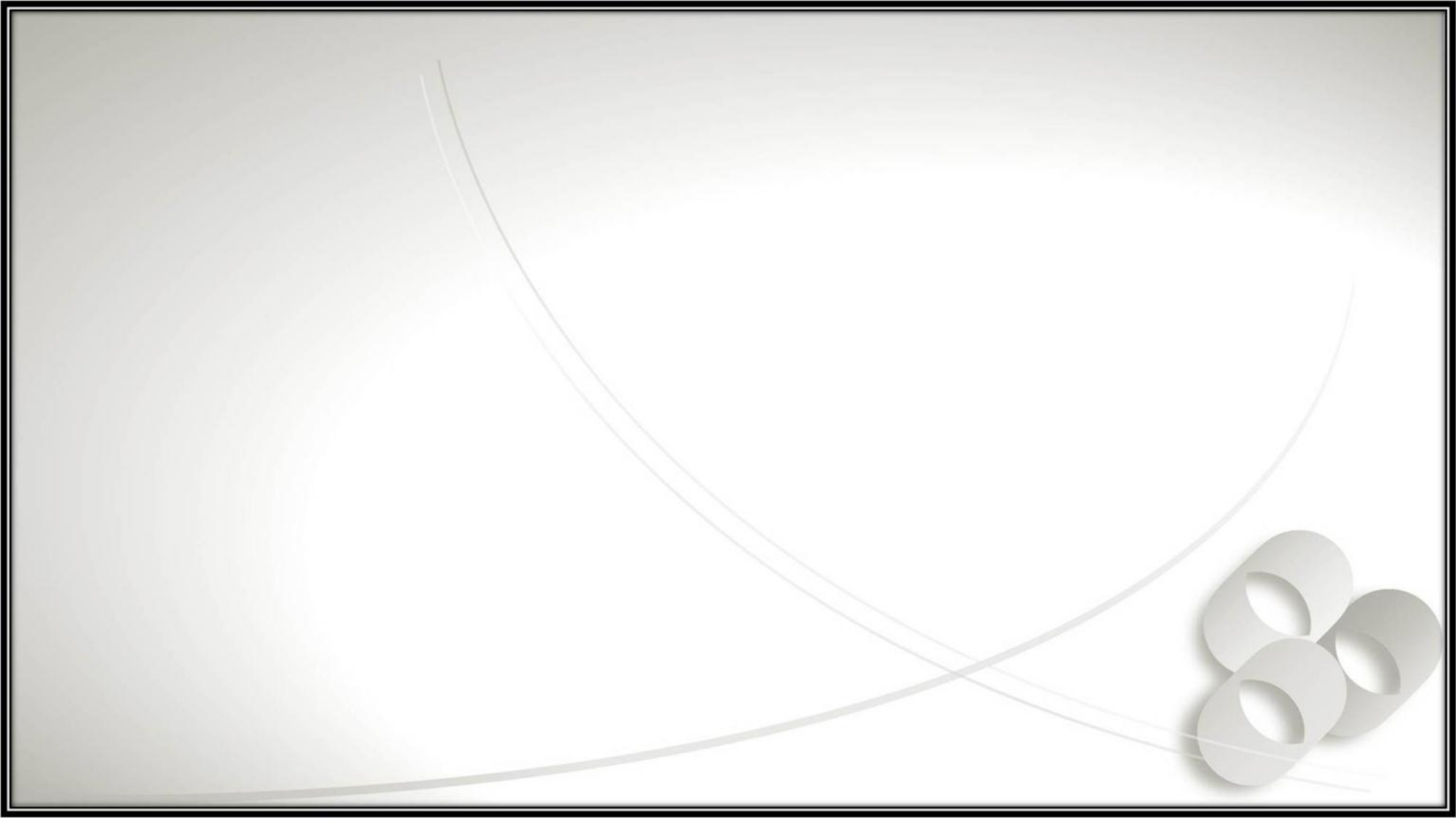
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THANK YOU



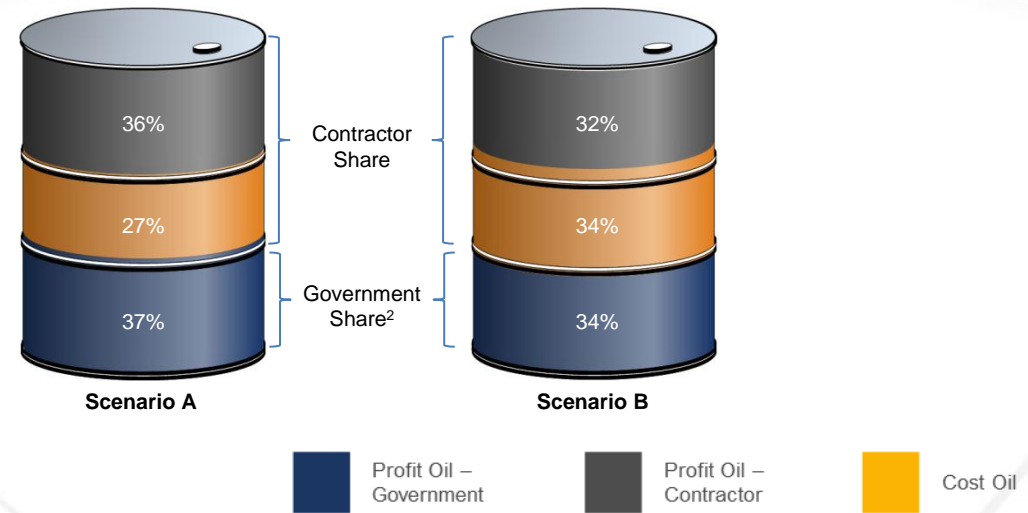
Scoping Economics

Indicative netback per barrel

Block IV & V - Key Assumptions

Scenario A	Scenario B
300 km pipeline to newbuild refinery	900 km pipeline to planned refinery at Darkhan-uul
Gross recoverable reserves: 100 mmbbl	Gross recoverable reserves: 100 mmbbl
Oil price: US\$90/bbl	Oil price: US\$90/bbl
Production rate per well: 100-200 bopd	Production rate per well: 100-200 bopd

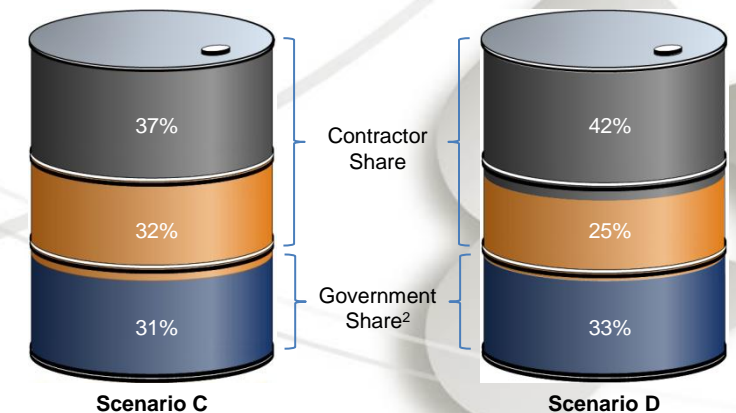
Block IV & V Split Per Barrel¹



Block XX - Key Assumptions

Scenario C	Scenario D
300 km pipeline to newbuild refinery	Trucking (transport cost \$5/bbl)
Gross recoverable reserves: 100 mmbbl	Gross recoverable reserves: 100 mmbbl
Oil price: US\$90/bbl	Oil price: US\$90/bbl
Production rate per well: 100-200 bopd	Production rate per well: 100-200 bopd

Block XX Split Per Barrel¹



Source: Company estimates, excluding capital and operating costs

1. Typical split per barrel of production 2. Government share includes royalty