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

<table>
<thead>
<tr>
<th>Assets</th>
<th>Licence Area</th>
<th>Working Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block IV</td>
<td>28,999 km²</td>
<td>100%</td>
</tr>
<tr>
<td>Block V</td>
<td>21,150 km²</td>
<td>100%</td>
</tr>
<tr>
<td>Block XX</td>
<td>10,343 km²</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>60,492 km²</td>
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</tbody>
</table>
## 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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. George Edward Watkins</td>
<td>Chairman</td>
</tr>
<tr>
<td>Ridvan Karpuz</td>
<td>Director of Exploration</td>
</tr>
<tr>
<td>Enkhmaa Davaanyam</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Dr. Oyungerel Janchiv</td>
<td>Deputy Chair</td>
</tr>
<tr>
<td>Amarzul Tuul</td>
<td>Executive Director of Petro Matad’s subsidiaries</td>
</tr>
<tr>
<td>Dr. Philip Arthur Vingoe</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>John Rene Henriksen</td>
<td>CFO</td>
</tr>
<tr>
<td>Mary Ellen Collins</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>David Daniel Skeels</td>
<td>Non-Executive Director</td>
</tr>
</tbody>
</table>

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.

- Songliao Basin >35 Bboe rec.
- Junggar Basin >10 Bboe rec.
- Erlian Basin >700 mmboe rec.
- Turpan Basin >400 mmboe rec.
- Hailar/Tamtsag Basin >100 mmboe rec.
- Gobi Basin c.10 mmboe rec.

Block IV & V
Area: 15,000km²
Max Fill: 5 km

Block XX
Area: 6,200km²
Max Fill: 4 km

Block IV & V Area: 15,000km² Max Fill: 5 km
Block XX Area: 6,200km² Max Fill: 4 km
Block XX - Producing Analogue

Producing Oil Fields

Block XIX

Block XX

Similar Leads mapped in Block XX

Tulson Uul Sub-Basin – Petro-China operated
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

>8,000 km² 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.7,000km$^2$ 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
- 133 km$^2$ 3D seismic
- Adjacent to Producing Block XIX
- Toson Uul trend extends into XX
- ~6,000 km$^2$ of prospective basin area
- 10 sub-basins identified, 1 main play
- Proven hydrocarbons
- Multiple leads and trap styles
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

<table>
<thead>
<tr>
<th>Block</th>
<th>Deterministic Mid-Case Prospective Resources (OIIP mmbbls)</th>
<th>Deterministic Mid-Case Recoverable Prospective Resources (mmbbls)</th>
<th>Number of identified leads with volume estimates</th>
<th>Total number of identified leads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block IV</td>
<td>3,330</td>
<td>870</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Block V</td>
<td>460</td>
<td>161</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Block XX (North)</td>
<td>337</td>
<td>50</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Block XX (South)</td>
<td>3,112</td>
<td>622</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,239</strong></td>
<td><strong>1,703</strong></td>
<td><strong>26</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

- **3.8 billion barrels of OIIP based on 8 leads**
- **3.4 billion barrels of OIIP based on 18 leads**

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 2D
- Basin Mapping
- 1D Modeling
- Lead Catalog

- Focused 2D
- Expand Samples
- Refine Key Targets

- Basin Opener Wells
- 2nd Phase Regional 2D
- Prospect Definition 3D

- Play Expansion 2D/3D
- Step-Out Expl. wells

Next Decision Gate

Indicative Value Creation

Active Operation
Pending Operation
Planned w/Farm-out
Discovery Contingent

Time:
2012
2013
2014
2015

Note: Indicative value creation based on a typical oil and gas field life cycle
Regional studies high-graded areas for hydrocarbon generation

Strategy:
Prioritize the Undrilled frontier of Blocks IV & V

Strong leads were chosen to undergo testing

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

Basin Opener Drilling

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

Drilling Plans for 2014
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)
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

**CFO**
Mr John Henriksen

**Chairman**
Dr George Watkins

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# Scoping Economics

## Indicative netback per barrel

### Block IV & V - Key Assumptions

<table>
<thead>
<tr>
<th>Scenario A</th>
<th>Scenario B</th>
</tr>
</thead>
<tbody>
<tr>
<td>300 km pipeline to newbuild refinery</td>
<td>900 km pipeline to planned refinery at Darkhan-uu</td>
</tr>
<tr>
<td>Gross recoverable reserves: 100 mmbo</td>
<td>Gross recoverable reserves: 100 mmbo</td>
</tr>
<tr>
<td>Oil price: US$90/bbl</td>
<td>Oil price: US$90/bbl</td>
</tr>
<tr>
<td>Production rate per well: 100-200 bopd</td>
<td>Production rate per well: 100-200 bopd</td>
</tr>
</tbody>
</table>

### Block XX – Key Assumptions

<table>
<thead>
<tr>
<th>Scenario C</th>
<th>Scenario D</th>
</tr>
</thead>
<tbody>
<tr>
<td>300 km pipeline to newbuild refinery</td>
<td>Trucking (transport cost $5/bbl)</td>
</tr>
<tr>
<td>Gross recoverable reserves: 100 mmbo</td>
<td>Gross recoverable reserves: 100 mmbo</td>
</tr>
<tr>
<td>Oil price: US$90/bbl</td>
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<td>Production rate per well: 100-200 bopd</td>
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### Block IV & V Split Per Barrel

<table>
<thead>
<tr>
<th>Contractor Share</th>
<th>Government Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario A</td>
<td>36%</td>
</tr>
<tr>
<td>Scenario B</td>
<td>32%</td>
</tr>
</tbody>
</table>

### Block XX Split Per Barrel

<table>
<thead>
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<th>Contractor Share</th>
<th>Government Share</th>
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<tbody>
<tr>
<td>Scenario C</td>
<td>37%</td>
</tr>
<tr>
<td>Scenario D</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: Company estimates, excluding capital and operating costs

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