

MONGOLIA

UNDER-EXPLORED, HIGHLY PROSPECTIVE, LOW COST ONSHORE OIL



November 2017

IMPORTANT NOTICE AND DISCLAIMER

This presentation has been prepared by Petro Matad Limited (the Company) and is for information purposes only.

Some statements contained in this presentation or in documents referred to in it are or may be forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to risks, assumptions, uncertainties and other factors beyond the Company's control that could cause actual results to differ from those expressed in such statements. Although the Company believes that such forward-looking statements, which speak only as of the date of this presentation, are reasonable, no assurance can be given that they will prove to be correct. Actual results may differ from those expressed in such statements, depending on a variety of reasons. Therefore, you should not place undue reliance on these statements.

There can be no assurance that the results and events contemplated by the forward-looking statements contained in this presentation will, in fact, occur. The Company will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation, except as required by law or by any appropriate regulatory authority. Nothing in this presentation should be considered as a profit forecast.

Past performance of the Company or its shares cannot be relied on as a guide to future performance.

This presentation does not constitute, or form part of or contain any invitation or offer to any person to underwrite, subscribe for, otherwise acquire, or dispose of any securities in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it, form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment therefore. This presentation does not constitute a recommendation regarding the securities of the Company. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this presentation or on its completeness and no liability whatsoever is accepted for any loss howsoever arising from any use of this presentation or its contents or otherwise in connection therewith.

In particular, this presentation and the information contained herein do not constitute an offer of securities for sale in the United States. The Company's securities have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold in the United States other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This presentation has been prepared in compliance with English law and English courts will have exclusive jurisdiction over any disputes arising from or connected with this presentation.

High Impact Low Cost



AIM listed, Mongolia focused Petro Matad

About to embark upon a high impact 3-6 well drilling campaign with transformational potential

Portfolio of drilling targets ranging from groundbreaking frontier exploration and basin opener wells to prospects with high chance of success adjacent to production

Large acreage position with numerous undrilled basins in one of the last remaining large onshore oil frontiers

Attracted BG group as farminee in 2014. Following Shell take-over they pulled out driven by strategic divestment focus

Abundant surface and subsurface evidence that all the necessary ingredients for substantial oil generation and accumulation are present

Adjacent to geologically analogous prolific oil producing basins in China
Targets defined with regional and global analogues to giant discoveries

Low Cost Drilling. Well costs between \$2MM and \$7MM

Excellent fiscal terms and highly supportive government focused on energy independence

Board of Directors



• **Chair-person:** Enkhmaa Davaanyam

20 years of energy, mining and infrastructure project management, CEO of Petrovis Group



• **CEO:** Mike Buck

38 years of upstream E&P experience. Proven track record of exploration success in S. America, N. Africa and Asia directly involved in the discovery of more than 1 billion barrels of recoverable reserves



• **CFO:** John Henriksen

40 years in upstream E&P and 5 years in Mongolia



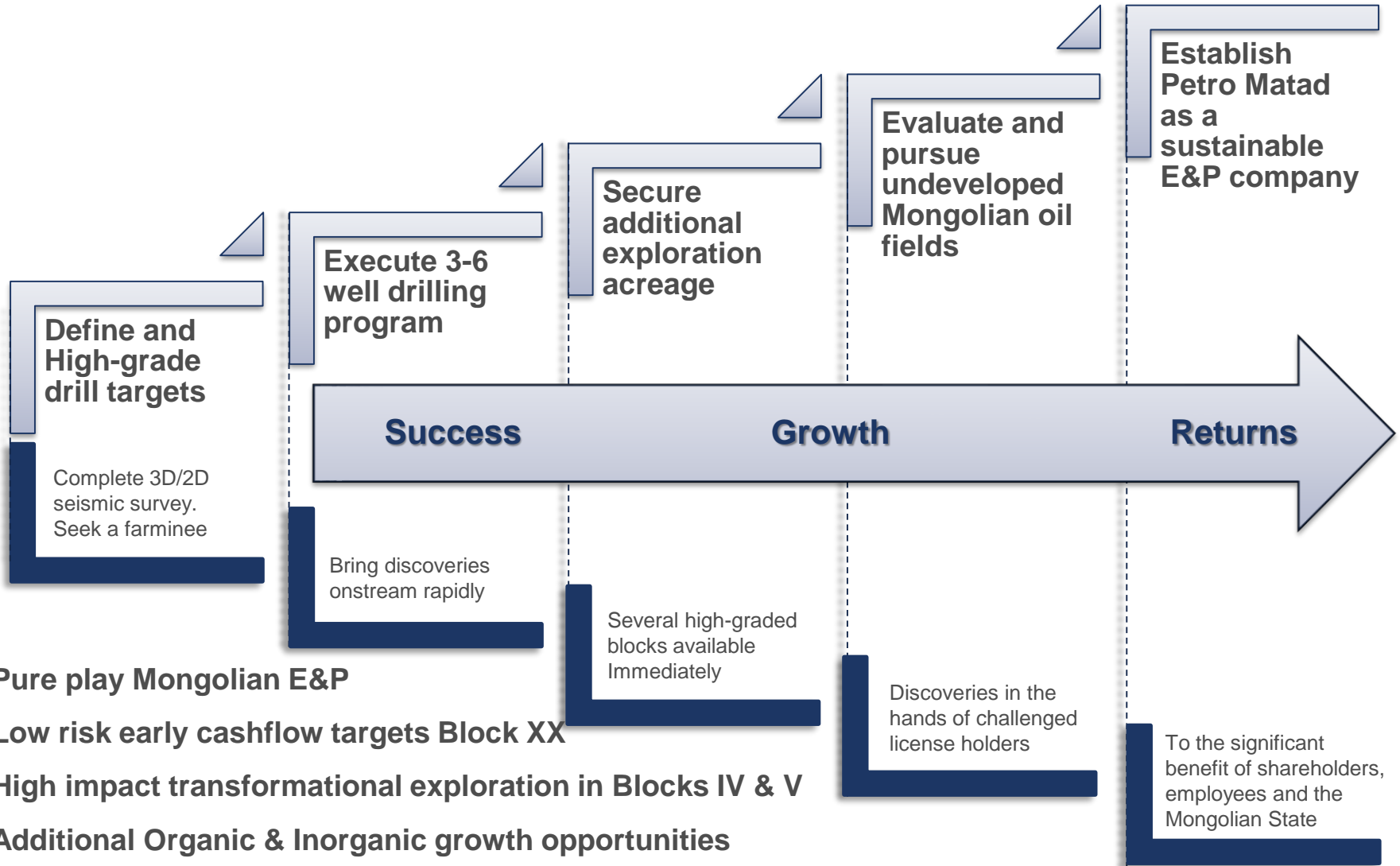
• **Non-Executive Director:** Dr. Oyungerel Janchiv

35 years of downstream experience in Mongolia, founder and Chair-person of Petrovis Group



• **Non-Executive Technical Director:** Tim Bushell

35 years of international E&P experience including 10 years as CEO of Falklands Oil and Gas Ltd

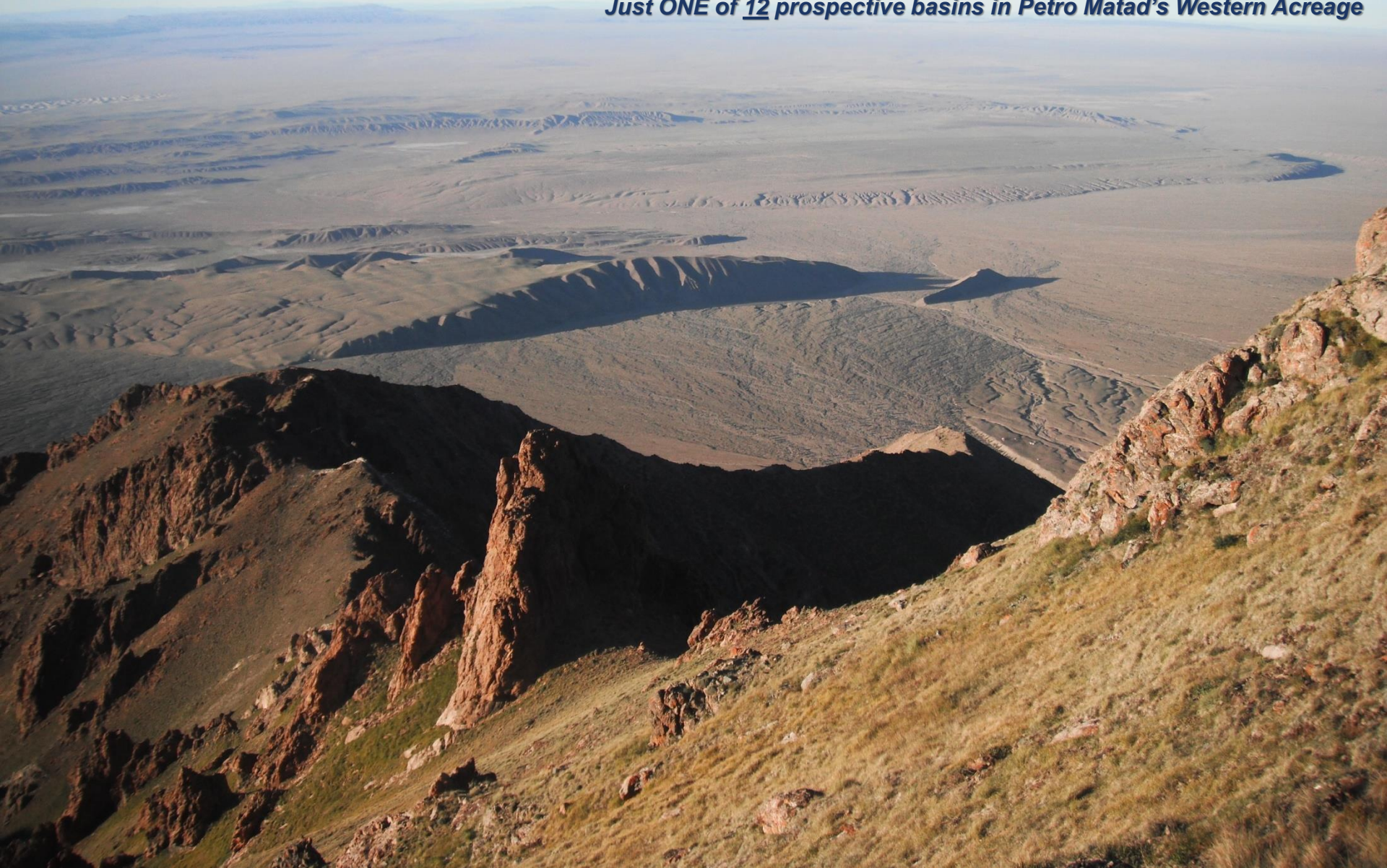


- **Pure play Mongolian E&P**
- **Low risk early cashflow targets Block XX**
- **High impact transformational exploration in Blocks IV & V**
- **Additional Organic & Inorganic growth opportunities**
- **Multiple catalysts for transformational value additions: 3 high impact wells in 2018 and 3 more in 2019 (dependent upon funding)**

TECHNICAL DETAILS

Photo overlooking a portion of the Taats Basin in Block V

Just ONE of 12 prospective basins in Petro Matad's Western Acreage

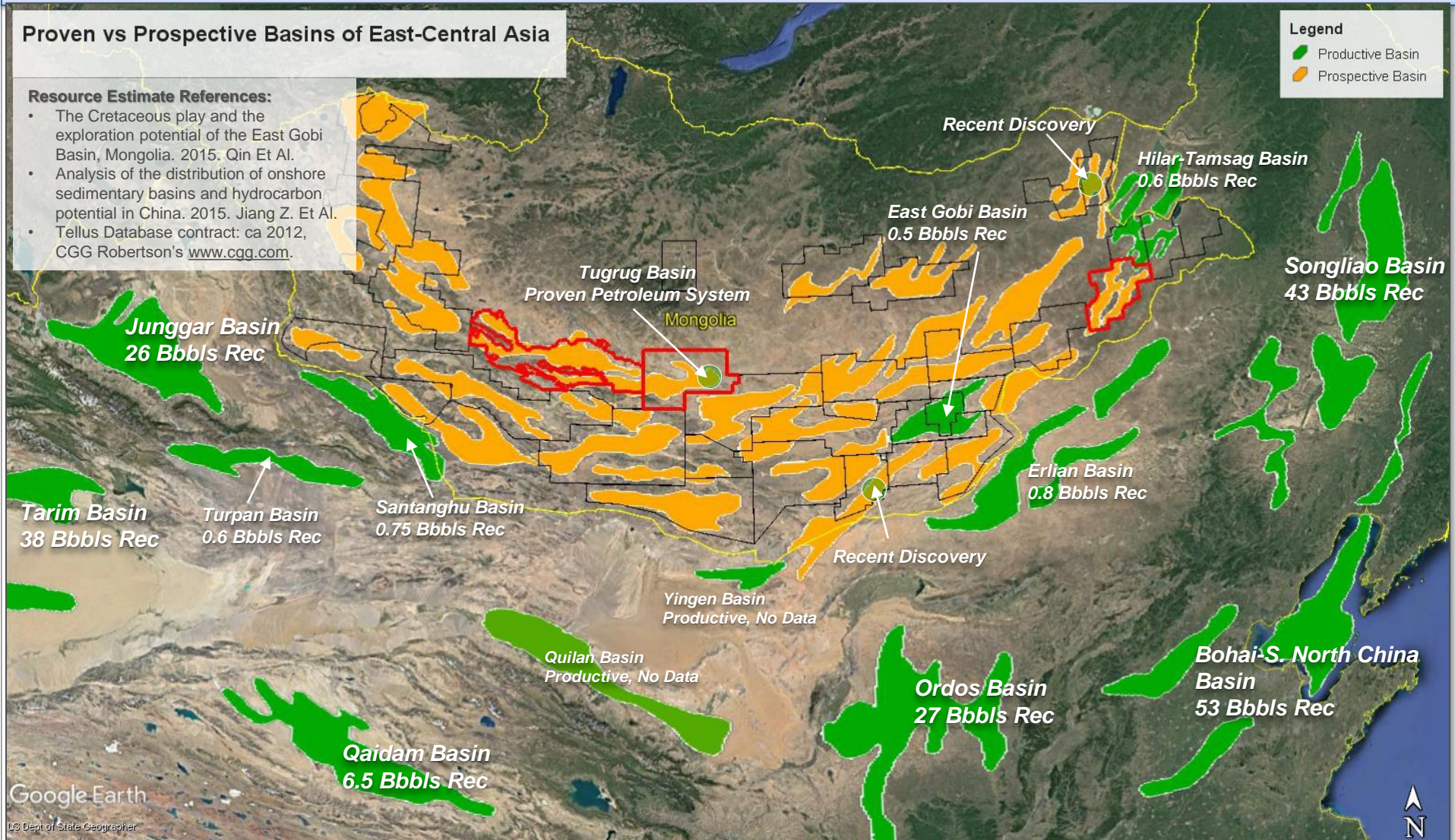


CHINA: THE PROVEN & PROLIFIC ANALOG

Proven vs Prospective Basins of East-Central Asia




Resource Estimate References:

- The Cretaceous play and the exploration potential of the East Gobi Basin, Mongolia. 2015. Qin Et Al.
- Analysis of the distribution of onshore sedimentary basins and hydrocarbon potential in China. 2015. Jiang Z. Et Al.
- Tellus Database contract: ca 2012, CGG Robertson's www.cgg.com.

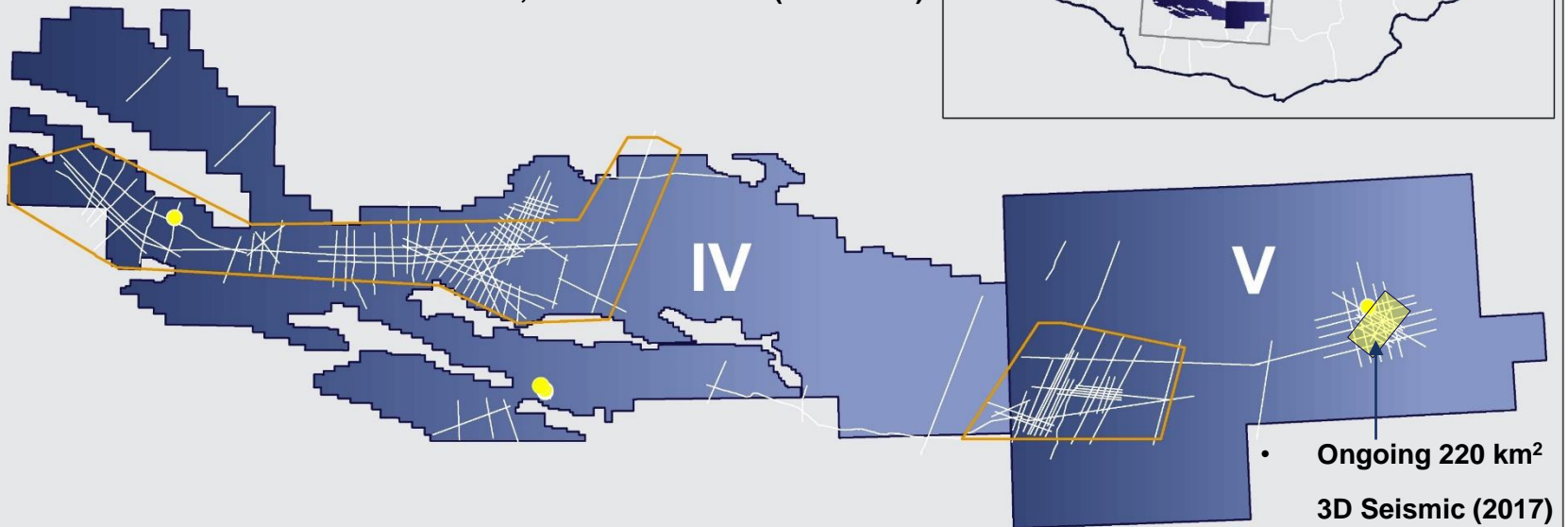


- The under-explored nature of Mongolian petroleum potential is predominantly due to the intentional effort of the soviet union to under-develop the country as a geo-political buffer between itself and China to the south; also major deposits had been discovered inside soviet borders.
- In the post soviet era (1990+) the anticipated lag in industry and political stability has finally, but only relatively recently, been proven to be sufficiently stable and transparent such that large scale rapid exploration, exploitation and commercialization is happening (e.g. Rio Tinto – Oyu Tolgoi et al).

Blocks IV and V 50,148 km²

-  FTG and HRAM Surveys
-  2D Seismic
-  Stratigraphic Core-hole

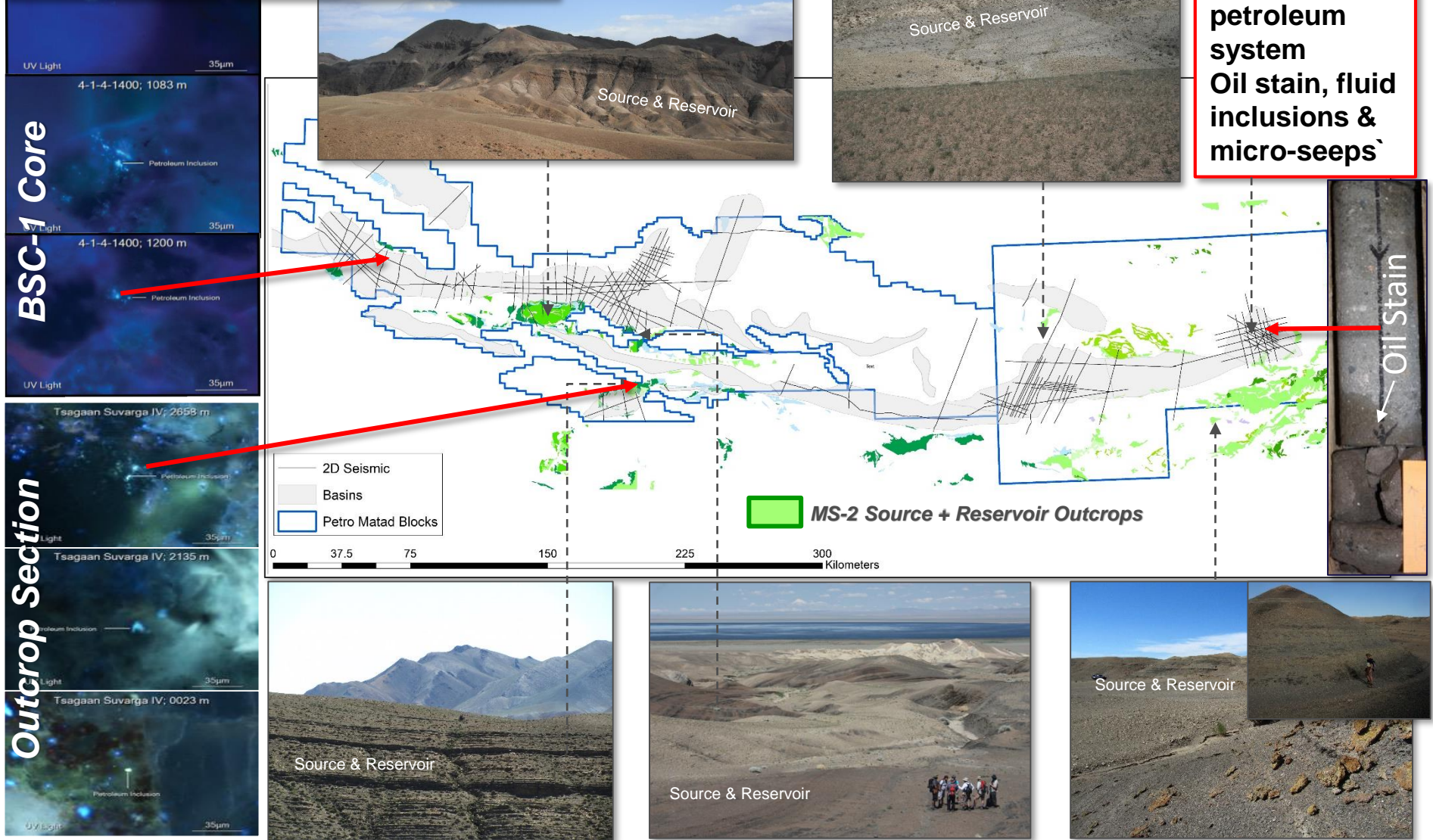
- 4 Strat Cores (3500m core)
- 3,000+ Outcrop Samples
- Blockwide Land Gravity
- 11,000km² FTG + HRAM
- 4,000km 2D seismic (2010-2016)



PROVEN PETROLEUM SYSTEMS BLOCKS IV/V

•Oily fluid Inclusions in BSC-1 core as well as outcrop sections in Block IV

**•Proven working petroleum system
Oil stain, fluid inclusions & micro-seeps`**



Wide open country, easy to operate, minimal above ground risk



RESOURCE ESTIMATES (PETRO MATAD INTERNAL ESTIMATES)

Current Portfolio:
55 Prospects and Leads

Average Prospect Size:
40 MMbo Recoverable

Minimum economic field size c. 10-20 MMbo Recoverable (\$50 oil)

Significant Upside Potential:

Seismic evidence for basin centre turbidite fan complexes which are known globally to hold billion barrel fields in similar lacustrine basins

Basin Potential

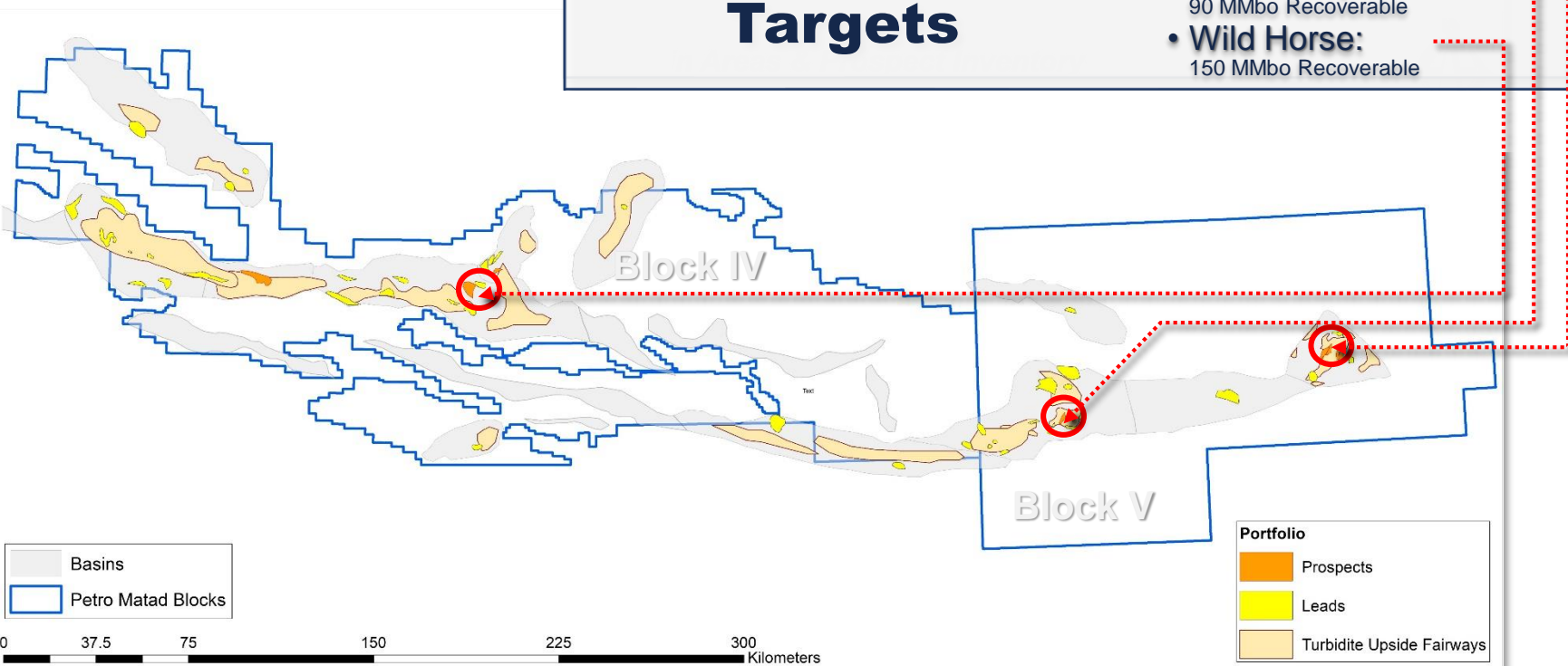
- 90+ Bbo Expelled
- 15-30 Bbo Trapped
- **3-10 Billion Recoverable**

Mapped Portfolio

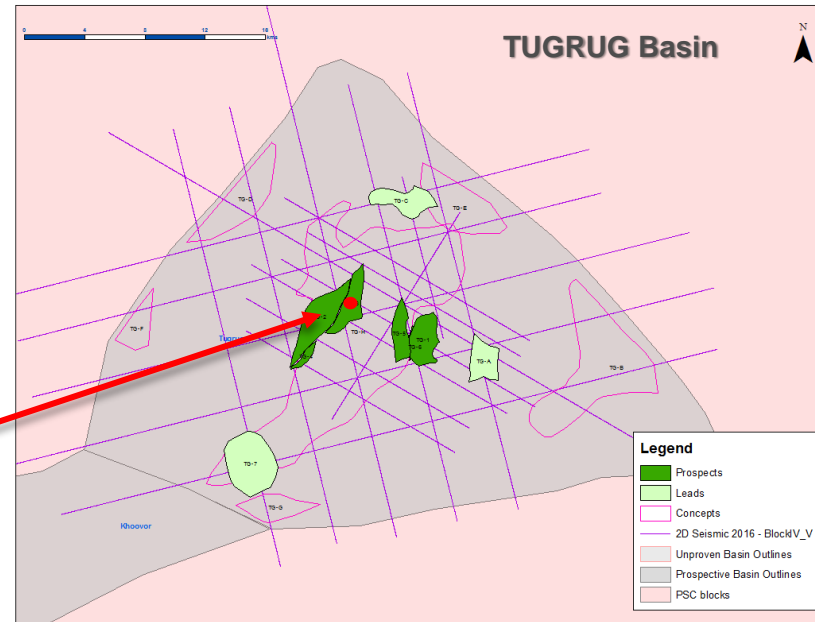
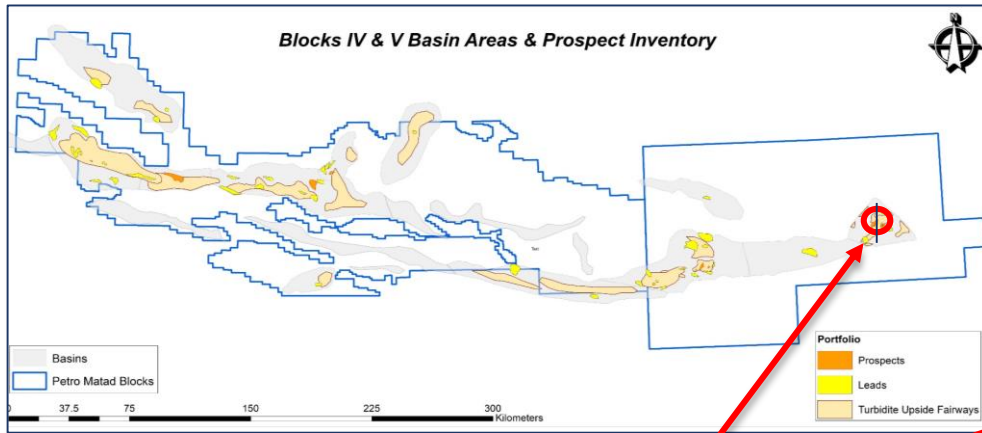
- **2.2 Billion Rec** (Mid Case)
- 5-7 Bbo Rec
 StratPlay/Unconventional Upside

Drill Ready Targets

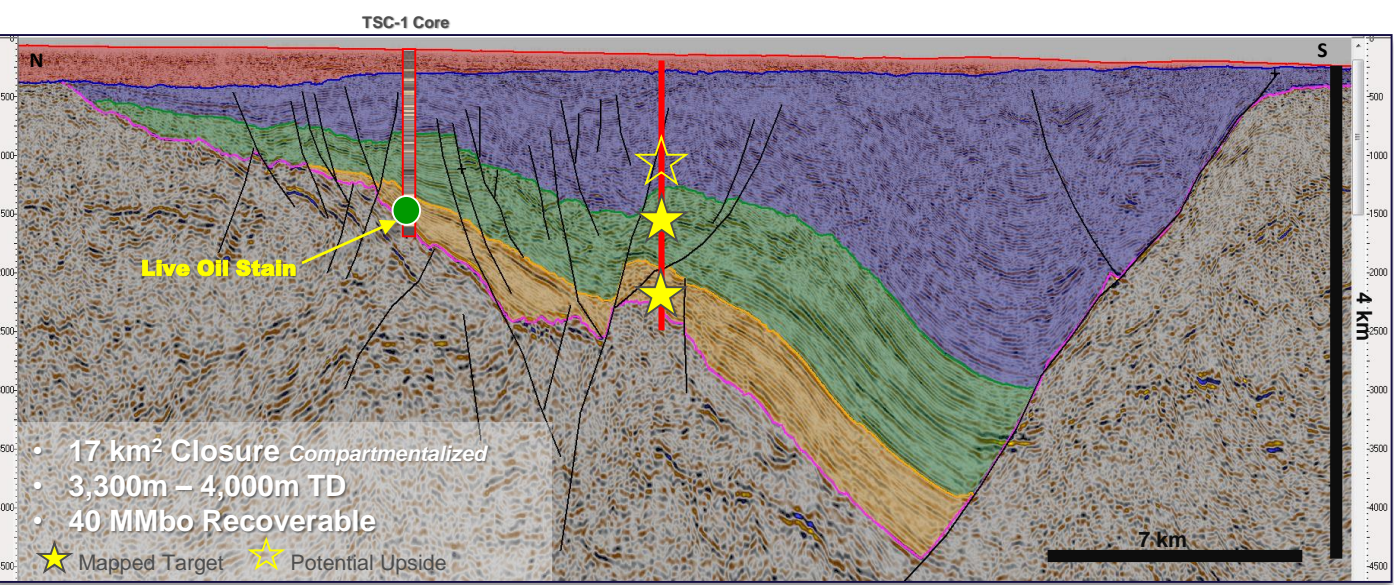
- **Falcon:**
 40 MMbo Recoverable
- **Snow Leopard:**
 90 MMbo Recoverable
- **Wild Horse:**
 150 MMbo Recoverable



DRILL READY PROSPECTS (PETRO MATAD INTERNAL ESTIMATES)



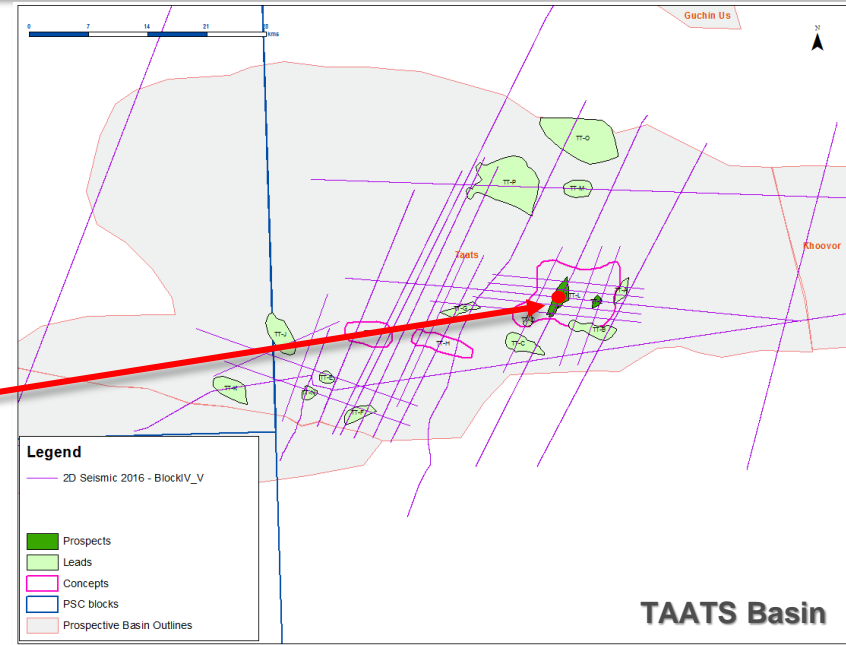
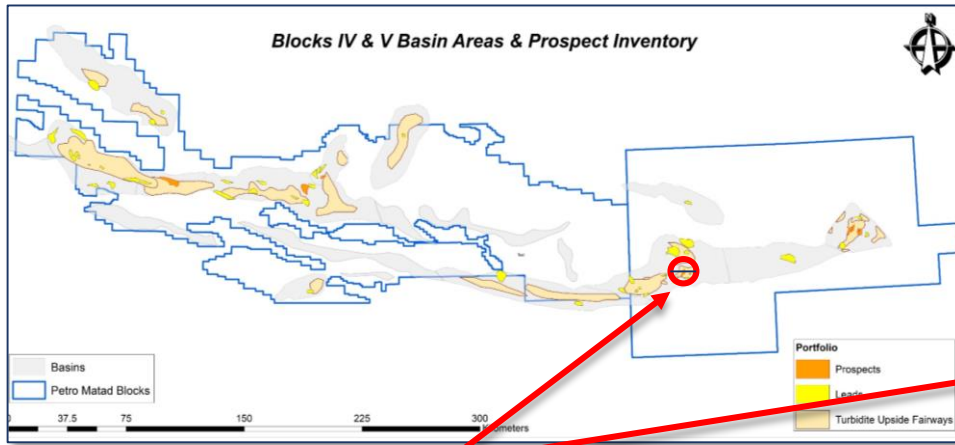
Falcon Prospect
40MMbo Recoverable



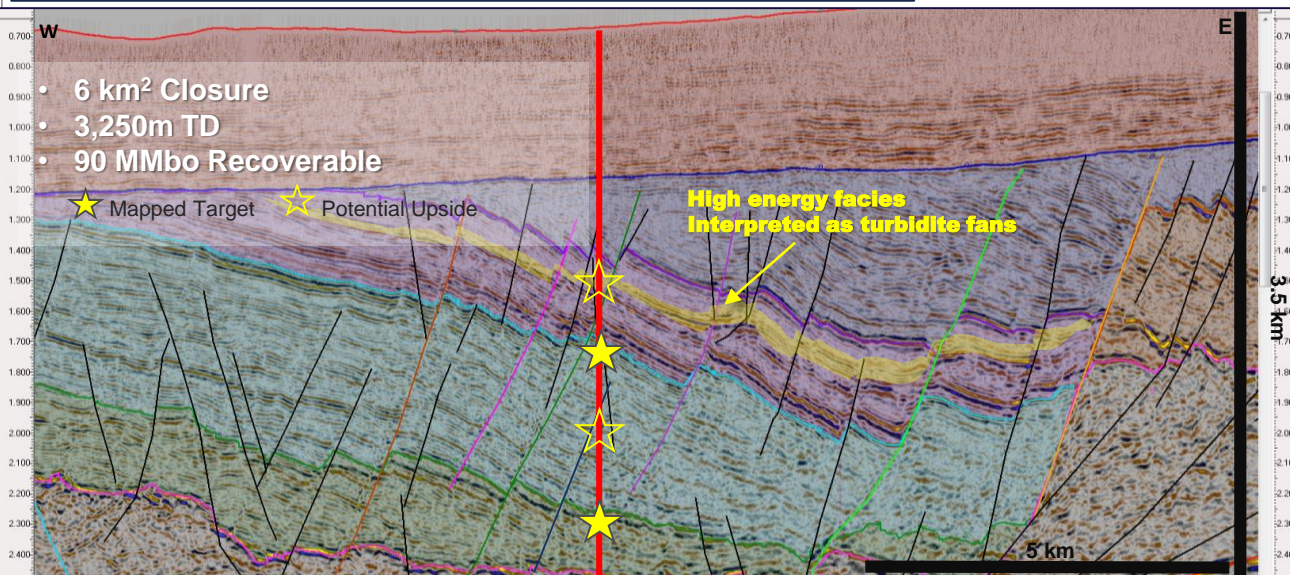
Follow up potential

- 6 prospects/leads within 10km radius of Falcon
- 150 - 400MMbo Rec potential

DRILL READY PROSPECTS (PETRO MATAD INTERNAL ESTIMATES)



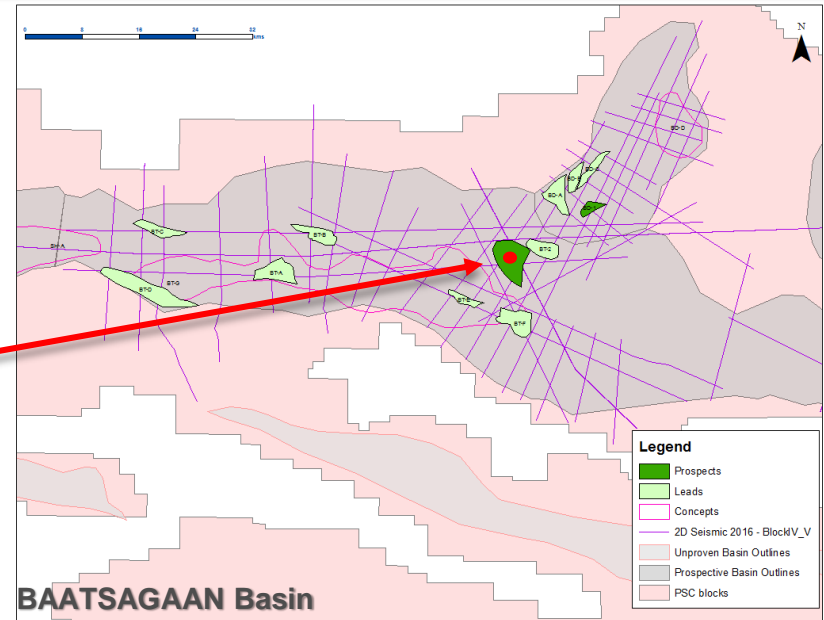
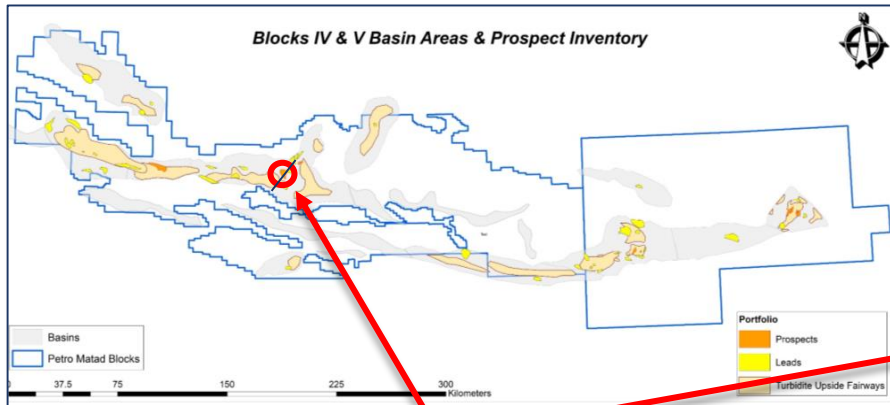
Snow Leopard Prospect 90MMbo Recoverable



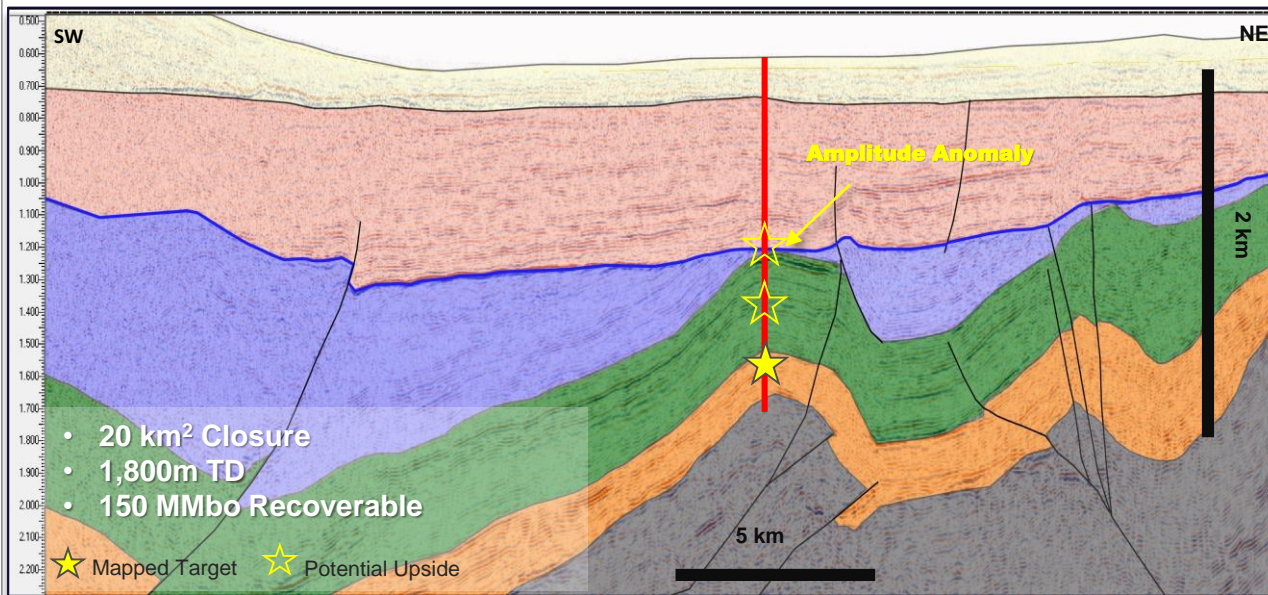
Follow up potential

- 13 prospects/leads within 35km radius of Snow Leopard
- 130 - 600MMbo Rec potential

DRILL READY PROSPECTS (PETRO MATAD INTERNAL ESTIMATES)



Wild Horse Prospect
150MMbo Recoverable

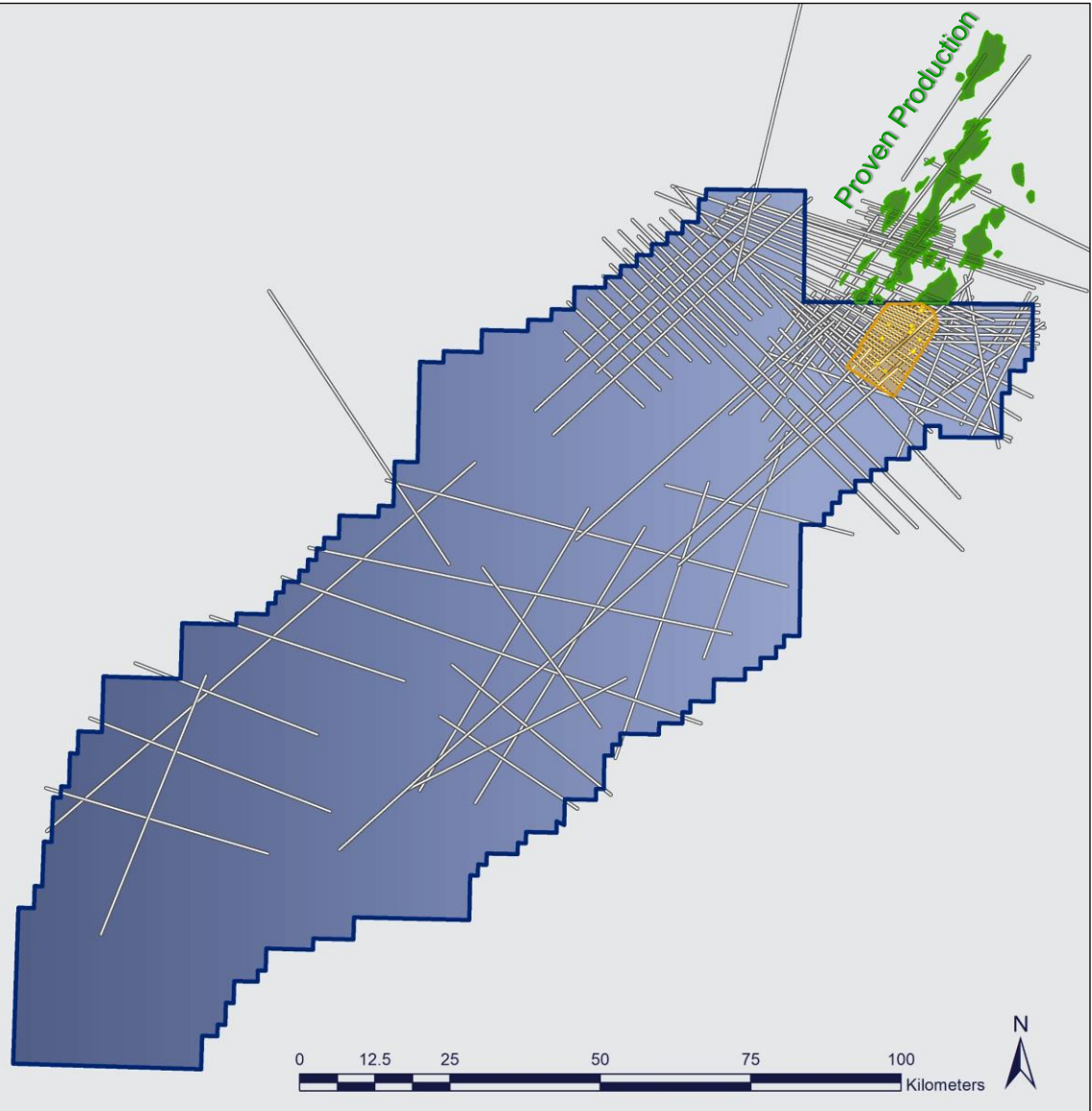


- Follow up potential**
- 14 prospects/leads within 100km radius of Wild Horse
 - 500 - 900MMbo Rec potential

Block XX

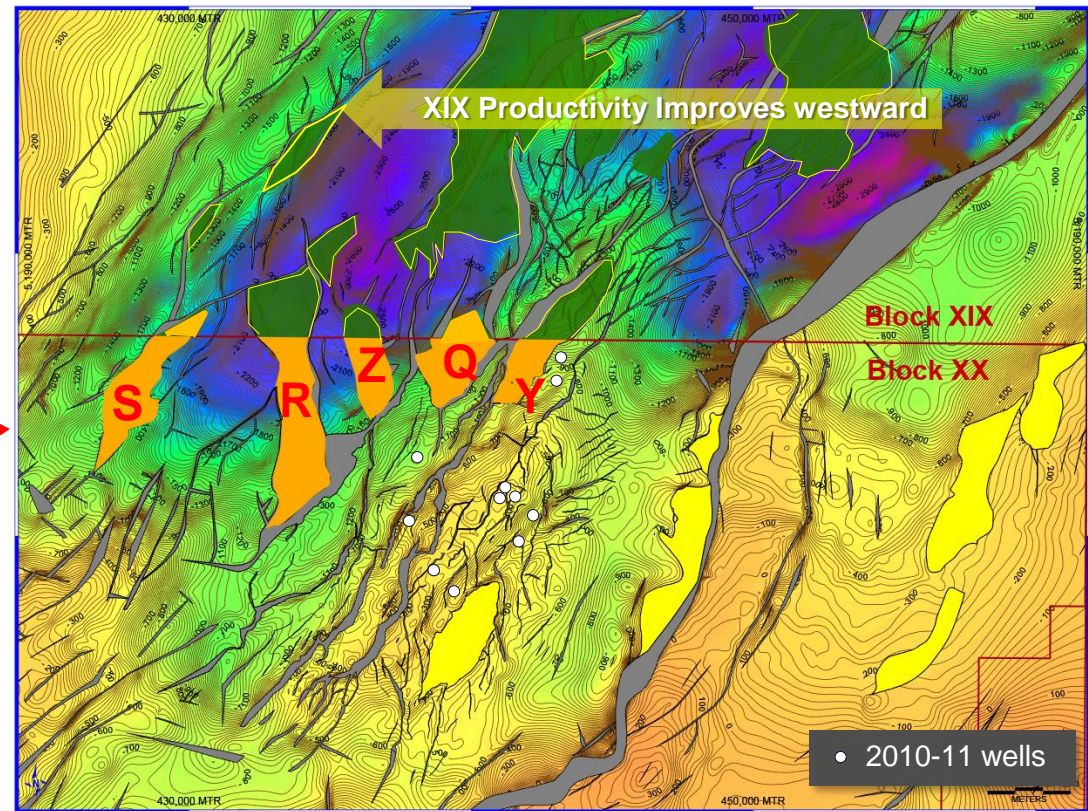
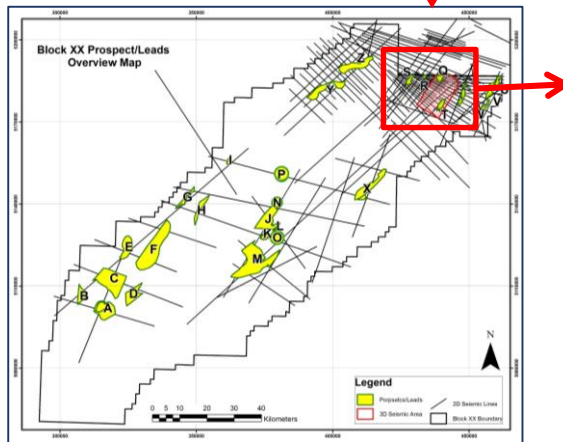
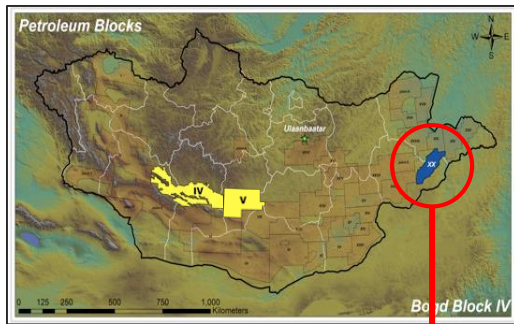
10,340 km²

- Near field Exploration and Appraisal in North
- Multiple undrilled basins with Exploration in South

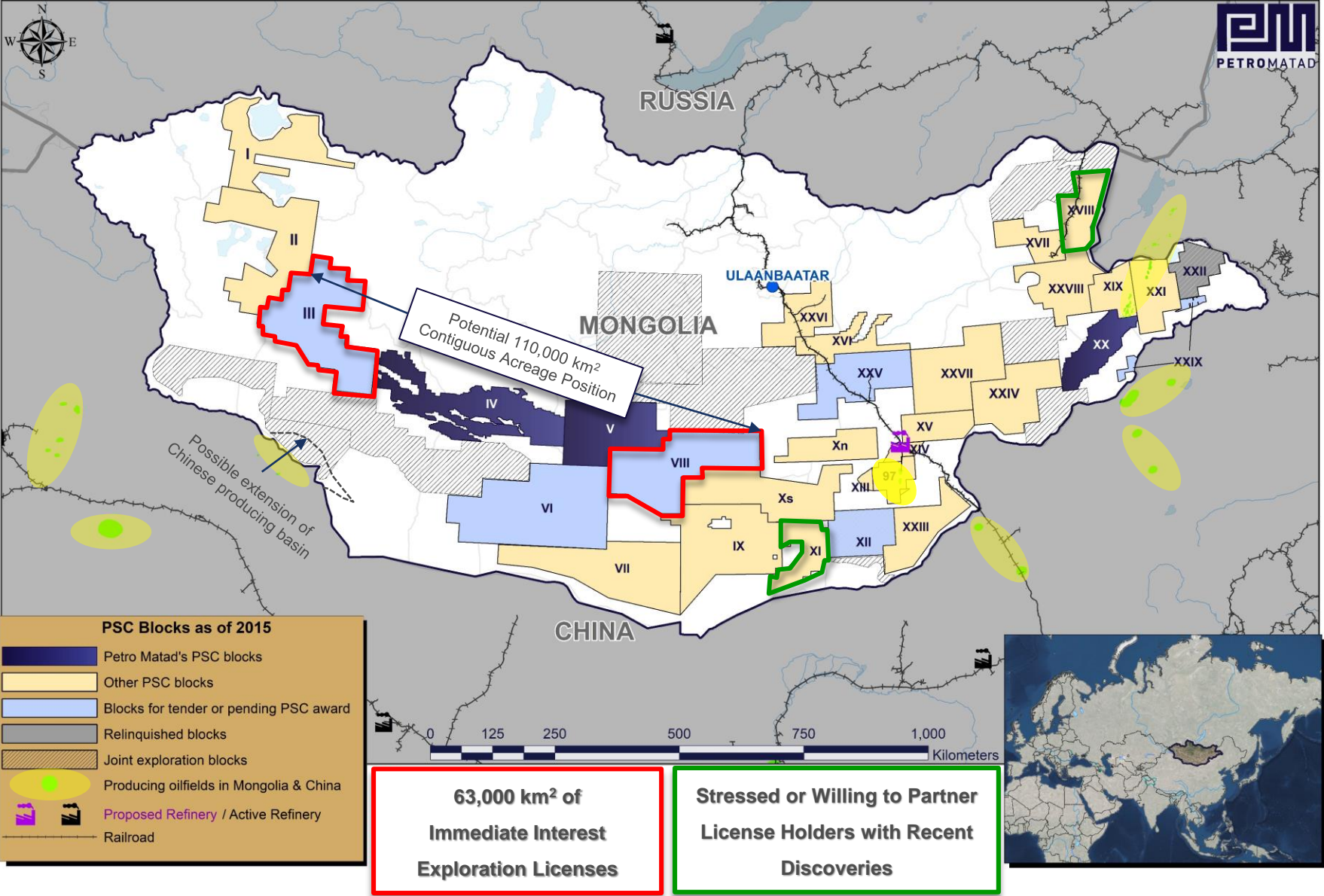


LOW RISK EXPLORATION/APPRAISAL

- Northern Block XX is the site of Petro Matad's initial exploration efforts 2008-2011
- Extension of Petro China's proven producing fields as yet untested
- Prospects and extensions of proven, producing oil accumulations cross the block boundary from Block XIX into Block XX
- 10 to 20MMbo recoverable potential (*Petro Matad estimates*). High chance of success. Potential for early cash flow
- Low well cost: \$1MM to \$2MM



RUNNING ROOM IN THE PORTFOLIO AND THE COUNTRY





Blocks IV and V

- Current exploration phase ends mid 2019. Further 2 year exploration extension available
- The first well drilled in 2018 will more than meet the remaining exploration commitment on the PSCs

Block XX

- Final exploration extension to 2020 (or 2021) is currently being discussed with the government

Main Terms of PSCs

- Duration: Exploration term 8+2+2 years in Blocks IV and V. 5+2+2+5 years in Block XX. Exploitation period 20 + 5 + 5 years
- Royalty: Blocks IV and V 8%. Block XX 5%
- Corporate tax: 0%
- Cost recovery mechanism: Exploration, development and operations costs recoverable against oil production with annual cap of 40% of total gross revenue. The remainder is carried over. Transportation costs are recoverable
- Contractor Profit oil split: Blocks IV/V 50% to 57%. Block XX 45% to 60%

Low Cost, Onshore, Frontier Exploration with better than a Frontier Chance of Success

- Mongolia offers one of the last frontiers for low cost, onshore oil exploration capable of yielding giant discoveries

Attractive Economics in the Success Case

- Excellent fiscal terms
- Low cost, high chance of success near field exploration/appraisal offers early production and cash flow
- Truly transformational potential

Petro Matad - Uniquely 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
- Petro Matad's forward program includes multiple catalysts for significant value addition in 2018/2019

Thank You



ᠮᠤᠩᠭᠣᠯᠢ