



Update on 2019 Activities

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Board of Directors



Chief Executive Officer: Mike Buck

- 40 years of international E&P experience including 9 years as COO of Salamander Energy
- Proven track record of exploration success in S. America, N. Africa and Asia. Directly involved in the discovery of more than one billion barrels of recoverable reserves
- Managed major development projects in Libya, Pakistan and Iran



Chief Financial Officer: John Henriksen

- 40 years of upstream E&P experience in Canada, UK, Southeast Asia, Central Asia
- 7 years in Mongolia with Petro Matad



Non-Executive Chair-person: Enkhmaa Davaanyam

- 20 years of energy, mining and infrastructure project management
- CEO of Petrovis Group, Mongolia's largest fuel importation and distribution company



Non-Executive Director: Shinezaya Batbold

- CEO of Petrovis Venture Capital LLC
- Currently holds a number of board and chair positions in diversified business sectors in Mongolia



Non-Executive Director: Tim Bushell

- 35 years of international E&P experience including 10 years as CEO of Falklands Oil and Gas Ltd
- Directly involved in the discovery of more than 700 million barrels of recoverable reserves in S Atlantic and Norway

Corporate Overview

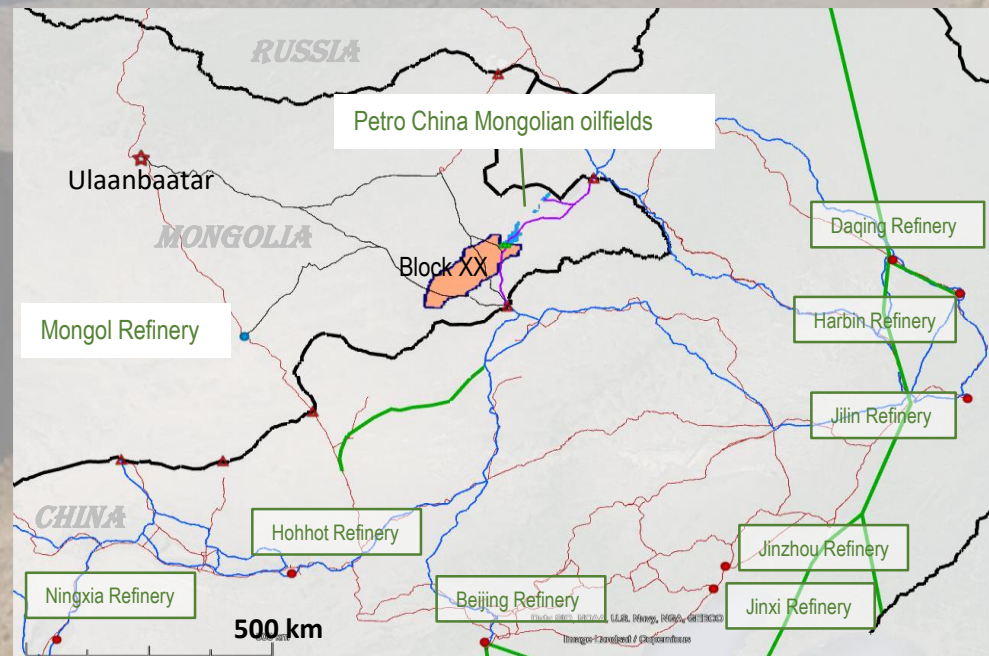
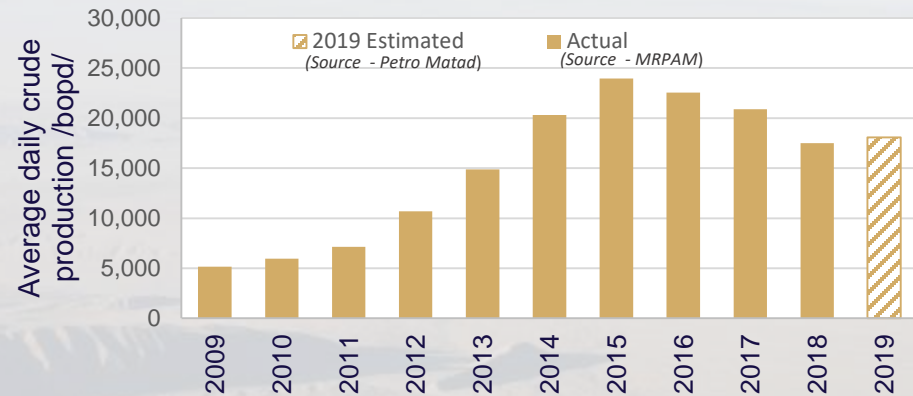
Petro Matad Limited

- London, AIM Listed (MATD), Mongolia focused
- Experienced Board and Management Team
 - Track record of discovering and monetizing oil/gas fields
- Large acreage position: 100% working interest in three blocks in Mongolia covering 60,000 km²
 - Basins geologically similar to prolific producing basins in northern China
- Mongolia's most active oil explorer: two wells drilled in western Mongolia in 2018 including Snow Leopard 1 which proved a working petroleum system in the Taats Basin in Block V
- Three wells drilled in 2019 in Block XX eastern Mongolia including Heron 1 oil discovery
 - Heron 1 proved the extension of the 19-46 oilfield from Petro China's neighbouring Production Licence and the extension of the petroleum system of the Tamsag Basin into Block XX
 - Well results support and may enhance pre-drill Mean Prospective Recoverable Resources estimate of 25MMbo
 - Discovery located within 20 km of production infrastructure with spare processing and export capacity. Has potential to generate revenue from 2020
 - Significant near field follow up potential (85MMbo) identified in the Tamsag Basin in Block XX
- Now negotiating with government for rapid approval of the Block XX Exploitation Licence
 - Appraisal/development plans being finalized, permits being secured, funding options considered
- Seeking more time on western Mongolian acreage with a view to drill two low cost/high impact exploration wells in Block V in 2021 on the Velociraptor (201MMbo) and Phoenix (230MMbo) prospects

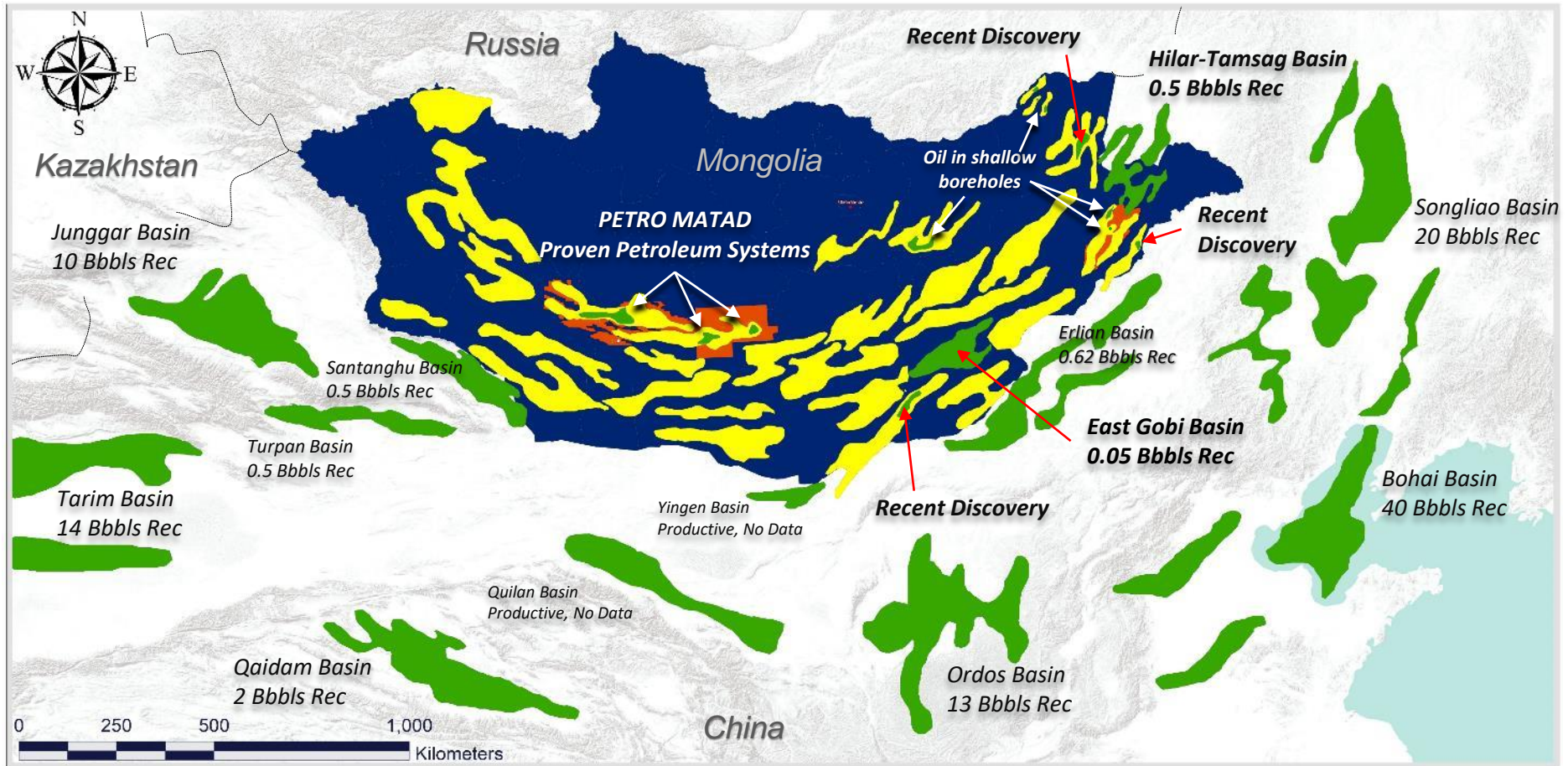
Mongolia Oil Industry Update

- Petro Matad recently received the “Leading Explorer” award from the Mongolian government
- The Heron 1 discovery has excited the government as the timing fits well with the ongoing construction of the Mongol Refinery
- Mongolia’s current daily crude production is c.19,000bopd
- Petro China operates 95% of country’s production. Fields are in decline. All crude trucked to Chinese refineries
- Mongolia’s demand for refined products is c.25,000bopd. All imported
- New Mongolian refinery under construction using \$1bn+ soft loan from India
 - Infrastructure projects (rail, road, power) completed
 - EPC contract awarded
 - 30,000bopd feedstock required

Daily crude production of Mongolia



Proven Petroleum System in Mongolia and N. China



■ Producing Basins
 ■ Prospective Basins
 ■ Proven Petroleum Systems

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.

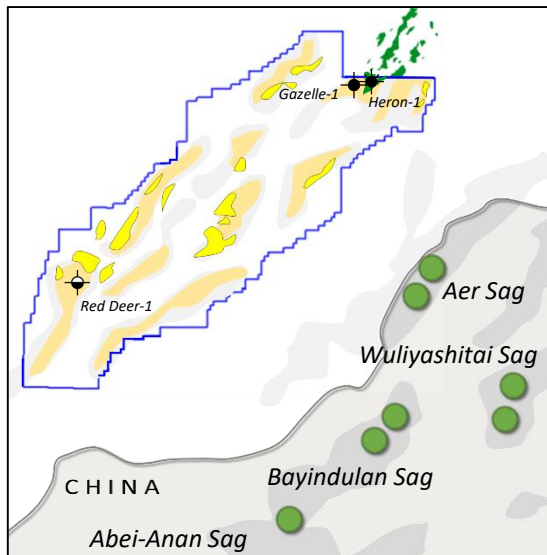
2019 Programme - Block XX Well Results



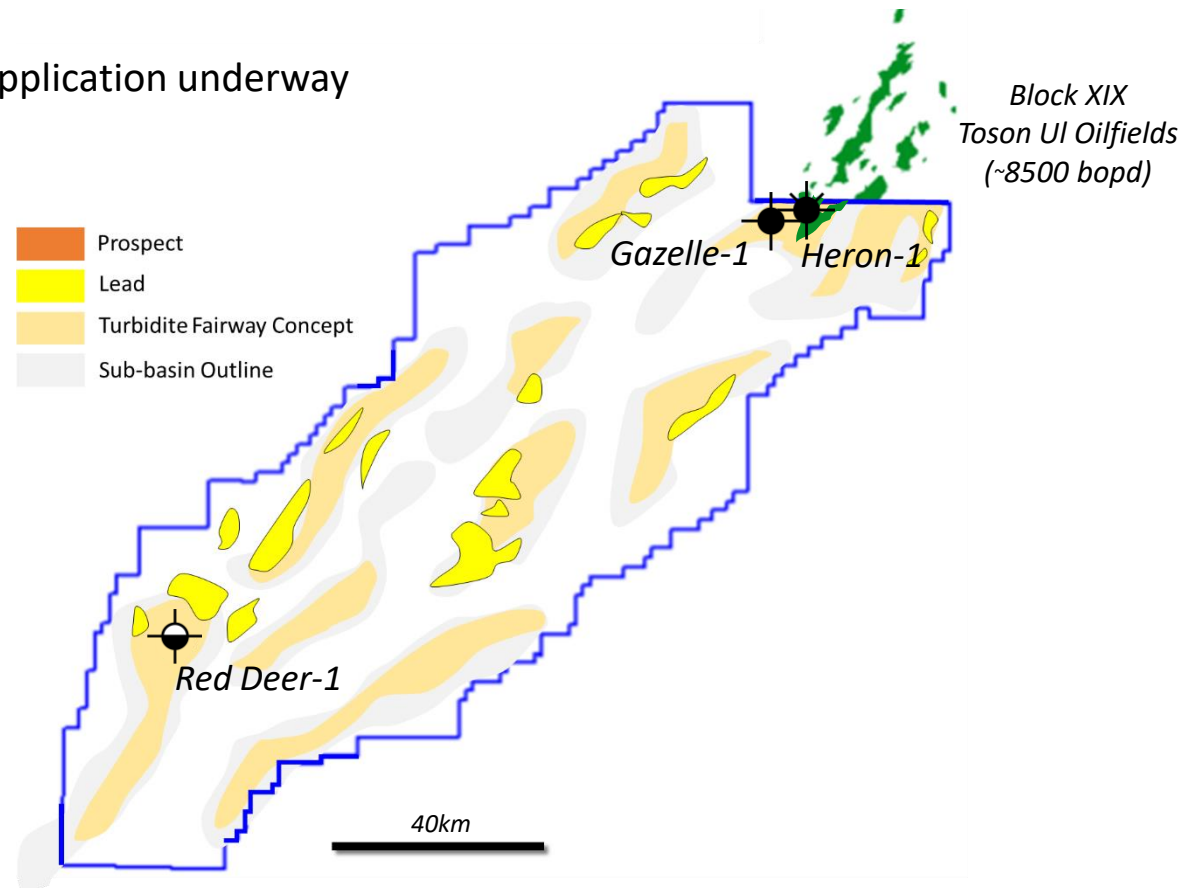
2019 Drilling Activity Block XX

- Drilled Heron-1, Red Deer-1 and Gazelle-1 wells during the period mid-July to mid-October 2019
- No Lost Time Accidents and completed within budget
- Heron-1 and Gazelle-1 wells suspended as oil discoveries. Red Deer-1 P&A with oil shows
- Heron-1 successfully drill stem tested during October – near best in basin flow rate
- Post well analyses in progress
- Block XX Exploitation Licence application underway

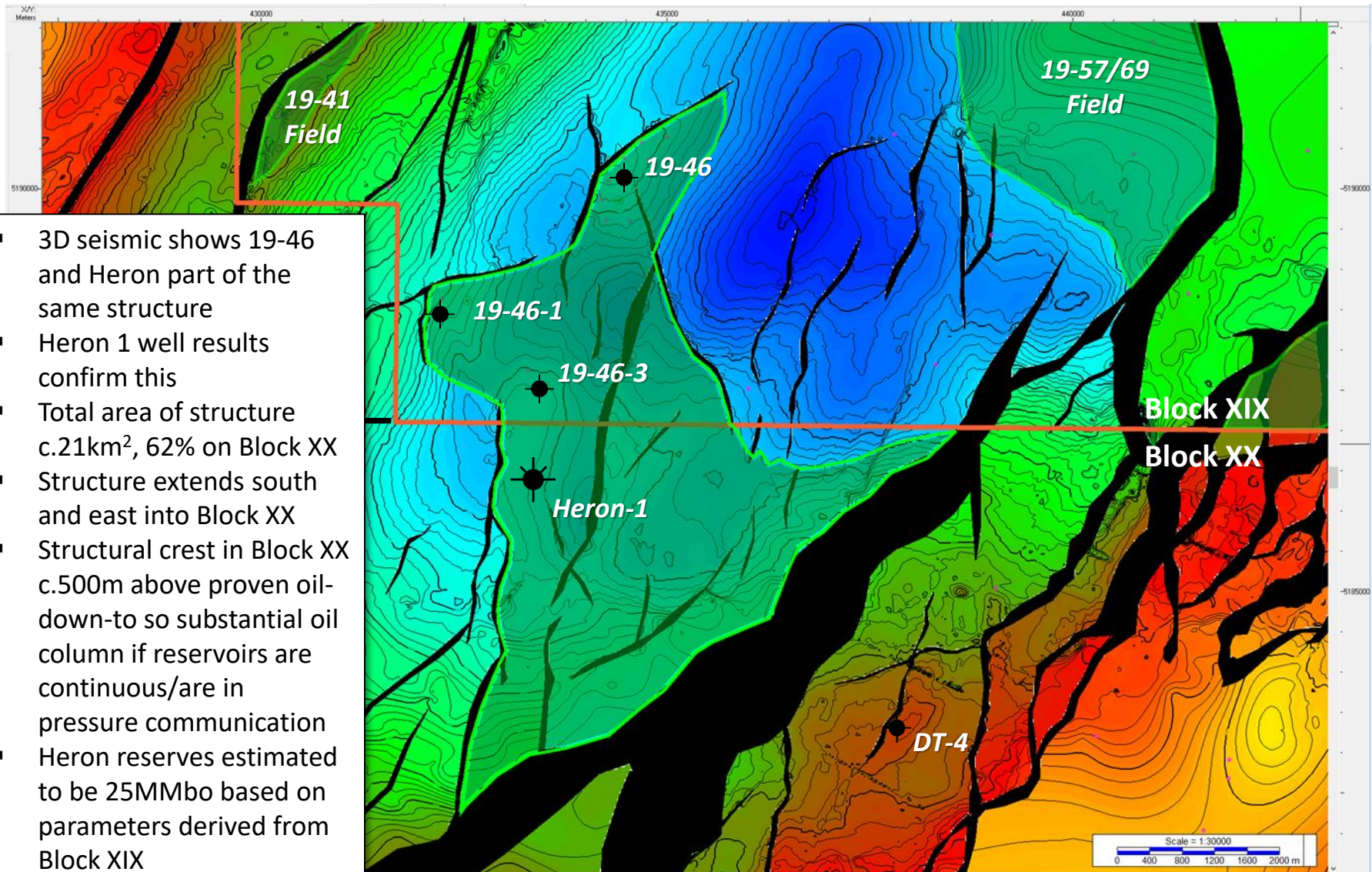
Block XX Proximity To Productive Basins



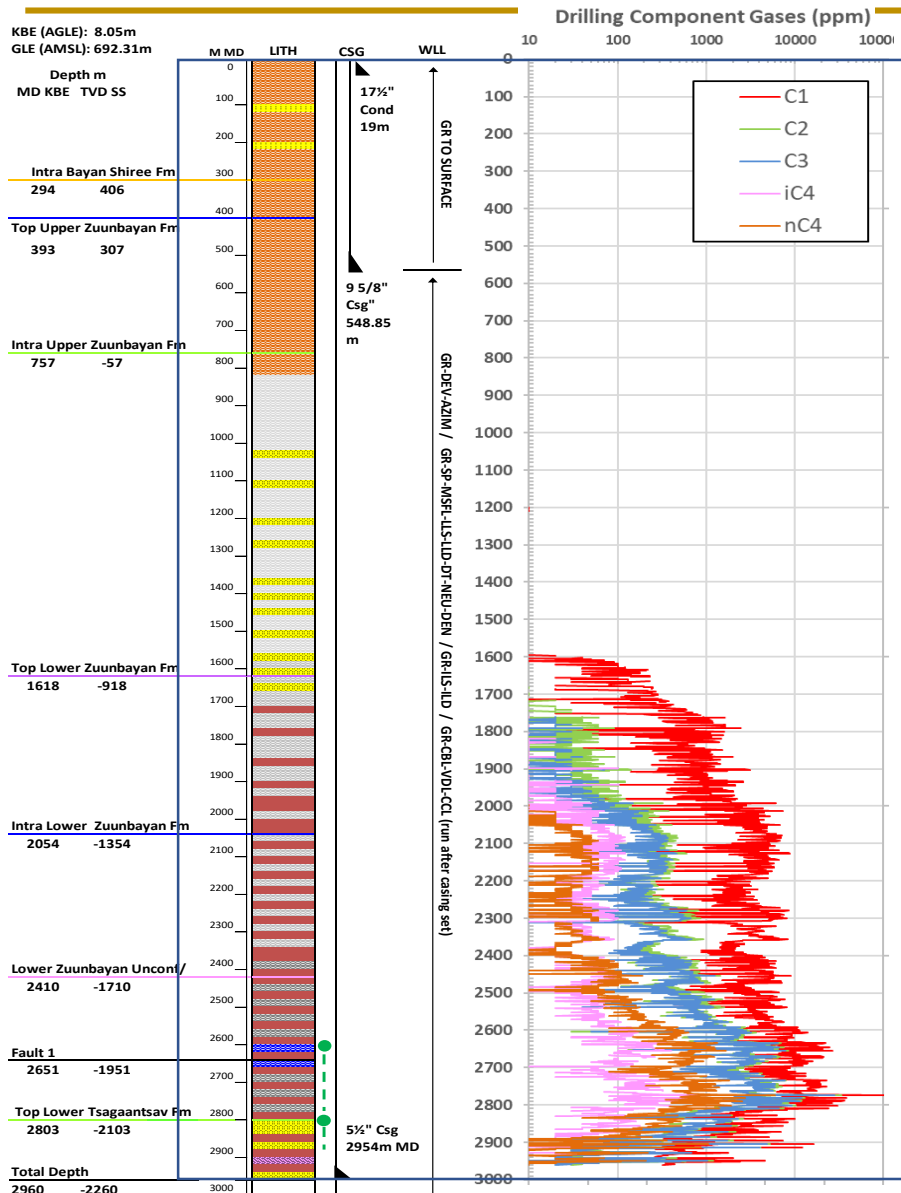
● Oil Field



Heron-1 Depth Structure Map



Heron-1 Results Summary



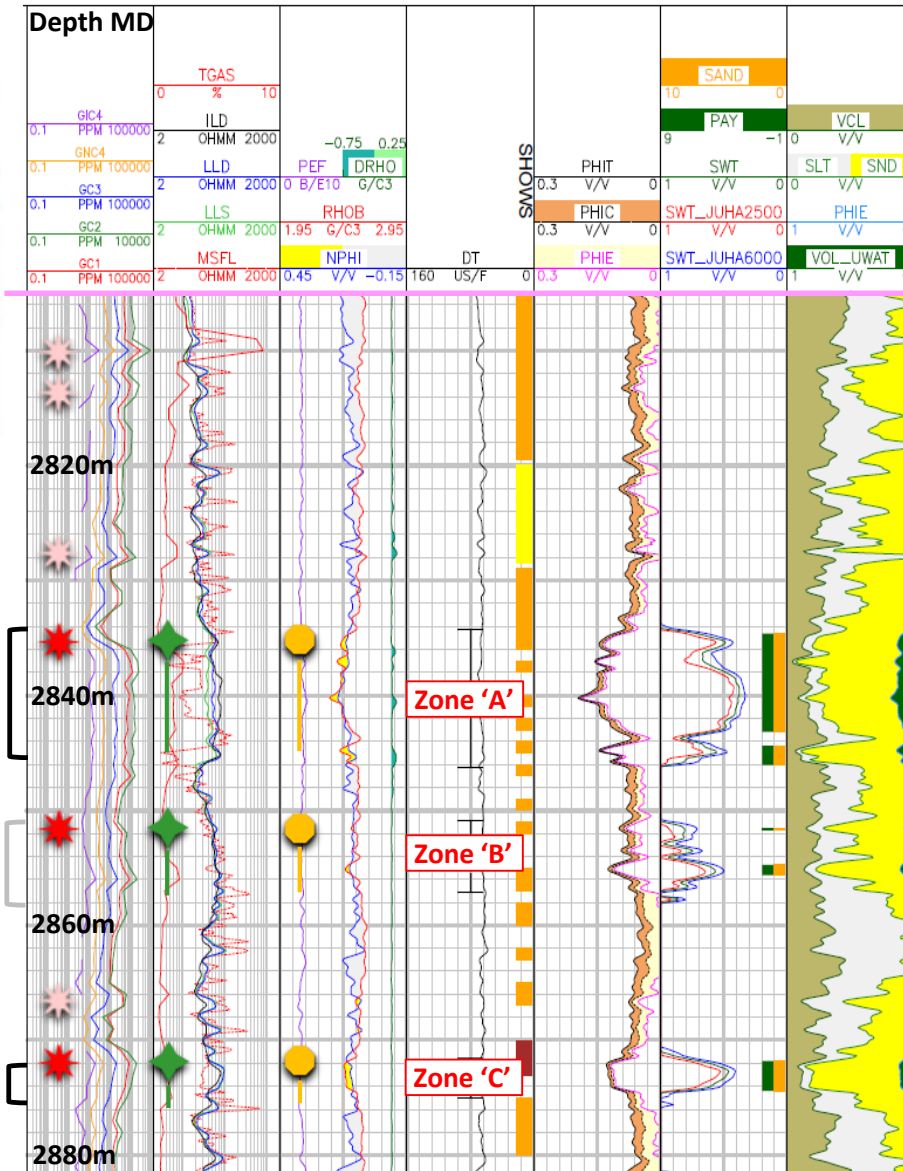
Results Summary

- Stratigraphy came in on prognosis
- Lower Tsagaantsav Fm target sands well developed
- 77m of oil and gas wet gas shows in reservoir
- Logs identified 22m sands of better than expected reservoir quality
- Two intervals selected for Drill Stem Testing
- Oil shows in overlying Upper Tsagaantsav
- Post Well Studies ongoing
 - Drill Stem Test data analysis
 - Crude assay
 - Biostratigraphy and geochemistry

Regional Impact

- Proves extension of oil fairway into Block XX
- Upside potential in satellite structures and combination traps

Petrophysical Analysis of Lower Tsagaantsav FM



Top Lower Tsagaantsav Fm

- Oil shows to base of sands (gross 77m thickness)
- Oil down to base of sand at 2880m. Consistent with offset 19-46 wells
- Wireline logs clearly define three zones of better than expected quality within the overall interval
- Additional 'thin bed' pay expected to contribute by analogy with Block XIX

Net Sand and Pay defined by:

- ★ Elevated drilling gases
- ◆ Elevated log resistivity (oil)
- Neutron/density cross-over (good porosity sand)

Zone 'A'
Gross 12m, ϕ 14%
Test 2: Perforated 10.75m
Flowed max. rate 821 bopd
Main flow period 200 bopd
on $\frac{1}{3}$ " choke, 46° API oil,
WHFP 250psi

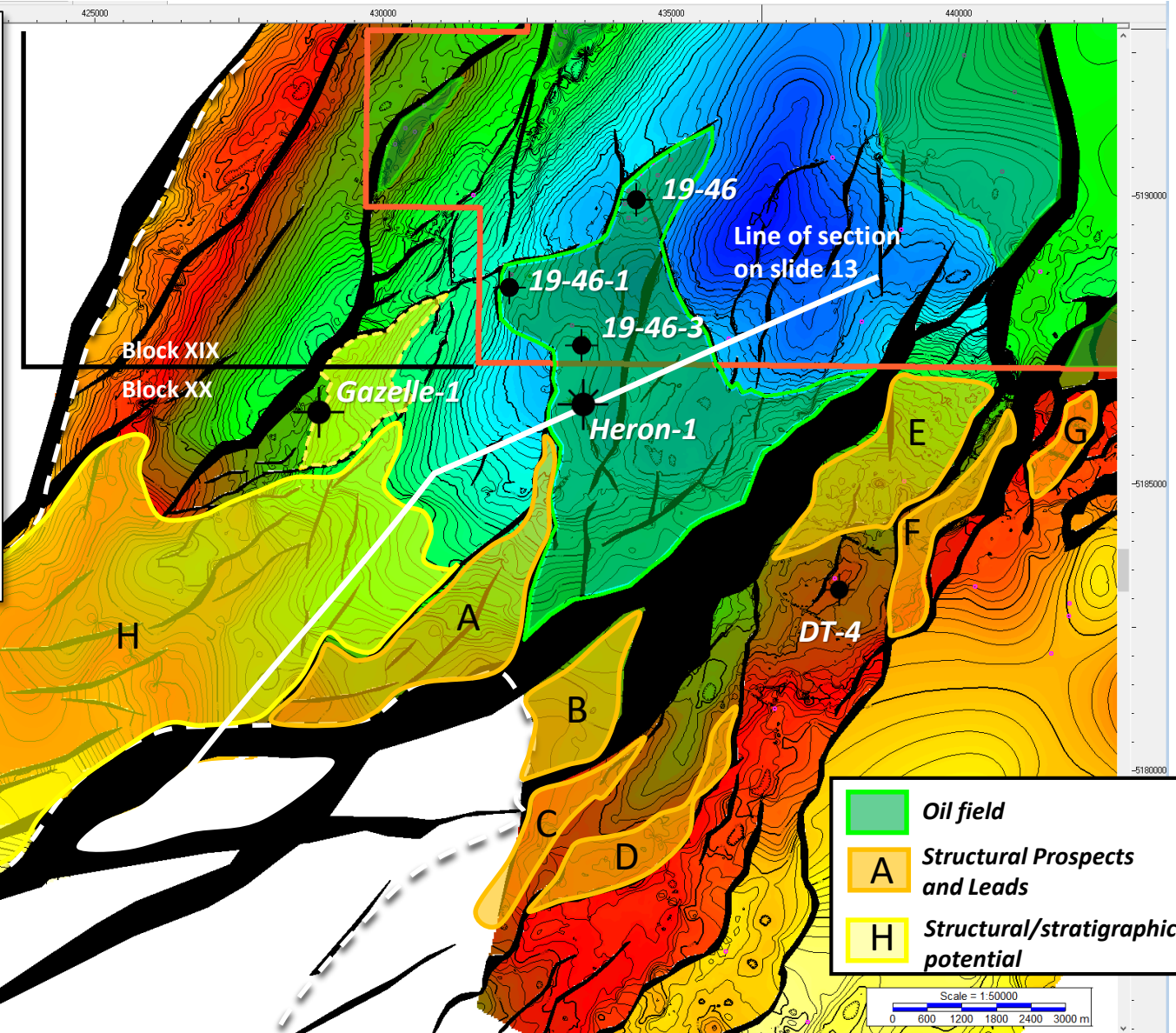
Zone 'B'
Gross 6.2m, ϕ 12%
Not tested

Zone 'C'
Gross 3.5m, ϕ 12%
Test 1: Perforated 2.74m.
60 litres oil recovered in
test string, 46° API oil
Candidate for fracking

Heron Area Upside

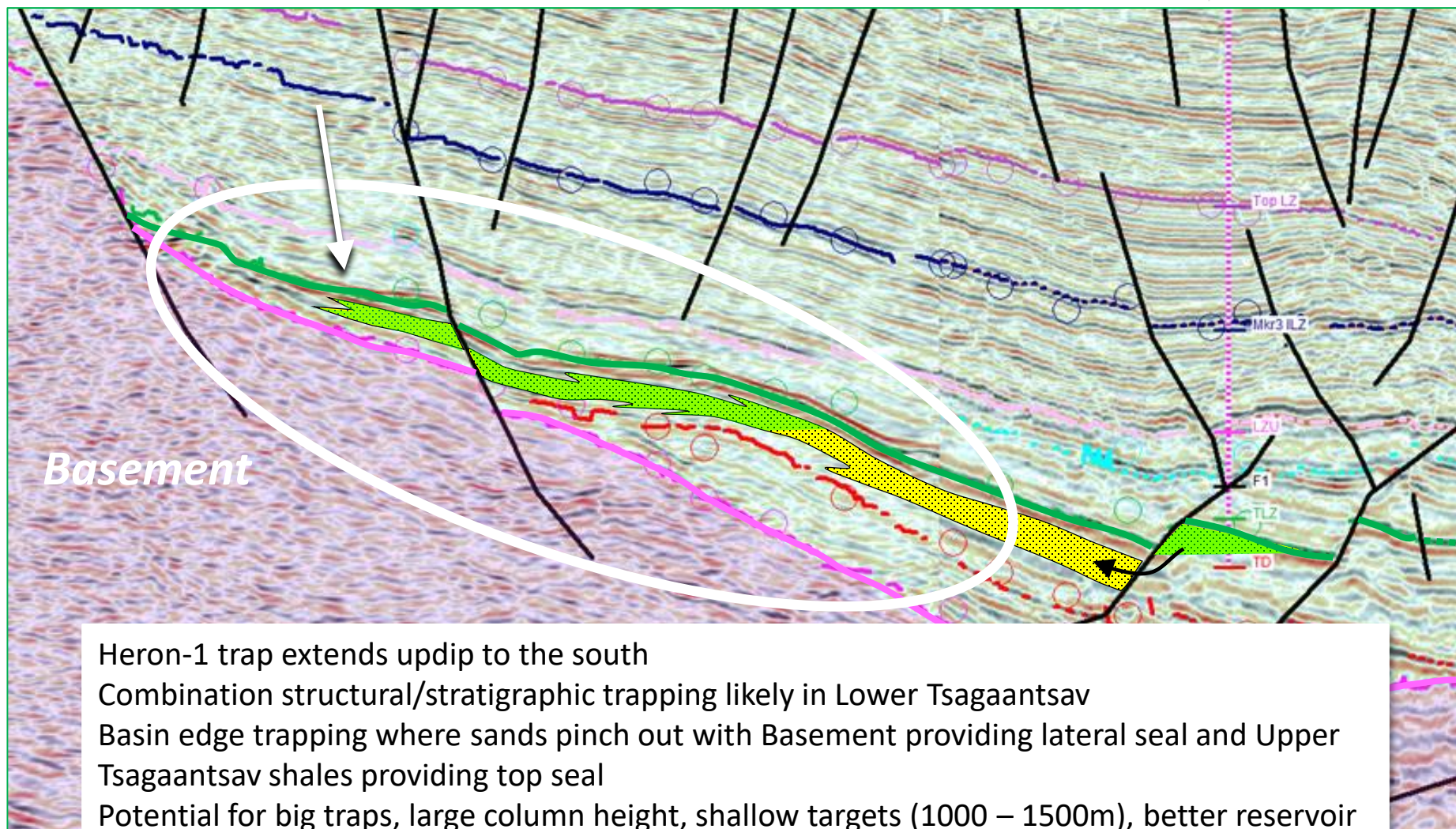
- Fault terraces surrounding Heron (A to G) are structurally closed. Access to source likely based on oil seen in Heron 1 and DT4
- Seismically defined limit of Lower Tsagaantsav Fm sets up basin edge pinch out traps (H). Resource potential could be significant. Small 3D survey required to delineate
- Thin pay in Gazelle may be part of a combination trap with sands thickening towards 19-46-1
- Preliminary estimate of recoverable resource potential: Heron 25MMbo, plus prospects and leads with 50 to 85MMBo

Seismically defined pinch out of Lower Tsagaantsav sands



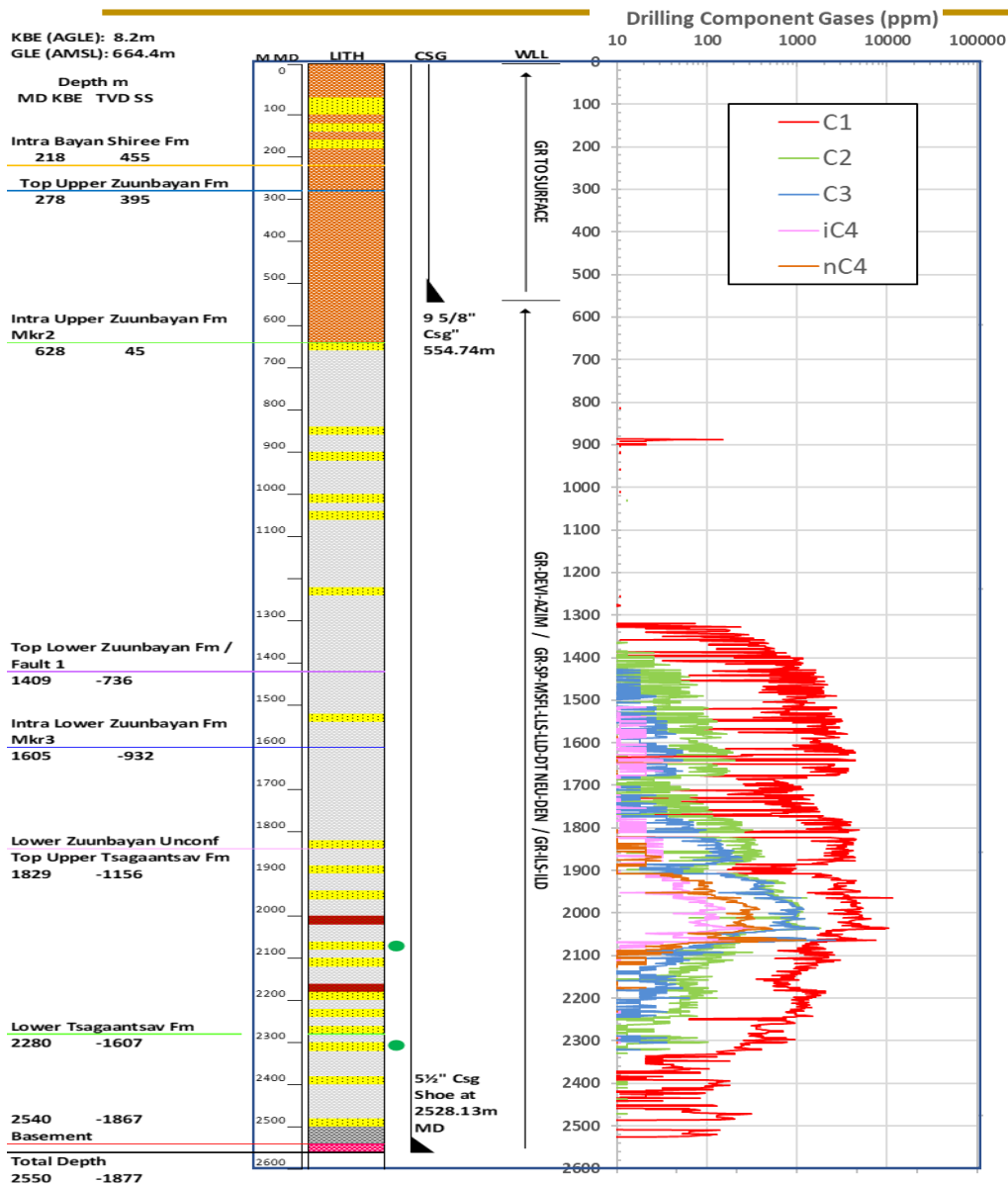
Southern Tamsag Basin – Pinch out Trap

☀ Heron-1



Heron-1 trap extends updip to the south
Combination structural/stratigraphic trapping likely in Lower Tsagaantsav
Basin edge trapping where sands pinch out with Basement providing lateral seal and Upper Tsagaantsav shales providing top seal
Potential for big traps, large column height, shallow targets (1000 – 1500m), better reservoir and significant resource

Gazelle-1 Results Summary



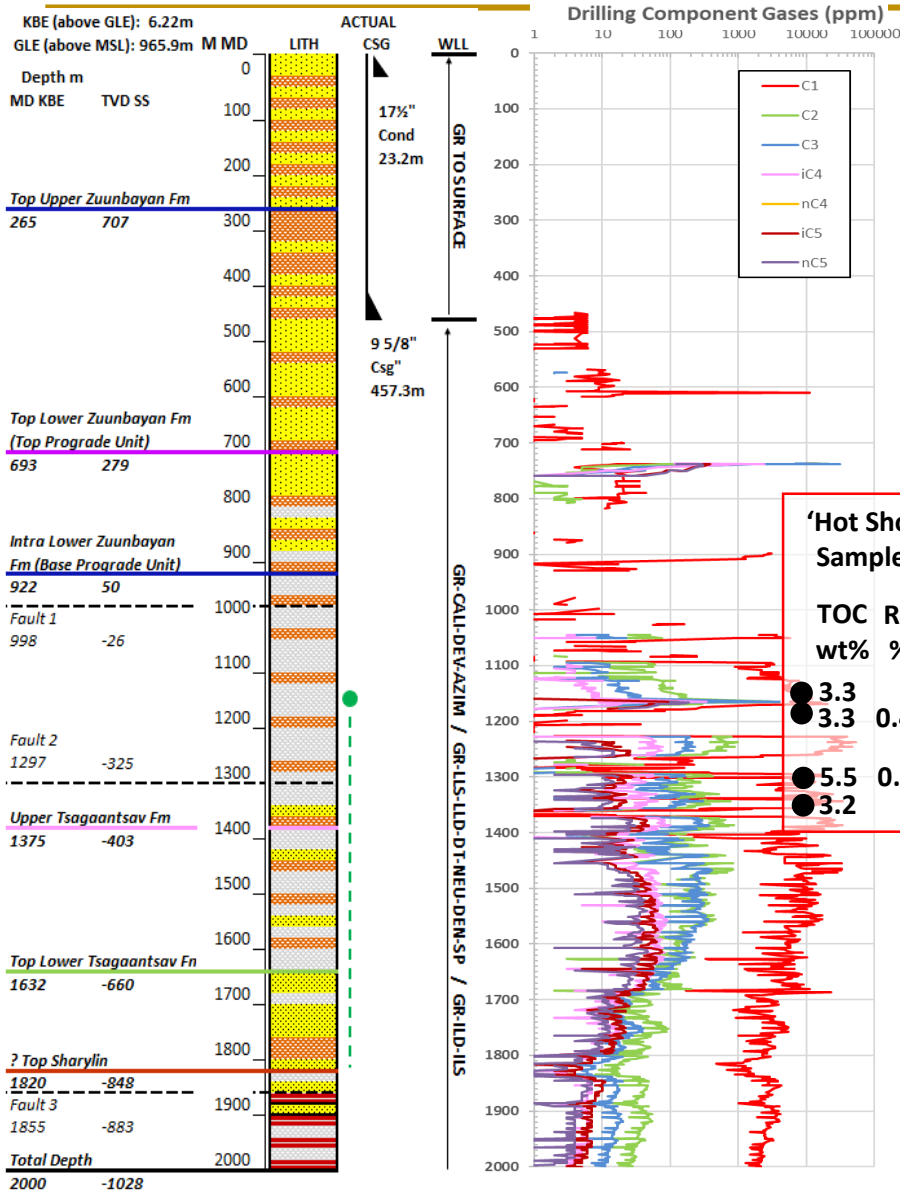
Results Summary

- Provisional top of primary objective 60m deep to prognosis
- Limited reservoir development
- Wet gas shows and oil shows in sands above Tsagaantsav Fm
- Log analysis identified 3 metres of pay in two good quality sands
- Well suspended for possible future well testing or appraisal
- Post Well Studies ongoing
 - Seismic-to-well tie
 - Re-interpretation of seismic
 - Biostratigraphy and geochemistry

Regional Impact

- Proves extension of oil fairway into Block XX
- Pay may thicken down dip towards 19-46-1
- Reservoir variability highlights the potential for combination structural/stratigraphic traps

Red Deer-1 Results Summary



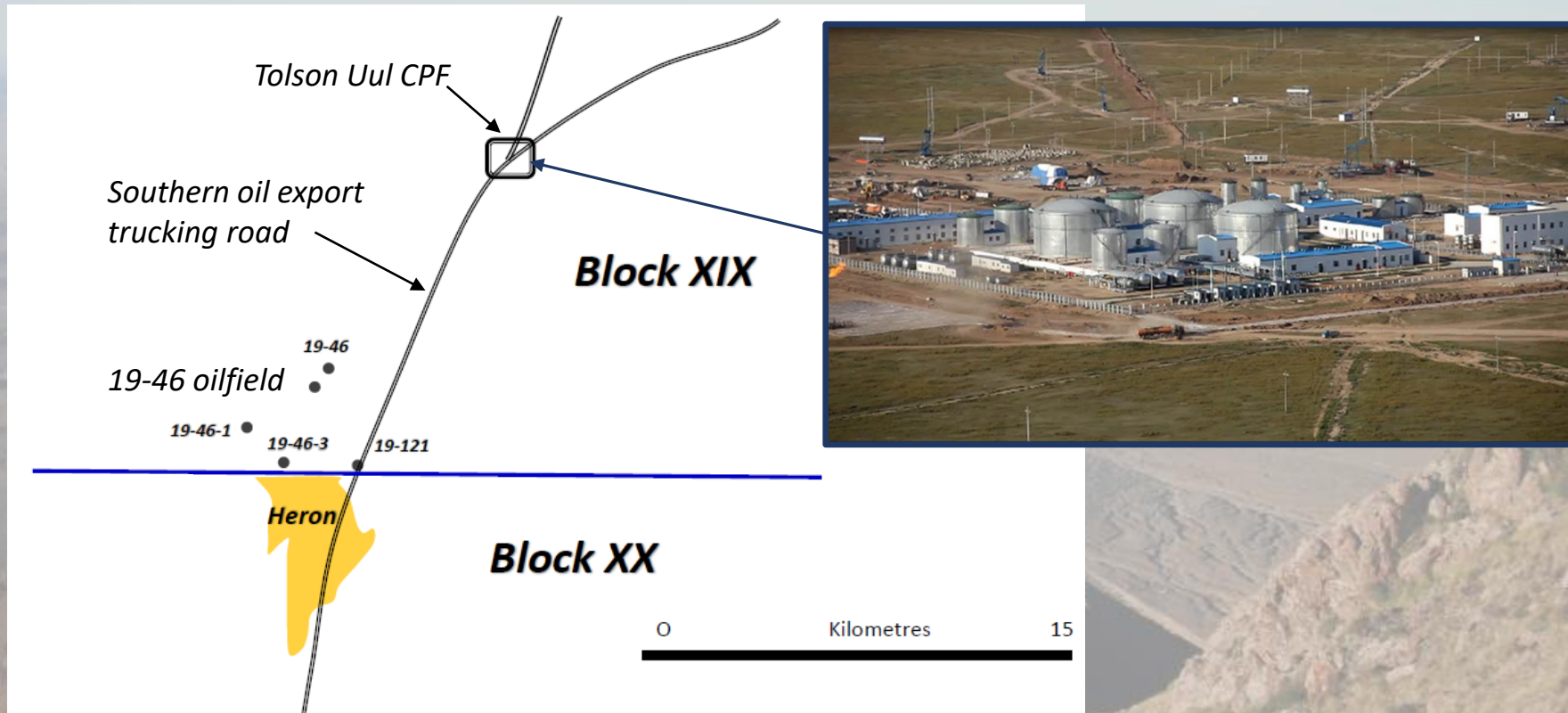
Results Summary

- Stratigraphy came in on prognosis
- Lower Tsagaantsav Fm target well developed with moderate to good reservoir properties
- Wet drilling gas shows below 1100m MD
- Oil shows in mud from 1140m to 1840m MD
- Preliminary geochemical analysis identified migrated and locally sourced oils in several shale samples. Good source rock quality but only early mature in RD-1 well
- Log analysis did not identify any pay zones
- Well was P&A'd
- Post well studies ongoing

Regional Impact (of first well in the Asgat Sag Basin)

- Active petroleum system present
- Reservoir presence and effectiveness
- High grades the potential of shallower recently formed structures in the basin

Heron Rapid Commercialisation Potential



- Heron 1 c.20km south of Block XIX Central Processing Facilities (CPF)
- Spare ullage available and Petro China willing to incorporate Block XX production into processing and export operations

- Block XIX electrical power supply and intra-field roads in place at 19-46-3 (1.1km from Heron 1)
- Once commercial arrangements are agreed wells can be hooked up for production immediately after drilling

Provisional 2020 Work Schedule for Block XX

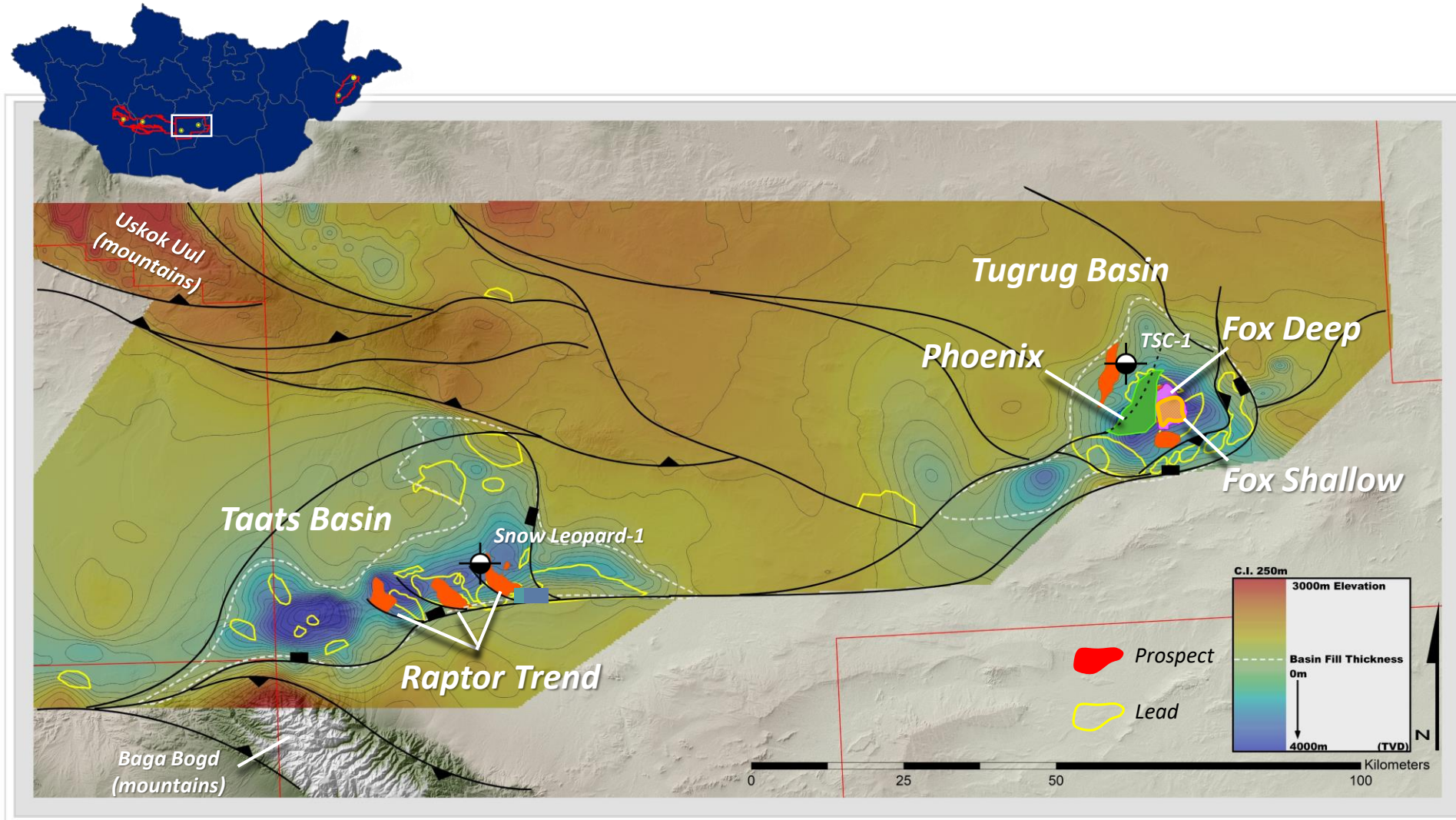
Activity	2020											
	Q1			Q2			Q3			Q4		
	J	F	M	A	M	J	J	A	S	O	N	D
Secure Exploitation Licence	Yellow											
Permitting	Orange			Orange								
Heron Production							Green			Green		
Appraisal / Development Drilling							Brown					

- Looking to expedite Exploitation Licence approval and permitting in order to accelerate commencement of 2020 activities
- Reviewing options for partnering, funding, development and offtake
- Excellent cooperation from Petro China and affiliates throughout 2019 operations. Looking to continue this and extend existing contracts
- Heron development economics based on Block XIX parameters are good:
 - 25MMbo, 62 production wells: NPV10 c.\$150MM RoR 36%
 - Self-sustaining early production possible with c.\$10-15MM capex becoming cash positive in year 2

Block V Prospects in Basins with Proven Petroleum Systems

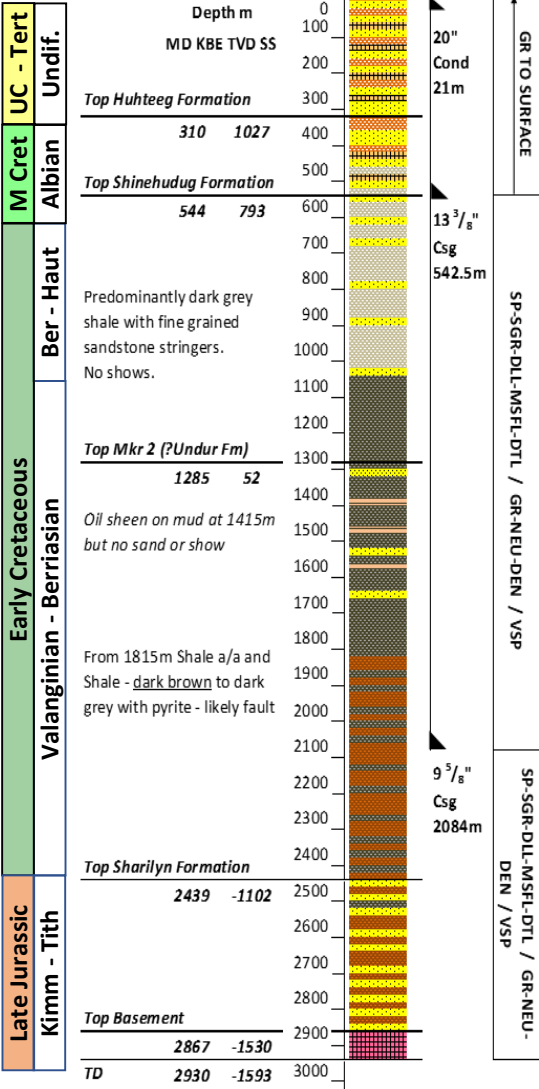


Proven Petroleum Systems in Block V

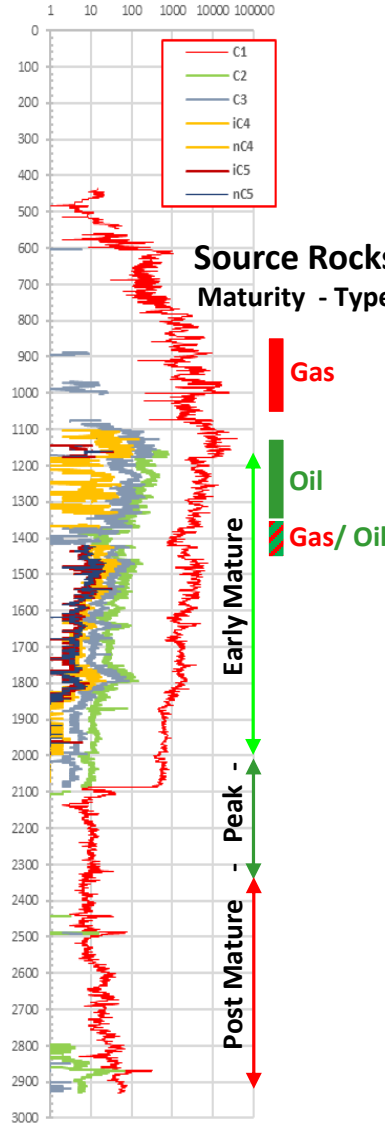


Block V Prospectivity - Post Snow Leopard-1

Well Summary



Drilling Component Gases (ppm)



Post Well Studies confirmed that:

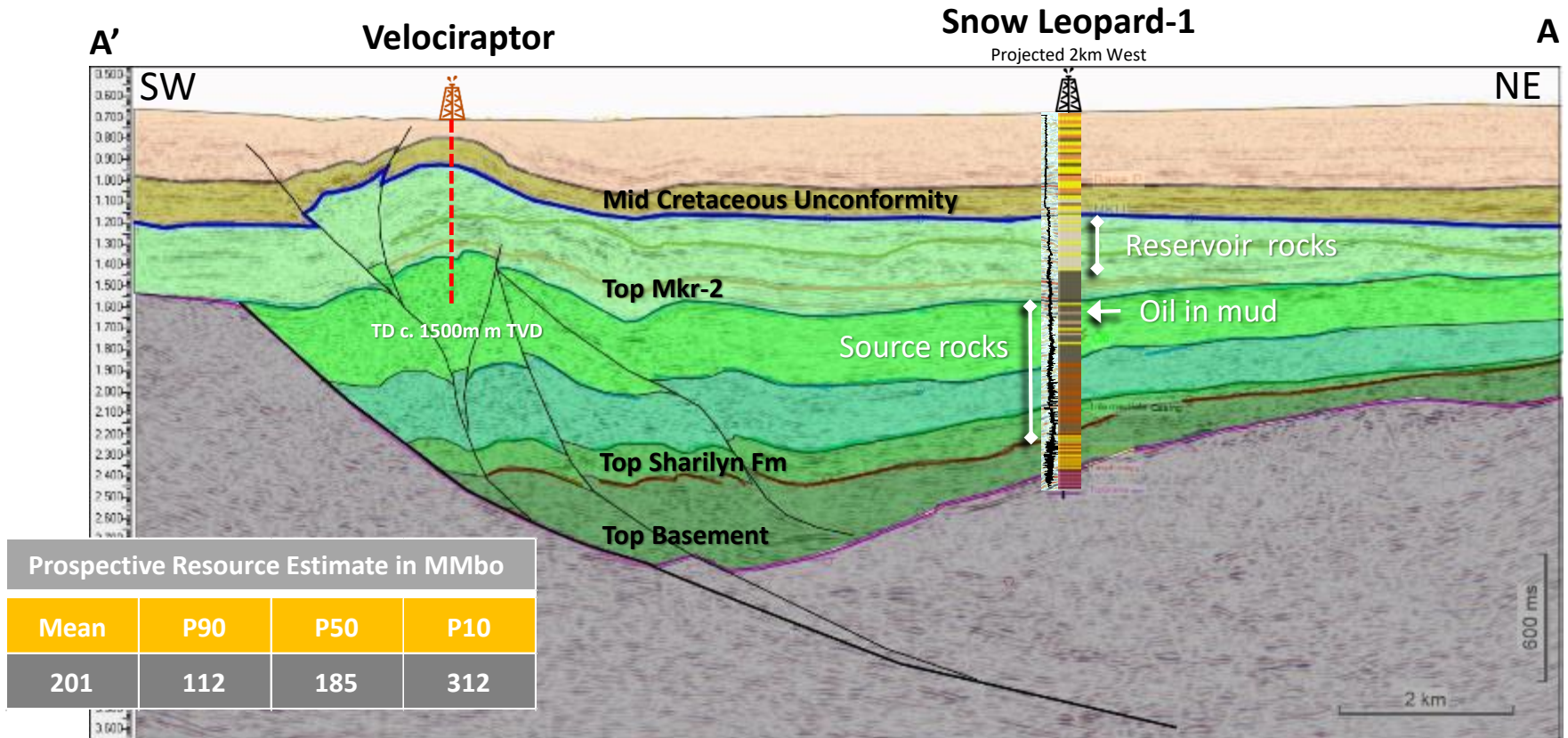
- Early Cretaceous aged of section 1085 - 2420m MD (i.e. Lower Tsagaanstav Fm age)
- Late Jurassic aged section below 2420m MD
- Three source rocks present in well
 - Immature gas source rock 840 - 1040m MD
 - Early mature oil source rock 1105 - 1345m MD
 - Early mature mixed oil/gas source rock 1355-1485m MD
 - Maturity: >1150m Early, >2000m Peak, >2320m MD Post
- Oil in mud at 1415m confirmed as migrated light oil from a mature Cretaceous source rock
- Basin uplifted by c. 1000m (end Cretaceous times)

Impact on basin prospectivity:

- Stratigraphy compatible with reservoir presence
- Multiple source rocks present in basin
- Oil expulsion proven - likely present day active
- Basin margin areas now most prospective

Velociraptor Prospect - Block V

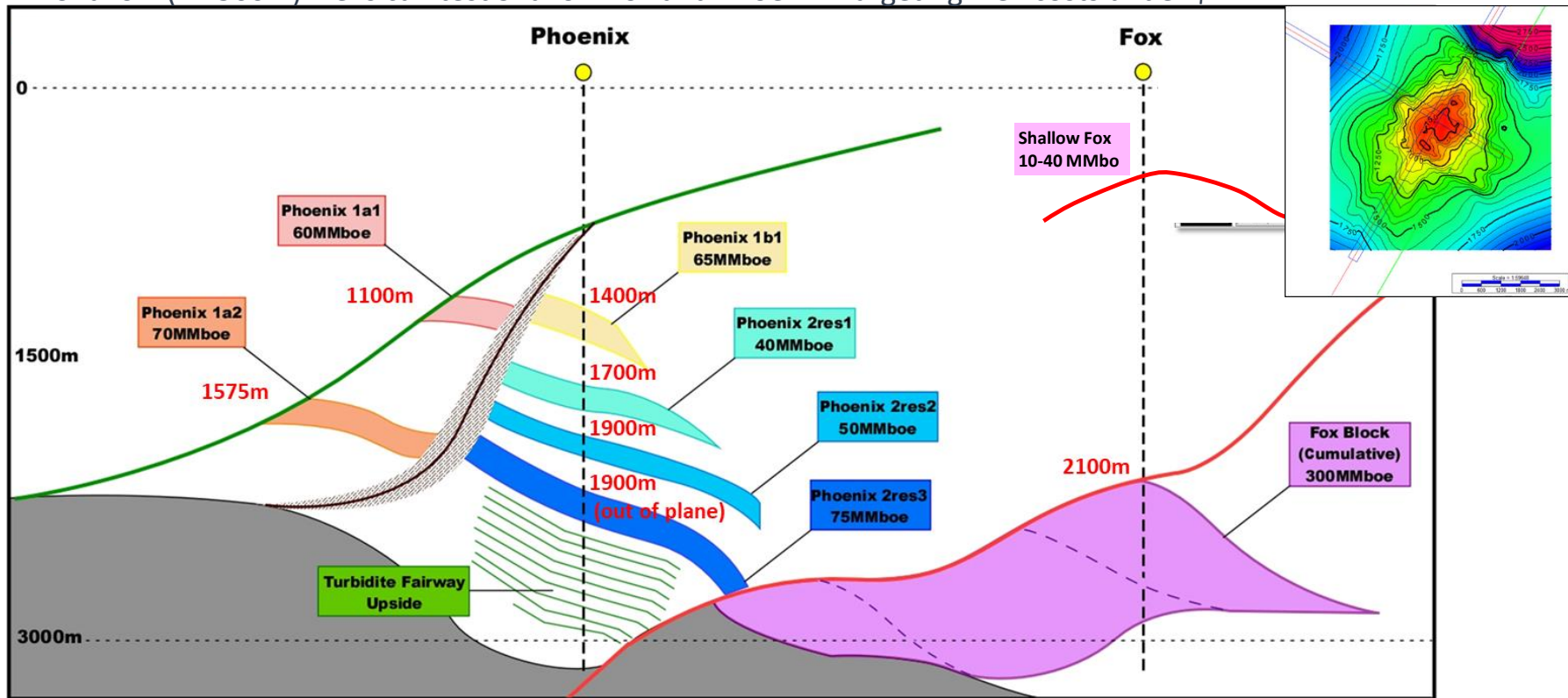
- ❑ Anticlinal closure over thick depocentre
- ❑ Source intervals in Snow Leopard 1 thicken to south. Short vertical migration pathways into Raptor Trend
- ❑ Shallow, good quality, sandstone reservoirs seen in Snow Leopard 1 likely sourced from basin bounding fault scarp to the south. Raptor Trend well located for thick reservoir units
- ❑ Requires only a shallow well to test large closure at Velociraptor with 201 MMbo potential and upside on Raptor Trend (~400 MMbo)
- ❑ Potential to drill as part of two/three well programme. Targeting individual well costs under \$2MM



▪ All resource numbers quoted are based on Company's internal estimates

Phoenix and Fox Prospects

- Oil in TSC-1 core hole proved a working petroleum system in Tugrug Basin
- 3D seismic reinterpretation has defined new prospectivity in addition to the large, basin centre Fox prospect (200MMbo mean recoverable prospective resource potential)
- Shallow four-way closure over Fox has 10-40MMbo potential and extent of closure conforms with surface hydrocarbon seeps detected
- Phoenix prospect has 4 target horizons in a fault bounded structure with 230MMbo potential. Phoenix West has additional potential of 130MMbo
- Shallow (< 1500m) wells can test Shallow Fox and Phoenix. Targeting well costs under \$2MM



All resource numbers quoted are based on Company's internal estimates

Conclusions

Eastern Mongolian acreage

- 2019 drilling programme completed. Post well studies underway
- Two discoveries. Heron 1 tested at much better than expected rate
- Reserves potential of 25+MMbo in Heron structure
- Near-field exploration prospects and leads in proven Tamsag Basin identified with 50 to 85MMbo resource potential
- Negotiating with Mongolian Government to expedite Block XX Exploitation Licence
- An active 2020 work programme can follow if approvals are achieved quickly
- Reviewing partnering, funding and development options

2020 Provisional Programme – Block XX

- Secure Exploitation Licence over Heron, Gazelle and surrounding near field exploration potential
- In parallel, obtain all permits required for production and development operations
- Heron appraisal drilling
- Commence production

Western Mongolian acreage

- Negotiating for more time to be able to focus all efforts in 2020 on Block XX Exploitation
- Several exciting low cost/high impact prospects identified in Block V