

Mongolia

Heron Field Early Production

Low-cost Appraisal/Development
High impact Exploration Upside

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Petro Matad 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



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

- Chair-person of Petrovis Board of Directors
- 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

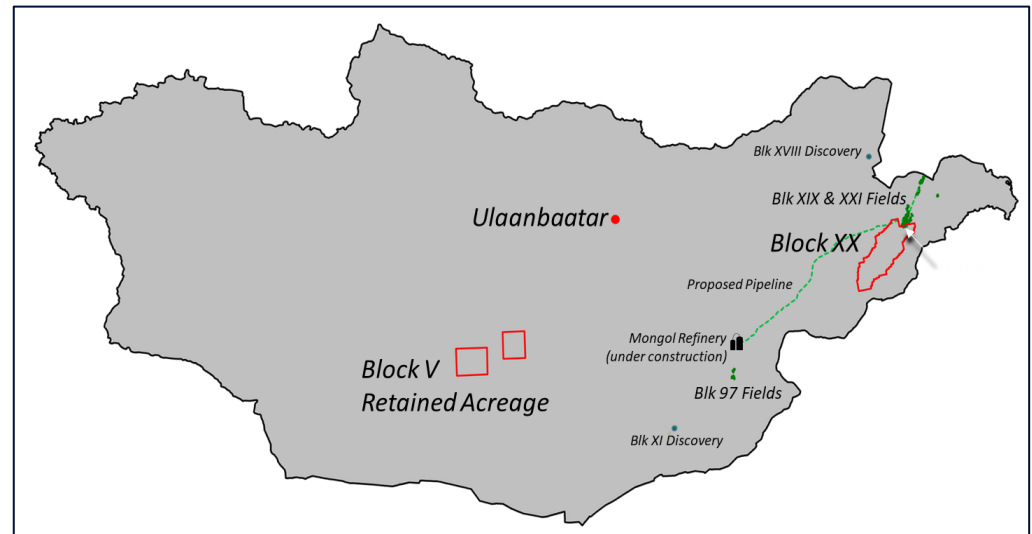
Mongolia's Leading Oil Company

Petro Matad

- AIM Listed (MATD) Mongolia focused oil company with experienced Board and Management Team
- 100% working interest and operatorship of two PSCs with the Government of Mongolia
- Successful drilling campaign in 2019 in Block XX eastern Mongolia including Heron 1 oil discovery
- Sector-friendly jurisdiction with Government committed to developing domestic oil industry
- Responsible approach to operations, proactively managing all environmental and social risks and working in partnership with local stakeholders to support licence to operate

Assets

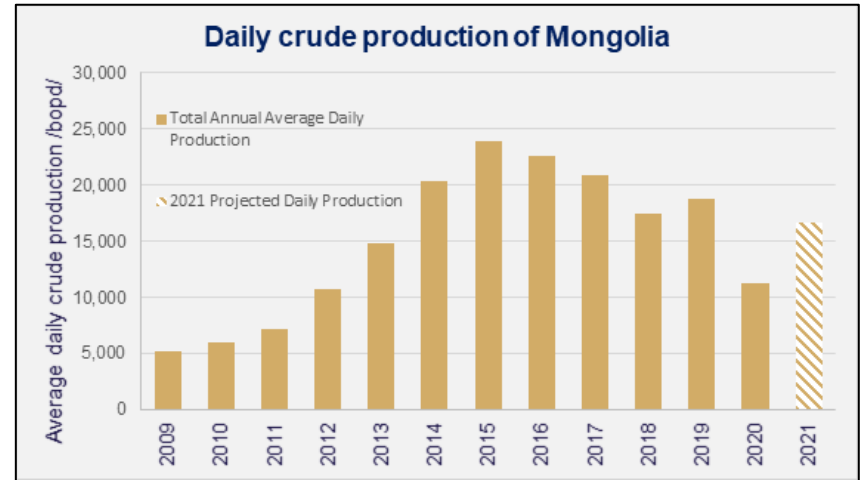
- **Block XX:** Development, appraisal, exploration. Adjacent to Mongolia's main oil producing area. Heron field, Gazelle discovery and near field high impact exploration upside
- **Block V:** Discretionary exploration with large resource potential, very high impact, low cost



Mongolia Oil Industry

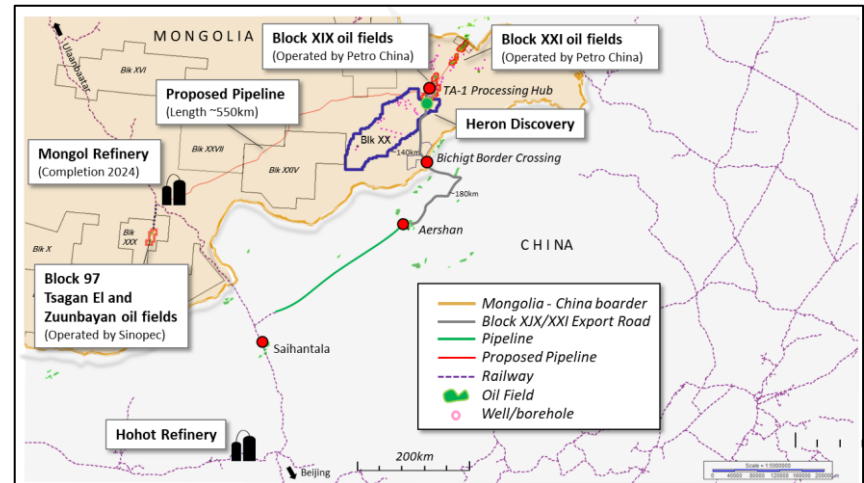
Government fully supportive of domestic oil industry

- Mongolia's daily crude production (2019): 18,840, (2020) 11,250 bopd - operations impacted by COVID-19 pandemic
- Petro China operates 95% of country's production which is trucked to Chinese refineries
- Mongolia's refined product need is ~42,000 bopd
- Government 4-year plan 2020-2024 highlights the need to increase investment in upstream oil sector



New Mongolian refinery under construction using \$1bn+ soft loan from India

- Infrastructure (rail, road, power) complete
- EPC contract awarded
- Designed for 30,000 bopd feedstock. Heron production will help meet this demand
- Refinery scheduled on stream 2024
- Pipeline from Block XIX to refinery at pre-planning stage with Ministry





Heron Field Development

Heron Field Overview

Working interests and operatorship

- Heron field located in Block XX
- Petro Matad holds 100% working interest and is the operator of Block XX
- Memorandum of Understanding (MOU) for cooperation signed with Petro China, operator of Block XIX

Successful oil discovery

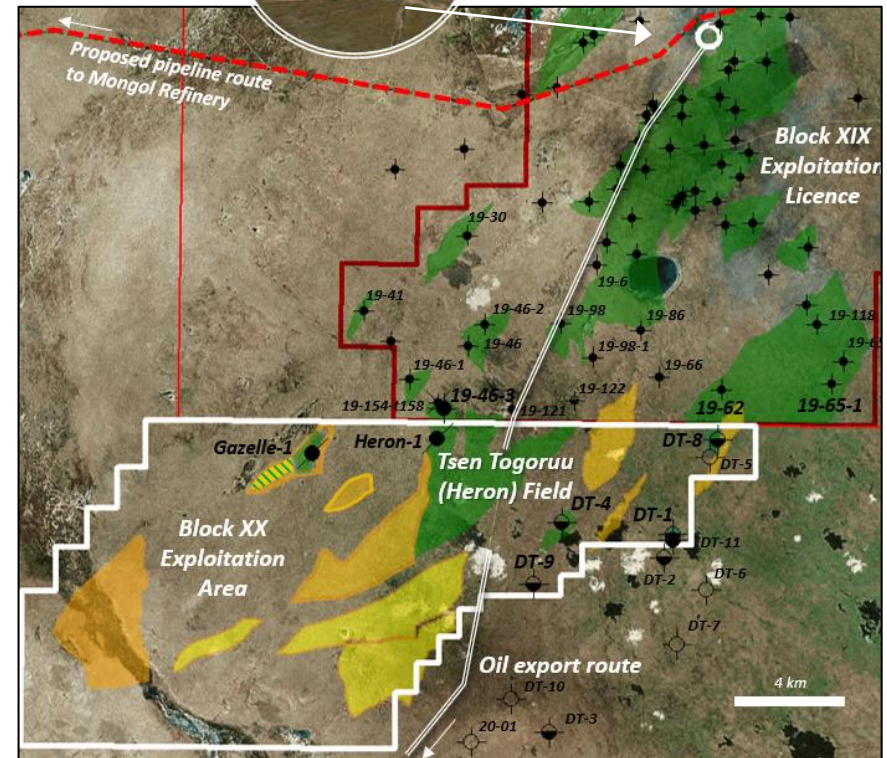
- Heron 1 discovery made in 2019 drilling campaign
- Heron 1 flowed 821 bopd 44° API to surface
- 3rd best exploration well test rate¹ reported in Mongolia

Transformational for the company

- First oil forecast in 2022 using adjacent infrastructure
- 194 MMbo² resource in place, 33 MMbo³ to >60 MMbo³ recoverable
- Low-cost appraisal/development



Petro China processing and export facilities



1. Based on data reported at Oil and Oil Shale conference Mongolia 2014.

2. LEAP Energy Competent Persons' Report.

3. Company estimates

Heron Field Near-Term Work Programme

Phase 1 development planned for 2022

- Plan to deploy proven production stimulation technology that has not yet been used in Mongolia
- Production revenue contributes to follow on development cost
- Development can accelerate if a partner is brought in

Production estimates

- Targeting >30% recovery factor, well rates of 500+bopd
- Initial production target of 1,000 bopd from 3 wells
- Peak production from Heron c.9,000 bopd

Time to production

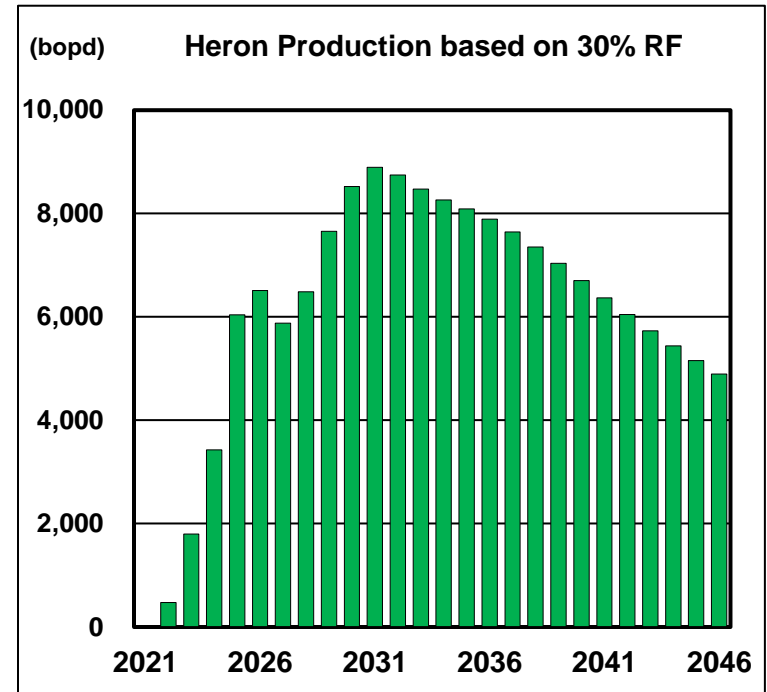
- Heron 1 first oil targeted by mid-2022
- Two new Heron wells drilled by Q4 2022

Cost of production

- Development well cost \$2.5 MM or less

Recovery factor

- Targeting at least 30% recovery factor: c.60 MMbo



Heron Development: Production Enhancement

Limited Reservoir Stimulation in Mongolia to date

- Petro China uses rudimentary frack, partial water flood
- Well rates variable from 10s to >600 bopd. Recovery Factor 15%

Heron 1 Reservoir Modelling Results

- Sector modelling by industry specialist identified well stimulation using properly designed fracks and through managed water injection could improve recovery factor to 40%

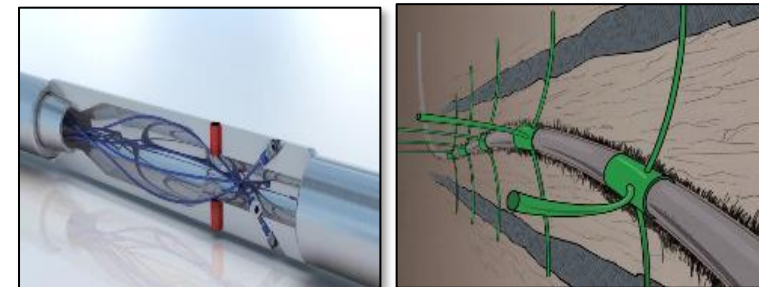
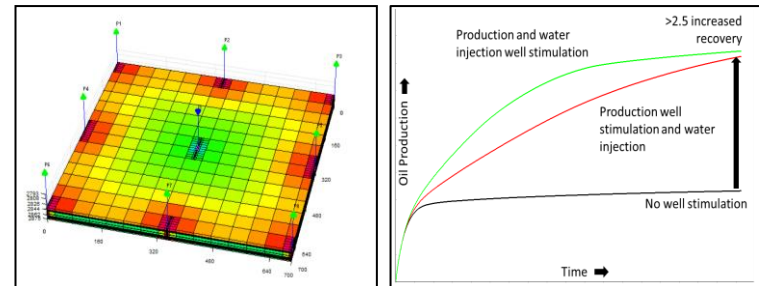
Cost Effective Production Enhancement Radial Drilling

- 4x100m long 2" diameter horizontal laterals drilled through casing increase reservoir contact and well drainage area
- Cost effective: \$175k per well including share of mob/demob
- Global deployment in lower permeability reservoirs can improve flow rates by up to 1000% and ultimate well recoveries by 20-30%

Fishbone Completions

- Jetted or drilled 12m long needles across the entire reservoir replaces conventional completions
- Improvements in flow rate up to 300%
- Developed for low permeability North Sea chalk, now deploying globally with recent trials in China
- Initial modelling indicates suitability for Heron reservoir

Targeting >30% recovery factor, well rates of 500+bopd¹



Heron Field Production and Value Drivers

Phase 1 Development

- Early/immediate production and export will use spare capacity Petro China facilities only 17km from Heron 1
- MOU signed confirming cooperation, commercial details under discussion
- Export to Mongol Refinery via new pipeline if built or trucking/rail if not

Full field development planned 2023 onwards

- Waterflood plus radial drilling, slant/horizontal wells, fishbone completions, hydraulic fracking

Main value drivers

Production

Specifically, well rates and overall recovery per producing well. 20% increase in well productivity = 35% increase in NPV

Oil price

\$10/bbl increase = 40% increase in NPV



Exploration Upside

Block XX Exploration & Appraisal

Low-cost exploration upside

- Gazelle discovery adjacent to Heron Field
- Total resource potential 500 MMbo in place. 100 to 200 MMbo recoverable¹
- Proven reservoir sections mappable up-dip towards southern basin margin

218km² exploitation area

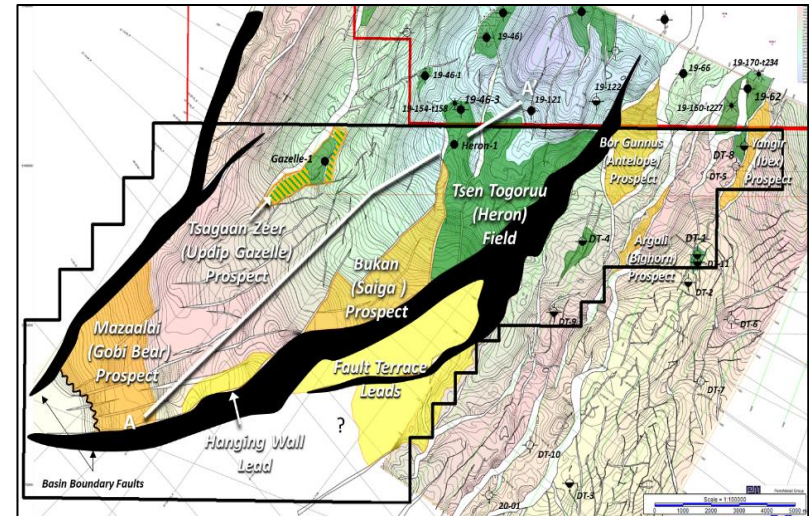
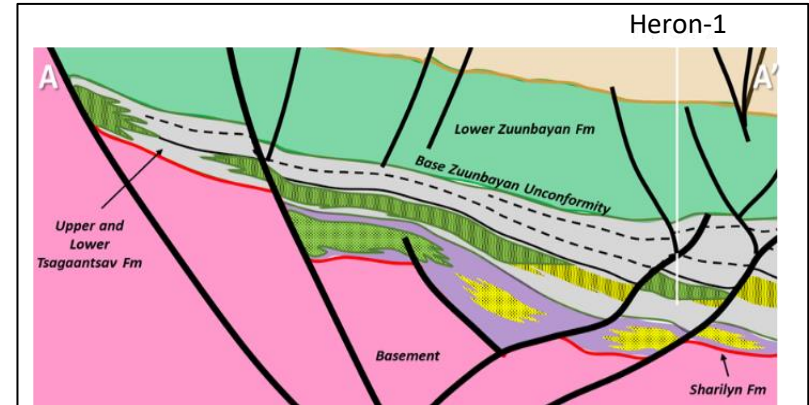
- Entire extension of Tosun Uul sub-basin into Block XX
- Source kitchen for c.2 Bbo in place in Blocks XIX and XXI
- Favourable geometry for charge and trapping

Prospectivity

- Gazelle up-dip and DT-4 discoveries offer appraisal opportunities
- 19-46-1, 19-122 and 19-62 discoveries may also extend into Block XX
- Southern prospects are shallow (c. 1000m to 1500m)
- Drillable with small rigs available in Block XIX or with modified mineral rig

Well cost

- Target well cost \$1 MM



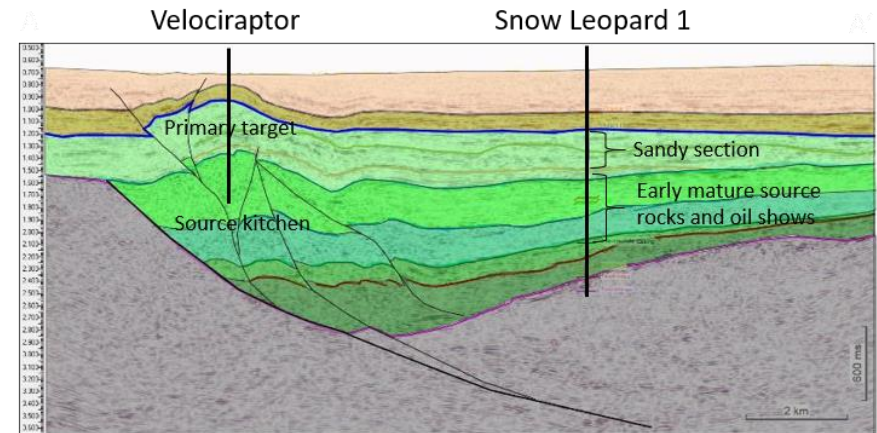
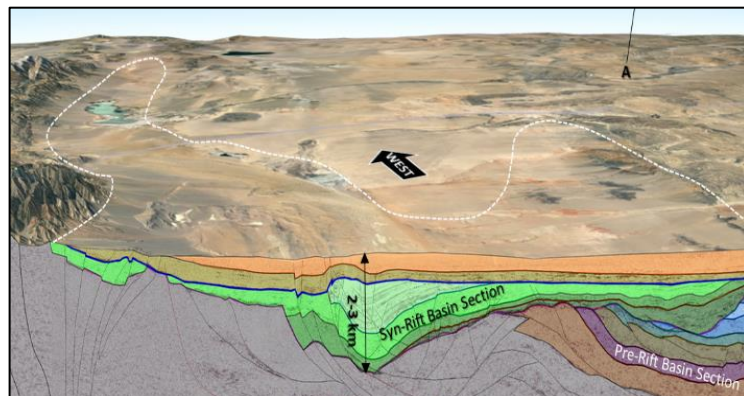
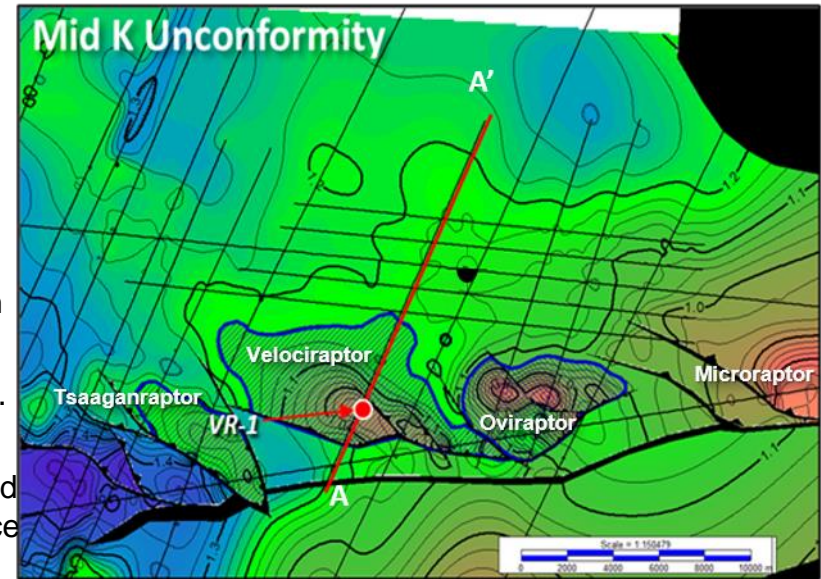
Block V – Raptor Trend

Active petroleum system

- Snow Leopard 1 proved an active petroleum system
- 4 large prospects defined c. 7km south

Low-cost, very high impact exploration

- Velociraptor drill ready. 200 MMbo recoverable resource with 400 MMbo potential in satellite structures
- Total depth <1800m, drillable with small or truck mounted rig. Well cost c.\$2 MM
- Oil shows, reservoir and source rocks found in Snow Leopard 1 highlight attractive geology of Taats Basin improving chance of success at Velociraptor
- 200+ MMbo follow up at Oviraptor, Tsaaganraptor



Summary

Mongolia's leading exploration company, with operator status

First mover potential to develop an industry to create transformational returns for all stakeholders

Proven discovery at Heron with near term production in 2022 and nearby infrastructure

Significant and low-cost exploration upside

Strong stakeholder relationships, including a government committed to developing the industry and building a domestic oil refinery

Responsible operator committed to proactively managing its ESG risks, recently received "Leading Explorer" award from the Mongolian government



Thank You