



Petro Matad
Operational Update
December 2022

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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

Petro Matad – in summary

- AIM listed Mongolian focused E&P company and Mongolia's most active explorer
- Company holds two Production Sharing Contracts: Block XX in the east and Block V in central Mongolia
- Two discoveries made in Block XX in 2019, Heron 1 and Gazelle 1
- Heron 1 flowed 821 bopd on test, the third best test rate ever recorded in Mongolia
- 2020/21, long little-used legislative process followed to secure Exploitation Licence for Heron
- Licence granted in July 2021 over 218km² containing Heron, Gazelle and the entire extension of the proven prolific Tosun Ull basin into Block XX
- Plans to commence production in 2022 delayed by problems between central and local governments due to inconsistencies in land law
- Progress now being made to overcome the delay
- High impact exploration in Block V unaffected by the land issue
- New exploration licencing round just launched in which the company will participate with a view to re-stocking the portfolio

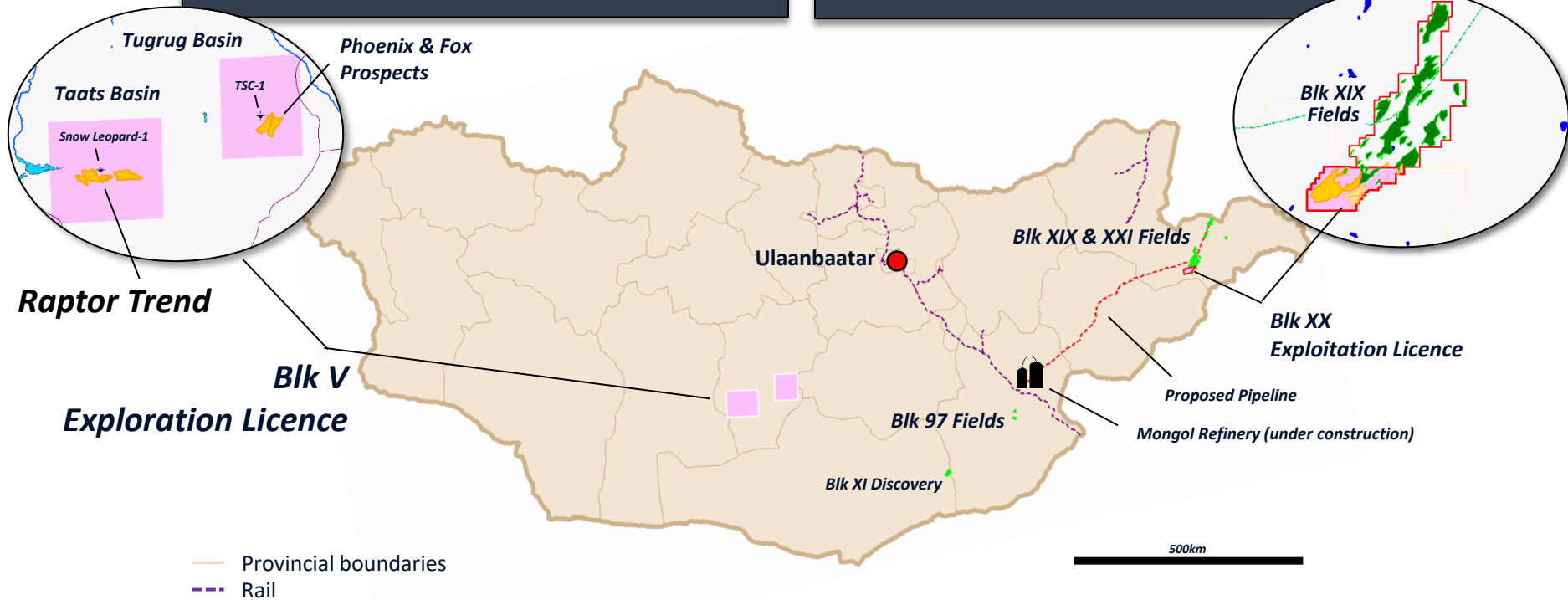
Our Assets

Block V

Wildcat Exploration with large resource potential, very high impact, low cost. Snow Leopard 1 proved an active petroleum system.

Block XX

Development, appraisal, exploration. Adjacent to Mongolia's main oil producing area. Heron field & Gazelle discovery with exploration upside



Block V high impact exploration opportunity
Block XX Heron Field development and hear field upside

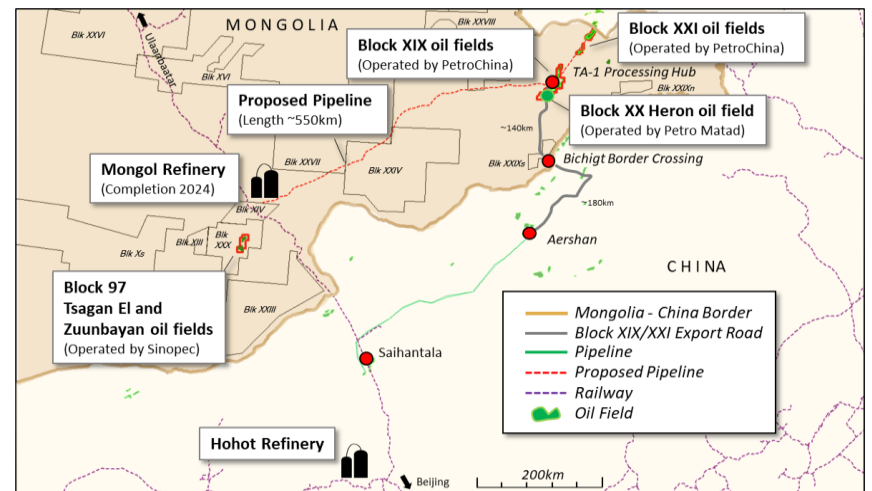
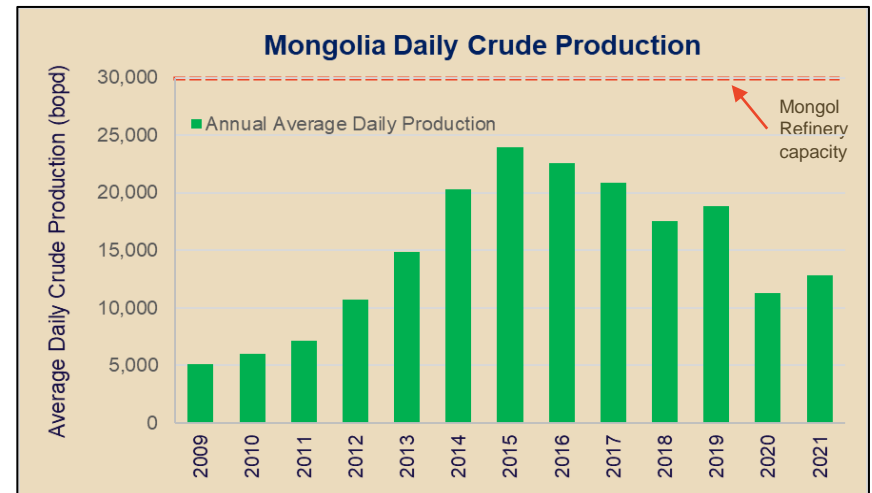
Mongolia Oil Industry

Government fully supportive of domestic oil industry

- Mongolia's average daily crude production in 2021 was 12,787 bopd*. Operations impacted by COVID-19
- Petro China operates 95% of country's production which is trucked to Chinese refineries
- Mongolia's refined product need is ~39,000 bopd*
- Government very keen to increase investment in upstream oil sector to meet domestic demand

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

- Infrastructure (rail, road, power) complete
- EPC contract awarded. Onsite activity underway
- Designed for 30,000 bopd feedstock. Heron production will help meet this but the government aspires to increase its energy independence and to be an exporter of crude and/or refined products
- Refinery scheduled on stream 2024/5
- Pipeline from Block XIX to refinery: Contractor chosen by government and negotiations are underway



Block XX: Land Issue

Heron discovery

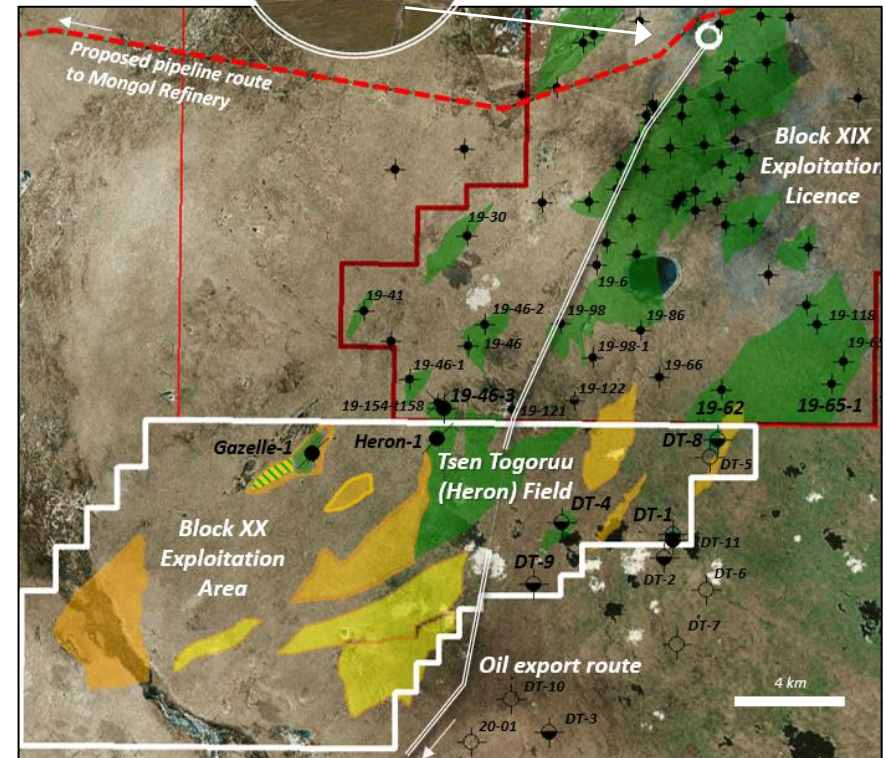
- Heron 1: 821 bopd 44° API to surface
- 194 MMbo¹ resource in place, 33 MMbo² to >60 MMbo² recoverable depending on recovery factor
- Low-cost appraisal/development
- Near-field exploration targets to be exploited during exploitation phase with high chance of success, low cost drilling, significant resource potential

Land Issue

- Oil exploitation areas have been given “special purpose” certification which simplifies permitting
- 2017 legislation for the management of such areas and applied for the first time in our case has complicated matters
- Cabinet has instructed authorities to expedite, and the legislative process is progressing
- Despite a continuation of local lack of support of central government projects, MRPAM has recommended to Ministry to certify Block XX under the land law
- Petro Matad lobbying Ministries to present to Cabinet ASAP to secure certification



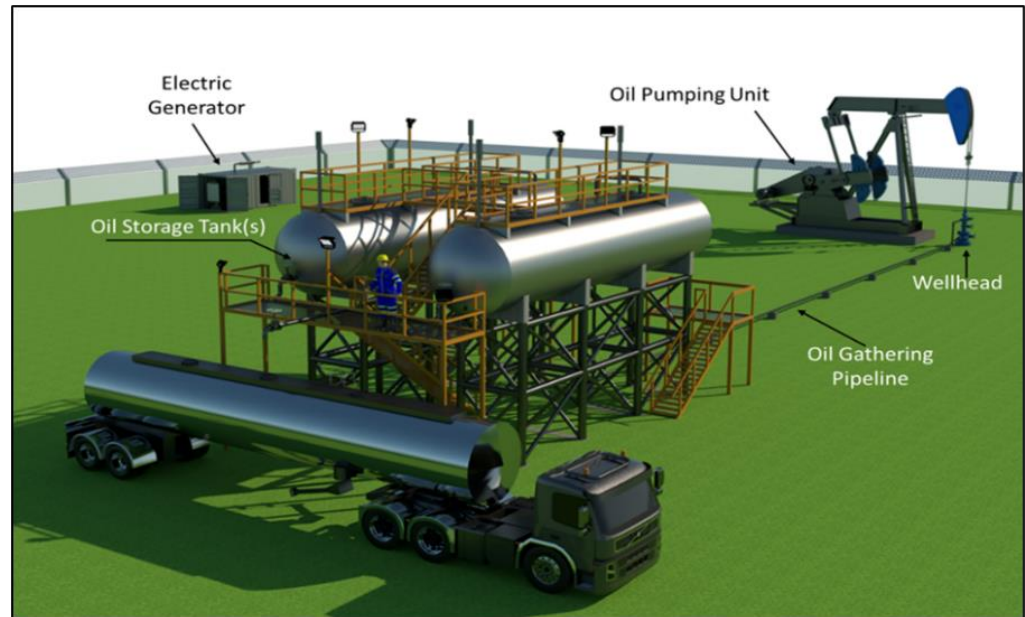
Petro China processing and export facilities



Block XX: Preparations for Production

Heron 1 completion

- Long lead equipment tendered, ordered, manufactured, shipped and in-country
- Frac programme designed with expert input. Contracts in place
- Contracts for completion, testing and frac in place
- 2019 drilling contract still valid for one additional well



Multi-well drilling contract

- Negotiations with DQE Drilling at an advanced stage for a multi-well drilling contract incorporating cost reductions with some payment deferral
- Once finalised, regulatory approval will be requested
- Potential to accelerate development and revenue and to increase value



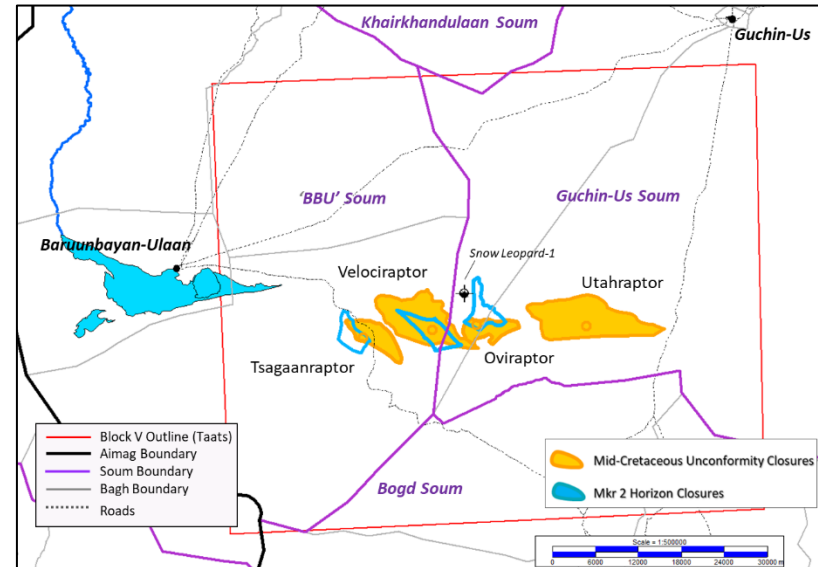
Block V: Low cost, high impact exploration

Proven petroleum system

- 2018 Snow Leopard 1 with good oil shows
- Large, shallow prospects with multiple targets identified 7km south of Snow Leopard 1 along the Raptor Trend
- Exploration period extended until July 2024. Time to gather sufficient data to secure an Exploitation Licence in the event of success

Transformational potential

- 200MMbo¹ recoverable resource potential in Velociraptor Prospect which is drill ready
- 380MMbo¹ follow up in adjacent structures
- Very low cost drilling (c.\$1.7MM)
- 20% chance of success¹, better than most high impact frontier wells
- Precedent set to retain adjacent exploration upside in Exploitation Area
- Potential to be on stream within 2 years and help to meet the needs of the Mongol Refinery on start-up

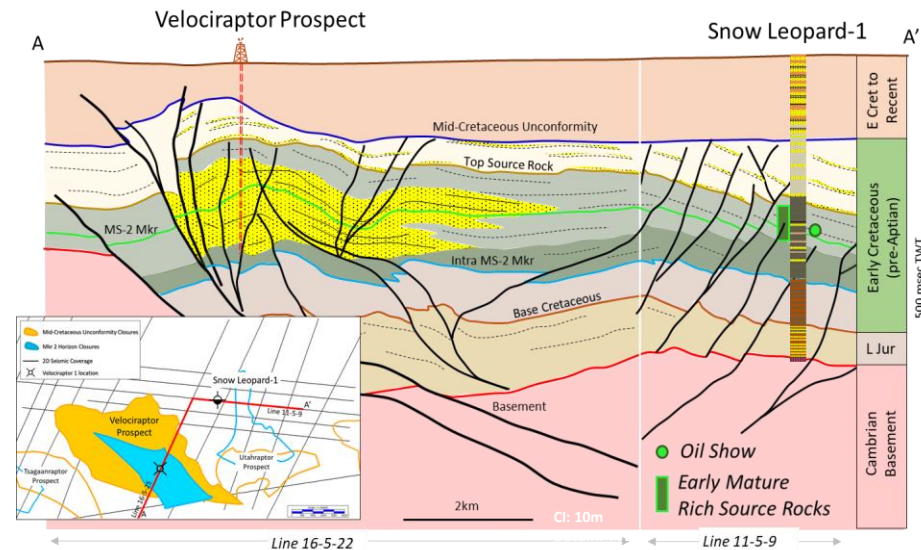
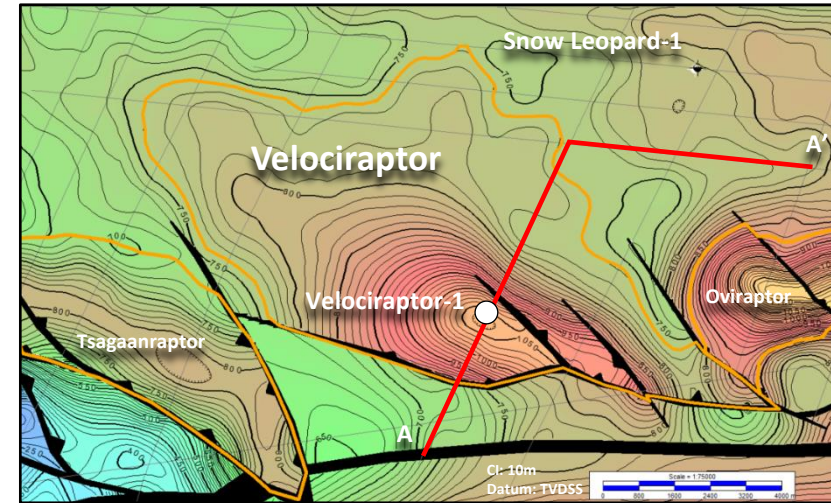


Velociraptor Prospect

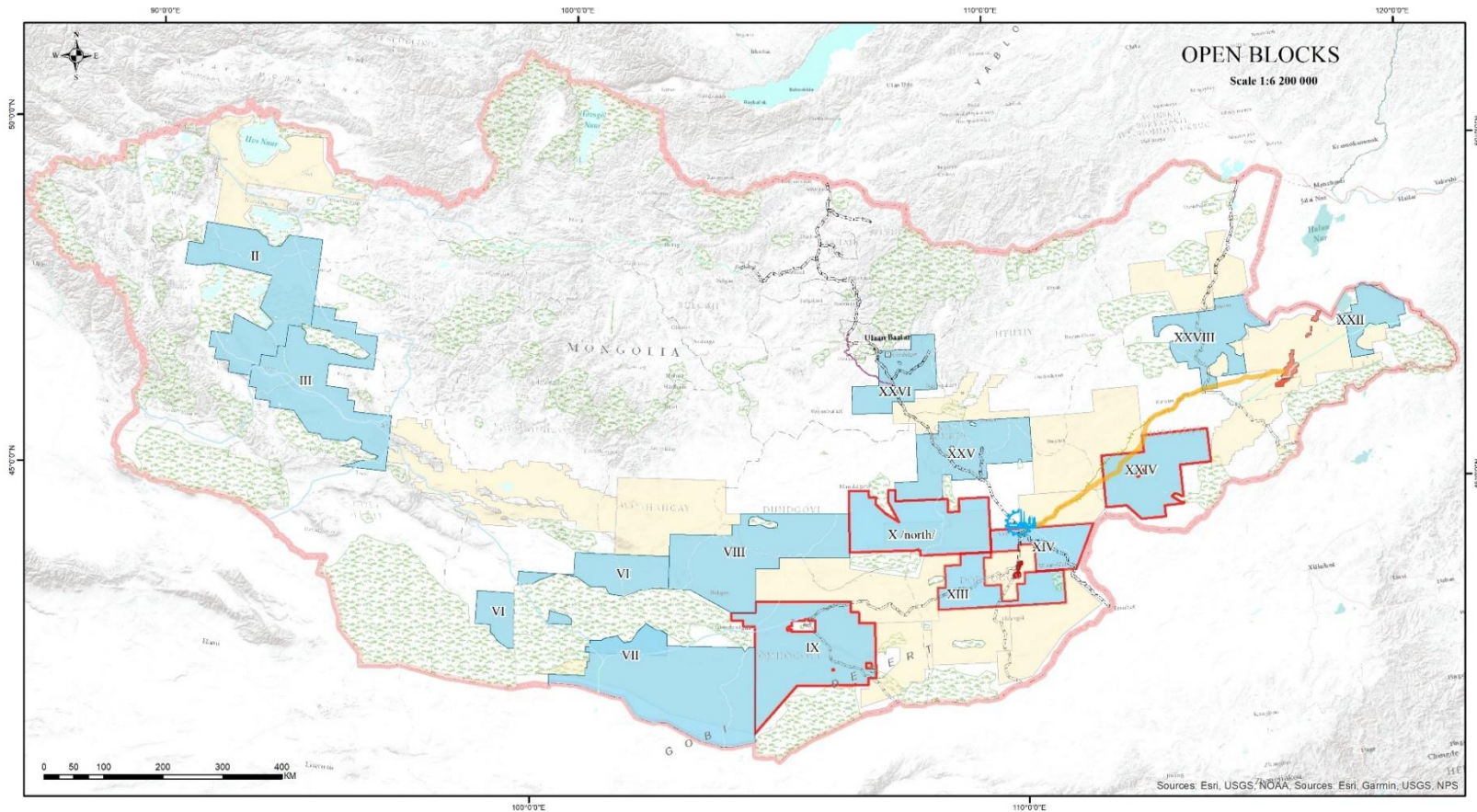
Low-cost, high impact exploration opportunity

- Stacked reservoir targets all within closure below Mid-Cretaceous Unconformity at c.600m
- Total depth ~1500m, 20 day well
- Well cost c.\$1.7MM
- Contractor selected and approved by regulator. Equipment in-country
- Permits in place
- Huge resource potential 100% in the hands of Petro Matad
- Fiscal terms are top quartile
- Wildcat exploration but much better than a “normal” frontier chance of success (20% CoS versus <10%)

Mid-Cretaceous Unconformity Depth Map



2022/23 Exploration Licencing Round



- MRPAM announced the round on 30 November
- 14 areas being offered in three phases
- First tranche available now
- Petro Matad has a significant competitive advantage from years of experience, and with a comprehensive data base
- Areas of interest already identified

Summary

Block XX land issue progressing (slowly!). Government now fully engaged

Petro Matad ready for production start up and development

High impact Velociraptor 1 well permitted. Contracting ongoing. Transformational potential

2022/23 Exploration Licencing Round – a chance to exploit a significant competitive advantage

Progressing the possibility to get involved in renewable energy in Mongolia

Thank you

General Enquiries:

admin@petromatadgroup.com

Twitter:

@Petro_Matad

LinkedIn:

Petro Matad Limited