

Petro Matad Limited

Annual Report

for the year ended 31 December 2024

Heron Oilfield



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Board of Directors

01



Enkhmaa Davaanyam

Chairperson

Ms. Enkhmaa is a Board Director of Petrovis Group, Mongolia's largest fuel supplier since 2011. She has over 26 years of international experience in financing and risk management of mining, CSG, infrastructure and energy projects and commodities trading. Prior to joining Petrovis Group, Enkhmaa worked as a Managing Director at Macquarie Group for over 10 years, responsible for risk management in the energy sector in the United States. Enkhmaa was appointed as Petro Matad's Chairperson in 2015.



Michael Buck

Chief Executive Officer (CEO)

Mr. Buck is a geologist/geophysicist by training and joined the oil industry in 1979. He spent 20 years with LASMO PLC working first as a prospect generator focused on the UK continental shelf. He then moved to international assignments in Indonesia, Colombia, Vietnam and Libya and was involved in the discovery of several commercial oil and gas fields. Following Eni's takeover of LASMO, Mike became Managing Director of Eni Pakistan and then Managing Director of Eni Iran, working on major oil and gas developments in both countries. In 2006, Mike joined S E Asian focused Salamander Energy PLC as Chief Operating Officer. After the takeover of Salamander by Ophir Energy he was retained to help with the integration process following which he consulted for a number of companies in the S E Asian region before joining Petro Matad in 2017 as Chief Executive Officer. Mike has worked on all aspects of the E&P value chain. He holds a BSc in Geophysics from Liverpool University and an MSc (with Distinction) in Petroleum Geology from Imperial College, London.



Shinezaya Batbold

Non-Executive Director

Ms. Shinezaya is the CEO of Petrovis Venture Capital LLC, one of the first local venture capital funds investing into multiple SME sectors in Mongolia. She was a Vice President of Petrovis LLC from 2010 to 2012 and currently holds a number of board and chair positions in diversified business sectors in Mongolia, including Chairperson of the Board of Petrovis and UNIGAS LLC, a gas distribution company in Ulaanbaatar. She is a graduate of Northeastern University, Boston, MA.



Timothy Bushell

Non-Executive Director

Mr. Bushell is a qualified geologist with more than 42 years' experience in the oil and gas industry. He has worked for British Gas, Ultramar, LASMO and Paladin Resources. Tim was Chief Executive Officer at Falkland Oil and Gas Limited and Director/co-founder of Core Energy AS (now part of Vår Energi AS). He was a Non-Executive Director at Genel Energy and Non-Executive Chairman of Wentworth Resources PLC. He is currently Chairman of Quantum Xploration International, Non-Executive Director at Sunsteppe Energy and Director of Redrock Energy Limited. Tim holds a BSc in Geology from the University of Liverpool and an MSc from the University of Reading.



Directors' Report

02

Your Directors submit their report for the year ended 31 December 2024.

Petro Matad Limited (Company) incorporated in the Isle of Man on 30 August 2007 has six wholly owned subsidiaries, which are: Capcorp Mongolia LLC, Petro Matad LLC and Petro Matad Energy LLC (incorporated in Mongolia), Central Asian Petroleum Corporation Limited (Capcorp) and Petromatad Invest Limited (both incorporated in the Cayman Islands), and Petro Matad Energy Limited (incorporated in Isle of Man). Petro Matad Limited owns 50% of Sunsteppe Renewable Energy Pte. Ltd. (formerly known as Petro Matad Singapore Pte. Ltd.), incorporated in Singapore, which is owned jointly together with Sunsteppe Energy LLC to pursue renewables energy projects. The Company and its subsidiaries are collectively referred to as the "Group".

Directors

The names of the Company's Directors in office during the year and until the date of this report are as below. Directors were in office for this entire year unless otherwise stated.

- Enkhmaa Davaanyam
- Timothy Paul Bushell
- Michael James Buck
- Shinezaya Batbold

Principal Activities

The Group's principal activity in the course of the financial year consisted of oil exploration and exploitation and investment in renewable energy projects in Mongolia. During the year there were no significant changes in the nature of these activities.

Review and Results of Operations

The functional and presentation currency of Petro Matad Limited is United States Dollars (\$).

The net loss after tax for the Group for the 12 months ended 31 December 2024 was \$10.92 million (31 December 2023: Loss \$5.93 million).

During the year the Group focused on exploration and exploitation activities on its Production Sharing Contracts (PSCs) with the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) on Blocks V and XX in Mongolia; and investment in renewable energy projects through its investment in Sunsteppe Renewable Energy Pte. Ltd.

Changes in State of Affairs

On 20 February 2024, the Company transferred 50% of Petro Matad Singapore Pte. Ltd to Sunsteppe Energy LLC. Petro Matad Singapore Pte. Ltd was also renamed as Sunsteppe Renewable Energy Pte. Ltd. Sun Steppe Power LLC was transferred to be a wholly owned subsidiary of Sunsteppe Renewable Energy Pte. Ltd.

In July 2023, the Mongolian Cabinet approved Block XX exploitation area to be certified as Special Purpose Area which allows for the final agreements to be established with local governments to fully legalise access to the acreage for first oil operations. At the end of May 2024, land use agreement made with local government to allow access to the specific areas in Block XX enabled operations to commence in 2024.

On 1 July 2024, the Company concluded a placing by issuing 189,311,666 shares at a price of GBP0.020 per share arranged through its nominated adviser, broker and joint book runner for the purposes of the Placing, Shore Capital Stockbrokers.

On 1 July 2024, the Company concluded a placing by issuing 117,381,250 shares at a price of GBP0.020 per share arranged through its broker and joint book runner for the purposes of the Placing, Zeus Capital.

On 1 July 2024, the Company issued 43,307,084 shares through direct subscriptions at a price of GBP0.020 per share.

On 1 July 2024, the Company issued 20,000,000 shares to shareholders at a price of GBP0.020 per share through a retail offering.

Significant Events after Reporting Date

Block XX Special Purpose Area status obtained in February 2025.

On 16 January 2025, the Company signed a PSC for a new petroleum exploration Borzon Block VII with the Government of Mongolia.

On 14 April 2025, Petro Matad Energy LLC was incorporated in Mongolia as a wholly owned subsidiary of Petro Matad Energy Limited as the local operator company of Borzon Block VII.

On 28 April 2025, Petro Matad LLC and PetroChina Daqing Tamsag, the operator of neighbouring Block XIX, signed the Oil Sales Agreement covering storage, processing, transport and export of Block XX crude oil production.

Dividends

No dividends have been paid or are proposed in respect of the year 2024 (2023: Nil).

Future Developments

The Group's strategy is focused on oil exploration and the development of discoveries in Mongolia and pursuing renewable energy projects through its joint venture in Sunsteppe. The Group will continue to pursue development of discoveries, exploration projects within high-graded exploration areas and renewable energy projects in Mongolia.

Indemnification of Officers and Auditors

The Group has not, during or since the financial year end, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Environmental Regulation

The Group is required to carry out its activities in accordance with the petroleum laws and regulations in the areas in which it undertakes its exploration and exploitation activities as well as relevant energy

laws and regulations in its pursuit of renewable energy projects. The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Auditors

Hall Chadwick (WA) Pty Ltd, being eligible, has indicated its willingness to continue in office.

Rounding

The amounts contained in the annual financial report have been rounded to the nearest \$1,000 (where rounding is applicable).

Signed in accordance with a resolution of the Directors.



Mike Buck
Director

Date: 26 June 2025

Directors' Statement

SUMMARY

2024 was a transformational year for Petro Matad, with the Company becoming the third oil producer in Mongolia, with the startup of production operations in Block XX in eastern Mongolia, adding to the Company's traditional exploration activities. Delays that the Company had suffered in previous years were resolved with decisive input from the government and this heralded a push by the authorities to improve the business environment in the oil sector and the energy sector in general. The Company was navigating a number of Mongolian regulatory processes for the first time and we hope that this ground-breaking experience will ease the process for future business collaboration with the government.

During the reporting period in 2024, the Company had a busy operational year and achieved a significant milestone with first oil produced from the Heron-1 discovery well. This was achieved with the support of both local and central government agencies and Ministries in overcoming land access and various construction permitting issues. While

still waiting for State Special Purpose certification of Block XX from central government, an agreement was made with Matad Soum allowing access to the area of the Heron-1 well pad and also at the planned Heron-2 and Gobi Bear-1 well locations. With these permissions in-place, the completion of Heron-1 as a production well was completed by early August. Installation of the surface facilities was threatened with further delay until the Minister of Industry and Mineral Resources and the Minister of Construction and Urban Development took action to amend relevant construction permitting regulations allowing the Heron-1 surface facilities to be installed and first oil to flow on 24 October. Initial production rates from the well were as expected at 200-250 bopd with oil being transported to PetroChina's processing facilities in Block XIX 20km to the north for storage prior to export. With production commenced, discussions with PetroChina to finalise an Oil Sales Agreement involving processing, transportation and sale finally gained some traction with the counterparty and the principles of the contract were largely agreed by year-end.

Post the reporting period, the Oil Sales Agreement was signed and in June 2025 Petro Matad received the first payment for commercial sale of its production from Block XX and whilst there are still some issues raised by the counterparty to resolve, the Company looks forward to routine monthly payments under the agreement going forward.

In parallel with completion and production operations at Heron-1, drilling activities at the Heron-2 appraisal well and the Gobi Bear-1 exploration well using funds raised in mid-2024 commenced on 8 and 21 September respectively using two rigs and drilling crews from DQE International. Heron-2 was located a little less than 1km to the south of Heron-1 with the expectation of encountering a similar reservoir thickness and quality as at Heron-1. While a thicker reservoir section was encountered up dip of the depth in Heron-1 and with oil shows observed, on test the well did not achieve commercial flow rates following stimulation and was suspended in mid-November pending evaluation of the well data. Initial assessment pointed to a reduction in reservoir permeability in the Heron-2 section being the reason for the low oil rate. This was the primary risk recognised before drilling as reservoir variability is well known and documented in the basin in neighbouring blocks. Gobi Bear-1 was located some 13km to the southwest of the Heron-1 discovery targeting the same age reservoir within a large combination structural/stratigraphic trap formed by shallowing and thinning of sediments towards the basin margin. The well encountered a good quality, thick reservoir sequence but with only patchy oil shows. However, petrophysical evaluation identified a possible zone of interest and the well was suspended in early October without testing pending geochemical analysis of well cuttings aimed to determine if moveable oil is present within the reservoir section.

It is a reflection of the professionalism and dedication of Petro Matad staff that the simultaneous operations of completing Heron-1 and installing facilities, drilling and testing Heron-2 and drilling Gobi Bear-1, were successfully completed without any environmental or safety incidents occurring and with the work done on time and within budget.

The Company's central Mongolian exploration acreage, Block V, was returned to the government at the end of July upon the expiry of the exploration term with all work commitments fulfilled and all required documentation shared with the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) and relevant Ministries. The establishment of a government working group to approve the relinquishment is the last step of the process and this was ongoing at year-end.

The Company's applications for two blocks offered in Mongolia's Exploration Licensing round were still pending at year-end with the area of one of the blocks still yet to be finalised. Block VII, the Company's top-ranked block, was awarded to Petro Matad on 16 January 2025.

Sunsteppe Renewable Energy (SRE), the Company's renewables Joint Venture was very active through the year and identified several attractive project opportunities. The two exclusively held projects high-graded in 2023 advanced in 2024 working through the permitting and detailed design stages and are continuing to progress. Numerous other initiatives were generated by the renewables team with exclusivity on two more projects being achieved in 2024/25.

2024 REVIEW

Permitting: Block XX Exploitation Area - Land access

The land access dispute that hitherto had prevented the Company's access to the Heron development location since late 2019 was finally resolved locally with an agreement reached with the Matad Soum and land agencies. Discrete areas around the Heron-1 well site and the location of the planned Heron-2 and Gobi Bear-1 wells required to allow Petro Matad to conduct operations were approved on 27 May 2024 for a five year period. This was in parallel with the State Special Purpose land certification process that continued to be addressed by central government and was still ongoing at year-end. Certification was finally achieved post the reporting period on 5 February 2025, making Block XX the first oil exploitation area in Mongolia to have been given State Special Purpose status. The newly appointed Minister of Industry and Mineral Resources finalised the Tripartite Agreement with the Provincial Governor, the absence of which had been holding up operations and the State Special Purpose certificate was issued by the Central Land Agency. Under the Land Law, as State Special Purpose land, it will be the responsibility of the Ministry of Industry and Mineral Resources (MIMR) to secure the land access for all areas within the Block XX Exploitation Area required for operations and thus a much more streamlined process in securing land access is expected in future. This expectation was born out in the first quarter of 2025 when land access was granted without obstruction for two new areas of potential operation in Block XX.

Health Safety Security and Environment (HSSE)

The HSSE Management System (HSSE MS) of the Company is designed to adhere to best practices set by the International Association of Oil and Gas Producers (IOGP).

According to Mongolian national and international best practices, all reported HSSE incidents are thoroughly investigated, documented, and classified in accordance with IOGP guidelines. Moreover, the lessons learned from these incidents are openly shared through the management review process.

The Company is pleased to report that Petro Matad, together with its sub-contractors, adhered to all Mongolian laws and national standards throughout its 2024 operations. Importantly, there were no environmental incidents, lost time incidents, or recordable incidents during the year. We are pleased to report that the Dornod Aimag Environment Committee awarded Petro Matad an overall score of 97% on the Block XX Environmental Implementation Report for operational year 2024, which is the highest score ever granted to any company operating in Dornod Province.

The Company is fully committed to environmental protection and consistently strives to implement all necessary measures to fully comply with national and international best practices, with ISO 14001 serving as the benchmark.

With Petro Matad transitioning to become a producer, it was essential that all aspects of the production operations—including personnel conduct, equipment integrity, and environmental safeguards—would be managed in strict compliance with both Mongolian national legislation and applicable international safety standards. All production and supporting equipment at the Heron-1 wellsite are maintained under a routine servicing and preventative maintenance schedule, fully in accordance with the original manufacturers' specifications. This ensures optimal functionality, prolongs equipment lifespan, and mitigates risks related to mechanical failure, emissions, and operator safety. In line with Mongolian regulatory requirements, comprehensive safety and operational signage has been installed across the production site. This includes clearly displayed hazard warnings, safe operating procedures, emergency contact information, and access restrictions, all of which promote situational awareness and guide safe conduct on-site.

Operator activities are carried out in strict accordance with Mongolia's Occupational Health and Safety (OHS) regulations. Where relevant, operational practices are also aligned with international best practices as outlined by IOGP, reinforcing our commitment to globally recognized safety benchmarks.

Operations

Block XX: The Company had contracts in place and equipment procured in readiness for when access to land was agreed and operations at Heron-1 could be commenced. With the agreement with the Matad Soum finalised on 27 May 2024 that allowed access and operations to commence at the Heron-1 wellsite and at the Heron-2 and Gobi Bear-1 well locations, the Company immediately issued mobilisation notices to DQE International and related subsidiaries for a testing rig, two drilling rigs and well testing and stimulation equipment for the planned 2024 programme. At Heron-1, completion operations started on 22 July and a reservoir stimulation programme was successfully performed which confirmed the reservoir's potential for commercial flow rates even after a shut-in period of 5 years. The production string and wellhead were installed by 15 August in readiness for the installation of the surface equipment. Being the Company's first installation of oil production facilities it became apparent when seeking construction permit approval that the existing regulations did not address oil production facilities and that they required updating. The Company was actively pursuing this process with representations to the Ministry of Construction and Urban Development (MCUD) but in parallel, with the assistance of the Minister MIMR and the Minister MCUD the regulations were updated on 30 September 2024 significantly streamlining the approvals process. This then allowed the Company to proceed with installation of production facilities which were completed on 24 October when first oil was produced from the Heron-1 well. The Company was pleased to be able to recruit production operators from the local communities and a field-based Production Operations team was established to oversee production operations and crude transportation.

Initial well production rates were in line with expectations with the well capable of producing under natural flow and with low water cut. Produced crude oil is transported to PetroChina's Block XIX TA-1 oil facility some 20km to the north for processing and storage prior to export to Chinese refineries. By year-end there were c.13,000 barrels of crude in storage awaiting export once the Oil Sales Agreement between the Company, and PetroChina was in-place.

In parallel to operations at Heron-1, the planned drilling activities at Heron-2 and Gobi Bear-1 commenced on 8 and 21 September respectively using two rigs and drilling crews from DQE International. Heron-2 was located a little less than 1km to the south of Heron-1 with the expectation of encountering a similar reservoir thickness and quality as at Heron-1. The well reached Total Depth (TD) of 2,908m in just 16 days after spud and following wireline logging, casing was run to TD and 8m of perforations were made in the casing across the identified reservoir section. The reservoir was then successfully stimulated but it became apparent during the flow-back operations that flowing rates were significantly lower than those observed in Heron-1. Subsequently swabbing operations recovered oil but at low volumes. Although a thicker reservoir section, up dip of Heron-1 was encountered with similar wireline log derived porosities it appeared that there is a marked reduction in reservoir permeability in Heron-2 and hence the low oil rate achieved. Such variation in reservoir quality is a known uncertainty in the basin and post-well studies were initiated to attempt to understand the result at Heron-2. The well was suspended on 16 November pending future operations, re-testing and/or water injectivity testing in the 2025 operational season.

Gobi Bear-1 was an exploration well located some 13km to the southwest of the Heron-1 and Gazelle-1 discoveries targeting the same age reservoir within a large combination structural/stratigraphic trap formed by shallowing and thinning of sediments towards the basin margin. The well was drilled with a smaller rig than that used at Heron-2 given the shallower targets. TD was reached at 1805m on 2 October in just 11 days and encountered a thick sandstone section within which wireline logging confirmed a total of 34m of reservoir quality sandstones within a gross interval of 70m between 1,558m and 1,628m and computed to have 13% average porosity which is consistent with the productive reservoirs in the basin. The resistivity log profile suggested the sands may contain a hydrocarbon charge. Oil shows were however only patchy across this interval casting some doubt on the presence of moveable oil in the well.

The well was suspended without testing and the rig released on 5 October. Subsequent geochemistry

work on drill cuttings has concluded that migrated oil is present in the well and this is a positive result although it is not definitive and work continued beyond the reporting period including reviewing the log interpretation to determine the forward programme for the well.

Block V: The exploration term for this block expired on 29 July 2024. The Company fulfilled and exceeded the contractual obligations on the block and supplied MRPAM with all relevant documentation and completed restoration works at the Velociraptor-1 well site. A working group comprising representatives of MRPAM, MIMR and other agencies was established to give the final approval for the return of the acreage to the State and their work was ongoing at year-end.

2024 Exploration Licencing Round

The Company submitted applications for two blocks offered in the MRPAM promoted exploration licensing round. Working groups, comprising experts from MRPAM and MIMR were established and the Company successfully completed negotiations on the terms of the PSC and work programmes for each block. The Company focused on blocks in Mongolia that contain extensions of basins proven productive for oil across the international border in China. The government's approval process for the award of new exploration licences continued through 2024 and was ongoing at year-end. As subsequently reported, the Company was awarded Block VII on 16 January 2025 located in southernmost Mongolia. This was the Company's top-ranked block having extensions of plays proven in adjacent Chinese basins. The initial work programme comprises field work and desk-top studies and these are ongoing in parallel with the formalities required to secure the formal government approved Exploration Licence.

Sunsteppe Renewable Energy (SRE)

The Company's renewable energy vehicle, Sunsteppe Renewable Energy (SRE), made very good progress through the year. The feasibility study for the Green Hydrogen demonstration project for Oyu Tolgoi mine was completed and submitted to Oyu Tolgoi. The Choir 50MW/150MWh battery energy storage facility in central Mongolia is also progressing.

SRE's small but active team has made a big impact in-country and with potential international partners and lending banks. With the government's new focus on renewable energy projects including large export to China opportunities, SRE's opportunity set has grown to the extent that in 2024 it added two new exclusive projects to its portfolio. One is a 1.5GW export to China project in collaboration with a major Chinese utility. The other is a 200MW hybrid wind/solar project. These sizeable projects show the potential of the renewables sector in Mongolia and with its growing connections, SRE is well-placed to take a leading role in the Mongolian renewable energy project development market.

Community Relations

The Company takes its responsibilities in community engagement and community relations very seriously. In advance of any work programme activity being undertaken, the Company ensures that it obtains the necessary approvals from MRPAM and all other relevant authorities. Company staff participate in joint meetings with the regulator and the local communities to present and discuss planned activities. In addition to meeting local government officials, the socialisation programmes will typically include town hall meetings where questions from local residents are answered. Company representatives will also meet with nomadic herders who may be in proximity to planned operations to ensure all parties are listened to. Representatives from the Relations team are stationed at site during all operational activities.

A focused programme of community projects is undertaken in areas where operations are conducted, and this is done in cooperation with local government. The Company views engagement with local communities as key to conducting safe and successful operations that will in turn benefit the local area.

Social Impact

In the winter of 2023-2024, Mongolia experienced severe winter conditions, known as dzud, particularly in the eastern provinces, including Dornod province. Petro Matad financed a donation including 132 tonnes of fuel, wrapped hay, livestock cover blankets, winter working gloves and food supplies

under our corporate social responsibility awareness programme. These donations were handed over to the Emergency Commission of Matad Soum who were responsible for the distribution of the goods to Matad Soum residents impacted by the dzud.

In conjunction with the 100th year anniversary of Matad Soum's establishment, celebrations were held and Petro Matad funded the construction of a basketball court and children's playground with the work being executed by a local company.

CONCLUSION

In the first half of 2024 the Company vigorously pursued solutions to the Block XX land access issue working closely with MRPAM, MIMR and local communities. The securing of local land approvals in 2024 enabled the Company to carry out its intended work programme through the second half of the year. The highlight of this activity was putting onstream and start up of oil production from the Heron-1 discovery well. Heron-2 delivered a result that was below expectation but work continues to determine the best use for this well. Gobi Bear-1 demonstrated once again that small rigs can be used for highly cost-effective operations on shallower wells and the ambiguous result is intriguing. The Block XX 2024 operations were completed within budget, without any HSE incident and with excellent cooperation with the local community which is a significant achievement for the Company's Mongolian staff especially given the adversities faced in the region in previous years. With the award of Block VII in January 2025, the Company is looking forward to high grade the prospectivity of the block for an impactful exploration programme in future years.

The improvement in the business environment in Mongolia in 2024 with government taking a more proactive approach particularly in the energy sector highlighted the opportunities to the Company of looking to bring in partners to accelerate oil production operations and enhance shareholder value. This is being pursued. Meanwhile, the renewable energy possibilities of Mongolia combined with SRE's exciting start has given the Company some good options going forward.

ACKNOWLEDGEMENTS

The Company is very appreciative of the support and collaboration shown by MRPAM and MIMR through the long struggle to secure land access and the start-up of productions operations. The Company is also grateful to neighbouring operator PetroChina for the cooperation and collaboration they have shown in offering Block XX a route to commercialisation.

The Directors would like to reiterate their appreciation to the staff of Petro Matad who have continued to work with enthusiasm, diligence, and dedication, sometimes in highly frustrating circumstances. Shareholders' continued support is also highly appreciated.

Board of Directors



ТУЗ-ийн гишүүдийн МЭДЭГДЭЛ

/АЛБАН БУС ОРЧУУЛГА/

ТОВЧ АГУУЛГА

Компани өнөөг хүртэл газрын тосны хайгуулын үйл ажиллагаа гүйцэтгэж ирсэн ба үүн дээрээ нэмээд Дорнод Монголд байрлах Матад ХХ талбайд газрын тосны олборлолтын үйл ажиллагааг эхлүүлж, Монголд гурав дахь тос олборлогч компани болсон тул 2024 он “Петро Матад”-ын хувьд шилжилтийн жил байлаа. Өнгөрсөн жилүүдэд Компанийн үйл ажиллагаанд учирч байсан удаашрал, саатлуудыг Монгол Улсын Засгийн газрын шуурхай, шийдмэг оролцоотойгоор шийдвэрлэсэн бөгөөд энэ нь газрын тос болон эрчим хүчний салбарын бизнесийн орчныг ерөнхийд нь сайжруулахад чиглэсэн төрийн байгууллагуудын хичээл зүтгэлд түлхэц болсон. Компани Монгол Улсын дагаж мөрдөх зохицуулалттай хэд хэдэн шат алхмуудыг анх удаад хийж хэрэгжүүлсэн бөгөөд энэхүү бидний анхдагч туршлага цаашдын төр, засгийн хамтын ажиллагаанд шаардлагатай үйл явц, процессыг илүү үр ашигтай болгоход эерэг нөлөө үзүүлнэ гэдэгт итгэж байна.

2024 оны тайлант жилийн хугацааг Компани үйл ажиллагааны хувьд завгүй өнгөрүүлсэн ба нэгэн чухал үр дүнд хүрсэн нь Цэн тогоруу-1 нээлтийн цооногоос анхны газрын тосыг олборлож эхэлсэн явдал байлаа. Орон нутаг, төрийн байгууллага, яамдууд газар болон барилгын зөвшөөрлийн асуудлуудыг шийдвэрлэхэд идэвхтэй дэмжлэг туслалцаа үзүүлсний ачаар энэ үр дүнд хүрлээ. Засгийн газрын зүгээс Матад ХХ талбайг улсын тусгай хэрэгцээнд авах асуудал бүрэн шийдэгдээгүй байсан ч Матад сумын удирдлагуудтай хэлэлцээр хийж, Цэн тогоруу-1 цооногийн талбай болон өрөмдөхөөр төлөвлөсөн Цэн тогоруу-2, Мазаалай-1 цооногуудын байршилд шаардлагатай газрын зөвшөөрлүүдийг авч чадсан. Эдгээр зөвшөөрлийг авсны үр дүнд Цэн тогоруу-1 цооногийг ашиглалтын цооног болгон гүйцээж, тоноглох ажлыг 8-р сарын эхээр амжилттай хийж дуусгалаа. Үүний дараа олборлолтын ил байгууламж, төхөөрөмжүүдийг угсарч суурилуулах ажил мөн барилгын зөвшөөрлөөс шалтгаалан саатах

эрсдэлтэй байв. Энэ үед Аж үйлдвэр, эрдэс баялгийн сайд болон Хот байгуулалт, барилга, орон сууцжуулалтын сайд нар зохих арга хэмжээг авч, холбогдох барилгын зөвшөөрлийн дүрэмд өөрчлөлт хийгдсэнээр Цэн тогоруу-1 цооногийн ил байгууламж, төхөөрөмжүүдийг суурилуулж, 2024 оны 10-р сарын 24-ний өдөр анхны газрын тосоо олборлох боломж нээгдсэн юм. Цооногийн эхний үеийн олборлолтын хэмжээ нь тооцоолж байсан хэмжээнд буюу хоногт 200-250 баррель тос байв. Олборлосон тосыг экспортод гаргахаас өмнө хадгалах зорилгоор цооногоос хойд зүгт 20 километр зайд байрлах Петрочайна Дачин Тамсаг компанийн БХГ-т Тосон-Уул XIX талбайн олборлолтын нэгдсэн байгууламж руу тээвэрлэн хүргэж байлаа. Олборлолт эхэлснээр Петрочайна компанитай тос цэвэршүүлэх, тээвэрлэх, борлуулах үйл ажиллагааг хамарсан газрын тосны борлуулах гэрээг эцэслэх талаарх хэлэлцээр эрчимжиж, оны эцсийн байдлаар гэрээний нөхцөл, зарчмуудыг үндсэндээ бүрэн тохиролцсон. Уг газрын тосны борлуулах гэрээг тайлант хугацааны дараа үзэглэсэн ба 2025 оны 6-р сард “Петро Матад” ХХ талбайн олборлолтоос анхны борлуулалтын төлбөрөө хүлээн авсан болно. Түншийн зүгээс тавьсан зарим нэг асуудлуудыг шийдвэрлэх шаардлагатай байгаа ч Компани гэрээний дагуу сар бүрийн төлбөрийг тогтмол хүлээн авах хүлээлтэй байна.

Цэн тогоруу-1 цооногийн гүйцээлт болон олборлолтын үйл ажиллагаатай зэрэгцэн 2024 оны дундуур босгосон санхүүжилтийн хүрээнд үнэлгээний Цэн тогоруу-2 болон хайгуулын Мазаалай-1 цооногийн өрөмдлөгийн ажлуудыг 9-р сарын 8 болон 21-ний өдрүүдэд тус тус эхлүүлсэн. Уг ажлуудыг DQE International компанийн өрөмдлөгийн багууд хоёр өрмийн цамхаг ашиглан гүйцэтгэлээ. Цэн тогоруу-2 нь Цэн тогоруу-1 цооногоос урагш 1 километр хүрэхгүй зайд байрласан бөгөөд уг байршилд Цэн тогоруу-1 цооногт өрөмдсөнтэй ижлэвтэр зузаан, шинж чанартай газрын тос агуулагч давхаргыг нэвтрэх хүлээлтэйгээр өрөмдсөн. Цэн тогоруу-1 цооногоос өгсүүр байрлалд, илүү зузаан хураагуур үе нэвтэрч, тосны илэрц ажиглагдаж байсан хэдий ч өдөөлтийн дараах туршилтаар

цооногийн гарц ашиглалтын хэмжээний ундаргад хүрээгүй тул уг цооногийг 11-р сарын дундуур түр хааж орхин, цооногийн өгөгдөлд цаашдын судалгааны ажлыг эхлүүлсэн болно. Анхан шатны үнэлгээгээр Цэн тогоруу-2 цооногийн байршилд хураагуурын нэвчүүлэмж буурсан байгаа нь тосны ундарга бага байсны гол шалтгаан гэж үзсэн. Хураагуурын шинж чанарын өөрчлөлт нь зэргэлдээх талбайнуудын бассейнуудын хувьд нийтлэг ажиглагддаг, нотлогдсон үзэгдэл тул энэ нь өрөмдлөгийн өмнө тодорхойлж байсан гол эрсдэлүүдийн нэг байв. Мазаалай-1 цооногийг Цэн тогоруу-1 нээлтийн цооногоос баруун урд зүгт ойролцоогоор 13 километрийн зайд өрөмдсөн. Энэхүү цооног нь тунамал хурдаст бассейны зах руу нимгэрч, гүехэн болж ирснээр бүрэлдэх томоохон структур/стратиграфийн хавсарсан хуримтлуурын ижил насны газрын тос агуулагч давхаргыг онилсон болно. Уг цооногт сайн чанарын, зузаан хуримтлуурын үеүд нэвтэрсэн боловч тосны илэрц зөвхөн зарим хэсэгт нь хязгаарлагдмал байдлаар ажиглагдсан. Петрофизикийн үнэлгээгээр сонирхол татахуйц интервал тогтоогдсон тул уг цооногийг 10-р сарын эхээр түр хааж орхилоо. Тухайн хураагуур интервалд хөдөлгөөнт, урсахуйц газрын тос байгаа эсэхийг тогтоох зорилгоор үйрмэг дээжүүдэд геохимийн шинжилгээ хийсний дараа цооногийн туршилтын ажил хийгдэх эсэх нь тодорхойлогдоно.

Цэн тогоруу-1 цооногийн гүйцээлтийн ажил, олборлолтын ил тоног, төхөөрөмжийн суурилуулалт, Цэн тогоруу-2 цооногийн өрөмдлөг ба туршилт, Мазаалай-1 цооногийн өрөмдлөг зэрэг зэрэгцсэн олон үйл ажиллагааг ямар нэгэн байгаль орчин болон хөдөлмөрийн аюулгүй байдлын зөрчилгүйгээр, төлөвлөсөн хугацаа болон төсвийн хүрээнд амжилттай гүйцэтгэсэн нь “Петро Матад” компанийн ажилчдын мэргэжлийн ур чадвар, хичээл зүтгэлийн илрэл юм.

Компанийн Монгол орны төв хэсэгт байрлах Онги V талбайн хайгуулын хугацаа 2024 оны 7-р сарын сүүлчээр дуусгавар болж, бүх хүлээсэн ажил үүргээ биелүүлэн уг талбайг Засгийн газарт буцаан шилжүүлсэн. Үүний хүрээнд

шаардлагатай бүх баримт бичгийг Ашигт малтмал, газрын тосны газар (АМГТГ) болон холбогдох яамд руу хүргүүлсэн. Талбайг улсад буцаан шилжүүлэх эцсийн шийдвэрийг гаргах төрийн байгууллагуудын төлөөллөөс бүрдсэн ажлын хэсэг байгуулагдсан бөгөөд оны эцсийн байдлаар уг ажил үргэлжилж байна.

Монгол Улсын Хайгуулын тусгай зөвшөөрлийн сонгон шалгаруулалтын хүрээнд санал болгогдсон хоёр талбайд Компанийн гаргасан хүсэлтүүд жилийн эцсийн байдлаар шийдвэрлэгдээгүй байсан бөгөөд эдгээрийн нэг талбайн хил заагийг эцэслэн тогтоох ажил дуусаагүй байв. Компанийн хамгийн илүүтэйгээр сонирхож байсан VII талбайг 2025 оны 1-р сарын 16-ны өдөр “Петро Матад”-д олгосон болно.

Сэргээгдэх эрчим хүчний хамтарсан компани Sunsteppe Renewable Energy (SRE) нь оны турш маш идэвхтэй ажиллаж, хэд хэдэн сонирхол татахуйц төсөл хэрэгжүүлэх боломжуудыг тодорхойлсон. 2023 онд онцлон хөгжүүлж эхэлсэн онцгой эрхтэйгээр авсан хоёр төслөө 2024 онд үргэлжлүүлэн, зөвшөөрөл авах болон нарийвчилсан зураг төслийн шатуудад ахиулсан бөгөөд төслүүд ахицтайгаар үргэлжилж байна. Сэргээгдэх эрчим хүчний багийн зүгээс олон шинэ санаачилга гаргасны зэрэгцээ 2024/25 онд онцгой эрхтэйгээр хэрэгжүүлэх хоёр төслийг шинээр нэмлээ.

2024 ОНЫ ТОЙМ

Газрын тосны ашиглалтын “Матад ХХ” талбай - Газрын зөвшөөрөл

“Цэн тогоруу” ордыг ашиглаж эхлэхэд 2019 оны төгсгөл үеэс хойш саад учруулж байсан газрын зөвшөөрлийн асуудлыг Матад сум болон газрын холбогдох агентлагуудтай хэлэлцэж, тохиролцооноор орон нутгийн түвшинд шийдвэрлүүлж чадлаа. Ийнхүү “Петро Матад” нь үйл ажиллагаа явуулахад шаардлагатай тодорхой хэсэг газрууд болох Цэн тогоруу-1 цооног болон Цэн тогоруу-2, Мазаалай-1 цооногуудын өрөмдлөгийн байршлууд дээр 2024

оны 5-р сарын 27-ны өдөр 5 жилийн хугацаанд хүчинтэй зөвшөөрөл гаргуулсан. Энэ ажил нь талбайг улсын тусгай хэрэгцээнд авахаар Засгийн газрын зүгээс хийгдэж байсан ажилтай зэрэг явагдаж байсан бөгөөд уг асуудал жилийн эцсийн байдлаар үргэлжилсэн хэвээр байв. Тайлант хугацааны дараа буюу 2025 оны 2-р сарын 5-ны өдөр талбайг улсын тусгай хэрэгцээнд авах тус асуудал бүрэн шийдэгдэж чадсанаар Матад ХХ талбай нь Монгол орны хувьд улсын тусгай хэрэгцээнд авагдсан анхны газрын тосны ашиглалтын талбай болсон. Шинээр томилогдсон Аж үйлдвэр, эрдэс баялгийн сайд гацаанд байсан гурвалсан гэрээ байгуулах асуудлыг аймгийн Засаг даргатай хэлэлцэн тохиролцооноор Газар зохион байгуулалт, геодези, зураг зүйн ерөнхий газраас “Улсын тусгай хэрэгцээний газрын гэрчилгээ”-г олгосон. Газрын тухай хуулийн дагуу улсын тусгай хэрэгцээний “Матад ХХ” ашиглалтын талбай дотор үйл ажиллагаанд шаардлагатай бүх газрын зөвшөөрөл авах асуудлыг Аж үйлдвэр, эрдэс баялгийн яам (АҮЭБЯ) хариуцахаар байгаа тул зөвшөөрөл авах процесс ирээдүйд маш хялбар явагдах хүлээлттэй байна. “Матад ХХ” талбай дотор үйл ажиллагаа явуулах магадлалтай хоёр шинэ газрын зөвшөөрлийг 2025 оны эхний улиралд аливаа саад төвөггүйгээр авсан нь дээрх хүлээлтийг бататгасан үйл явдал боллоо.

Хөдөлмөрийн аюулгүй байдал, эрүүл ахуй, байгаль орчин (ХАБЭАБО)

Компанийн Хөдөлмөрийн аюулгүй байдал, эрүүл ахуй, байгаль орчин (ХАБЭАБО)-ны удирдлагын систем нь Олон улсын газрын тос, байгалийн хий үйлдвэрлэгчдийн холбоо (IOGP)-ны шилдэг туршлага, удирдамжид нийцүүлэн боловсруулагдсан.

Үндэсний болон олон улсын стандартуудын дагуу ХАБЭАБО-ы мэдээлэгдсэн бүх тохиолдлыг IOGP удирдамжид нийцүүлэн нарийн, бүрэн судлан бүртгэж, ангилдаг бөгөөд тухайн тохиолдлоос үүдсэн сургамжийг удирдлагын хяналтын ажиллагааны хүрээнд нээлттэй танилцуулдаг. “Петро Матад” нь туслан гүйцэтгэгч компаниудынхаа хамт 2024 оны бүхий л үйл

ажиллагаандаа Монгол Улсын хууль, журам, дүрэм, стандартуудыг мөрдөж ажилласан бөгөөд тухайн жилд байгаль орчны зөрчил, хөдөлмөрийн чадвар алдсан болон аливаа бүртгэгдсэн осол гараагүйг мэдэгдэхэд таатай байна. Түүнчлэн Дорнод аймгийн Засаг даргын захирамжаар байгуулагдсан ажлын хэсгээс “Петро Матад”-ын ХХ талбайн 2024 оны Байгаль орчны менежментийн төлөвлөгөөний биелэлтийг 97%-тайгаар дүгнэсэн нь Дорнод аймагт үйл ажиллагаа явуулж байгаа аж ахуйн нэгжүүдээс авч байсан хамгийн өндөр үнэлгээ байсныг дурдахад таатай байна.

Тус Компани нь байгаль орчныг хамгаалахын төлөө туштай ажилладаг бөгөөд ISO 14001 стандартыг жишиг болгон Монгол Улсын болон олон улсын стандартуудын дагуу зохих бүх арга хэмжээг авч хэрэгжүүлж байна.

“Петро Матад” нь олборлогч компани болж буй энэ шилжилтийн үед ажилчдын ёс зүй, тоног төхөөрөмжийн найдвартай байдал, байгаль орчныг хамгаалах зэрэг олборлолтын бүхий л үйл ажиллагааг Монгол Улсын холбогдох хууль тогтоомж болон олон улсын аюулгүй ажиллагааны стандартад бүрэн нийцүүлэн явуулах нь нэн чухал байв. Цэн тогоруу-1 цооногийн талбайд ашиглаж буй бүх олборлолтын болон бусад тоног төхөөрөмжүүдийг үйлдвэрлэгчийн анхны техникийн шаардлагад нийцүүлэн төлөвлөгөөт болон урьдчилан сэргийлэх үзлэг, засвар үйлчилгээний хуваарийн дагуу байнга хяналт, арчилгаанд хамруулж байна. Энэ нь тоног төхөөрөмжийг хэвийн, үр ашигтай ажиллуулах, ашиглалтын хугацааг уртасгах, механик эвдрэл, хор уршиг, операторын аюулгүй байдалд учирч болзошгүй эрсдэлийг бууруулахад чиглэгддэг. Монгол Улсын хууль, дүрэм журамд заасны дагуу олборлолтын талбайд иж бүрэн аюулгүй ажиллагааны болон үйл ажиллагааны тэмдэг, тэмдэглэгээ, заавруудыг байршуулсан. Үүнд аюулын анхааруулга, аюулгүй ажиллагааны горим, яаралтай үед холбоо барих мэдээлэл, нэвтрэхийг хязгаарласан бүсийн тэмдэглэгээ зэрэг багтах бөгөөд эдгээр нь талбайн нөхцөл байдлыг ойлгох, аюулгүй ажиллах орчныг бүрдүүлэхэд чухал үүрэгтэй.

Операторын үйл ажиллагааг Монгол Улсын Хөдөлмөрийн эрүүл мэнд, аюулгүй байдлын (ХЭМАБ) холбогдох хууль, журамд бүрэн нийцүүлэн хэрэгжүүлж байна. Үүнээс гадна шаардлагатай тохиолдолд IOGP-оос гаргасан олон улсын шилдэг туршлагыг үйл ажиллагаандаа тусган хэрэгжүүлж байгаа нь дэлхий нийтээр хүлээн зөвшөөрсөн аюулгүй ажиллагааны жишиг, стандартыг мөрдөхөд чиглэсэн компанийн зорилттой нийцэж байна.

Үйл ажиллагаа

“Матад ХХ” талбай: Газрын зөвшөөрөл гарч, Цэн тогоруу-1 цооног дээр үйл ажиллагаа эхлэхэд бэлэн байх үүднээс Компани шаардлагатай тоног төхөөрөмжүүдийг худалдан авч, холбогдох гэрээнүүдийг байгуулаад байв. 2024 оны 5-р сарын 27-ны өдөр Матад сумтай гэрээ байгуулснаар Цэн тогоруу-1 цооногийн талбай болон Цэн тогоруу-2, Мазаалай-1 өрөмдлөгийн байршилд газар ашиглах, үйл ажиллагаа эхлүүлэх боломжтой болсон. Компани тэр даруйд 2024 оны төлөвлөгөөт хөтөлбөрийн хүрээнд нэг үйлчилгээний цамхаг, хоёр өрөмдлөгийн цамхаг, туршилтболон өдөөлтийн тоног төхөөрөмжүүдийг нүүлгэн, ажил эхлүүлэх мэдэгдлийг DQE International болон түүний холбогдох охин компаниудад илгээсэн. Цэн тогоруу -1 цооног дээр ашиглалтад бэлтгэх ажил 7-р сарын 22-нд эхэлсэн бөгөөд хураагуурын өдөөлтийн хөтөлбөр амжилттай хэрэгжиж, 5 жилийн туршид хаалттай байсан хэдий ч хураагуурын эдийн засгийн үр өгөөжтэй ундарга, чадамжийг баталгаажуулсан. Олборлолтын яндан хоолой болон цооногийн толгойг суурилуулан, 8-р сарын 15-нд цооногийн дэргэдэх ил тоног төхөөрөмжүүдийг угсарч суурилуулахад бэлэн болсон. Энэ нь Компанийн хувьд газрын тосны олборлолтын байгууламжийг суурилуулж буй анхны тохиолдол байсан ба барилгын зөвшөөрөл хүсэх явцад одоогийн хүчин төгөлдөр дүрэм, журмууд нь газрын тос олборлолтын байгууламжийг тодорхойлон тусгаагүй бөгөөд шинэчлэх шаардлагатай нь нотлогдсон. Компанийн зүгээс холбогдох яаманд хүсэлт, тайлбар хүргүүлж, уг зөвшөөрлийн процесс дээр идэвхтэй ажиллаж байсны үр дүнд

АҮЭБЯ-ны сайд болон ХББОСЯ-ны сайд нарын дэмжлэгтэйгээр холбогдох дүрэмд 2024 оны 9-р сарын 30-ны өдөр шинэчлэлт оруулуулж, барилгын зөвшөөрөлтэй холбоотой асуудлыг шийдсэн. Ингэснээр компани олборлолтын байгууламж, тоног төхөөрөмжийг угсарч, суурилуулах ажлыг эхлүүлэн, 10-р сарын 24-ний өдөр уг ажлыг бүрэн дуусган, Цэн тогоруу-1 цооногоос анхны газрын тосыг олборлолоо. Түүнчлэн орон нутгийн иргэдээс олборлолтын операторууд сонгон авч, олборлолтын үйл ажиллагаа, тосны тээвэрлэлтийг хянан, зохион байгуулах талбай дээр суурилсан Олборлолтын үйл ажиллагааны багийг байгуулж чадсандаа баяртай байна.

Цооногийн эхний үеийн ундарга нь тооцоолж байсан хэмжээнд, мөн тосон дахь усны агууламж нь бага, олборлолт байгалийн горимоор явагдаж байв. Олборлосон түүхий тосыг Хятад улсын боловсруулах үйлдвэрүүд рүү экспортлохоос өмнө цэвэршүүлэх, хадгалах зорилгоор цооногоос хойд зүгт 20 орчим километр зайд байрлах Петрожайна Дачин Тамсаг компанийн БХГ-т Тосон-Уул XIX талбайн ТА-1 олборлолтын нэгдсэн байгууламж руу тээвэрлэн хүргэж байна. Оны төгсгөлд 13000 орчим баррель түүхий тос хадгалагдаж байсан бөгөөд Петрожайна компанитай тос борлуулах гэрээг эцэслэн хийсний дараа экспортод гарахаар хүлээгдэж байв.

Цэн тогоруу-1 цооног дээрх ажлуудтай зэрэгцээд төлөвлөсөн өрөмдлөгийн ажлууд болох Цэн тогоруу-2 болон Мазаалай-1 цооногийн өрөмдлөгийг 9-р сарын 8 болон 21-ний өдрүүдэд тус тус эхлүүлсэн. Уг ажлуудыг DQE International компанийн өрөмдлөгийн багууд хоёр өрмийн цамхаг ашиглан гүйцэтгэсэн болно. Цэн тогоруу-2 цооног нь Цэн тогоруу-1 цооногоос урагш 1 км хүрэхгүй зайд байрлаж, ижил зузаан, шинж чанартай газрын тос агуулагч давхаргыг нэвтрэх хүлээлтэйгээр өрөмдсөн. Цооногийг өрөмдөж эхэлснээс хойш ердөө 16 хоногийн дараа эцсийн гүн болох 2908 метрийн гүнд хүрсэн. Улмаар цооногийн геофизикийн бичлэг хийж, бэхэлгээний янданг суулгасан. Тогтоогдсон хураагуурын гүнд нийт 8 метрийн интервалд перфораци хийсэн. Хураагуурын өдөөлтийн ажил амжилттай хийгдсэн

ч буцааж олборлох үеийн урсгалын хэмжээ нь Цэн тогоруу-1 цооногт ажиглагдаж байснаас харьцангуй бага байлаа. Улмаар шавхалтаар газрын тос гарсан ч энэ нь бага хэмжээтэй байсан. Цэн тогоруу-1 цооногоос өгсүүр байрлалд, илүү зузаан, каротажаас тодорхойлсон нүх сүвшилт нь төстэй хураагуур чулуу таарсан ч Цэн тогоруу-2 цооногийн байршилд хураагуурын нэвчүүлэмж мэдэгдэхүйц буурч, тосны ундарга бага байхад нөлөөлснийг харуулж байна. Ийм төрлийн хураагуурын чанарын өөрчлөлт нь уг сав газрын хувьд нийтлэг ажиглагддаг хүчин зүйл. Цэн тогоруу-2 цооногийн үр дүнг нарийвчлан судлах дараагийн шатны судалгаануудыг эхлүүлээд байна. Цооногийг 11-р сарын 16-нд түр хааж орхисон бөгөөд 2025 оны үйл ажиллагааны улиралд дахин олборлолтын туршилт эсвэл ус шахалтын туршилт зэрэг ажлууд хийх эсэхийг авч үзэх болно.

Мазаалай-1 цооног нь хайгуулын өрөмдлөг бөгөөд Цэн тогоруу-1 болон Цагаан зээр-1 нээлтийн цооногуудаас баруун урд зүгт ойролцоогоор 13 километрийн зайд байрласан. Энэхүү цооног нь тунамал хурдас бассейны зах руу нимгэрч, гүехэн болж ирснээр бүрэлдэх томоохон структур/стратиграфийн хавсарсан хуримтлуурын ижил насны газрын тос агуулагч давхаргыг онилсон болно. Уг цооногийг Цэн тогоруу-2 цооног дээр ашигласан цамхагас жижиг өрмийн цамхаг ашиглан өрөмдсөн ба энэ нь илүү гүехэн давхаргыг өрөмдөх байсантай холбоотой. Цооногийн эцсийн гүн болох 1805 метрийн гүнд ердөө 11 хоногийн дотор буюу 2024 оны 10-р сарын 2-ны өдөр өрөмдөж хүргэсэн. Өрөмдлөгийн явцад зузаан элсэн чулуун хэсэг таарсан бөгөөд каротажийн тайллаар 1558–1628 метрийн хооронд 70 метр интервалд сайн чанарын, нийт 34 метр элсэн чулуун үеүд байгааг тодорхойлсон. Тухайн элсэн чулуулгийн дундаж нүх сүвшилт нь 13% гэж тооцоологдсон бөгөөд энэ нь тус сав газрын олборлолтын хураагууруудын үзүүлэлттэй дүйцэхүйц юм. Мөн каротажаар хэмжсэн цахилгаан эсэргүүцлийн өгөгдөл нь тус элсний үеүд нүүрсустөрөгч агуулж байх боломжтой болохыг илэрхийлж байв. Гэхдээ тухайн интервалд тосны илэрц зөвхөн зарим

хэсэгт нь хязгаарлагдмал байдлаар ажиглагдаж байсан тул цооногт хөдөлгөөнтэй (урсаж болохуйц) газрын тос байгаа эсэх нь эргэлзээтэй юм. Иймд уг цооногийг туршилт хийлгүйгээр түр хааж, 10-р сарын 5-ны өдөр өрөмдлөгийн үйл ажиллагааг дуусгасан болно. Үйрмэг дээжүүдэд дараа нь хийсэн геохимийн шинжилгээгээр цооногт нүүдэллэж ирсэн газрын тос байгаа нь тогтоогдсон нь эерэг үр дүн гэж үзэж болох ч эцсийн дүгнэлт хийх хангалттай нотолгоо биш юм. Иймд тайлант хугацаанаас хойш тус цооногт хэрэгжүүлж болох цаашдын үйл ажиллагааны төлөвлөгөөг тодорхойлох зорилгоор каротажийн тайлалд дахин үнэлгээ хийх зэрэг судалгааны ажлуудыг үргэлжлүүлж байна.

“Онги V” талбай: Тус талбайн хайгуулын хугацаа 2024 оны 7-р сарын 29-ний өдөр дуусгавар болов. Компани гэрээний дагуу хүлээсэн үүргээ биелүүлж, давуулж гүйцэтгэсэн бөгөөд АМГТГ-т шаардлагатай бүх бичиг баримтыг хүргүүлж, Велосираптор-1 цооногийн талбайн нөхөн сэргээлтийн ажлыг бүрэн хийж дуусгасалаа. Мөн талбайг улсад буцаан шилжүүлэх эцсийн шийдвэрийг гаргах АМГТГ, АҮЭБЯ болон бусад холбогдох агентлагуудын төлөөллөөс бүрдсэн Ажлын хэсэг байгуулагдсан бөгөөд оны эцсийн байдлаар уг ажил үргэлжилж байна.

2024 оны хайгуулын тусгай зөвшөөрөл олгох сонгон шалгаруулалт

Тус Компани АМГТГ-аас зарласан хайгуулын тусгай зөвшөөрлийн сонгон шалгаруулалтаар санал болгож буй хоёр талбайд хүсэлтээ хүргүүлсэн. АМГТГ, АҮЭБЯ-ны мэргэжилтнүүдээс бүрдсэн Ажлын хэсгүүд байгуулагдсан бөгөөд компанийн зүгээс БХГ-ний нөхцөл, ажлын хөтөлбөрүүдийн талаарх хэлэлцээрийг талбай тус бүр дээр амжилттай хийж дуусгалаа. Компани БНХАУ-ын хилийн дагуух хэсэгт орших, газрын тос олборлох боломжтой нь батлагдсан сав газруудын Монголын нутаг дэвсгэр дэх үргэлжлэл талбайнуудад анхаарлаа хандуулсан. Засгийн газраас шинээр хайгуулын тусгай зөвшөөрөл олгох үйл явц 2024 оны турш үргэлжилсээр

байсан бөгөөд оны эцсийн байдлаар дуусаагүй байв. Харин он гарсны дараахан нь мэдээлж байсанчлан 2025 оны 1-р сарын 16-ны өдөр Монгол орны хамгийн урд байршилтай VII талбайг Компанид олгохоор шийдвэр гарсан. Энэ нь Компанийн хамгийн ихээр сонирхож байсан талбай байсан ба плэй батлагдсан зэргэлдээх Хятадын бассейны үргэлжлэл юм. Хайгуулын тусгай зөвшөөрөл олгогдсоны дараа эхэн үеийн ажлын хөтөлбөр болох хээрийн болон суурин боловсруулалт, судалгаануудын ажил эхэлнэ.

Sunsteppe Renewable Energy (SRE)

Компанийн сэргээгдэх эрчим хүчний түүцээ Sunsteppe Renewable Energy (SRE) нь 2024 оны турш маш үр дүнтэй, ахиц гарган ажиллалаа. Оюу Толгойн уурхайд зориулсан Ногоон Устөрөгчийн төслийн техник, эдийн засгийн үндэслэлийг боловсруулж, Оюу Толгой компанид хүлээлгэн өгсөн. Мөн Монгол орны төв хэсэгт хэрэгжихээр төлөвлөгдсөн Чойр 50МВт/150МВт.цаг хүчин чадалтай батарей хуримтлуурын байгууламжийн төсөл ч амжилттай урагшилж байна.

SRE-ийн цөөхүүлээ боловч хүчтэй баг дотоодын хэмжээнд төдийгүй олон улсын хамтрагчид болон санхүүжилт олгогч банкуудын хүрээнд бодит нөлөө үзүүлж чадсан. Засгийн газар сэргээгдэх эрчим хүчний төслүүдэд, тэр дундаа БНХАУ руу чиглэсэн томоохон экспортын боломжид анхаарлаа хандуулж эхэлснээр SRE компанийн төсөл хэрэгжүүлэх боломжийн цар хүрээ 2024 онд үлэмж тэлсэн. Ийнхүү SRE нь хоёр шинэ төслийг онцгой эрхтэйгээр өөрийн төсөл, хөтөлбөрийн багцдаа нэмсэн. Эдгээрийн нэг нь Хятадын тэргүүлэх эрчим хүчний компанитай хамтарсан 1.5 ГВт хүчин чадалтай, БНХАУ руу чиглэсэн экспортын төсөл. Нөгөө нь 200 МВт-ын хүчин чадалтай нар/салхины гибрид төсөл болно. Эдгээр томоохон төсөл нь Монгол Улсад сэргээгдэх эрчим хүчний салбарын хөгжлийн өндөр боломж байгааг харуулж байгаа бөгөөд SRE нь өсөн тэлж буй харилцаа, хамтын ажиллагаандаа тулгуурлан Монголын сэргээгдэх эрчим хүчний төсөл хөгжүүлэх зах зээлд тэргүүлэх байр суурийг эзэлснийг баталж байна.

Орон нутгийн харилцаа

Тус Компани нь орон нутгийн иргэдийн оролцоог хангах, орон нутагтай харилцах талаар хүлээсэн үүрэг, хариуцлагаа маш нухацтай авч үздэг. Аливаа төсөл, хөтөлбөрийг хэрэгжүүлэхийн өмнө Компани нь АМГТГ болон бусад холбогдох эрх бүхий байгууллагуудаас шаардлагатай зөвшөөрлүүдийг авч ажилладаг. Компанийн ажилтнууд холбогдох эрх бүхий байгууллагууд болон орон нутгийн иргэдтэй хамтарсан уулзалт хийж, төлөвлөсөн ажлуудаа танилцуулж, хэлэлцүүлдэг. Мөн орон нутгийн удирдлагуудтай уулзалт хийхээс гадна нийгмийн хөгжил, орон нутгийн хамтын ажиллагааны хөтөлбөрийн хүрээнд орон нутгийн иргэдтэй уулзалт зохион байгуулан тэдний сонирхсон асуултаудад хариулт өгдөг. Бүх талын саналыг сонсохын тулд Компанийн төлөөлөгчид үйл ажиллагаа явуулж буй газрын ойр орчимд амьдардаг малчидтай уулзалтууд хийдэг. Орон нутагтай харилцах багийн төлөөллийг бүхий л үйл ажиллагааны явцад төслийн талбайд ажиллуулдаг.

Үйл ажиллагаа явуулж буй тухайн орон нутаг чиглэсэн төсөл, хөтөлбөрүүдийг орон нутгийн захиргаатай хамтран хэрэгжүүлдэг. Тус Компани нь орон нутгийн иргэдийн оролцоог хангах нь үйл ажиллагаагаа аюулгүй, амжилттай хэрэгжүүлэхэд чухал ач холбогдолтой төдийгүй энэ нь эргээд тухайн орон нутагт үр өгөөжөө өгнө гэж үздэг.

Нийгмийн нөлөөлөл

2023-2024 оны өвөл Монголд гамшгийн хүнд нөхцөл үүсэж, зуд болсон. Ялангуяа Дорнод аймаг, зүүн бүсийн аймгуудад илүү хүндээр туссан. Петро Матад компани нийгмийн хариуцлагын хөтөлбөрийн хүрээнд 132 тонн түлш, боодол өвс, малын хучлага, өвлийн ажлын бээлий, хүнсний багц бүхий хандивыг санхүүжүүлсэн. Уг тусламжийг зудын нөлөөнд өртсөн иргэдэд хуваарилан хүргэх үүрэг бүхий Матад сумын Онцгой комисст хүлээлгэн өгсөн болно.

Мөн Матад сум үүсэн байгуулагдсаны 100 жилийн ойг тохиолдуулсан баярын арга хэмжээний хүрээнд Петро Матад компани сагсан бөмбөгийн

талбай болон хүүхдийн тоглоомын талбай байгуулах ажлыг санхүүжүүлж, орон нутгийн компаниар амжилттай гүйцэтгүүлж ажиллаа.

ДҮГНЭЛТ

2024 оны эхний хагаст Компанийн зүгээс Матад ХХ талбайн газрын зөвшөөрлийн асуудлыг шийдвэрлэхийн тулд АМГТГ, АҮЭБЯ болон орон нутагтай нягт хамтран идэвхтэй ажилласан. 2024 онд орон нутгаас газар ашиглах зөвшөөрлүүд авч чадсанаар Компанид тухайн оны хоёрдугаар хагаст төлөвлөсөн ажлын хөтөлбөрөө хэрэгжүүлэх боломж бүрдсэн. Эдгээр үйл ажиллагааны онцлох үйл явдал нь Цэн тогоруу-1 нээлтийн цооногоос газрын тосны олборлолтыг эхлүүлж, ашиглалтад оруулсан явдал байв. Цэн тогоруу-2 цооногийн үр дүн хүлээлтээс доогуур байсан хэдий ч тухайн цооногийг хамгийн үр ашигтайгаар ашиглах боломжийг тодорхойлох судалгааны ажлууд үргэлжилж байна. Мазаалай-1 цооногийн хувьд жижиг өрмийн цамхаг ашиглан гүехэн цооногуудад өртөг зардлын хувьд өндөр хэмнэлттэй үйл ажиллагаа явуулах боломжтойг дахин баталсан бөгөөд үр дүн нь тодорхой бус боловч маш сонирхолтой. Матад ХХ талбайн 2024 оны үйл ажиллагаа төлөвлөсөн төсөвтөө багтан, ХАБЭАБО-той холбоотой ямар нэгэн зөрчилгүйгээр, орон нутагтай маш сайн уялдаа холбоотойгоор хэрэгжсэн нь өмнөх жилүүдэд тухайн орон нутагт тулгарч байсан бэрхшээлүүдээс үл хамааран Компанийн монгол ажилтнуудын гаргасан онцгой амжилт гэж үзэж болно. 2025 оны 1-р сард VII талбайг олгосонтой холбогдуулан Компанийн зүгээс уг талбайн хэтийн төлвийг үнэлэн, өндөр түвшний зэрэглэлд аваачиж, цаашид нөлөө бүхий хайгуулын хөтөлбөр хэрэгжүүлнэ гэдэгтэй итгэлтэй байна.

2024 онд Монгол Улсад бизнесийн орчин сайжирч, ялангуяа эрчим хүчний салбарт төр засгийн зүгээс илүү идэвхтэй, шуурхай хандлага гаргаж эхэлсэн нь Компанид газрын тосны ашиглалтын үйл ажиллагааг хурдасган, хувьцаа эзэмшигчдийн үнэ цэнийг нэмэгдүүлэх зорилгоор түншүүд татан оролцуулах боломжийг онцлон харууллаа. Энэ чиглэлээр шаардлагатай ажлуудыг үргэлжлүүлэн

хийж байна. Үүнтэй зэрэгцэн Монгол орны сэргээгдэх эрчим хүчний боломж болон SRE-ийн амжилттай эхлэл нь Компанийн цаашдын үйл ажиллагаанд ирээдүйтэй сонголтуудыг бий болгож байна.

ТАЛАРХАЛ

Газрын зөвшөөрөл авах болон олборлолтын үйл ажиллагааг эхлүүлэх хүртэлх урт хугацааны сорилт, бэрхшээлийг даван туулах үйл явцад идэвхтэй дэмжлэг үзүүлж, хамтран ажилласан АМГТГ болон АҮЭБЯ-нд Компанийн зүгээс чин сэтгэлийн талархал илэрхийлье. Түүнчлэн Матад ХХ талбайн үр ашгийг харуулах боломжийг бүрдүүлэхэд хамтран ажиллаж байгаа хөрш гэрээлэгч Петро чайна компанид талархал илэрхийлж байна.

ТУЗ-ийн зүгээс Петро Матад компанийн хамт олон сэтгэл зүрх, хичээл зүтгэл, тууштай байдлаа хадгалан, зарим хүндрэл бэрхшээлтэй үед ч үргэлжлүүлэн ажилласаар байсанд талархаж буйгаа дахин илэрхийлье. Мөн хувьцаа эзэмшигчдийн маань тууштай дэмжлэгт гүнээ талархаж байна.

ТУЗ-ийн гишүүд



Environment, Social, Governance (ESG) Statement 04

As an active oil explorer soon to transition to a producer based in Mongolia, we are aware that our activities impact the communities where we operate and we have a responsibility to reduce our environmental footprint as much as possible while operating to the highest environmental, social and governance standards.

We are proud of our track record of engaging with local communities and protecting the environment. With a majority of our staff being Mongolian nationals, we have an acute awareness of the sensitivities of the local culture, including its unique nomadic component. The fragile environment of Mongolia, comprising vast grassland steppe and mountainous terrain with very low rainfall and a huge range of temperature through the seasons, makes it imperative that we concentrate efforts on protecting the areas in which we work.

We also continue to improve our corporate governance in line with the 2023 new edition of the QCA Corporate Governance Guidelines for AIM Companies (QCA Code) and to bring the highly developed governance regime of the UK market into the Mongolian business community. Petro Matad was the first Mongolian national company to list on an international stock exchange, and thereby one of the pioneers to comply with the UK regulatory regime and has been an exemplary role model for many others who later listed on other exchanges such as HKSE and ASX looking to attract investment from foreign countries.

ENVIRONMENTAL

Petro Matad's assets are located in remote frontier locations of Mongolia. In this operating environment, it is essential to have a fit for purpose environmental strategy that cultivates and implements an environmental awareness culture not only within the Company but also the communities where we work and the contractors involved with our projects and activities.

The preservation and protection of the environment where we operate is a top priority for us.

Commitment to Environment

We address environmental protection proactively in all of our operations. Within our Environmental Management Plan, we implement site monitoring prior to the commencement of any field programmes, and apply the recommendations of the Detailed Environmental Impact Assessment which must be approved by the Ministry of Environment and Tourism prior to any operational activity.

Detailed environmental and cultural sensitivity field studies by specialist consultants have been commissioned in our areas of operations to address the concerns of local communities, to ensure legal compliance when working near protected areas and to minimize any potential environmental impact.

The results of these studies are used to finalize the operational Environmental Management Plan which includes interactive constraint maps. In areas of potential sensitivity, sites are revisited and surveyed to manage any potential environmental, archaeological or cultural conflicts. These visits involve environmental and cultural specialists, together with local environmental inspectors and a senior member of our technical team. We strive to restore all operational areas to their original condition following the completion of operations.

An Environmental Implementation Report is required to be submitted at year-end which serves as a record

of implemented environmental protection measures, mitigation strategies, and monitoring activities specified in our Environmental Management Plan and Detailed Environmental Impact Assessment. The report typically includes data and documentation on environmental monitoring results, waste and emissions management, rehabilitation progress, compliance with regulatory conditions, and any incidents or deviations from the plan. It aims to ensure transparency and accountability to both local authorities and the Ministry of Environment, demonstrating effective management of the environment. We are pleased to report that the Dornod Aimag Environment Committee awarded Petro Matad an overall score of 97% for operational year 2024, which is the highest score ever granted to any company operating in Dornod Aimag.

We continue to review new technologies that will reduce our overall operational carbon footprint which will improve operational performance and reduce potential emissions into land, water and air. As an example, the environmental department is reviewing with various experts a more environmentally sustainable method for neutralizing and processing drill cuttings with the aim to institute better remediation of mud sumps than is currently performed in Mongolia.

We also place strong emphasis on the training of employees and contractors, recycling and waste management, spill prevention, water source management and environmental restoration.

One Billion Tree Campaign

As part of the President of Mongolia's One Billion Tree Campaign, the Company has contributed to national reforestation efforts in the communities where it has operated in the past 5 years. In 2024, Petro Matad planted 500 tree saplings in Matad Soum in close collaboration with local residents, whose participation was crucial for site preparation, planting, and initial watering activities. Their involvement not only fostered a sense of community ownership but also encouraged environmental stewardship at the grassroots level.

The planting site was selected in consultation with the Matad Soum Governor's Office to ensure it aligned with local land use priorities and community development plans. In collaboration with local forestry experts, native and drought-resistant species were chosen to enhance survival rates and ensure ecological compatibility with the region's steppe and semi-arid conditions.

The Company is dedicated to monitoring the growth and survival of the saplings through regular site visits and maintenance efforts in partnership with the Matad Soum administration. Additional tree-planting phases are being considered in other areas of Block XX, reinforcing the Company's long-term commitment to environmental sustainability.

Environmental Offset Plan

The Environmental Offset Plan, also known as the Compensatory Protection Plan, is a mandatory component of the Detailed Environmental Impact Assessment in Mongolia. Its primary aim is to address any residual environmental impacts, especially on biodiversity and ecosystems, that cannot be entirely avoided, minimized, or restored through direct mitigation measures. Offset plans consist of a structured package of actions undertaken annually outside the immediate project footprint. In collaboration with the Environmental Department of Dornod Aimag, it was agreed that for the year 2024, an appropriate compensatory measure is to procure firefighting equipment for the province center and Matad Soum. This included personal protective firefighting gear, water tanks, trailers, and wind-powered extinguishers. Dornod region, which is mostly a steppe with large areas of growth, is often prone to wildfires. This initiative strengthens regional environmental resilience and enhances local emergency response capacity.

Air Quality

The nature of the Company's activities has the potential to pollute the atmosphere, which underscores the importance of controlling and reducing emissions to avoid and minimize the potential damaging effects on the environment

and on human health. Efforts are placed to ensure machinery and equipment are stringently serviced and maintained to reduce pollutants. Transportation and logistical plans are constantly reviewed to reduce carbon emissions.

Renewable Energy

After the Board of Petro Matad took the decision in 2021 to look to expand the Company's activities in Mongolia into the sustainable and renewable energy sector, good progress has been made. Mongolia has substantial potential for both wind and solar power generation and the government is now encouraging the development of renewable energy projects. The Company's Joint Venture for renewable energy has identified a number of projects which are being evaluated for accessibility and commercial potential.

SOCIAL

Part of our commitment to the local environment and communities in which we operate is to ensure that we operate in accordance with all relevant laws and regulations and that we address any concerns that the local communities may have. We continually meet and speak with communities and local governments to understand the issues they face and to address these through the development of supportive and engaging principles and policies.

Wherever we operate, we seek to reduce negative impacts by understanding the social, environmental and economic conditions of the local communities.

Social Performance Plan

Petro Matad is committed to evaluating the social impact of its operations, minimizing harm and negative effects thereby ensuring long-term sustainability. Petro Matad has developed a Social Performance Plan (SPP) based on socio-economic and social impact assessments. This plan sets out stakeholder identification mechanisms, consultation processes, community grievance management mechanisms and social investment strategies.

Petro Matad's SPP supports the business's needs through managing social risks and building broad based stakeholder support for its projects to enable on-time and within budget project delivery. Ensuring local community and government support for Petro Matad's activities is crucial to the Company's success.

The strategic SPP objectives are to:

- Manage on the ground social concerns, potential impacts and engage closely with local communities on the management of these issues;
- Ensure community access to timely and accurate information on projects within their environs;
- Maintain an effective community grievance mechanism to resolve complaints promptly and appropriately;
- Support contractors to avoid, minimise or mitigate adverse social and cultural impacts on surrounding communities; and
- Support contractors to optimise local community participation in the project through direct employment and procurement of goods/services.

Stakeholder Engagement

The core objective of Petro Matad's stakeholder engagement strategy within the SPP is to build relationships, strengthen trust and gain broad-based support for operational activity. In addition, broadening Petro Matad's understanding of the communities' key concerns and history is critical for the Company to effectively manage social risk.

Petro Matad always conducts community and stakeholder engagement ahead of operations with the objectives of:

- Introducing the project, its background and status, and current and planned activities to community members in the areas where the project is to be conducted;
- Gaining the support of herders and other stakeholders;
- Building trust between the project and affected community members;
- Building a constructive working relationship with local authorities;

- Obtaining a better understanding of community concerns about the project and other issues;
- Managing stakeholders' expectations related to the project and its potential benefits to them.

Stakeholder Engagement Progress

In advance of the commencement of 2024 operations, all necessary permits in accordance with Mongolian laws and regulations were obtained and implemented, including land use agreements, general waste agreements, wastewater disposal permits, water use agreements, general waste disposal area permits, and permits for the location of storage facilities for dangerous and hazardous chemicals, as well as permits for the employment and transfer of foreign workers, issued by local authorities.

In February 2025, after completion of the certification process, the Block XX Exploitation Area which contains the Company's producing Heron oilfield, has been confirmed as State Special Purpose Land. This is the first oil exploration and production area in Mongolia to have been given this status. The Minister of Industry and Mineral Resources secured the signature from the Provincial Governor on the Tripartite Agreement, the absence of which had been holding up the process, and the certificate has been issued by the Central Land Agency. Under the Land Law, as State Special Purpose land, it will be the responsibility of the Ministry of Industry and Mineral Resources to secure the land access for all areas within the Block XX Exploitation Area required for operations.

In April 2025, a request was submitted to the Governor of Matad Soum for use of additional land within the Block XX under the Production Sharing Contract. Following this request, the Company was allocated the two new areas of a total of 8 hectares of land and was issued land use certificates.

In 2024, Petro Matad was selected as the contractor for a new exploration area in Mongolia and the Production Sharing Contract for Borzon Block VII was signed in January 2025. The Company conducted visits to all seven soums in Umnugobi

Aimag covered by the contract area, held meetings with local authorities, presented an overview of the project, and obtained necessary endorsements required for obtaining the exploration license.

Social Investment Activities

Petro Matad has developed and adopted a Social Development Policy to contribute to the social developments of communities located near and impacted by our exploration and exploitation activities.

Through open engagement with communities and stakeholders, we identify opportunities to make material contributions that are beneficial to as many people as possible and crucially, accessible to the community. Our social development policies focus on the quality and comfort of local community life through supporting long and short-term development plans in local regions and provinces.

In the winter of 2023-2024, Mongolia experienced severe winter conditions, known as dzud, particularly in the eastern provinces, including Dornod Aimag. Petro Matad fully financed a donation that included 132 tonnes of fuel, wrapped hay, livestock cover blankets, winter working gloves and food supplies in line with our corporate social responsibility. These donations were handed over to the Emergency Commission of Matad Soum which was responsible for the distribution of the goods to Matad Soum residents impacted by the dzud.

In conjunction with the 100th year anniversary celebrations of Matad Soum's establishment, Petro Matad funded the construction of a basketball court and children's playground executed by a local company.

During the drilling campaigns at Heron-2 and Gobi-Bear-1, the Company employed an on-site medical doctor to provide immediate medical care and conduct routine health and hygiene assessments for Company and contractor personnel. Given the remote nature of our operational area, where local herder communities often have limited access to medical services, the Company extended this

support beyond its operations. In coordination with our community relations team, the site doctor visited nearby herders to offer basic medical consultations. When necessary, individuals were referred to local soum or aimag level hospitals for treatment or specialist advice. This outreach initiative not only addressed immediate health concerns but also strengthened community trust and fostered goodwill.

GOVERNANCE

Our Corporate Governance

Since 2010, Petro Matad has followed the QCA Corporate Governance Guidelines for AIM Companies (QCA Code), and the Board, to the extent considered applicable, has ensured that the Company is in compliance with that Code. Additionally, we formed a Corporate Governance, Social Action and Environmental (CGSAE) Committee comprised of Non-Executive Directors (see membership below) in 2010. The Committee is charged, amongst other things, with overseeing and reviewing compliance and corporate governance issues.

Following the changes to the Alternative Investment Market (AIM) rules, which now require AIM-listed businesses to adopt a recognised corporate governance code, the Company is pleased to report that the Board has chosen to continue to follow the QCA Code and has evaluated its corporate governance regime in accordance with the 2023 edition of the QCA Code.

Together with the Board, I recognize that having a strong corporate governance environment is the basis for a successful business and in materializing our strategy and objectives. Our business faces various challenges on many fronts and we believe a healthy corporate governance regime has enabled us to overcome these issues in a transparent and ethical way. We are mindful of the size of the business, the stage of our developments and the risks we face and at the same time we try to remain efficient and effective even if, at times, issues cause us to deviate temporarily from the QCA Code. With the current structure and size of the Board, we have remained tight knit as a team and focused on effective and

efficient decision making based on the timely updates received from the management team. We look forward to strengthening the Board in terms of skill set and independence at the next best opportunity.

The Board is mindful that Petro Matad has faced difficulties and various delays, but we have been resilient and remain committed to leading new paths in the petroleum sector in Mongolia and now in the renewables energy sector. We have aimed to build a dynamic and active workforce that has strong awareness to valuing the environment and ensure key stakeholders' interests and needs are assessed and catered to. We are delighted with the efficient and safe execution of our operations in 2023 and 2024, under strong established relations with the local community and minimizing our footprint on the environment.

We remain dedicated to creating maximum shareholder value under a strong corporate governance regime and we are grateful to all large and small shareholders for their continued support and belief in the Company.

Enkhmaa Davaanyam
Chairperson

Key Governance Principles

Delivering Growth

- Petro Matad prioritises growth through the combination of an exploration-focused strategy in frontier areas and a production-focused strategy when developing oil discoveries in Mongolia. Our Renewable Energy projects target growth of the Company in line with the energy independence goals of Mongolia and all our operations are conducted considering social and environmental impacts for sustainable long-term benefits, and include the continual evaluation of points of risk.

Maintaining a Dynamic Management Framework

- Petro Matad maintains an experienced, balanced, and well-functioning Board; the performance of all Directors is evaluated on an ongoing basis.
- The Board has established an Audit Committee,

a Remuneration Committee and a CGSAE Committee, each with formally delegated rules and responsibilities, to promote a corporate culture based on our shared ethical values and behaviours.

Building Trust

- Petro Matad establishes trust with investors by encouraging two-way communication with both institutional and private investors and responding quickly to all queries received.

Board of Directors and Composition

The Board is currently comprised of two Non-Executive Directors (who are shareholder representatives), one Independent Non-Executive Director and one Executive Director.

Due consideration is given to the composition of the Board to ensure:

- The principle of having at least one Independent Director on the Board to oversee that the interests of the Company and all shareholders are maintained
- The Board has appropriate skills, experience and expertise
- Appropriate representation for the Company's major shareholder, Petrovis Matad Inc. (Petrovis)
- Appropriate executive representation on the Board

As the Board is currently comprised of 4 directors it has been agreed that the independent Non-Executive Director rather than the Chairperson will cast the tie breaking vote in case of a tied vote of the Board on any issue. If and when a fifth Director is added, votes on resolutions will revert to being passed by majority vote. The Company intends to appoint a second independent Non-Executive Director; discussions are underway on the skills and background that the ideal candidate should possess.

The Board is comprised of the following members as of the date of this report:

- Enkhmaa Davaanyam, Non-Executive Chairperson (Petrovis appointee)
- Shinezaya Batbold, Non-Executive Director

(Petrovis appointee)

- Timothy Bushell, Non-Executive Director (Independent)
- Michael Buck, Executive Director (Chief Executive Officer)

Brief biographies of the Directors are set out on pages 3 to 7.

Each Director brings different skillsets and capabilities to the Board, resulting in a balanced Board with the necessary blend of relevant experience, skills and personal qualities to deliver the strategy of the Company.

On an ongoing basis the Board reviews the expertise required on its Board to ensure it is fully capable to determine and implement the Company's strategy.

Board additions or replacements are made with the Company's current outlook and the stage of its business development in mind. Candidates are considered on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

The Company will ensure, where necessary, that all Directors receive the necessary training to keep their skill sets relevant for Petro Matad.

Whilst the Chairperson of the Board may not fully meet the definitions of an Independent Chairperson, with her experience, skill sets, and independence from Petro Matad's day to day operations, the Company is confident of her leadership in fostering an effective corporate governance regime.

Board Performance Evaluation

The Board has not formally adopted performance evaluation procedures. However, the Board takes the effectiveness and efficiency of its Directors seriously and will continue to review its own performance and effectiveness in an informal way. Performance of Executive Directors is monitored on a continual and ongoing basis in order to assess their effectiveness.

All Directors are evaluated on an ongoing basis before being proposed for re-election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.

All Directors stand for re-election on a rotational basis whereby one third of the Directors of the Company are required to retire from office at each annual general meeting of the Company and may submit themselves for re-election at each annual general meeting of the Company.

Board Processes

The Company is controlled by the Board of Directors.

Ms D. Enkhmaa ensures the efficient and effective functioning of the Board and, together with the Board as a whole, is responsible to the shareholders for the proper management, development, leadership and protection of the Company's assets. The roles of the Board and its Committees include, but are not limited to, the establishment, review and monitoring of business and strategic plans, overseeing the Company's systems of internal control, governance and policies, reviewing and approving annual operating plans and budgets, and protecting the shareholders' interests.

The Executive Directors are charged by the Board with the day-to-day operations of the Company and are responsible for the execution of strategy set by the Board and to act as an interface between the Board, management and employees to ensure that all Petro Matad employees and contractors work towards achieving the Company's goals, vision and mission.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. All Directors have direct access to the advice and services of the Company's Corporate Manager and are able to take independent professional advice in the furtherance of their duties,

if necessary, at the Company's expense. The Board through a combination of meetings and conference calls regularly, and at least once a quarter, reviews operations and implementation of strategy. Board meetings and discussions in 2024 were attended by all Directors a large majority of the time. Non-Executive Directors are closely involved and updated with regular information flows and are expected to spend at least circa 3-4 weeks of their time each year on Petro Matad matters.

Board Committees

The Board has established an Audit Committee, a Remuneration Committee and a CGSAE Committee, each with formally delegated rules and responsibilities. Management executives and other individuals are invited to attend all or part of the Committee meetings as and when appropriate.

Audit Committee

The members of the Audit Committee in 2024 and to the date of this report, are as follows:

Chair	Enkhmaa Davaanyam
Members	Timothy Bushell Shinezaya Batbold

The Audit Committee meetings are normally linked to events in the Group's financial calendar, including a review of the Company's annual and half yearly results, the review of the internal controls of the Group and ensuring that the financial performance of the Group is properly reported and monitored. The Audit Committee is responsible, inter alia, for:

(a) considering the appointment of the auditors of the Group, their fees, any questions relating to the resignation or removal of the auditors and their objectivity and independence in the conduct of the audit, and reviewing the nature and extent of non-auditing services provided by the auditors, seeking to balance the maintenance of objectivity and value for money;

(b) discussions with the auditors before the audit commences on the nature and scope of the audit and subsequently reviewing the audit process;

(c) monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them, including reviewing the half-yearly and annual financial statements before submission to the Board;

(d) reviewing the Company's internal control systems; and

(e) considering such other matters as the Board may from time to time refer to it.

The Audit Committee meetings minutes are circulated to the Board and the Committee reports its findings to the Board and identifies any matters in respect of which it considers that action or improvement is needed.

Remuneration Committee

The members of the Remuneration Committee in 2024 and to the date of this report are as follows:

Chair	Timothy Bushell
Members	Enkhmaa Davaanyam Shinezaya Batbold

The Remuneration Committee evaluates the scale and structure of remuneration for Executive Directors, reviews the recommendations for senior management of the Company, and where appropriate overviews the broad issues of salary levels for all employees. The Company's remuneration policy is to facilitate the recruitment, retention and motivation of employees through appropriate remuneration in line with those prevailing in the market of similar positions and responsibilities taking into consideration qualifications and skills possessed. The Committee also makes recommendations to the Board regarding employee incentives and rewards under the share incentive schemes. The Committee reviews and recommends a framework for the remuneration of the Chairperson as well as the Non-Executive Directors fees. The full details of the Company's remuneration policy and remuneration of Directors are set out in the Remuneration Report on pages 41 to 47.

Corporate Governance, Social Action and Environmental (CGSAE) Committee

The members of the CGSAE Committee in 2024 and to the date of this report are as follows:

Chair	Shinezaya Batbold
Members	Enkhmaa Davaanyam Timothy Bushell

The CGSAE Committee among other things: regularly reviews the Company's corporate governance and system of internal non-financial controls; assigns responsibilities for health, safety, security and environmental (HSSE) matters and community liaison; reviews the application of the Company's social action policies and environmental policies and supervises the preparation of various reports in respect of these aspects of the Company's activities.

Internal controls

The Board has responsibility for the Group's systems of internal controls and for reviewing their effectiveness. The internal control systems are designed to safeguard the assets of the Company, ensure compliance with applicable laws and regulations, and enforce internal policies with respect to the conduct of business and the reliability of financial information for both internal use and external publication. The Board has delegated to management the implementation of internal control systems and reviews policies and procedures through regular updates from management. A budgeting process is in place for all items of expenditures, and an annual budget is approved by the Board. In accordance with Board approved Delegation of Authorities, all major expenditures require senior management approval at the appropriate stages of each transaction. Actual versus budgeted expenditure data and the Company's cash position are reported to and monitored by the Board on a monthly basis. In 2024, management continued to enhance procedures for procurement, budgeting and expenditure approvals, which are in line with standard industry practices. Whilst the Board is aware that no system can provide absolute assurance against material misstatement or loss, regular reviews of internal controls are undertaken to ensure that they are appropriate and effective. It is the opinion of the Board that the system of

internal controls operating throughout the year was adequate and effective.

Business Conduct and Ethics

Business conduct and ethics are key factors for the Company and the Board.

Extractive Industries Transparency Initiative (EITI)

EITI is a global initiative in which extractive industries, governments and civil society, all work together for greater transparency. Improved financial transparency of extractive industries operating in countries would enable governments to better manage its natural resource wealth for the benefit of a country's citizens. Mongolia is one of the countries compliant with the EITI. Therefore, the Company's Mongolian subsidiaries have cooperated with the government in this respect and submit annual transparency reports in the required format to the local EITI office. Additional information is provided upon request.

Anti-Bribery and Corruption Policy (ABCP)

Business integrity and ethics are upheld within the operations of the Company at all levels to demonstrate a zero-tolerance approach on bribery and corruption. At the time of the enactment of the Bribery Act 2010, the Company's legal counsels undertook extensive review of the Act and the Board has accordingly adopted an ABCP, including training of its staff to ensure that business integrity and ethics are upheld within the operations of the Company at all levels to demonstrate a zero-tolerance approach on bribery and corruption. The ABCP is updated as necessary to reflect updated processes.

Insurance

The Group maintains insurance for its Directors and officers to protect against liabilities in relation to the Company's operations.

Share Dealing Code

The Company has adopted a Share Dealing Policy for dealing in ordinary shares by Directors and employees which is in line with the new Market Abuse Regulations that came into effect on 3 July 2016.

Risk Management

The Board acknowledges that risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. The Board is committed to applying best practice technical, commercial and financial solutions to mitigate risks as much as possible, while always maintaining a proper control environment to ensure all laws and regulations are followed. The principal risks facing the Group are set out below. This list is not exhaustive and investors should be aware that additional risks which were not known to the Directors at the time of review, or that the Directors considered at the date of this report to be immaterial, may also have a material adverse effect on the financial condition, performance or prospects of the Company, and the market price of Company shares.

The Board has undertaken to review risks annually using a purpose-built risk matrix. Risks identified are ranked in relation to the probability of occurrence and impact on operations. Each identified risk is delegated to a senior member of the management team to monitor and define mitigating and intervening action, should circumstances warrant it.

Financial Risks

- Bank Default
- Lack of funding leading to temporary slowdown
- Lack of funding leading to insolvency
- Financial risks – inflation, exchange rates etc.
- Credit or financial risk of partners, customers, vendors or suppliers

Government/Statutory Risks

- Political uncertainty
- Expropriation of PSC
- Sanctity of contract – Detrimental change of PSC terms
- Statutory environment: FDI, Petroleum Law, Tax etc.
- Government ineffectiveness/Institutional failure
- Loss of listed status
- External statutory risks (Anti-bribery, FCA)

Operational Risks

- Lack of sufficient success in exploration/exploitation programme
- Contractual risk – quality of work or value for money not achieved
- Work programme risk – improper well design and others
- Contractor risk – equipment failure
- Lack of commerciality
- Increased operating costs
- Shortage of rigs, equipment and personnel
- Reliance on third party transportation and processing facilities
- Inability to export crude oil

Health, Safety and Environmental Risks

- Natural disasters/health epidemics and pandemics
- Environmental damage
- Accidents in workplace
- Security concern: Civil unrest, terrorism, sabotage
- Crude oil spill
- Blow out

Management Risks

- Management effectiveness
- Project management/operational efficiency
- Loss of key staff
- Operational relations
- Failure to properly execute corporate strategy
- Competition from alternative energy sources
- Decrease in demand for oil

Shareholder and Investor Relations

The Board remains committed to maintaining communication with its shareholders. The Company encourages two-way communication with both its institutional and private investors and attempts to respond in a timely manner to all queries received. The Company has kept its shareholders and investors abreast with the latest updates without any delay and through various platforms such as interviews, podcasts and investor conferences. This is in addition to its regulatory required updates on market sensitive information through the RNS London Stock Exchange platform.

The Board recognizes the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM. The Company's Articles of Association were amended at the September 2018 AGM to enable the Company to potentially hold AGMs in the United Kingdom in the future, in recognition of Petro Matad Limited being listed on AIM, where a substantial number of the Company's private investors are based. The Company has taken measures at the recent AGMs to enable shareholders to dial-in and observe the proceedings of the meeting and submit questions which has enabled greater engagement with shareholders. A recording of the proceedings of the AGM are uploaded to the website and the Company's social media channels following the meeting. Where voting decisions are not in line with the Company's expectations the Board will engage with those shareholders to understand and address any issues. The Company's Executive Management is the main point of contact for such matters and the Company has established an email address for this purpose: admin@petromatadgroup.com.

The Company maintains a website for the purpose of improving information flow to shareholders as well as potential investors. All press announcements and financial statements as well as extensive operational information about the Group's activities are made available on the website. Enquiries from individual shareholders on matters relating to their shareholdings and the business of the Group are welcomed through the Company's website and other methods of communication.

The Company engaged FTI Consulting in 2017 to enhance investor relations. FTI responds to general enquiries on behalf of the Company, recognising that price sensitive information will not be divulged. In order to provide more informational updates on operations, the Company started a Twitter account (@Petro_Matad) with an aim to provide regular operational and corporate updates to its investors and shareholders.

The Company also monitors relevant industry

shareholders' bulletin board websites, to collate and analyse informal feedback from investors on the Company's performance and pressing matters about which shareholders may be concerned.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

Petro Matad remains demonstrably committed to best practices in health and safety management for the benefit of its workers, contractors and all stakeholders.

Petro Matad's assets are located in remote locations in Mongolia. In this operating environment, it is essential to have fit for purpose health and safety protocols in place to operate safely. The safety of our people, our communities and the environment are our priority on all our activities.

Petro Matad cultivates and implements a safety and environmental awareness culture not only within the Company but with the contractors involved with our projects and activities.

HSSE Policies

Petro Matad has established and maintains documented health and safety policies which are central in guiding all our activities. These policies are appropriate to the nature and scale of Petro Matad Group's health, safety and security hazards.

Our policies include explicit commitments to operate in a way which is proactive in continual improvement in HSSE management performance particularly in the prevention of injury, maintaining good health of all people who may be affected by our activities. We are also committed to comply with applicable legal requirements and strive to implement relevant industry best practices in all our activities. Our policies provide the framework for setting and reviewing HSSE objectives and are actively communicated to all persons working under the control of the organization with the intent that they use the principles of the policies to guide all decision making.

It is thanks to the rigorous adherence to these standards that Petro Matad has had zero Lost Time Injuries (LTI) for nine consecutive years.

Health, Safety, Security and Environmental Policy

Petro Matad's HSSE Policy requires that executive management and all employees are committed to the welfare of all, and it further requires that contractors conduct their services in line with the Company's Policies. The Company understands that its people are its greatest asset and success can only be achieved by ensuring their welfare and wellbeing.

The specific objectives of Petro Matad's HSSE Policy are to:

- Achieve an accident-free workplace.
- Make Health & Safety an integral part of every managerial and supervisory position.
- Ensure Health & Safety are considered in all planning and work activities.
- Include the Company's employees in the decision-making process through regular communication, consultation, and training.
- Ensure a minimal environmental footprint in all activities.
- Provide a continuous programme of education and development to ensure that the Company's employees work in the safest possible manner.
- Identify, manage, and control all potential hazards in the workplace through hazard identification and risk analysis.
- Ensure potential accidents and incidents are mitigated by proactive engagement, with prevention always being the objective.
- Provide effective injury management; and
- Comply with relevant occupational Health & Safety laws, regulations, guidelines, and project requirements.

The success of the Company's HSSE MS is dependent on:

- Proactive planning of all work activities with consideration given to implementing health and safety controls that are suitable to each given situation.
- Understanding the total work process and

associated health and safety risks.

- Ensuring that employees and contractors are totally committed to achieving objectives.
- Ensuring that open and honest communication exists between management and all employees; and
- Minimizing impact on the environment and to conserve and protect the environment in all areas of operations.

Health and Safety Record

Petro Matad concluded 2024 with zero Lost Time Injuries (LTI) and a total of 89,314 manhours recorded. Petro Matad Group's Total Recordable Incident Rate (TRIR), which is one of the Company's Key Performance Indicators (KPIs) was also maintained at zero. Leading and Lagging Indicators were documented throughout as part of the routine data gathering required by the Company's HSSE MS and enabled Petro Matad and its contractors to analyze trends and anticipate potential problems so aiding in achieving the successful outcome for the year.

The commitment of the Company's management and staff and the continuous and rigorous application of safety systems, policies, and procedures, combined with ongoing training, contributed to no injuries and the Company's ninth consecutive year of zero LTIs.

HSSE Management System

Petro Matad's HSSE philosophy is moulded by the Company's HSSE Management System (HSSE MS). It enables real time and practical support in all of the Company's activities and operations as well as ensuring structural compliance with international industry standards and Mongolian laws and regulations. The Company's HSSE MS is explicitly aligned with ISO14001 Environmental Management System Guidelines, ISO45001 Occupational Health and Safety Management System Guidelines, International Association of Drilling Contractors (IADC), International Association of Geophysical Contractors (IAGC) and American Petroleum Institute (API).

Petro Matad HSSE MS is structured according to International Association of Oil and Gas Producers

(IOGP) *510 Operating Management System Framework* supported in the Supplement Report *511 Operational Management System*. As revised policies and procedures are released by IOGP, the Company's HSSE MS is updated to reflect changes accordingly.

Operations

Petro Matad is committed to supporting the building of industry capacity for hydrocarbon exploration and exploitation in Mongolia. We are currently working with the government on bolstering the legal mechanisms that are in place for future projects and developments in the country.

We manage our seismic, drilling and other field-based exploration and exploitation operations using IOGP *423 Working together in a Contract Environment* and work with all of our contractors to ensure that our HSSE standards are maintained. Seismic programmes operate under the minimum requirements of IOGP *432 Managing HSE in a Geophysical Contract* and drilling programmes to the IADC *HSE Land Drilling Case*. The final report and HSSE management review of all projects are seen as central to organizational learning and continual improvement.

We operate a proactive HSSE observation programme not only to identify unsafe acts and conditions but also to identify best practice in all our operations. Information from the observation programme is actively combined with monitoring and learnings from incidents. The process ensures that effective and quick corrective actions are taken, and root cause preventative measures are identified. All incidents are investigated, recorded and classified according to IOGP guidelines and learnings are shared through the management review process.

Production Operations and Safety Management

With Petro Matad transitioning to a producer, it is essential that all aspects of the production operations including personnel conduct, equipment integrity, and environmental safeguards are managed in strict

compliance with both Mongolian national legislation and applicable international safety standards. All production and supporting equipment at the production wellsite are maintained under a routine servicing and preventative maintenance schedule, fully in accordance with the original manufacturers' specifications. This ensures optimal functionality, prolongs equipment lifespan, and mitigates risks related to mechanical failure, emissions, and operator safety. In line with Mongolian regulatory requirements, comprehensive safety and operational signage has been installed across the production site. This includes clearly displayed hazard warnings, safe operating procedures, emergency contact information, and access restrictions, all of which promote situational awareness and guide safe conduct on-site.

Operator activities are carried out in strict accordance with Mongolia's Occupational Health and Safety (OHS) regulations. Where relevant, operational practices are also aligned with international best practices as outlined by the IOGP, reinforcing our commitment to globally recognized safety benchmarks.

Engagement and Training

Through an extensive engagement programme, employees, contractors and local hires are trained on Mongolian occupational, health and safety standards and regulations for all required operations and activities. The awareness and training programme include topics such as Mongolian occupational safety and hygiene laws, investigating industrial accidents, avoidance of acute poisoning, and prevention of occupational diseases, amongst others.

All personnel assigned to production wellsites have completed job-specific safety and operational trainings, which include induction on site-specific hazards, emergency preparedness, and safe working procedures. Toolbox meetings, safety drills, and regular inspections are conducted to reinforce a strong safety culture and ensure that all risk control measures remain effective and up to date.



**Remuneration
Report
(Unaudited)**

05

The Board of Directors of the Company has appointed a Remuneration Committee for the purposes of establishing a framework for setting and maintaining remuneration at appropriate levels in the Group.

The Remuneration Committee has been comprised of the following members during the year and until the date of this report. Directors were in office for this entire year unless otherwise stated.

Timothy Paul Bushell (Chairperson)
Enkhmaa Davaanyam
Shinezaya Batbold

The Committee's objective is to meet at least twice a year and at such other times as the Committee Chairperson shall require in accordance with the formal "Terms of Reference for the Remuneration Committee" approved by the Board of Directors on 24 April 2008.

Remuneration Policy

The Committee determines and agrees with the Board on behalf of the shareholders the broad policy for the remuneration of the Company's Chairman, the Chief Executive of the Company, the Executive Directors and such other members of the executive management as it is designated to consider. No Director or manager is involved in any decisions as to their own remuneration.

In determining the policy, the Committee takes into account all factors which it deems necessary. The objective of such policy is to ensure that members of the management of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

The Committee approves the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes.

The Committee approves the design of all share incentive plans for approval by the Board and shareholders. For any such plans, the Committee determines each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to any executive Directors and other senior executives and the performance targets to be used.

The Committee determines the policy for, and scope of, pension arrangements for any Executive Directors and other senior executives. Currently the Group has not adopted any policy for pension arrangements.

The Committee ensures that contractual terms on termination of employment of any Executive Directors, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

Within the terms of the agreed policy and in consultation with the Chief Executive as appropriate, the Committee determines the total individual remuneration package of each Executive Director including bonuses, incentive payments and share Options or other share awards.

In determining such packages and arrangements, the Committee gives due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the London Stock Exchange's AIM Rules for Companies and associated guidance. The Committee also gives due consideration to pay and employment conditions elsewhere in the Group.

The Committee reviews up-to-date remuneration information on companies of a similar size in a comparable industry sector, as well as on other companies within the same group as the Group and ensures that automatic increases are not implemented without considering relative performance and judging the implications carefully.

The Committee reviews and notes annually the remuneration trends across the Group.

The Committee is aware of and oversee any major changes in employee benefit structures throughout the Group.

The Committee ensures that all provisions regarding disclosure of remuneration, including pensions, are fulfilled.

The Committee is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, and for obtaining reliable, up-to-date information about remuneration in other companies. The Committee has full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

The Committee gives guidance to the executive management in setting the levels of remuneration for the Group.

The Committee reviews the ongoing appropriateness and relevance of the remuneration policy.

Long Term Equity Incentive Plan (Plan or Group's Plan)

The Group provides long term incentives to employees (including Executive Directors), Non-Executive Directors and consultants through the Group's Plan based on the achievement of certain performance criteria. The Plan provides for share awards in the form of Options and Conditional Share Awards. The incentives are awarded at the discretion of the Board, or in the case of Executive Directors, the Remuneration Committee of the Board, who determine the level of award and appropriate vesting, service and performance conditions taking into account market practice and the need to recruit and retain the best people.

Options may be exercised, subject only to continuing service, during such period as the Board may determine.

Conditional Share Awards shall vest subject to continuing service and appropriate and challenging service and performance conditions determined by the Remuneration Committee relating to the overall performance of the Group.

(a) Details of Directors

The names of the Company's Directors, having authority and responsibility for planning, directing and controlling the activities of the Group, in office during 2023 and 2024, are as below:

The Directors were in office until the date of this report and for this entire period unless otherwise stated.

Directors

Enkhmaa Davaanyam	Non-Executive Chairperson
Timothy Paul Bushell	Non-Executive Director
Michael James Buck	Chief Executive Officer
Shinezaya Batbold	Non-Executive Director

(b) Compensation of Directors

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Short-term employee benefits	711	672
Share based payment expense	4	15
	715	687

Directors	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Enkhmaa Davaanyam	51	50
Timothy Paul Bushell	64	33
Michael James Buck	565	559
Shinezaya Batbold	31	30
Total	711	672

The short-term employment benefits were paid to Directors and associated entities of the Directors.

Directors are not entitled to termination or retirement benefits.

(c) Shareholdings of Directors and their related parties

Balance at 31 December 2023 or if applicable at the date of resignation	Balance as at 01-Jan-23	Acquired and (Disposed)	Options & Awards Exercised	Balance as at 31-Dec-23
Directors				
Enkhmaa Davaanyam	6,424,675	-	-	6,424,675
Timothy Paul Bushell	1,476,538	-	-	1,476,538
Michael James Buck	10,787,925	813,008	-	11,600,933
Shinezaya Batbold	2,151,000	-	-	2,151,000
Total	20,840,138	813,008	-	21,653,146

Balance at 31 December 2024 or if applicable at the date of resignation	Balance as at 01-Jan-24	Acquired and (Disposed)	Options & Awards Exercised	Balance as at 31-Dec-24
Directors				
Enkhmaa Davaanyam	6,424,675	-	-	6,424,675
Timothy Paul Bushell	1,476,538	-	-	1,476,538
Michael James Buck	11,600,933	3,937,007	-	15,537,940
Shinezaya Batbold	2,151,000	-	-	2,151,000
Total	21,653,146	3,937,007	-	25,590,153

All transactions with Directors other than those arising from the exercise of Options and Conditional Share Awards have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(d) Options holdings of Directors

For the year ended 31 December 2023	Balance as at 01-Jan-23	Granted as Remu- neration	Options Exercised	Options Lapsed	Balance as at 31-Dec-23	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
Enkhmaa Davaanyam	-	-	-	-	-	-	-
Timothy Paul Bushell	-	-	-	-	-	-	-
Michael James Buck	-	-	-	-	-	-	-
Shinezaya Batbold	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

For the year ended 31 December 2024	Balance as at 01-Jan-24	Granted as Remu- neration	Options Exercised	Options Lapsed	Balance as at 31-Dec-24	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
Enkhmaa Davaanyam	-	-	-	-	-	-	-
Timothy Paul Bushell	-	-	-	-	-	-	-
Michael James Buck	-	-	-	-	-	-	-
Shinezaya Batbold	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

(e) Conditional Share Awards holdings of Directors

For the year ended 31 December 2023	Balance as at 01-Jan-23	Granted as Remu- neration	Awards Exercised	Awards Lapsed	Balance as at 31-Dec-23	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
Enkhmaa Davaanyam	112,500	-	-	-	112,500	112,500	-
Timothy Paul Bushell	-	-	-	-	-	-	-
Michael James Buck	-	-	-	-	-	-	-
Shinezaya Batbold	-	-	-	-	-	-	-
Total	112,500	-	-	-	112,500	112,500	-

For the year ended 31 December 2024	Balance as at 01-Jan-24	Granted as Remu- neration	Awards Exercised	Awards Lapsed	Balance as at 31-Dec-24	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
Enkhmaa Davaanyam	112,500	-	-	-	112,500	112,500	-
Timothy Paul Bushell	-	-	-	-	-	-	-
Michael James Buck	-	-	-	-	-	-	-
Shinezaya Batbold	-	-	-	-	-	-	-
Total	112,500	-	-	-	112,500	112,500	-



**Consolidated
Financial
Statements**

06

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Continuing operations			
Revenue			
Operating income	4(a)	626	-
Cost of Goods Sold	4(a)	(172)	-
		454	-
Interest income	4(a)	193	216
Other income	4(a)	1	135
		194	351
Expenditure			
Consultancy fees		(124)	(136)
Depreciation and amortisation	4(b)	(463)	(190)
Employee benefits expense	4(c)	(2,271)	(2,076)
Exploration, exploitation and evaluation expenditure	4(d)	(5,044)	(2,212)
Other expenses	4(e)	(3,662)	(1,663)
(Loss)/Profit from continuing operations before income tax		(10,916)	(5,926)
Income tax expense	5	-	-
(Loss)/Profit from continuing operations after income tax		(10,916)	(5,926)
Net (loss)/profit for the year		(10,916)	(5,926)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations, net of income tax of \$Nil (2023: \$Nil)		2	26
Other comprehensive (loss)/income for the year, net of income tax		2	26
Total comprehensive (loss)/income for the year		(10,914)	(5,900)
(Loss)/Profit attributable to owners of the parent		(10,916)	(5,926)
Total comprehensive (loss)/income attributable to owners of the parent		(10,914)	(5,900)
(Loss)/Earnings per share (cents per share)			
Basic (loss)/earnings per share	6	(0.8)	(0.5)
Diluted (loss)/earnings per share	6	(0.8)	(0.5)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,987	503
Trade and other receivables	8	698	438
Prepayments	9	123	159
Financial assets	10	968	3,529
Inventory	11	223	215
Total Current Assets		3,999	4,844
Non-Current Assets			
Exploration and evaluation assets	12	15,084	15,275
Investment in SunSteppe		663	946
Property, plant and equipment	13	510	239
Right-of-Use asset	13	103	99
Petroleum asset	13	503	-
Total Non-Current Assets		16,863	16,559
TOTAL ASSETS		20,862	21,403
LIABILITIES			
Current Liabilities			
Trade and other payables	14	961	348
Lease liability	14	109	-
Total Current Liabilities		1,070	348
Non-Current Liabilities			
Decommissioning provision	15	562	-
Total Non-Current Liabilities		562	-
TOTAL LIABILITIES		1,632	348
NET ASSETS		19,230	21,055
EQUITY			
Equity attributable to owners of the parent			
Issued capital	16	169,009	160,176
Reserves	17	448	243
Accumulated losses		(150,227)	(139,364)
TOTAL EQUITY		19,230	21,055

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(9,994)	(3,590)
Interest received		192	102
Net cash flows (used in)/provided by operating activities	7	(9,802)	(3,488)
Cash flows from investing activities			
Purchase of property, plant and equipment		(344)	(28)
Proceeds from sale of financial assets		2,561	(2,512)
Investment in SunSteppe		283	(946)
Proceeds from the sale of property, plant and equipment		-	-
Net cash flows used in investing activities		2,500	(3,486)
Cash flows from financing activities			
Proceeds from issue of shares		9,390	6,523
Capital raising cost		(557)	(404)
Payments of lease liability principal		(49)	(144)
Net cash flows from financing activities		8,784	5,975
Net (decrease)/increase in cash and cash equivalents		1,482	(999)
Cash and cash equivalents at beginning of the year		503	1,476
Net foreign exchange differences		2	26
Cash and cash equivalents at the end of the year	7	1,987	503

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Consolidated			
		Attributable to equity holders of the parent			
		Issued capital	Accumulated Losses	Other Reserves	Total
		\$'000	\$'000	\$'000	\$'000
As at 1 January 2023		154,057	(133,440)	8	20,625
Net loss for the year		-	(5,926)	-	(5,926)
Other comprehensive income		-	-	26	26
Total comprehensive gain/(loss) for the year		-	(5,926)	26	(5,900)
Issue of share capital	16	6,523	-	-	6,523
Cost of capital raising	16	(404)	-	-	(404)
Share-based payments	16 & 17	-	-	211	211
Exercise of Conditional Share Awards	16, 17 & 18	-	-	-	-
Expiry of Options	17 & 18	-	2	(2)	-
As at 31 December 2023		160,176	(139,364)	243	21,055
Net loss for the year		-	(10,916)	-	(10,916)
Other comprehensive income		-	-	2	2
Total comprehensive gain/(loss) for the year		-	(10,916)	2	(10,914)
Issue of share capital	16	9,390	-	-	9,390
Cost of capital raising	16	(557)	-	-	(557)
Transfer of Petro Matad Singapore		-	53	-	53
Share-based payments	17 & 18	-	-	203	203
Exercise of Conditional Share Awards	16, 17 & 18	-	-	-	-
Expiry of Options	17 & 18	-	-	-	-
As at 31 December 2024		169,009	(150,227)	448	19,230

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



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1 CORPORATE INFORMATION

The financial report of Petro Matad Limited (Company) for the year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors dated 25 June 2025 which was approved on 26 June 2025.

This financial report presents the consolidated results and financial position of Petro Matad Limited and its subsidiaries.

Petro Matad Limited (Company) incorporated in the Isle of Man on 30 August 2007 has six wholly owned subsidiaries, which are: Capcorp Mongolia LLC, Petro Matad LLC and Petro Matad Energy LLC (incorporated in Mongolia), Central Asian Petroleum Corporation Limited (Capcorp) and Petromatad Invest Limited (both incorporated in the Cayman Islands), and Petro Matad Energy Limited (incorporated in Isle of Man). Petro Matad Limited owns 50% of Sunsteppe Renewable Energy Pte. Ltd. (formerly known as Petro Matad Singapore Pte. Ltd.), which is incorporated in Singapore, which is owned jointly together with Sunsteppe Energy LLC to pursue renewables energy projects. The Company and its subsidiaries are collectively referred to as the "Group". The Group's principal activity in the course of the financial year consisted of oil exploration and development and investment in renewable projects in Mongolia.

Petrovis Matad Inc. (Petrovis) is a major shareholder of the Company, holding approximately 17.61% of the shareholding at the year end of 2024.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This financial report complies with International Financial Reporting Standards (IFRS) as adopted by the European Union.

This financial report has been prepared on a historical cost basis, except where otherwise stated. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

(b) Statement of compliance

This general-purpose financial report has been prepared in accordance with the requirements of all applicable IFRS as adopted by the European Union and related Interpretations and other authoritative pronouncements.

(c) Going concern note

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group generated a loss of \$10.92 million for year 2024 (2023 Loss: \$5.93 million) and experienced net cash outflows from operating activities of \$9.69 million (2023 Outflow: \$3.49 million). In addition, as outlined in Note 19(b) the Group is required to meet minimum exploration commitments on its Block XX and Block VII Production Sharing Contract (PSC) of approximately \$5.65 million. The Company previously reached an agreement with the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) that the underspent minimum exploration commitment in Block XX can be transferred to and spent on exploration and appraisal activities during the exploitation period, which has commenced as the application for a 25-year Exploitation Licence (EL) for Block XX was approved in July 2021. The Company raised an additional \$9.4 million in July 2024, which provided sufficient working capital for ongoing operations including the drilling of an exploration well and an appraisal well in Block XX, completion and commencement of production of the Heron-1 discovery well, and investing in renewable energy projects through its interest in Sunsteppe Renewable Energy Pte. Ltd.

The Company believes that the current cash balance is sufficient to continue operations until at least July 2026. The commencement of production operations in late 2024 has provided the Company with a revenue source which enhances the Company's ability to remain a going concern. It is also important to note that the Company can access loans up to \$1.5 million from Petrovis under an existing loan agreement.

Cumulative expenditures to end 2024 in Block V exceed financial commitments by \$5.1 million. The Block V PSC exploration term expired in July 2024, and the block has been fully relinquished with no outstanding commitments remaining. The Company is awaiting final approval of the relinquishment by the Mongolian Government.

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash to meet their working capital requirements for the twelve-month period from the date of signing the financial report.

(d) Application of new and revised Accounting Standards

Accounting Standards that are mandatorily effective for the current reporting year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards, interpretations and amendments, the Directors do not anticipate a material change to the Group's accounting policies, however further analysis will be performed when the relevant standards are effective.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(f) Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Petro Matad Limited is United States Dollars (USD). The Cayman Islands and Singaporean subsidiaries' functional currency is USD. The Mongolian subsidiaries' functional currency is Mongolian Tugrugs (MNT) which is then translated to the presentation currency, USD.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal on the net investment.

Translation of subsidiaries' functional currency to presentation currency

The results of the Mongolian subsidiaries are translated into USD (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at the reporting date.

Exchange differences resulting from the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net investment in Mongolian subsidiaries are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. If a Mongolian subsidiary was sold, the proportionate share of exchange difference would be transferred out of equity and recognised in profit and loss.

(g) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Objective evidence of impairment includes financial difficulties of the debtor, default payments or debts more than 60 days overdue. The amount of the impairment loss is the amount by which the receivable carrying value exceeds the present value of the estimated future cash flows, discounted at the original effective interest rate.

(i) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset and is currently estimated to be an average of 6 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments is classified at 'Fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

(i) Financial assets at fair value through profit and loss or through other comprehensive Income
Financial assets are classified at 'Fair value through profit or loss' or 'Fair value through other comprehensive Income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'fair value through other comprehensive income'.

(ii) Financial Liabilities

The Group's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) Inventory

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by the Group is expensed separately for each area of interest. The Group's policy is to expense all exploration and evaluation costs funded out of its own resources.

(m) Exploration and evaluation assets

Exploration and evaluation assets arising out of business combinations are capitalised as part of deferred exploration and evaluation assets. Subsequent to acquisition, exploration expenditure is expensed in accordance with the Group's accounting policy.

(n) Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group assesses whether there is any indication that tangible and intangible asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount for each asset or cash generating unit to determine the extent of the impairment loss (if any). Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does

not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the assets (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of impairment loss is treated as a revaluation increase.

Impairment review for deferred exploration and evaluation assets are carried out on a project-by-project basis, where each project representing a single cash generating unit. An impairment review is undertaken when indicators of impairment arise, typically when one of the following circumstances apply:

- Unexpected geological occurrences that render the resource uneconomic;
- Title to asset is compromised;
- Variations in prices that render the project uneconomic; or
- Variations in the currency of operation.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. After initial recognition, trade and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time-value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. When a contract is determined to include lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

Operating Revenue

Revenue is recognized when produced oil reaches the TA-1 central facility in Block XIX which is designated as the sales point.

Interest revenue

Revenue is recognised on an accrual basis using the effective interest method.

(t) Share-based payment transactions

The Group provides to certain key management personnel share-based payments, whereby they render services in exchange for rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by use of the Black Scholes model.

In determining the fair value of the equity-settled transactions, vesting conditions that are not market conditions are not taken into account.

The cost of equity-settled transactions is recognised as an expense on a straight-line basis, together with a corresponding increase in equity, over the period in which they vest.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects:

- the extent to which the vesting period has expired; and
- the number of awards that, in the opinion of the Directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at the reporting date. The impact of the revision of original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any

expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(u) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) that affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited directly to equity/other comprehensive income, in which case the deferred tax is also recognised directly in equity/other comprehensive income, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

(v) Earnings per share

Basic earnings per share is calculated as net profit attributable to owners of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to owners of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the conversion of dilutive potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Significant accounting judgments, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions.

Any revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are the most critical estimates and judgments made by management in applying the accounting policies and have the most significant effect on the amounts recognised in the financial statements.

Share-based payments

The Group measures the cost of equity-settled transactions with Directors and employees at the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model. One of the inputs into the valuation model is volatility of the underlying share price which is estimated on the historical share price.

Recovery of the exploration and evaluation assets

The ultimate recoupment of the exploration and evaluation assets is dependent upon successful development and commercial exploitation or alternatively the sale of the respective areas of interest at an amount at least equal to book value. At the point that it is determined that any capitalised exploration and evaluation expenditure is not recoverable, it is written off.

Going Concern

The Group assesses the going concern of the Group on a regular basis, reviewing its cash flow requirements, commitments and status of PSC requirements and funding arrangements. Refer to Note 2(c) for further details.

3 OPERATING SEGMENTS

Operating segments have been identified on the basis of internal reports of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The chief operating decision maker has been identified as the Board of Directors. On a regular basis, the Board receives financial information on a consolidated basis similar to the financial statements presented in the financial report, to manage and allocate their resources. Based on the information provided to the Board of Directors, the Group has one operating segment and geographical segment, being Mongolia; as such no separate disclosure has been provided.

4 REVENUES AND EXPENSES

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
(a) Revenue		
Operating income – Oil sale revenue	626	-
Cost of Goods Sold:		
Transportation and services	(131)	-
Royalty paid to MRPAM	(41)	-
	454	-
Interest income	193	216
Other income:		
Other income	1	135
	194	351
(b) Depreciation and Amortization		
Depreciation of assets over useful life		
Amortization of evaluation assets on unit of production basis		
Depreciation – Property and Plant Equipment	72	52
Depreciation – Right-of-Use asset	154	138
Depreciation – Petroleum Asset (Decommissioning Reserve)	46	-
Capitalized – Petroleum Asset	191	-
	463	190
(c) Employee benefits expense		
Included in employee benefits expense are the following:		
Wages and salaries	1,886	1,676
Bonuses	-	11
Non-Executive Directors' fees (including Directors of affiliates)	146	142
Consultancy fees	36	36
Share-based payments	203	211
	2,271	2,076

(d) Exploration, exploitation and evaluation expenditure		
Exploration, exploitation and evaluation expenditure relates to the following PSCs:		
Block XX – Exploitation	5,037	262
Block V – Exploration	7	1,950
	5,044	2,212
(e) Other expenses		
Included in other expenses are the following:		
Administration costs	1,043	827
SunSteppe costs	1,738	200
PSC administration costs	201	335
Production bonus	500	-
Audit fees	64	72
Travel expenses	116	229
	3,662	1,663

5 INCOME TAX

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Income tax recognised in the statement of profit or loss:		
Tax expense/(benefit) comprises:		
Current tax expense/(benefit)	-	-
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	-	-
Total tax expense/(benefit) reported in the statement of profit or loss	-	-

The prima facie income tax benefit on pre-tax accounting loss from continuing operations reconciles to the income tax expense/(benefit) in the financial statements as follows:

		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Net (loss)/profit for the year		(10,916)	(5,926)
Income tax benefit calculated at 10%	(i)	1,091	593
Effect of different tax rates on entities in different jurisdictions	(ii)	(293)	(115)
Change in unrecognised deferred tax assets		(798)	(478)
		-	-

(i) The tax rate used in the above reconciliation is the corporate tax rate of 10% payable by Mongolian corporate entities on taxable profits up to 6 billion MNT under Mongolian tax law.

(ii) Petromatad Invest Limited and Capcorp are exempt of Mongolian corporate tax on profits derived from the sale of oil under their PSCs once production commences and are subject to Cayman Islands income tax

at a rate of 0%. As a consequence, no provision for Mongolian corporate tax or Cayman Islands current tax or deferred tax has been made in the Company's accounts in relation to them.

Petro Matad Limited and Petro Matad Energy Limited are subject to Isle of Man income tax at a rate of 0%. As a consequence, no provision for Isle of Man current tax or deferred tax has been made in the companies' accounts.

6 (LOSS)/EARNINGS PER SHARE

The following reflects the loss and share data used in the total operations basic and diluted (loss)/earnings per share computations:

	Consolidated	
	31 Dec 2024 cents per share	31 Dec 2023 cents per share
Basic (loss)/earnings per share	(0.8)	(0.5)
Diluted (loss)/earnings per share	(0.8)	(0.5)
	\$'000's	\$'000's
The loss and weighted average number of ordinary shares used in the calculation of basic and diluted (loss)/earnings per share are as follows:		
Net (loss)/profit attributable to owners of the parent	(10,916)	(5,926)
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share (in thousands)	1,299,390	1,090,898
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share (in thousands)	1,299,390	1,090,898

7 CASH AND CASH EQUIVALENTS

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash at bank and in hand	1,987	503
	1,987	503

Cash at bank and in hand earns interest at fixed and floating rates based on prevailing bank rates, and the fair value of the above cash and cash equivalents is \$1,987,000 (2023: \$503,000) due to the short-term nature of the instruments.

Reconciliation from the net gain/(loss) after tax to the net cash flows from operations:

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Net (loss)/gain after tax	(10,916)	(5,926)
<i>Adjustments for:</i>		
Depreciation and amortisation	463	190
Share based payments	203	211
Decommissioning provision	13	-
Unrealised foreign exchange (gains)/ losses	1	(3)
Transfer of Petro Matad Singapore	53	-
<i>Changes in assets and liabilities</i>		
Decrease/(increase) in trade and other receivables	(260)	2,169
Decrease/(increase) in prepayments	36	(21)
Decrease/(increase) in inventory	(8)	-
Increase/(decrease) in trade and other payables	613	(108)
Net cash flows used in operating activities	(9,802)	(3,488)

Non-cash investing and financing activities

There were no non-cash investing or financing activities undertaken in the 2024 financial year or prior year (2023: \$0.00).

8 TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Current		
Other debtors	698	438
	698	438

All amounts are recoverable and are not considered past due or impaired.

2024 account receivables include the oil sales revenue due from PetroChina Daqing Tamsag for the crude oil produced for the period from October to December 2024 and stored at the TA-1 central facility in Block XIX to be sold to the buyer.

9 PREPAYMENTS

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Prepayments	123	159
	123	159

10 FINANCIAL ASSETS

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Long Term Deposits	968	3,529
	968	3,529

The Group holds term deposits with an average weighted interest rate of 6.73%. The deposits have maturity dates greater than 3 months. None of these assets had been past due or impaired at the end of the reporting period.

11 INVENTORY

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Raw materials	223	215
	223	215

Inventory are mainly consumables, including casing, mud and drilling materials purchased for Block XX.

12 EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Exploration and evaluation assets	15,084	15,275
	15,084	15,275

The exploration and evaluation asset arose following the initial acquisition in February 2007 of 50% of Petromatad Invest Limited, together with acquisition on 12 November 2007 of the remaining 50% not already held by the Group, for a consideration of 23,340,000 ordinary shares credited as fully paid up and with an estimated fair value of \$0.50 per share, taking into account assets and liabilities acquired on acquisition. This relates to the exploration and evaluation of PSC Block XX.

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation or alternatively the sale of the respective areas of interest at an amount at least equal to book value.

Management have reviewed for impairment indicators on Block XX and no impairment has been noted.

With the commencement of production in Block XX, the Group has commenced amortization of the asset utilizing the unit of production basis.

13 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSET AND PETROLEUM ASSET

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Plant and equipment at cost	583	939
Accumulated depreciation and impairment	(73)	(700)
	510	239
Right-of-Use asset	137	132
Accumulated depreciation – Right-of-Use asset	(34)	(33)
	103	99
Petroleum asset	549	-
Accumulated depreciation – Petroleum asset	(46)	-
	503	-

Reconciliation of carrying amounts at the beginning and end of the year:

	Plant and equipment Total \$'000	Right-of-Use asset Total \$'000	Petroleum asset Total \$'000	Total \$'000
As at 1 January 2023 (net of accumulated depreciation)	261	92	-	353
Additions	28	144	-	172
Foreign exchange	2	1	-	3
Depreciation charge for the year	(52)	(138)	-	(190)
As at 31 December 2023 (net of accumulated depreciation)	239	99	-	338
Additions	344	158	549	1,051
Foreign exchange	-	-	-	-
Depreciation charge for the year	(73)	(154)	(46)	(273)
As at 31 December 2024 (net of accumulated depreciation)	510	103	503	1,116

The following useful lives are used in the calculation of depreciation: Plant and equipment – 2 to 10 years

14 TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Trade payables	961	348
Lease liability	109	-
	1,070	348

Trade payables are non-interest bearing and are normally settled within 60 day terms.

15 DECOMMISSIONING PROVISION (NON-CURRENT)

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Decommissioning provision	562	-
	562	-

The Group recognizes a provision for the present value of the estimated cost to dismantle and decommission production wells and facilities. This estimated cost is capitalized as part of the petroleum asset and depreciated over its useful life. The provision is reviewed annually and adjusted to reflect changes in cost estimates, scope, or applicable discount rates.

16 ISSUED CAPITAL

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Ordinary Shares 1,483,883,601 shares issued and fully paid (2023: 1,113,883,601)	169,009	160,176
	169,009	160,176

Movements in ordinary shares on issue:

	Number of Shares	Issue Price \$	\$'000
As at 1 January 2023	898,761,649		154,057
Placement shares through Shore Capital on 10 Feb 2023 (note (a))	94,787,994	\$0.030	2,866
Placement shares through Zeus on 10 February 2023 (note (b))	67,000,626	\$0.030	2,027
Direct subscription shares on 10 February 2023 (note (c))	33,333,332	\$0.031	1,025
Open Offer shares on 10 February 2023 (note (d))	20,000,000	\$0.030	605
Capital raising cost			(404)
As at 31 December 2023	1,113,883,601		160,176
Placement shares through Shore Capital on 1 July 2024 (note (e))	189,311,666	\$0.025	4,802
Placement shares through Zeus on 1 July 2024 (note (f))	117,381,250	\$0.025	2,981
Direct subscription shares on 1 July 2024 (note (g))	43,307,084	\$0.025	1,100
Open Offer shares on 1 July 2024 (note (h))	20,000,000	\$0.025	507
Capital raising cost			(557)
As at 31 December 2024	1,483,883,601		169,009

(a) On 10 February 2023, the Company concluded a placing by issuing 94,787,994 shares at a price of GBP0.025 per share arranged through its nominated adviser, broker and joint book runner for the purposes of the Placing, Shore Capital Stockbrokers.

(b) On 10 February 2023, the Company concluded a placing by issuing 67,000,626 shares at a price of GBP0.025 per share arranged through its broker and joint book runner for the purposes of the Placing, Zeus Capital.

(c) On 10 February 2023, the Company issued 33,333,332 shares through direct subscriptions at a price of GBP0.025 per share.

(d) On 10 February 2023, the Company issued 20,000,000 shares to shareholders at a price of GBP0.025 per share through a retail offering on the Bookbuild platform.

(e) On 1 July 2024, the Company concluded a placing by issuing 189,311,666 shares at a price of GBP0.020 per share arranged through its nominated adviser, broker and joint book runner for the purposes of the Placing, Shore Capital Stockbrokers

(f) On 1 July 2024, the Company concluded a placing by issuing 117,381,250 shares at a price of GBP0.020 per share arranged through its broker and joint book runner for the purposes of the Placing, Zeus Capital.

(g) On 1 July 2024, the Company issued 43,307,084 shares through direct subscriptions at a price of GBP0.020 per share.

(h) On 1 July 2024, the Company issued 20,000,000 shares to shareholders at a price of GBP0.020 per share through a retail offering.

17 RESERVES

A detailed breakdown of the reserves of the Group is as follows:

	Merger reserve \$'000	Equity benefits reserve \$'000	Foreign currency translation \$'000	Total \$'000
As at 1 January 2023	831	545	(1,368)	8
Currency translation differences	-	-	26	26
Expiry of Options	-	(2)	-	(2)
Exercise of Awards	-	-	-	-
Share based payments	-	211	-	211
As at 31 December 2023	831	754	(1,342)	243
Currency translation differences	-	-	2	2
Expiry of Options	-	-	-	-
Exercise of Awards	-	-	-	-
Share based payments	-	203	-	203
As at 31 December 2024	831	957	(1,340)	448

Nature and purpose of reserves

Merger reserve

The merger reserve arose from the Company's acquisition of Capcorp on 12 November 2007. This transaction is outside the scope of IFRS 3 'Business Combinations' and as such Directors have elected to use UK Accounting Standards FRS 6 'Acquisitions and Mergers'. The difference, if any, between the nominal value of the shares issued plus the fair value of any other consideration, and the nominal value of the shares received in exchange are recorded as a movement on other reserves in the consolidated financial statements.

Equity benefits reserve

The equity benefits reserve is used to record the value of Options and Conditional Share Awards provided to employees and Directors as part of their remuneration, pursuant to the Group's Long-Term Equity Incentive Plan (Plan or Group's Plan). Refer to Note 18 for further details of these plans.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

18 SHARE BASED PAYMENTS

(a) Long Term Equity Incentive Plan (Plan or Group's Plan)

The Group provides long term incentives to employees (including Executive Directors), Non-Executive Directors and consultants through the Group's Plan based on the achievement of certain performance criteria. The Plan provides for share awards in the form of Options and Conditional Share Awards. The incentives are awarded at the discretion of the Board, or in the case of Executive Directors, the Remuneration Committee of the Board, who determine the level of award and appropriate vesting, service and performance conditions taking into account market practice and the need to recruit and retain the best people.

Options may be exercised, subject only to continuing service, during such period as the Board may determine. Options have a term of 10 years.

Conditional Share Awards shall vest subject to continuing service and appropriate and challenging service and performance conditions determined by the Remuneration Committee relating to the overall performance of the Group.

Conditional Share Awards based on performance conditions will vest on achievement of the following performance conditions:

- 25% vest on the first discovery of oil on a commercial scale, determined by management as being 5 July 2021 upon the award of the Exploitation License;
- 25% vest on the first production of oil on a commercial scale, estimated by management as to be achieved prior to 30 June 2025; and
- 50% vest on the Company achieving the sale of 1 million barrels of oil, estimated by management as being by 31 December 2026.

Other Conditional Share Awards have service conditions tied to employment continuity and are available for vesting in three equal annual instalments on various dates.

(b) Option pricing model

The fair value of Options granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the Options were granted.

Following table summarizes Options granted during 2023, along with relevant details in relation to the grant.

	29 May 2023
Options Granted	12,147,000
Share price at grant date	\$0.0593
Expected Volatility (%)	55
Risk-free interest rates (%)	4.5%
Exercise Price (in GBP)	0.0480
Estimate fair value of option	\$0.0407

Options granted above are exercisable as follows:

- 33% one year after grant date
- 33% two years after grant date
- 34% three years after grant date

No Options have been issued during 2024.

(c) Movement in Share Options

The weighted average fair value for all Options in existence as at 31 December 2024 is 0.04 (2023: 0.04).

	Opening balance at 1 Jan 2023	Granted during the year	Forfeited during the year	Exercised during the year	Closing balance as at 31 Dec 2023	Exercisable as at 31 Dec 2023
Consolidated						
Grant of options on 9 July 2013	50,000	-	(50,000)	-	-	-
Grant of options on 29 May 2023	-	12,147,000	(759,000)	-	11,388,000	-
	50,000	12,147,000	(809,000)	-	11,388,000	-
Weighted Average Exercise Price (cents per option)	6.33	5.93	5.56	-	5.93	-

	Opening balance at 1 Jan 2024	Granted during the year	Forfeited during the year	Exercised during the year	Closing balance as at 31 Dec 2024	Exercisable as at 31 Dec 2024
Consolidated						
Grant of options on 29 May 2023	11,388,000	-	-	-	11,388,000	-
	11,388,000	-	-	-	11,388,000	-
Weighted Average Exercise Price (cents per option)	5.93	-	-	-	5.93	-

(d) Share Options contractual life

The weighted average remaining contractual life of outstanding share Options is 8.4 year (2023: 9.4 years).

(e) Conditional Share Awards pricing model

The fair value of Conditional Share Awards granted is estimated as at the date of grant using the Black Scholes model, taking into account the terms and conditions upon which the Awards were granted.

No awards were granted in 2023 and 2024.

(f) Movement in Conditional Share Awards

The weighted average fair value for all Awards in existence as at 31 December 2024 is 0.84 (2023: 0.84)

	Opening balance at 1 January 2023	Granted during the year	Exercised during the year	Forfeited during the year	Closing balance as at 31 Dec 2023	Exercisable as at 31 Dec 2023
Consolidated						
Grant of Conditional Share Awards on 3 Jun 2008	123,750	-	-	-	123,750	-
Grant of Conditional Share Awards on 8 Apr 2009	60,000	-	-	-	60,000	-
Grant of Conditional Share Awards on 9 Jul 2010	214,500	-	-	-	214,500	-
Grant of Conditional Share Awards on 6 Apr 2011	18,000	-	-	-	18,000	-
Grant of Conditional Share Awards on 5 Jul 2011	135,000	-	-	-	135,000	-
Grant of Conditional Share Awards on 22 Nov 2011	37,500	-	-	-	37,500	-
Grant of Conditional Share Awards on 5 Dec 2011	21,450	-	-	-	21,450	-
Grant of Conditional Share Awards on 25 Apr 2012	75,000	-	-	-	75,000	-
Grant of Conditional Share Awards on 4 Dec 2012	2,250	-	-	-	2,250	-
Grant of Conditional Share Awards on 9 Jul 2013	90,000	-	-	-	90,000	-
	777,450	-	-	-	777,450	-
Weighted Average Exercise Price (cents per award)	1.00	-	-	-	1.00	-

	Opening balance at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Closing balance as at 31 Dec 2024	Exercisable as at 31 Dec 2024
Consolidated						
Grant of Conditional Share Awards on 3 Jun 2008	123,750	-	-	-	123,750	-
Grant of Conditional Share Awards on 8 Apr 2009	60,000	-	-	-	60,000	-
Grant of Conditional Share Awards on 9 Jul 2010	214,500	-	-	-	214,500	-
Grant of Conditional Share Awards on 6 Apr 2011	18,000	-	-	-	18,000	-
Grant of Conditional Share Awards on 5 Jul 2011	135,000	-	-	-	135,000	-
Grant of Conditional Share Awards on 22 Nov 2011	37,500	-	-	-	37,500	-
Grant of Conditional Share Awards on 5 Dec 2011	21,450	-	-	-	21,450	-
Grant of Conditional Share Awards on 25 Apr 2012	75,000	-	-	-	75,000	-
Grant of Conditional Share Awards on 4 Dec 2012	2,250	-	-	-	2,250	-
Grant of Conditional Share Awards on 9 Jul 2013	90,000	-	-	-	90,000	-
	777,450	-	-	-	777,450	-
Weighted Average Exercise Price (cents per award)	1.00	-	-	-	1.00	-

(g) Conditional Share Awards contractual life

The weighted average remaining contractual life of outstanding Conditional Share Awards is 3.5 years (2023: 4.5 years).

(h) Summary of Share Based Payments

A reconciliation of all share-based payments made during the year is as follows:

	Note	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Vesting of Awards and Options	17	203	211
		203	211
Lapsed Options	17	-	(2)
		-	(2)

19 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

Operating leases relate to premises used by the Group in its operations, generally with terms between 2 and 5 years. Some of the operating leases contain options to extend for further periods and an adjustment to bring the lease payments into line with market rates prevailing at that time. The leases do not contain an option to purchase the leased property.

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Operating Leases:		
Within one year	66	-
After one year but not more than five years	-	-
Greater than five years	-	-
	66	-

(b) Exploration expenditure commitments

Petromatad Invest Limited and Capcorp have minimum spending obligations, under the terms of their PSCs on Blocks XX and V with MRPAM.

On 16 January 2025, the Company signed a PSC for petroleum exploration Borzon Block VII with the Government of Mongolia. The Table below includes PSC fees and minimum exploration work obligations of Borzon Block VII.

The amounts set out below do not include general and administrative expenses.

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Production Sharing Contract Fees:		
Within one year	360	200
After one year but not more than five years	657	434
Greater than five years	1,345	1,433
	2,362	2,067
Minimum Exploration Work Obligations:		
Within one year	236	-
Greater than one year but no more than five years	250	-
Greater than five years	5,168	6,449
	5,654	6,449

(c) Contingencies

On 5 August 2016, Shell through its Affiliate company announced it would be withdrawing from Blocks IV and V in West/Central Mongolia. As part of the negotiations leading to formal Mongolian Government approval of the reassignment of interest from Shell's Affiliate to the Company's Affiliate, Shell agreed to a payment of \$5 million to be remitted to the Company's Affiliate upon such government approval being received. A condition to the payment by Shell is that the proceeds are required to be repaid to Shell by the Company in the event a farmout is concluded in future prior to the development of either Block IV or V. Block IV has since been relinquished by the Company in its entirety and Block V is in process of formal processes for final relinquishment. As a result, the conditional payment is no longer applicable. The \$5 million payment from Shell was received on 1 February 2017.

20 RELATED PARTY DISCLOSURES

The immediate parent and ultimate controlling party of the Group is Petro Matad Limited.

The consolidated financial statements include the financial statements of Petro Matad Limited and the subsidiaries listed in the following table:

	Country of Incorporation	Equity Interest	
		2024 %	2023 %
Central Asian Petroleum Corporation Limited	Cayman Islands	100	100
Capcorp Mongolia LLC	Mongolia	100	100
Petromatad Invest Limited	Cayman Islands	100	100
Petro Matad LLC	Mongolia	100	100
Sunsteppe Renewable Energy Pte. Ltd. (formerly Petro Matad Singapore Pte. Ltd.)	Singapore	50	100
Petro Matad Energy Limited	Isle of Man	100	100
SunSteppe Power LLC	Mongolia	50	50

Subsidiary Details

Central Asian Petroleum Corporation Limited (Capcorp) was acquired on 12 November 2007. Petro Matad Limited holds 43,340,000 ordinary shares of \$0.01 each.

Capcorp Mongolia LLC is 100% owned by Capcorp. Capcorp holds 1,000,000 ordinary shares of MNT150 each.

Petromatad Invest Limited was acquired on 12 November 2007. 25,000 shares of \$1 each held by Capcorp was transferred to Petro Matad Limited on 25 November 2019 resulting in Petro Matad Limited holding 50,000 shares of \$1 each.

Petro Matad LLC is 100% owned by Petromatad Invest Limited. Petromatad Invest Limited holds 15,000 ordinary shares of MNT10,000 each.

Petro Matad Singapore Pte. Ltd was 100% owned by Petro Matad Limited which held 50,000 ordinary shares of SG\$1. On 20 February 2024, the Company transferred 50% of Petro Matad Singapore Pte. Ltd to Sunsteppe Energy LLC and is currently holding 25,000 ordinary shares of SG\$1. Petro Matad Singapore Pte. Ltd has also been renamed as Sunsteppe Renewable Energy Pte. Ltd. Sunsteppe Power LLC which was previously owned 50% by Petro Matad LLC has been transferred to Sunsteppe Renewable Energy Pte. Ltd as a wholly owned subsidiary.

Petro Matad Energy Limited is 100% owned by Petro Matad Limited. Petro Matad Limited holds 50,000 Ordinary shares of \$1 each.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Petrovis Matad Inc. (Petrovis) is a major shareholder of the Company, holding approximately 17.61% of the shareholding at year end of 2024.

21 KEY MANAGEMENT PERSONNEL

(a) Details of Directors

The names of the Company's Directors, having authority and responsibility for planning, directing and controlling the activities of the Group, in office during 2023 and 2024, are as below:

The Directors were in office until the date of this report and for this entire period unless otherwise stated.

Directors	
Enkhmaa Davaanyam	Non-Executive Chairperson
Timothy Paul Bushell	Non-Executive Director
Michael James Buck	Chief Executive Officer
Shinezaya Batbold	Non-Executive Director

(b) Compensation of Directors

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Short-term employee benefits	711	672
Share based payment expense	4	15
	715	687

(c) Other key management personnel transactions

There were no other key management personnel transactions during the year (2023: Nil).

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short-term deposits classified as loans and receivables financial assets.

The main purpose of these financial instruments is to raise capital for the Group's operations.

The Group also has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Board is responsible for identification and control of financial risks. The Board reviews and agrees policies for managing each of these risks as summarised below.

Risk Exposures and Responses

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rate. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances.

The following table sets out the carrying amount of the financial instruments that are exposed to interest rate risk:

	Weighted Average Int. rate	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Financial Assets			
Cash and cash equivalents	0.00%	1,987	503
*Other financial assets	5.60%	968	3,529
		2,955	4,032
Trade and other receivables	0%	698	438
		3,653	4,470
Financial Liabilities			
Trade and other payables	0%	961	348
Lease liability		109	-
		1,070	348
Net exposure		2,583	4,122

*Other financial assets are comprised of cash deposits placed in the banks for terms exceeding 90 days.

Sensitivity Analysis

If the interest rate on cash balances at 31 December 2023 and 2024 weakened/strengthened by 1%, there would be no material impact on profit or loss. There would be no effect on the equity reserves other than those directly related to other comprehensive income movements.

Foreign currency risk

As a result of operations overseas, the Group's statement of financial position can be affected by movements in various exchange rates.

The functional currency of Petro Matad Limited and presentational currency of the Group is deemed to be USD because the future revenue from the sale of oil will be denominated in USD and the costs of the Group are likewise predominately in USD. Some transactions are however dominated in currencies other than USD. These transactions comprise operating costs and capital expenditure in the local currencies of the countries where the Group operates. These currencies have a close relationship to the USD and management believes that changes in the exchange rates will not have a significant effect on the Group's financial statements.

The Group does not use forward currency contracts to eliminate the currency exposures on any individual transactions.

The following significant exchange rates applied during the year:

	Average rate		Spot rate at the balance date	
	2024	2023	2024	2023
USD				
Mongolian Tugrug (MNT) 1	3,390.02	3,465.85	3,420.25	3,410.69
Australian Dollar (AUD) 1	1.515831	1.506204	1.535120	1.468020
Great British Pound (GBP) 1	0.782606	0.804479	0.785108	0.785462

Sensitivity Analysis

A 5% strengthening/weakening of the MNT against USD at 31 December 2023 and 2024 would not have a material effect on profit and loss or on equity.

Price risk

The Group's exposure to price risk is minimal as the Group is currently not revenue producing other than from interest income.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk on its cash and cash equivalents and other receivables as set out in Notes 7 and 8 which also represent the maximum exposure to credit risk. The Group only deposits surplus cash with well-established financial institutions of high quality credit standing.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Group.

Maximum exposure to credit risk at reporting date:

	Note	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Financial Assets			
Trade and other receivables	8	698	438
Net exposure		698	438

Impairment Losses

None of the Group's receivables are past due at 31 December 2024 (2023: Nil)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to ensure that sufficient funds are available to allow it to continue its exploration and development activities.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted maturities of the financial assets including interest that will be earned on those assets.

	Weighted average interest rate	6 months or less \$'000	6-12 months \$'000	1-5 years \$'000	over 5 years \$'000	Total \$'000
Cash and cash equivalents	0.00%	1,987	-	-	-	1,987
Trade and other receivables	-	698	-	-	-	698
Financial Assets	6.73%	968	-	-	-	968
As at 31 December 2024		3,653	-	-	-	3,653
Cash and cash equivalents	0.00%	503	-	-	-	503
Trade and other receivables	-	438	-	-	-	438
Financial Assets	6.74%	3,529	-	-	-	3,529
As at 31 December 2023		4,470	-	-	-	4,470

The remaining contractual maturities of the Group's and parent entity's financial liabilities are:

	Note	Consolidated	
		31 Dec 2024 \$'000	31 Dec 2023 \$'000
6 months or less		1,070	348
6-12 months		-	-
1-5 years		-	-
over 5 years		-	-
		1,070	348

All of the Group's amounts payable and receivable are current.

Further, the Group has exploration expenditure commitments on its PSCs as disclosed in Note 19(b).

Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group approximate their carrying value due to their short term duration.

	Fair Value Hierarchy as at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trade and other receivables	-	698	-	698
Total	-	698	-	698

Financial Liabilities				
Trade and other payables	-	961	-	961
Lease liability	-	109	-	109
Total	-	1,070	-	1,070

	Fair Value Hierarchy as at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trade and other receivables	-	438	-	438
Total	-	438	-	438
Financial Liabilities				
Trade and other payables	-	348	-	348
Total	-	348	-	348

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

23 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group and the Group's capital is regularly reviewed by the Board. The capital structure of the Group consists of cash and bank balances (Note 7) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in Notes 16 and 17). This is reviewed by the Board of Directors as part of their regular Board meetings.

The Group monitors its capital requirements based on the funding required for its exploration and development activities in Mongolia and operations of the Company.

The Group is not subject to externally imposed capital requirements.

24 EVENTS AFTER THE REPORTING DATE

Block XX Special Purpose Area status obtained in February 2025.

On 16 January 2025, the Company signed a PSC for a new petroleum exploration Borzon Block VII block with the Government of Mongolia.

On 14 April 2025, Petro Matad Energy LLC was incorporated in Mongolia as a wholly owned subsidiary of Petro Matad Energy Limited as the local operator company of Borzon Block VII.

On 28 April 2025, Petro Matad LLC and PetroChina Daqing Tamsag, the operator of neighbouring Block XIX, signed the Oil Sales Agreement covering storage, processing, transport and export of Block XX crude oil production.

25 AUDITORS' REMUNERATION

The auditor of Petro Matad Limited is Hall Chadwick (WA) Pty Ltd.

	Consolidated	
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Amounts received or due and receivable by Hall Chadwick (WA) Pty Ltd:		
• an audit or review of the financial report of the entity and any other entity in the Group	41	41
• other services in relation to the entity and any other entity in the Group	-	-
	41	33
Amounts received or due and receivable by Onch Audit LLC for:		
• an audit or review of the financial report of subsidiary entities	23	23
• other services in relation to the subsidiary entities	-	-
	23	23
Amounts received or due and receivable by Infinity Assurance LLP for:		
• an audit or review of the financial report of subsidiary entities	-	8
• other services in relation to the subsidiary entities	-	-
	-	8
	64	72

26 OTHER INFORMATION

Registered Office:

Victory House
Douglas
Isle of Man
IM1 1EQ

Directors' Declaration

08

In accordance with a resolution of the Directors of Petro Matad Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance and cash flows for the year ended on that date in accordance with International Financial Reporting Standards as adopted by the European Union; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mike Buck
Director
26 June 2025



**Independent
Auditor's Report**

2009

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRO MATAD LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Petro Matad Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

This report is made solely to the company's members, as a body, in accordance with Section 80C of the Isle of Man Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion, the consolidated financial report gives a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Isle of Man Companies Act 2006* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

HALL CHADWICK

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration and Evaluation \$15.08 million</p> <p>(Refer to Note 12 Exploration and evaluation assets)</p> <p>The balance is in relation to the exploration and evaluation asset of PSC block XX in Mongolia.</p> <p>We focused on this area due to the size of the exploration and evaluation balance (\$15.28 million as at 31 December 2023) and to determine whether there are any indicators that the asset is impaired and therefore not recoverable under <i>IFRS 6 "Exploration for and Evaluation of Mineral Resources"</i>.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> For Block XX, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries. Reviewed budgeted exploration expenditure on Block XX to ensure it will satisfy the capital commitment required under the Production Sharing Agreement; We assessed Block XX for one or more of the following circumstances that may indicate impairment of the capitalised expenditure and concluded no issues: <ul style="list-style-type: none"> the licenses for the right to explore expiring in the near future or are not expected to be renewed; substantive expenditure for further exploration in the specific area is neither budgeted or planned' decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale.
<p>Exploration and Expenditure Commitments</p> <p>Production Sharing Contract Fee: \$2.36 million</p> <p>Minimum Exploration Work Obligations: \$5.65 million</p> <p>(Refer Note 19b Exploration Expenditure Commitments)</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Obtaining the Petroleum Sharing Agreements for each block and agreeing the contract fees and work obligations to the relevant calculations.




Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As disclosed in Note 19b Petro Matad Limited has minimum spend obligations under the terms of its Petroleum Sharing Contracts with the Petroleum Authority of Mongolia.</p> <p>This has been determined a Key Audit Matter as adherence to these requirements is required for Petro Matad Limited to maintain the rights for exploration and thus its principal activity.</p>	<ul style="list-style-type: none"> Recalculating the disaggregation of total amounts due and comparing to the breakdown disclosed of amounts due in each subsequent period. Ensuring amounts disclosed represent future obligations and that no present obligations at year end are included. Cross referencing of internal budgets and forecasts to ensure they are consistent with the obligations disclosed.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the Isle of Man Companies Act 2006 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state in accordance with International Accounting Standard *IAS 1 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated this 26th day of June 2025
Perth, Western Australia



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