

Mongolia

Oil Production Optimisation and Additions
Renewable Energy



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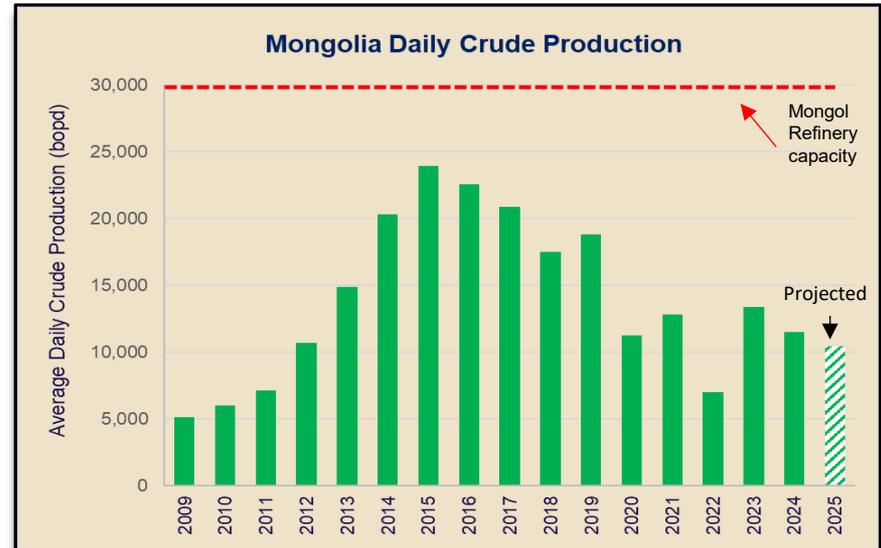
Mongolia Oil Industry

New government trying to prioritise domestic oil industry

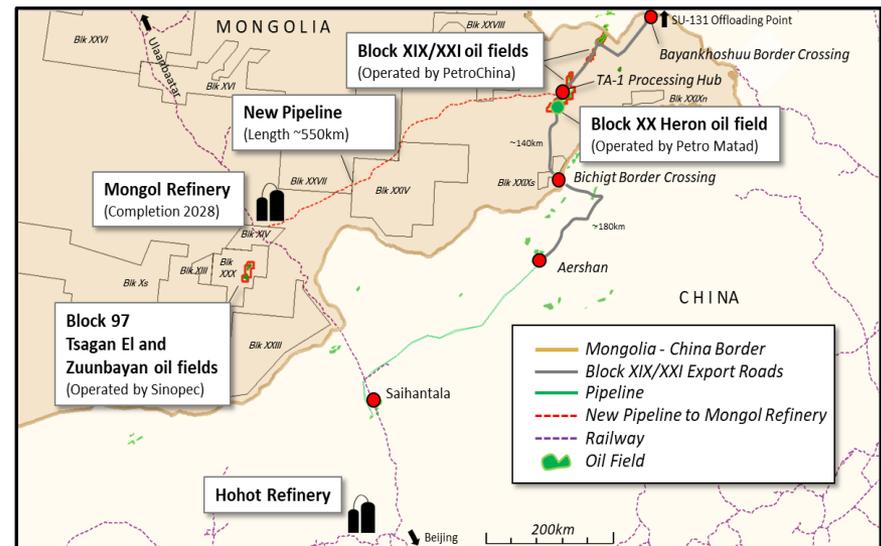
- Mongolia's average daily crude production in 2024 averaged 11,475 bopd¹
- PetroChina (Blocks XIX & XXI) operates ~95% of the country's production which is trucked to Chinese refineries
- Mongolia's refined product consumption in 2024 was 59,000 bopd¹
- Government seeking to increase exploration and production to meet domestic demand and fill the Mongol Refinery which is under construction

Mongolian Refinery status

- \$1.7bn² loan from India
- Latest published scheduled has refinery operational by 2028³
- Requires 30,000 bopd feedstock. Current domestic production is less than half that and declining
- Heron Field production will help meet this demand
- Pipeline construction from Mongol Refinery is now close to Block XIX (97% pipeline welded and 67% buried)⁴ and pump stations are being constructed.
- Pipeline will offer a more cost effective off-take than current trucking



Company generated diagram data source MRPAM Monthly Statistics Report March 2025



Company generated diagram data source MRPAM website

1. MRPAM Monthly Statistics Report March 2025
 2. News MN interview with CEO of Mongol Refinery 20 Jan 2025

3. <https://www.mongolbeat.com/mongolia-news-summary> 20 February 2025
 4. https://eic.mn/envimpact/more_envmng.php?reportid=8805

Block XX: Development plans and partnering

Heron Field resource estimates

- Circa 200 MMbo in place potential¹
- 30+% recovery factor should be possible by analogy with Block XIX performance. So Heron could be 60+ MMbo recoverable

Development strategy and production targets

- Initial vertical wells until reservoir architecture better understood
- Slant wells and horizontal wells will target the sweet spots. Other enhancement technologies can also be applied.
- Expect reduction in number of wells and improvement in recovery per well compared to other fields in the basin

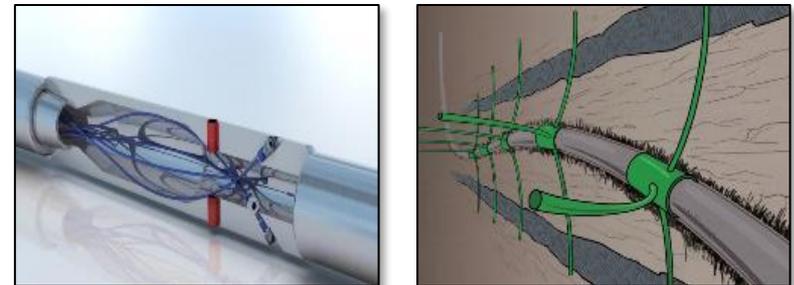
Value creation through development acceleration

- Development costs in Mongolia (primarily drilling) are relatively low but with flow rates in the hundreds of barrels a day, to get to a self-funding position requires a number of wells to be drilled in short order
- Having proven the producibility of Heron and with the government improving the investment environment in the sector, Petro Matad is focused on attracting a partner to join in its E&P activities
- Discussions ongoing

Low cost production enhancement technologies



Radial Drilling



Fishbone completions

Heron Field - Status

Heron 1

- Well stimulated and completed August 2024. Installation of surface facilities October 2024. First oil 24 October 2024
- Production to date c. 46,000bbls. Well currently delivering c. 150-160 bopd
- Oil transported 25km to Block XIX facilities
- Operations run by Petro Matad field team

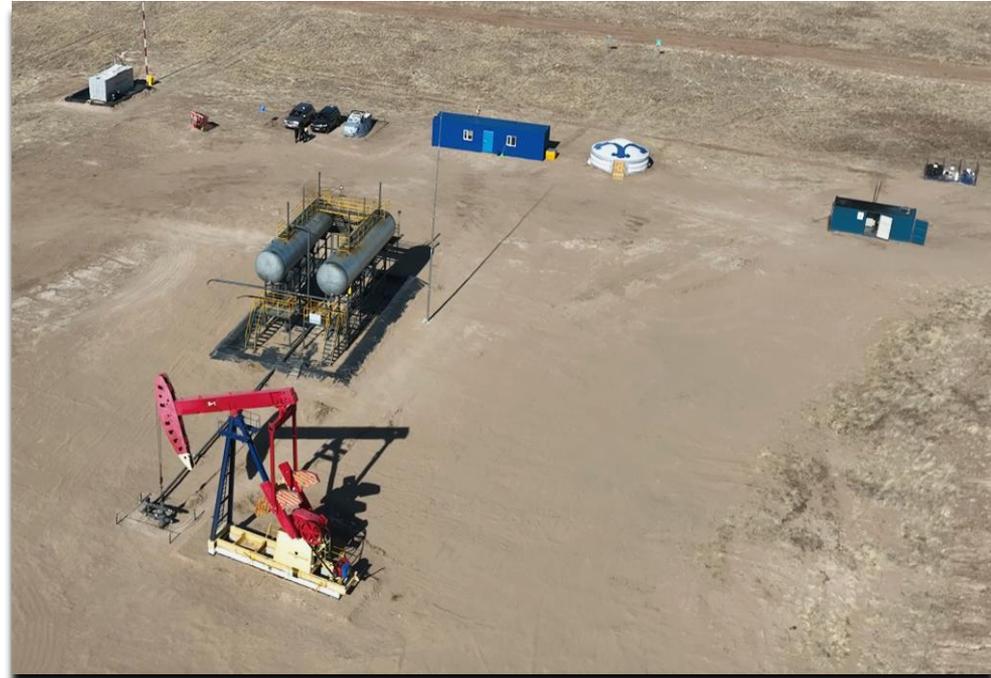
Oil Sales Agreement

- Signed with neighbouring operator PetroChina
- Block XX oil is treated, stored in Block XIX facilities and exported to China
- Sold to PetroChina's buyer at the same price as PetroChina's oil (Daqing minus \$1 per barrel)
- Processing and transport charged at cost with a management fee charged
- At \$70/bbl Petro Matad nets \$40+ /bbl after deductions for royalty/government share etc. due to favourable PSC terms. Net revenue \$150,000 to \$200,000 per month at current prices¹

Payment issues

- Contrary to the signed agreement, PetroChina is withholding 30% of revenue due to concerns about tax implications for its operations. It is also paying late, reportedly due to internal issues arising from a change to its payment processes
- Petro Matad is working with tax experts and authorities to address PetroChina's concerns and show that the arbitrary withholding is not justifiable. The company is also pushing for prompt payments as per the signed agreement

Heron Production Facilities



Block XX: 2025 work programme

The planned programme focuses on low-cost activities designed to reduce operating expenses and to add near term production

Heron-1 operating expenses

- Heron-1 to be connected to national grid electricity supply. 15% opex saving through switch from diesel fired power

Heron-2

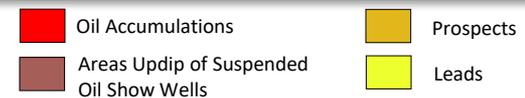
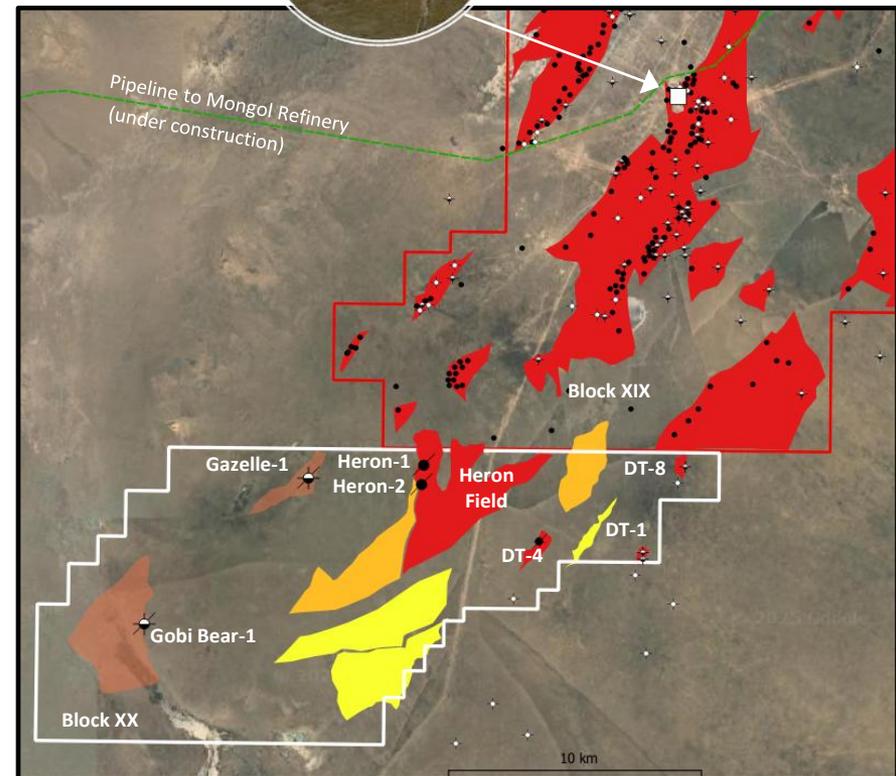
- Studies on Heron-2 cuttings indicate that the poor production performance on test in 2024 may be due to carbonate cement present in the reservoir
- An acid wash will be used to treat the reservoir after which it will be re-tested to see if a commercial flow rate can be established. If successful, Heron-2 will be put on stream through the Heron-1 facilities
- Even 50 bopd would be a 30% addition to production and revenue generation
- If a commercial rate cannot be established, then an injectivity test will be conducted to determine if Heron-2 can be used as a pressure support well to increase recovery from Heron-1

Gazelle-1 and Gobi Bear-1

- Gazelle-1 planned well test of log-defined oil pay
- Gobi Bear-1 well test to determine if oil pay is present



Petro China processing and export facilities



Well Test Candidate: Gazelle-1

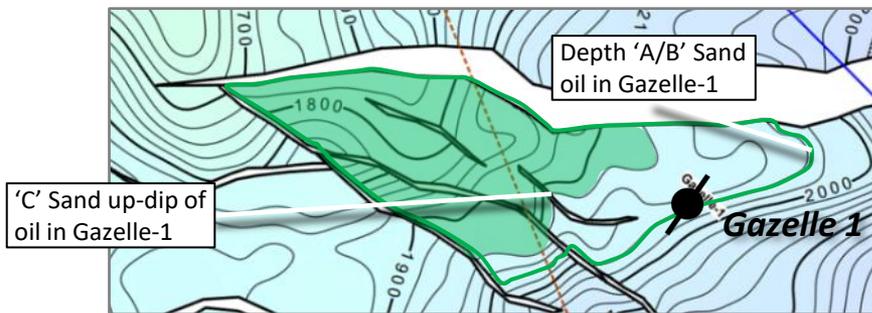
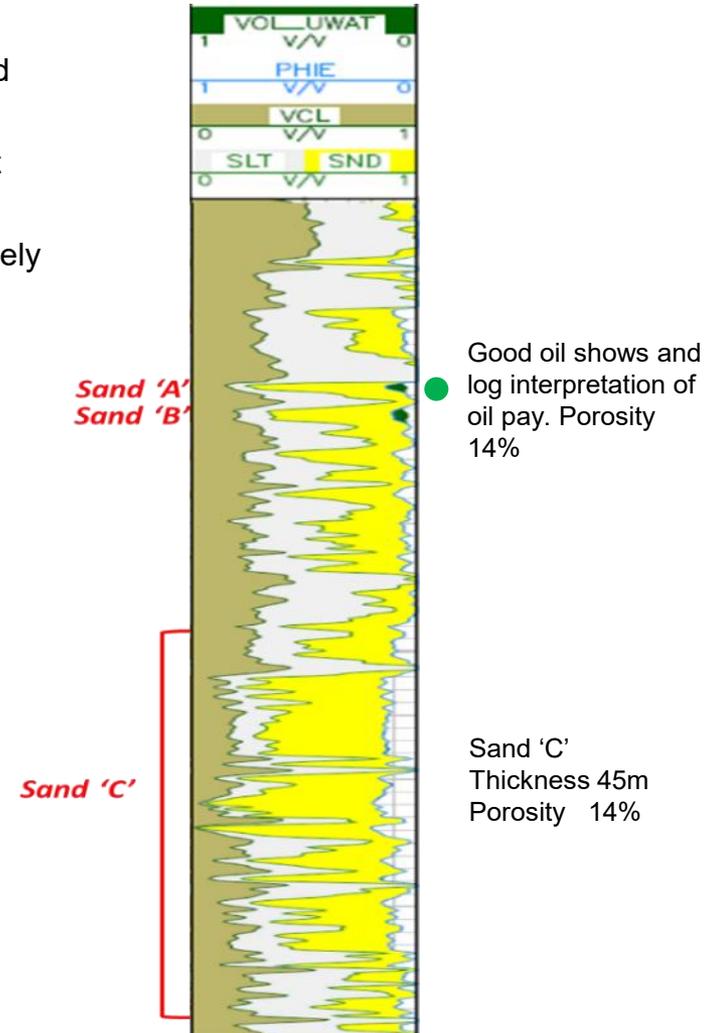
Gazelle-1 proven pay potential 2025 production add

- Drilled 2019, cased to TD and suspended
- Thin oil pay in good quality 'A' and 'B' Sands. Up to 40m vertical stand off from water leg
- Sand quality suggests good flow potential. Successful test can be put on production pending subsequent reserves certification
- 4.5km from Heron-1 so existing operation can easily and cost effectively support Gazelle-1

Gazelle upside potential

- 45m 'C' Sand is unusually thick and good quality for the basin and an attractive target if present up-dip of Gazelle-1 within the oil leg. Recoverable resource potential c. 5+MMbo¹
- Production of oil from proven pay would give information on the connected volume and inform a decision for up-dip sidetrack or new well in 2026

Gazelle-1 Reservoir Section



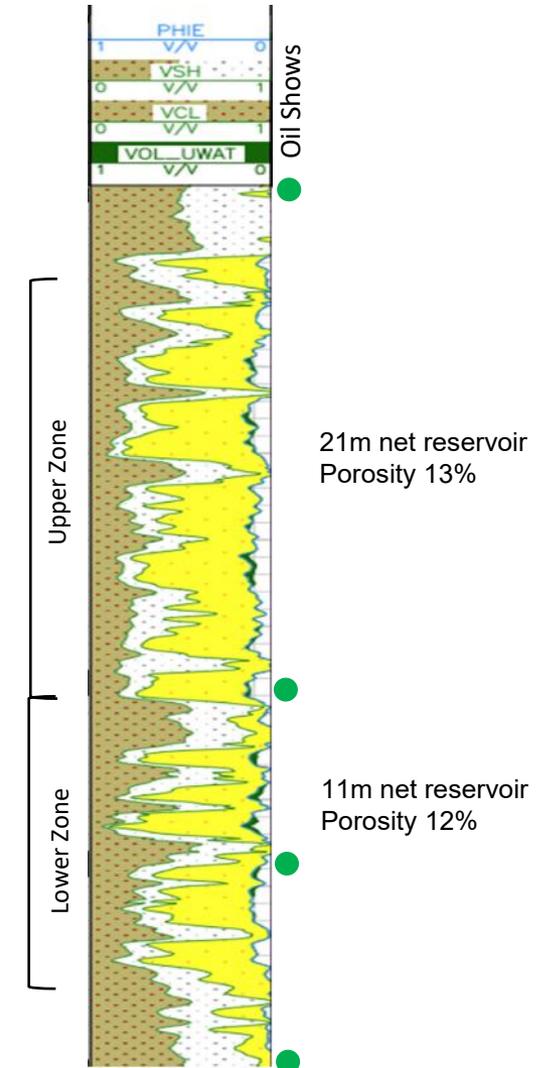
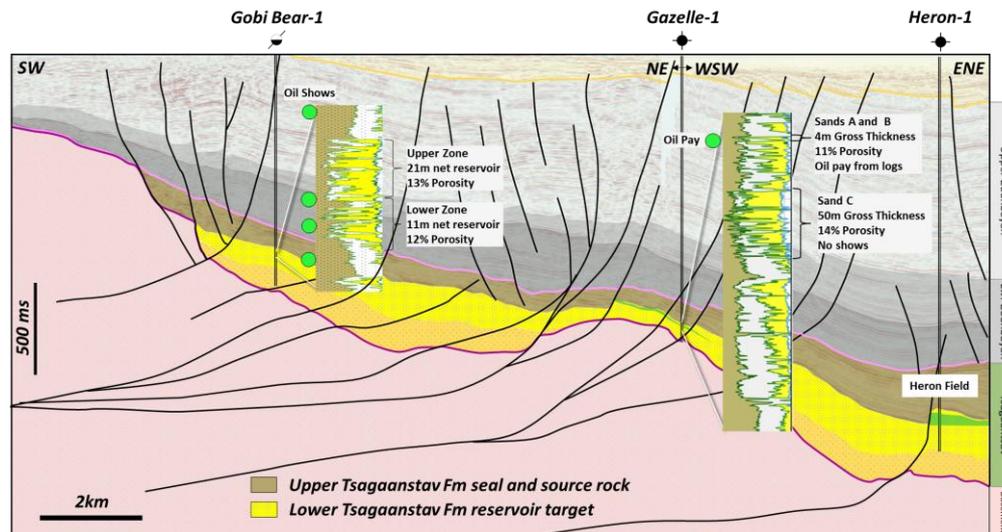
Lower Tsagaantsav Fm Depth Map

Well Test Candidate: Gobi Bear-1

Gobi Bear-1

- Drilled 2024, cased to TD and suspended
- Well targeted large stratigraphic trap in southwestern part of block – pre-drill in-place resource potential 307MMbo¹
- Well encountered 71m gross reservoir thickness with patchy oil shows
- Petrophysics computed some oil saturation but uncertain if from migrated/recoverable oil or from in-situ oil in low maturity but high-quality source rock material in the well
- Subsequent geochemical evaluation indicates the presence of migrated oil which is positive although not definitive
- Low-cost activity with potential for big resource add and chance of immediate production (and rapid pay back) if successful

Gobi Bear-1 Reservoir Section



Block VII

New Exploration Block

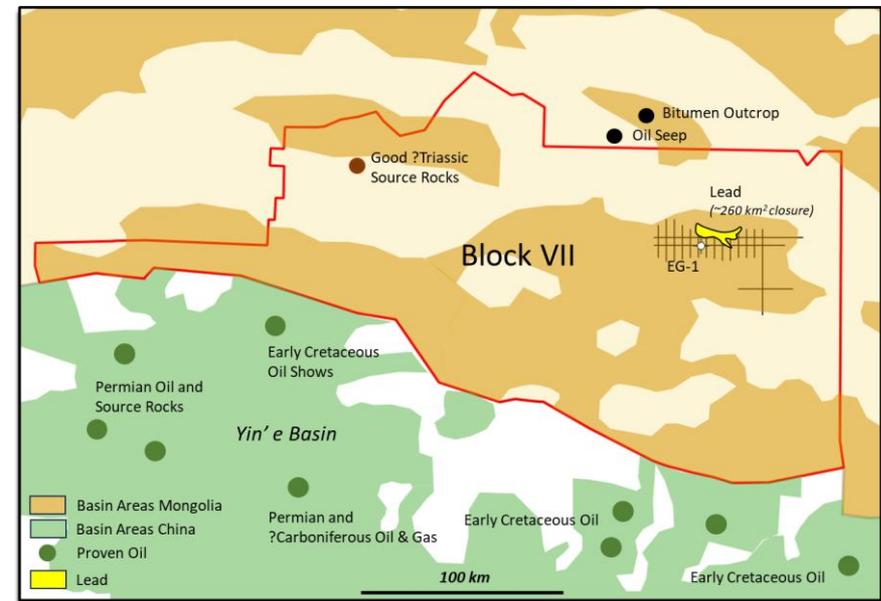
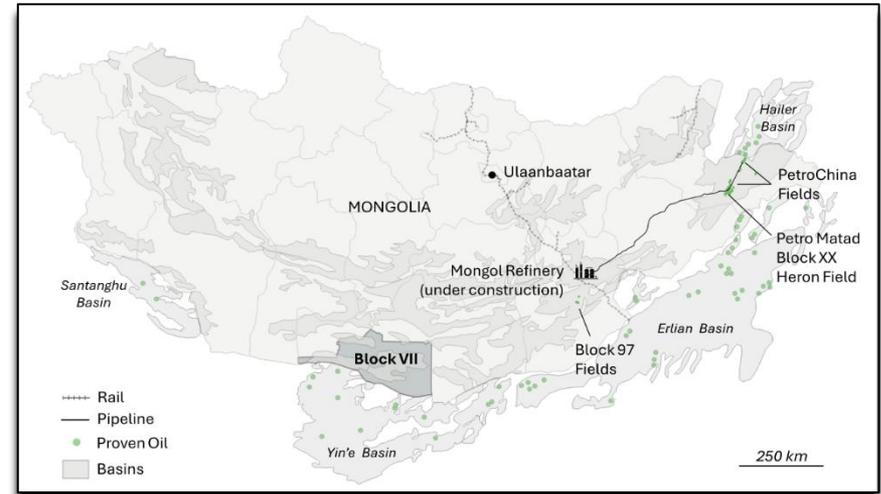
- Borzon Block VII signed January 2025
- 41,141 km² area located in southern Mongolia adjacent to hydrocarbon bearing Yin' e basin in China
- Fiscal terms are very attractive compared to most other international jurisdictions
- 8-year exploration period with two, 2-year extensions
- Initial 2-year period work commitment \$450k

Hydrocarbon Potential

- Phase 1 exploration comprises field work and geochemical sample analysis
- Previous operator acquired of 466 km 2D seismic data and drilled EG-1 well junked at c. 2350m. Data under evaluation
- Potential in Jurassic/Cretaceous play proven in Mongolia and older Triassic and Permian plays proven in the Yin'e Basin not explored in Mongolia to date
- Very large Lead identified on 2D seismic

Status

- Initial efforts focused on completing baseline environmental study and preparing for field work season, geochemical sampling and seismic reprocessing
- Seeking a partner



SunSteppe Renewable Energy JV

New government focus on Renewable Energy

- Politically courageous energy reform implemented, reducing subsidies. Improving investor environment. Pushing Mongolia's Vision 2050 plan
 - Meet 100% of domestic power demand by 2030
 - Become an energy exporter
 - Net zero
- Export to China projects attracting interest from major global players

Petro Matad's Renewable JV set up was well timed

- 4 projects exclusively held
 - 24MW solar/wind for Oyu Tolgoi (OT) Green Hydrogen - targeting online 2026
 - 50MW Choir Battery Storage - 2026
 - 200MW hybrid plant to replace coal. Commercially competitive PPA in place - 2027
 - 1500MW export to China with major Chinese utility - 2029
 - Several more opportunities under review
 - SunSteppe CEO advising government

Next steps

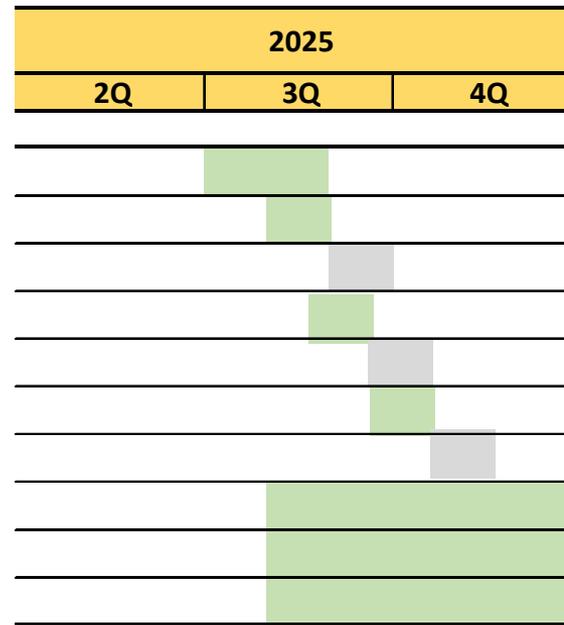
- OT and Choir projects already funded through to ready-to-build. Chasing permits and progress
- Development work on 200MW hybrid and export to China projects involves wind data gathering and land acquisition
- Benchmarking historic development premia paid to developers in Mongolia, these two large projects could attract multi-million dollar premium payments from interested investors as they approach ready-to build status
- SunSteppe will fulfill the local developer role seeking development premia and carries through construction until other funding options are available

2025 Work Programme

2025 work programme

- Funded by recent equity raise
- Block XX: Very active second half programme focused on opex reduction and low cost, near-term production enhancement opportunities
- Block VII: High potential exploration in basins proven productive across the border in China. Low committed cost
- Seeking partners for E&P assets to accelerate activities and enhance value
- Renewable Energy development activities (gathering wind data, adding to land bank) on two large, potentially transformational projects

Schedule



Thank you

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