



Petro Matad Limited

Annual Report

for the year ended 31 December 2025



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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 27 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. Mike was appointed as an Independent Non-Executive Director of Seascope Energy, an E&P company focused on Southeast Asia in January 2026.



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 43 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 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 2025.

Petro Matad Limited (Company) incorporated in the Isle of Man on 30 August 2007 has seven wholly owned subsidiaries, which are: Capcorp Mongolia LLC, Petro Matad LLC and Petro Matad Energy LLC (all incorporated in Mongolia), Central Asian Petroleum Corporation Limited (Capcorp) and Petromatad Invest Limited (both incorporated in the Cayman Islands) as well as Petro Matad Energy Limited and Petro Matad Resources Limited (both 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 2025 was \$4.23 million (31 December 2024: Loss \$10.92 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 VII and XX in Mongolia; and investment in renewable energy projects through its investment in Sunsteppe Renewable Energy Pte. Ltd (SunSteppe).

Changes in State of Affairs

Block XX Special Purpose Area status obtained in February 2025.

On 16 January 2025, the Company via its subsidiary Petro Matad Energy Limited 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 Mongolia XIX Co., Ltd, the operator of neighbouring Block XIX, signed the Oil Sales Agreement covering processing, storage, transportation, export and entrusted sale of produced Block XX crude oil.

In June 2025, the Company secured from the Ministry of Industry and Mineral Resources (MIMR) a three-year extension to the duration of the Block XX Exploitation License in recognition of the time lost regarding long delays after the July 2021 award of the Exploitation License until the granting of land access in May 2024. The immediate significance of this is that the five-year payment holiday period for customs duties on imported goods and equipment is also extended by three years which will result in savings in future operations.

On 18 July 2025, the Company concluded a placing by issuing 132,750,000 shares at a price of GBP0.008 per share arranged through its nominated adviser, broker and joint book runner for the purposes of the Placing, Shore Capital Stockbrokers.

On 18 July 2025, the Company concluded a placing by issuing 190,500,000 shares at a price of GBP0.008 per share arranged through its broker and joint book runner for the purposes of the Placing, Zeus Capital.

On 18 July 2025, the Company issued 32,169,117 shares through direct subscriptions at a price of GBP0.008 per share.

On 18 July 2025, the Company issued 19,497,678 shares to shareholders at a price of GBP0.008 per share through a retail offering.

On 2 December 2025, Petro Matad Resources Limited was incorporated in the Isle of Man.

Significant Events after Reporting Date

No reportable event.

Dividends

No dividends have been paid or are proposed in respect of the year 2025 (2024: 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 this strategy in 2026 and beyond.

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: 25 June 2026

Directors' Statement

03

Summary

2025 proved to be a successful year for Petro Matad, with continuing production from Heron-1 and Gazelle-1 coming onstream in late October following a successful well test. Produced crude from both wells was exported without incident to China under an Oil Sales Agreement which PetroChina signed in April 2025. Monthly oil sales payments ensued and although PetroChina withheld 30% pending confirmation on tax treatment in Mongolia, by year end the withholding issue was resolved and all 2025 payments were made. The Mineral Resources and Petroleum Authority of Mongolia (MRPAM) continued to be very supportive especially in the Company's efforts to expedite production activities at Gazelle-1.

On Block XX, production activities continued at Heron-1 with 245 shipments of crude oil made to PetroChina's TA-1 processing facility during the year. A well planned maintenance schedule resulted in production up-time of over 99%. The well continues to produce on forecast with water cut of the exported crude remaining stable at c.3%. There were no indications of wax build-up or sand production during the year such that interventions for 'hot oil' wash or installation of sand screens were not required. Connection of the Heron-1 well pad to the nearby electricity grid was successfully

completed resulting in reduction of both operating costs and emissions. By the end of 2025, sales oil from Heron-1 totalled c. 54,000 barrels.

A well test performed at Gazelle-1 in October proved to be very successful with a maximum rate of over 400 barrels per day (bopd) with no water achieved on natural flow. Following this the well was quickly completed, surface infrastructure comprising a beam-pump and single elevated production tank was installed with first oil achieved by the end of the month. Once on production, water breakthrough, which had been anticipated, was observed and this rose to in excess of 30% of total fluid. A production optimisation effort was successful and the water cut was reduced to 20% and has remained stable at this rate since. By the end of 2025 oil sales from Gazelle-1 totalled over 7,000 barrels.

The average production from Block XX in 2025 was 168 bopd and the average realised price was \$61.8 per barrel.

With the focus on getting Gazelle-1 onstream before the winter, there was insufficient time to perform a well test on the suspended Gobi Bear-1 well in 2025 where a geochemical study identified migrated oil in cuttings samples from the reservoir section. Whilst

this was positive support to log interpretation of a possible oil zone in the well, it is not conclusive. A well test is being discussed with contractors for execution during 2026.

The Block VII PSC was signed in January 2025 and the Exploration License was issued. Desk top studies, field trips and retrieval of all existing data were executed during the year.

As part of a farm out strategy adopted and announced in early 2025, discussions on Block XX continued throughout the year with one party making a due diligence visit to the field. Negotiations were continuing at year end and other parties were also reviewing data.

Post the reporting period production from the Heron and Gazelle wells has continued at and above expectations and in April 2026 total sales oil reached 100,000 barrels marking a significant milestone for the Company and the Field Operations team.

Sunsteppe Renewable Energy (SRE), the Company's renewables Joint Venture was very active through the year and identified several attractive project opportunities. The 200MW Hybrid project in Tuv Province was identified as the most likely of SRE's

portfolio projects to achieve ready to build status quickly and work was focused on progressing it. A wind mast was installed in December to start gathering data and phase one of the project comprising 100MW of solar and battery storage was prioritised. The feasibility study was completed in December 2025 and submitted to the Ministry of Energy for approval. In 2026, government changes slowed the approval of the feasibility study but the Ministry of Energy has recently generated new momentum in the renewable energy sector and a number of new, sizeable opportunities are under review by SRE.

Health Safety Security and Environment (HSSE)

The Company's Health, Safety, Security, and Environment Management System (HSSE MS) is designed to adhere to best practices set by the International Association of Oil & Gas Producers (IOGP).

Petro Matad, along with its contractors and subcontractors, remain committed to complying with all applicable Mongolian laws, regulations, and national standards throughout the Company's operations. In its annual evaluation of the

Company's environmental compliance, Dornod Aimag Environmental Implementation Committee awarded Petro Matad an overall score of 96.4% for its Block XX Environmental Implementation Report, demonstrating the Company's continuing high performance. The Company remains committed to environmental protection, implementing measures to achieve compliance with both national and international best practices, with ISO 14001 serving as a key benchmark for environmental management.

After nine consecutive years without a Lost Time Injury (LTI), one LTI was recorded in 2025. This incident involved a Production Operator who sustained a minor hand injury, and he could not return to work until medically cleared. Classified as an LTI, the subsequent investigation included lessons learned which have been incorporated into the Company's ongoing safety improvement initiatives to prevent recurrence.

In accordance with Mongolian legislation and international best practices, all HSE incidents are investigated, documented, and classified in line with IOGP guidelines. Lessons learned are disseminated throughout the organisation and integrated into management review processes for continuous improvement.

As the Company transitioned from exploration to production operations, with producing wells at Heron-1 and Gazelle-1, maintaining high standards of safety, environmental performance, operational integrity, and regulatory compliance remained key priorities. All production and supporting equipment at the Heron-1 and Gazelle-1 well sites undergo routine inspection, servicing, and preventative maintenance programmes in accordance with the manufacturers' specifications and operational requirements. This approach supports operational reliability while minimizing risks to personnel, the environment, and Company assets.

In accordance with Mongolian regulatory requirements, appropriate safety, operational, and environmental signage is maintained throughout

the Company's production facilities. These measures enhance workforce awareness, emergency preparedness, and safe operating practices across all operational areas.

Operations

Block XX: Following the successful fund raise completed in mid-July 2025, contracts for the various contractor services required were finalised, mobilisation notices issued and work commenced in late August for a re-test of the Heron-2 well. After an initial phase of swabbing that did not result in any improvement in fluid recovery from that observed on original well testing in 2024 an acid wash was performed. This went well with all injected fluid taken by the reservoir and subsequent swabbing recovered better rates initially with an increasing percentage of oil, but these rates then fell back. In order to improve the efficiency of fluid recovery, a beam-pump was installed and the majority of the acid wash fluid was recovered along with oil before the well was shut-in for the winter months. Monitoring of the fluid level in the well over the winter showed a consistent but slow ingress from the reservoir into the well bore. Going forward, we are investigating the merits of recommencing pump out activities at Heron-2 and also the use of radial drilling stimulation technology is being considered given reported successful application of this technology in some wells in the adjoining Block XIX. Whilst the flow performance of Heron-2 to date is lower than the nearby good producer at Heron-1, we remain hopeful that once all injected fluids have been recovered this may allow better oil rates to be achieved especially if further stimulation can be effectively deployed.

Production operations at Heron-1 continued without incident during 2025 and a well planned maintenance schedule resulted in production up-time of over 99%. A total of 245 shipments of crude oil were made to PetroChina's TA-1 offloading facility during the year with oil rates as per forecast and water-cut values of the sales oil remaining stable at c.3%. The project to extend the 10kV regional electricity grid to Heron to power the beam-pump

and related equipment was completed in December. Since then consumption of diesel has been reduced significantly as have the associated emissions. As a result monthly operating costs were reduced by c. 15%.

By the end of 2025 sales oil from Heron-1 for the year totalled c.54,000 barrels.

Well test operations at the Gazelle-1 oil discovery drilled in 2019 started in early October 2025 with an 8 metre zone perforated across two reservoir units initially delivering over 400 bopd on natural flow. With an API gravity of 40-43°, the oil is very similar to the Heron-1 crude. No water was observed during the test. The excellent well test result justified the completion of the well and installation of production facilities. First oil was achieved by the end of October. The well was able to flow to surface naturally for a short time before the beam pump was required. Early water breakthrough had been anticipated at Gazelle-1 due to the uncertain standoff of the perforated interval from water bearing sands and this was borne out in the early days of production with water cut increasing to more than 30%. Production optimisation efforts were successful in reducing and stabilising the water cut at c.20%. By the end of 2025, sales oil from Gazelle-1 totalled over 7,000 barrels.

Regarding the Gobi Bear-1 well that was suspended in October 2024 and in which some oil shows had been observed and where petrophysical evaluation of wireline logs suggested a possible zone of interest, a geochemical evaluation on cuttings samples was commissioned to determine if migrated oil was present. The results of this study were positive and interestingly, and despite the shallow depth of the well, early mature source rocks were confirmed within the Tsagaantsav Formation. This is a positive result for the prospectivity of the southern part of Block XX in proving that it is within the migration halo of the source kitchen. Overall, the analyses conducted were still not definitive and a well test was planned. However, getting Gazelle-1 onstream took precedence and there was insufficient time to perform a Gobi Bear-1 well test

before the onset of winter. Returning to Gobi Bear-1 for a well test remains in the Company's plans and in 2026 discussions were resumed with the testing contractor to determine a cost-effective operation and optimal timing.

The farm out initiative launched in 2025 generated interest from three counterparties initially. One counterparty undertook a due diligence visit to Mongolia and, post the reporting period, they have continued their technical evaluation. Meanwhile, the increase in the oil price and the global impact of the situation in the Persian Gulf has heightened interest in Petro Matad's portfolio from potential partners and discussions are continuing with a number of companies.

Block VII: Securing the formal Exploration Licence allowing the Company to pursue exploration activities on the block took longer than anticipated but was finally issued in October 2025. A scouting trip to the block was conducted including a visit to the rig that the previous operator had abandoned at the site of the only exploratory well drilled so far in the area. Drill cuttings samples from the well were collected for use in future studies. The seismic tapes for the 400km 2D survey that was acquired by the same operator were located and are being interpreted. The Company is actively seeking partners to join in exploring this large block and has received expressions of interest from companies who have interests in the proven producing Yin'e Basin in China, immediately to the south.

Sunsteppe Renewable Energy (SRE)

The Company's renewable energy vehicle made progress on its portfolio through 2025. In addition to the Green Hydrogen project with Oyu Tolgoi mine, the Choir 50MW/150MWh battery energy storage project and the 1.5GW export to China project, SRE identified that its 200MW Hybrid project in Tuv Province was the one with the best potential to reach ready to build status rapidly.

On the other projects in the portfolio, the Oyu Tolgoi project continued to move at a slow pace despite SRE's efforts, but SRE was able to secure Japanese

government agreement to extend the grant on the project. SRE's Choir 50MW battery storage project has been delayed whilst the government has prioritised its auction of five solar projects. The battery project is likely to be part of a subsequent auction process. SRE did not participate in the solar project auctions where the timeframe for project delivery was deemed to be too tight and penalties will be imposed if deadlines are missed. SRE's high potential 1.5GW export to China project is awaiting government to government agreements to be signed and progress was seen at a high level towards this end.

Meanwhile the 200MW Hybrid project has a partner very keen to move at the rapid pace that SRE is targeting. By December 2025, a wind mast had been erected at the site and the feasibility study for the solar and battery portion of this project had been completed and submitted to the Ministry of Energy for review and approval.

Post the reporting period, changes at cabinet level in Mongolia slowed the Ministry of Energy approvals process but with new urgency now injected into renewable energy projects, SRE is well placed to exploit this momentum. In addition to the 200MW Hybrid project, discussions to secure a 100MW solar/100MW battery fast track project are ongoing. SRE has submitted an expression of interest to be involved in bidding for a 100MW wind project that the International Finance Corporation is managing on behalf of the government and is also part of a consortium chosen as the preferred bidder to negotiate terms on a 90MW solar/battery project with the Ulaanbaatar municipality. Like the 200MW Hybrid project, the fast track project and the Ulaanbaatar project have willing counterparties, aggressive but realistic timeframes and so have the potential to crystallise value for SRE in the near term.

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 accordance with the Block XX PSC, Petro Matad and the Governor of Matad Soum concluded an Agreement on Environmental Protection and Support for Community Development for 2025 valued at c.\$150,000. The Governor subsequently sent a letter of appreciation in recognition of Petro Matad's support of the local community.

For its production operations, Petro Matad recruited locally and put in place a comprehensive training programme for the operators hired. During operational activities, a doctor stationed at the project site provided basic primary healthcare services to herder families living nearby.

Conclusion

It was an active and positive year for the Company with continuing production from Heron-1 and with the highlight of production also starting at Gazelle-1. The cooperation with PetroChina for the sale of Block XX crude has not been without challenges but this partnership offers the Company the best commercial solution to secure revenue from its early production operations. The farm out initiative is generating more interest after upheavals in the global energy situation and the Company's renewable energy joint venture has some sizeable opportunities to start crystallising the value it has created. The Company looks forward to advancing both streams of its business and creating value for shareholders.

Acknowledgements

The Company is grateful for the support it has received from the Mongolian authorities through the year, particularly in facilitating production startup at Gazelle-1 so promptly. The Company appreciated the cooperation of neighbouring operator PetroChina for providing a route to commercialise Block XX's early production.

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 and constructive input are also highly appreciated.

Board of Directors

ТУЗ-ийн гишүүдийн МЭДЭГДЭЛ /АЛБАН БУС ОРЧУУЛГА/

Товч агуулга

“Петро Матад” компанийн хувьд 2025 он амжилт бүтээл өндөр жил байлаа. “Цэн тогоруу-1” цооногийн олборлолт хэвийн үргэлжлэхийн сацуу “Цагаан зээр-1” цооногийн туршилтын ажлыг амжилттай гүйцэтгэн, 10 дугаар сарын сүүлээр тус цооногийн олборлолтыг эхлүүлсэн. Хоёр цооногоос олборлосон түүхий тосыг “ПетроЧайна” компанитай 2025 оны 4 дүгээр сард байгуулсан газрын тос борлуулах гэрээний дагуу ямар нэгэн хүндрэлгүйгээр БНХАУ-д экспортолсон. Газрын тосны борлуулалтын төлбөр сар бүр тогтмол хийгдэж байсан бөгөөд Монгол Улсад мөрдөгдөх татварын зохицуулалт тодорхой болох хүртэл “ПетроЧайна” компани нь төлбөрийн 30 хувийг түр суутгаж байсан ч жилийн эцэс гэхэд энэ асуудал бүрэн шийдвэрлэгдэж, 2025 оны бүх төлбөр бүрэн төлөгдсөн. Монгол Улсын Ашигт малтмал, газрын тосны газар (АМГТГ) Компанийн үйл ажиллагааг тууштай дэмжин ажилласан. Ялангуяа “Цагаан зээр-1” цооногийн олборлолтын үйл ажиллагааг шуурхай эхлүүлэхэд АМГТГ-ын зүгээс томоохон дэмжлэг үзүүлсэн.

“Матад ХХ” талбайд “Цэн тогоруу-1” цооногийн олборлолтын үйл ажиллагаа хэвийн үргэлжилж, тус цооногоос жилийн хугацаанд “ПетроЧайна” компанийн ТА-1 олборлолтын нэгдсэн

байгууламж руу түүхий тосны 245 удаагийн ачилт хийгдсэн байна. Төлөвлөгөөт засвар үйлчилгээг оновчтой төлөвлөж хэрэгжүүлсний дүнд олборлолтын тасралтгүй ажиллагаа 99 хувиас дээш түвшинд байлаа. Тус цооногийн олборлолт урьдчилсан тооцоолсон хэмжээнд явагдаж байгаа бөгөөд экспортод гаргасан түүхий тосны усны агууламж ойролцоогоор 3 хувьд тогтвортой байв. Жилийн олборлолтын явцад элс эсвэл ваксжилтын ямар нэгэн шинж тэмдэг ажиглагдаагүй тул элсний шүүр суулгах эсвэл халуун тосоор угаах гэх мэт цооногийн гүний ажил үйлчилгээ шаардагдсангүй. “Цэн тогоруу-1” цооногийн талбайг ойролцоох эрчим хүчний шугам сүлжээнд холбох ажлыг амжилттай гүйцэтгэснээр үйл ажиллагааны зардал болон нүүрсхүчлийн хийн ялгаруулалт буурсан. Ийнхүү 2025 оны эцэс гэхэд “Цэн тогоруу-1” цооногийн борлуулсан тосны хэмжээ ойролцоогоор 54,000 баррельд хүрсэн.

“Цэн тогоруу-2” цооногийн хувьд гарцыг дахин турших, хүчиллэг шингэнээр угаах ажлууд хийгдсэн боловч цооногийн ундарга эдийн засгийн хувьд үр ашигтай олборлолт явуулах хэмжээнд хараахан хүрээгүй.

“Цагаан зээр-1” цооногт 10 дугаар сард хийсэн цооногийн туршилт амжилттай болж, туршилтын явцад цооногийн түүхий тосны ундарга байгалийн энергээрээ, усгүйгээр хоногт 400 баррельд хүрч байв. Үүний дараа цооног гүйцээлтийн ажлыг богино хугацаанд хийж гүйцэтгэн, дам нуруут шахуурга болон тулгуур бүхий нэг ширхэг хадгалах савнаас бүрдсэн гадаргын дэд бүтцийг барьж байгуулсан бөгөөд сарын эцэс гэхэд анхны тосоо олборлож эхэлсэн. Олборлолт эхэлсний дараа урьдчилан таамаглаж байсанчлан давхаргын ус түрэн орж байгаа нь ажиглагдаж, нийт шингэний 30 хувиас дээш түвшинд хүрсэн. Үүний дараа олборлолтыг оновчтой болгох арга хэмжээг амжилттай хэрэгжүүлж, усны агууламжийг 20 хувь хүртэл бууруулсан бөгөөд түүнээс хойш энэ хэмжээнд тогтвортой байна. 2025 оны эцэс гэхэд “Цагаан зээр-1” цооногийн борлуулсан тосны нийт хэмжээ 7,000 гаруй баррельд хүрсэн байна.

2025 онд “Матад ХХ” талбайгаас олборлосон тосны борлуулалтын дундаж үнэ нэг баррель нь 61.8 ам.доллар байв.

“Цагаан зээр-1” цооногийг өвлийн улирал эхлэхээс өмнө ашиглалтад оруулахад голлон анхаарч ажилласан тул түр зогсоосон байсан “Мазаалай-1” цооногт 2025 онд туршилт хийж

хангалттай хугацаа үлдээгүй. Уг цооногийн резервуарын хэсгээс авсан өрөмдлөгийн үйрмэг дээжинд хийсэн геохимийн шинжилгээгээр шилжин хуримтлагдсан тосны ул мөр илэрсэн. Энэ нь цооногийн каротажийн тайлалд үндэслэн тогтоосон тос агуулж байж болзошгүй тосны үе давхаргын талаарх дүгнэлтийг дэмжсэн эерэг үзүүлэлт хэдий ч баталгаатай биш юм. 2026 онд уг цооногт туршилт хийхээр туслан гүйцэтгэгч нартай хэлэлцэж байна.

“Борзон VII” талбайн Газрын тосны бүтээгдэхүүн хуваах гэрээг 2025 оны 01 дүгээр сард байгуулж, хайгуулын тусгай зөвшөөрлийг авсан. Жилийн явцад суурин боловсруулалт, хээрийн судалгаа болон өмнө нь хийгдсэн бүх судалгааны мэдээлэл, өгөгдлийг олж цуглуулж, нэгтгэх ажлууд хийгдсэн.

2025 оны эхээр эхлүүлэн зарласан фарм-аут стратегийн хүрээнд “Матад ХХ” талбайтай холбоотой хэлэлцээрүүд жилийн турш үргэлжилсэн бөгөөд сонирхогч нэг тал талбай дээр очиж, үйл ажиллагааны нөхцөл байдалтай биечлэн танилцсан. Оны эцсийн байдлаар хэлэлцээр үргэлжилж байсан бөгөөд бусад сонирхогч талууд мөн холбогдох мэдээлэл, өгөгдлийг судалж байв.

Тайлант хугацаа дууссанаас хойш “Цэн тогоруу”, “Цагаан зээр” цооногуудын олборлолт төлөвлөсөн түвшинд болон түүнээс давсан хэмжээнд үргэлжилсэн. Борлуулсан нийт тосны хэмжээ 2026 оны 4 дүгээр сард 100,000 баррель хүрсэн нь Компани болон олборлолтын багийн хувьд чухал тэмдэглэлт үйл явдал боллоо.

Компанийн хамтарсан хөрөнгө оруулалттай, сэргээгдэх эрчим хүчний “Санстеппе Реньюайбль Энержи” (SRE) компани нь жилийн турш идэвхтэй ажиллаж, ирээдүйтэй хэд хэдэн төслийг хэрэгжүүлэх боломжийг судалж тодорхойлсон. Эдгээрээс Төв аймагт хэрэгжүүлэхээр төлөвлөсөн 200 МВт-ын хүчин чадалтай, хосолмол эрчим хүчний төсөл нь богино хугацаанд барилгын ажил эхлүүлэхэд бэлэн шатанд хүрэх хамгийн өндөр магадлалтай төсөл гэж үнэлэгдсэн тул уг төсөлд голчлон анхаарч ажилласан. Салхины нөөцийн мэдээлэл цуглуулах зорилгоор 2025 оны 12 дугаар сард салхины хэмжилтийн цамхаг суурилуулсан бөгөөд төслийн эхний үе шатанд 100 МВт-ын нарны цахилгаан станц болон эрчим хүч хуримтлуулах батарей хуримтлуурын станцыг хэрэгжүүлэхээр тэргүүлэх ач холбогдол өгч ажилласан. Төслийн техник, эдийн засгийн үндэслэлийг 2025 оны 12 дугаар сард боловсруулж дуусган Эрчим хүчний яаманд батлуулахаар хүргүүлсэн. 2026 онд Засгийн газрын бүтцийн өөрчлөлтийн улмаас техник, эдийн засгийн үндэслэлийг батлах үйл явц удааширсан боловч Эрчим хүчний яам саянаас сэргээгдэх эрчим хүчний салбарын хөгжлийг эрчимжүүлэх чиглэлээр шинэ санаачилга гарган ажиллаж эхэлсэн бөгөөд үүний хүрээнд SRE хэд хэдэн шинэ, томоохон төслүүдийг хэрэгжүүлэх боломжийг судалж байна.

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

Компанийн Хөдөлмөрийн аюулгүй байдал, эрүүл ахуй, байгаль орчин (ХАБЭАБО)-ны удирдлагын тогтолцоог “Олон улсын газрын тос, байгалийн хий олборлогчдын холбоо” (IOGP)-ны шилдэг туршлагаудад нийцүүлэн боловсруулсан.

“Петро Матад” компани нь өөрийн гүйцэтгэгч болон туслан гүйцэтгэгч байгууллагуудын хамт Компанийн үйл ажиллагааны бүхий л үе шатанд Монгол Улсын холбогдох хууль тогтоомж, дүрэм журам, стандартуудыг мөрдөн ажилласаар ирсэн. Дорнод аймгийн Байгаль орчны газар Компанийн байгаль орчны үйл ажиллагааны хэрэгжилтэд хийсэн ээлжит үнэлгээгээр “Матад ХХ” талбайн Байгаль орчны менежментийн төлөвлөгөөний хэрэгжилтийн тайланд 96.4 хувийн үнэлгээ өгсөн нь Компанийн үйл ажиллагааны гүйцэтгэл өндөр түвшинд тогтвортой хадгалагдаж байгааг харуулж байна. Тус Компани нь байгаль орчныг хамгаалах талаар хүлээсэн үүргээ тууштай биелүүлж, ISO 14001 стандартыг байгаль орчны менежментийн үндсэн жишиг болгон үндэсний болон олон улсын шилдэг туршлагад нийцсэн арга хэмжээг тогтмол авч хэрэгжүүлэн ажиллаж байна.

Хөдөлмөрийн чадвар түр алдсан тохиолдол (Lost Time Injury – LTI) есөн жил дараалан бүртгэгдээгүй байсан боловч 2025 онд олборлолтын ажилтан гараа хөнгөн гэмтээсний улмаас эмнэлгээс ажилдаа эргэн орох зөвшөөрөл олгох хүртэл ажиллах боломжгүй болсон нэг тохиолдол бүртгэгдсэн. Уг тохиолдлыг хөдөлмөрийн чадвар түр алдалт (LTI) гэж ангилсан бөгөөд шалгалтын үр дүн, олж авсан сургамжийг компанийн хөдөлмөрийн аюулгүй байдлыг тасралтгүй сайжруулах үйл ажиллагаанд тусган, дахин давтагдахаас урьдчилан сэргийлэх арга хэмжээг авч ажиллаж байна.

Монгол Улсын хууль тогтоомж болон олон улсын шилдэг туршлагын дагуу ХАБЭАБО-той холбоотой бүх осол, зөрчил, тохиолдлыг шалгаж, баримтжуулан, IOGP-ийн удирдамжийн

дагуу ангилан бүртгэдэг. Шалгалтын үр дүнд тодорхойлогдсон сургамж, зөвлөмжүүдийг байгууллагын хэмжээнд түгээн хэрэгжүүлж, үйл ажиллагааг тасралтгүй сайжруулах зорилгоор удирдлагын хяналт-шинжилгээ, үнэлгээний үйл явцад тусган ажилладаг.

Компани хайгуулын шатнаас олборлолтын шатанд шилжин “Цэн тогоруу-1”, “Цагаан зээр-1” цооногууд ашиглалтад орсонтой холбоотойгоор аюулгүй ажиллагаа, байгаль орчныг хамгаалах, үйл ажиллагааны найдвартай байдлыг хангах болон хууль тогтоомжийн нийцлийг бүрэн хангах нь нэн тэргүүний зорилтуудын нэг байв. “Цэн тогоруу-1” болон “Цагаан зээр-1” цооногийн талбай дахь олборлолтын болон туслах бүх тоног төхөөрөмжид үйлдвэрлэгчийн заавар, ашиглалтын шаардлагын дагуу тогтмол үзлэг, урьдчилан сэргийлэх засвар үйлчилгээ хийдэг. Энэхүү арга барил нь үйл ажиллагааны найдвартай байдлыг хангахын зэрэгцээ ажилчид, байгаль орчин болон Компанийн хөрөнгөд учирч болзошгүй эрсдэлийг бууруулахад чиглэдэг.

Монгол Улсын хууль тогтоомжийн дагуу Компанийн олборлолтын байгууламжууд дээр аюулгүй ажиллагаа, ашиглалт болон байгаль орчинтой холбоотой зохих тэмдэг, тэмдэглэгээг байршуулж, мөрдөн ажиллаж байна. Эдгээр арга хэмжээ нь ажилтнуудын мэдлэг, ойлголтыг нэмэгдүүлэх, онцгой байдлын үед бэлэн байдлыг хангах, мөн үйл ажиллагааны бүх шатанд аюулгүй ажиллах дадлыг төлөвшүүлэхэд чухал хувь нэмэр оруулж байна.

Үйл ажиллагаа

“Матад ХХ” талбай: 2025 оны 7 дугаар сарын дундуур хөрөнгө босголт амжилттай болсны дараа шаардлагатай туслан гүйцэтгэх үйлчилгээний гэрээнүүдийг эцэслэн байгуулж, ажил гүйцэтгэх мэдэгдэл хүргүүлснээр 8 дугаар сарын сүүлээр “Цэн тогоруу-2” цооногийн гарцыг дахин турших ажил эхэлсэн. Эхний шатанд шавхалтын ажил гүйцэтгэхэд шингэний гарц нь 2024 онд

цооногийн туршилтаар ажиглагдсан үзүүлэлтээс илүү гараагүй. Үүний дараа хүчиллэг шингэнээр угаах ажлыг гүйцэтгэсэн бөгөөд шахсан бүх шингэнийг резервуарт түрэн оруулах боломжтой байв. Удаах шингэн шавхалтын ажлын эхэн үед шингэн дэх тосны агууламж өсч, гарц нь илүү өндөр үзүүлэлттэй байсан боловч явцдаа буурсан. Шингэний гарцыг нэмэгдүүлэх зорилгоор дам нуруут шахуурга суурилуулсан бөгөөд өвлийн улиралд цооногийг түр хаахаас өмнө шахсан хүчиллэг шингэний дийлэнхийг нь буцаан олборлож гаргасан. Өвлийн турш цооног дахь шингэний түвшинг хянахад резервуараас цооног руу тогтмол боловч удаан урсац ажиглагдсан. Одоогоор “Цэн тогоруу-2” цооногийн шавхалтын үйл ажиллагааг дахин эхлүүлэхэд гарах ач холбогдлыг судалж байгаагаас гадна хөрш зэргэлдээ “Тосон-Уул XIX” талбайн зарим цооногт амжилттай хэрэглэсэн гэх радиал өрөмдлөгийн технологийг ашиглах боломжийг судалж байна. “Цэн тогоруу-2” цооногийн одоогийн ундарга зэргэлдээх олборлолт сайтай “Цэн тогоруу-1” цооногийн ундаргаас бага байгаа хэдий ч бүх шахсан шингэнийг бүрэн шавхаж гаргасны дараа, ялангуяа олборлолтыг өдөөх технологи үр дүнтэй ашиглаж чадвал тосны ундаргыг нэмэгдүүлэх боломжтой гэж үзэж байна.

“Цэн тогоруу-1” цооногийн олборлолтын үйл ажиллагаа 2025 онд ямар нэгэн сааталгүйгээр хэвийн үргэлжилж, засвар үйлчилгээний ажлыг оновчтой төлөвлөж хэрэгжүүлсний үр дүнд олборлолтын тасралтгүй ажиллагаа 99 хувиас дээш түвшинд байлаа. Жилийн хугацаанд нийт 245 удаагийн ачилтаар “ПетроЧайна” компанийн ТА-1 байгууламжид түүхий тосыг буулгасан бөгөөд олборлолтын хэмжээ урьдчилан тооцоолсон түвшинд, тосон дахь усны агууламж 3 орчим хувьд тогтвортой байв. “Цэн тогоруу-1” цооногийн дам нуруут шахуурга болон холбогдох тоног төхөөрөмжийг цахилгаан эрчим хүчээр хангах зорилгоор бүс нутгийн 10 кВ-ын эрчим хүчний шугам сүлжээнд холбох төслийг 12 дугаар сард амжилттай хэрэгжүүлсэн. Үүний үр дүнд дизель

түлшний хэрэглээ болон түүнтэй холбоотой нүүрсхүчлийн хийн ялгаруулалт мэдэгдэхүйц буурч, улмаар сарын үйл ажиллагааны зардал 15 орчим хувиар буурсан.

2025 оны эцэс гэхэд “Цэн тогоруу-1” цооногийн борлуулсан тосны тухайн жилийн нийт хэмжээ ойролцоогоор 54,000 баррельд хүрсэн байна.

2019 онд өрөмдсөн “Цагаан зээр-1” нээлтийн цооногт 2025 оны 10 дугаар сарын эхээр цооногийн туршилтын ажил эхэлсэн бөгөөд хоёр резервуарын нэгжийг хамарсан 8 метрийн перфораци хийсэн интервалаас эхэндээ байгалийн урсгалаар хоногт 400 баррелиас дээш ундаргатай тос гарч байв. 40-43° API хүндийн жинтэй энэхүү газрын тос нь “Цэн тогоруу-1” цооногийн түүхий тостой шинж чанарын хувьд маш төстэй бөгөөд туршилтын хугацаанд усны агууламж ажиглагдаагүй. Цооногийн энэхүү сайн үр дүн нь тус цооногт гүйцээлт хийх, олборлолтын тоног төхөөрөмж суурилуулах үндэслэл болсон бөгөөд 10 дугаар сарын эцэс гэхэд анхны тосоо олборлож гаргасан. Цооногоос тос эхэндээ богино хугацаанд байгалийн урсгалаар ундарч байсан боловч удалгүй дам нуруут шахуургыг ашиглах шаардлагатай болсон. Перфораци хийсэн интервал болон ус агуулсан элсний давхаргын хоорондын зай хангалттай эсэх нь тодорхойгүй байсан тул “Цагаан зээр-1” цооногт ус түрж орж ирэх магадлалтай гэж тооцоолж байсан бөгөөд олборлолтын эхний өдрүүдэд энэ тооцоолол батлагдан, усны агууламж 30 хувиас дээш болж өссөн. Иймд олборлолтыг оновчтой болгох арга хэмжээг амжилттай хэрэгжүүлэн, усны агууламжийг ойролцоогоор 20 хувь хүртэл бууруулж, тогтворжуулсан. 2025 оны эцэс гэхэд “Цагаан зээр-1” цооногийн нийт борлуулсан тосны хэмжээ 7,000 гаруй баррель болсон байна.

2024 оны 10 дугаар сард түр хааж орхисон байсан “Мазаалай-1” цооногт өрөмдлөгийн үеэр газрын тосны илэрц ажиглагдаж байсан бөгөөд каротажийн өгөгдлийн петрофизикийн тайллаар

газрын тостой үе байж болох шинж тэмдэг тогтоогдсон. Үүнтэй холбоотойгоор өрөмдлөгийн үйрмэг дээжүүдэд геохимийн нарийвчилсан шинжилгээ хийлгэж, шилжин хуримтлагдсан газрын тосны ул мөр байгаа эсэхийг тодорхойлох ажлыг гүйцэтгэсэн. Энэхүү судалгааны үр дүн эерэг гарсан бөгөөд сонирхолтой нь цооногийн гүн харьцангуй бага хэдий ч Цагаанцавын формацад задралд орж чанагдах процессын эхэн үеийн үүсгэгч чулуулгууд байгааг баталсан. Энэхүү үр дүн нь ХХ талбайн өмнөд хэсгийн хэтийн төлөвийг эергээр үнэлэхэд чухал ач холбогдолтой бөгөөд тухайн бүс нь үүсгэгч чулуулгийн голомтоос нүүрс-устөрөгч шилжин нүүсэн бүсэд багтаж байгааг нотолж байна. Хийгдсэн шинжилгээ, судалгаанууд нь ерөнхийдөө эцсийн дүгнэлт хийхэд хангалттай баталгаатай биш хэвээр байсан тул цооногийн туршилт хийхээр төлөвлөж байв. Гэвч “Цагаан зээр-1” цооногийг олборлолтод шилжүүлэх ажил нэн тэргүүний ач холбогдолтой байсан бөгөөд өвөл эхлэхээс өмнө “Мазаалай-1” цооногт туршилт хийхэд хангалттай хугацаа үлдээгүй. “Мазаалай-1” цооногт туршилт хийх нь компанийн төлөвлөгөөнд байсаар байгаа бөгөөд 2026 онд туршилтын ажил гүйцэтгэгч компанитай хэлэлцээг дахин эхлүүлж, зардлын хувьд үр ашигтай шийдэл болон ажлыг эхлүүлэх оновчтой цаг хугацааг тодорхойлохоор ажиллаж байна.

2025 онд эхлүүлсэн фарм-аут санаачилга эхний ээлжинд гурван боломжит түншийн сонирхлыг татсан. Тэдгээрийн нэг нь Монгол Улсад ирж, үйл ажиллагаатай нарийн танилцсан бөгөөд тайлант хугацаа дууссаны дараа техникийн үнэлгээг үргэлжлүүлэн хийсээр байна. Үүний зэрэгцээ дэлхийн зах зээл дэх газрын тосны үнийн өсөлт болон Персийн булангийн бүс нутаг дахь нөхцөл байдлаас дэлхийн дахинд үзүүлж байгаа нөлөөлөл нь “Петро Матад” компанийн төслүүдэд оролцох боломжит түншүүдийн сонирхлыг нэмэгдүүлсэн. Үүний дүнд хэд хэдэн компанитай яриа хэлэлцээ үргэлжилж байна.

“Борзон VII” талбай: Тус талбайд газрын тосны хайгуулын үйл ажиллагаа явуулах тусгай зөвшөөрөл төлөвлөж байснаас нэлээд удаан хугацааны дараа буюу 2025 оны 10 дугаар сард олгогдсон. Тус талбайд тандалт, урьдчилсан үнэлгээ хийх зорилгоор хээрийн ажил зохион байгуулж, тус бүс нутагт өрөмдсөн цорын ганц хайгуулын цооногийн талбайд өмнөх гэрээлэгчийн орхисон өрмийн цамхгийг очиж үзсэн. Цаашдын судалгаанд ашиглах зорилгоор уг цооногоос гарсан өрөмдлөгийн үйрмэг дээжүүд цуглуулсан. Мөн тухайн гэрээлэгч компанийн өмнө нь гүйцэтгэсэн 400 км урттай, 2 хэмжээт чичирхийллийн судалгааны соронзон хальсуудыг олж авч, өгөгдлийг Компанийн судалгааны программ хангамжид оруулан тайллын ажлыг хийж байна. Компанийн зүгээс энэхүү өргөн уудам талбайд хайгуул хийхэд хамтран ажиллах түншүүдийг идэвхтэй хайж байгаа бөгөөд тус талбайн яг урд БНХАУ-ын нутагт байгаа, батлагдсан, олборлолт явагдаж буй Юин’И сав газарт ашиг сонирхол бүхий компаниуд сонирхлоо бидэнд илэрхийлээд байна.

Санстеппе Реньюайбль Энержи (SRE)

Компанийн сэргээгдэх эрчим хүчний салбар дахь төсөл хэрэгжүүлэгч SRE нь 2025 онд багагүй ахицтай ажиллалаа. Оюу Толгой уурхайн “Ногоон устөрөгчийн төсөл”, Чойрын 500МВт/150МВт. цаг хүчин чадалтай батарей хуримтлуурт эрчим хүчний төсөл болон БНХАУ-д 1.5 ГВт цахилгаан эрчим хүч экспортлох төслөөс гадна SRE нь Төв аймагт хэрэгжүүлэх 200 МВт хүчин чадалтай хосолмол эрчим хүчний төслөө богино хугацаанд барьж эхлүүлэхэд бэлэн үе шатанд хүрэх хамгийн өндөр боломжтой төслөөр үнэллээ.

Оюу Толгой уурхай дахь төслийн хувьд SRE-ийн зүгээс идэвхтэй хүчин чармайлт гарган ажиллаж байгаа боловч ахиц нь удаашралтай байлаа. Гэхдээ SRE нь уг төсөлд олгогдсон буцалтгүй тусламжийн хугацааг сунгах талаар Япон улсын Засгийн газрын зөвшөөрлийг авч чадсан. Монгол Улсын Засгийн газрын зүгээс таван нарны

эрчим хүчний төслийн сонгон шалгаруулалтыг урьтал болгосонтой холбоотойгоор SRE-ийн Чойрын 50МВт-ын батарей хуримтлуурын төсөл хойшлогдоод байна. Тус батарейн төсөл нь дараагийн ээлжийн сонгон шалгаруулалтын үйл ажиллагаанд багтах магадлалтай байна. Тэдгээр нарны эрчим хүчний төслүүдийн хэрэгжүүлэх хугацааг хэт богино гэж үзсэнээс гадна хугацаа хэтрүүлсэн тохиолдолд торгууль ногдуулахаар байгаа тул SRE тэдгээр сонгон шалгаруулалтад оролцоогүй болно. БНХАУ-д 1.5 ГВт цахилгаан эрчим хүч экспортлох өндөр боломж бүхий төсөл нь одоогоор Засгийн газар хоорондын гэрээ, хэлэлцээр байгуулагдахыг хүлээж байгаа бөгөөд энэ чиглэлд дээгүүр түвшинд тодорхой ахиц гарч байна.

Үүний зэрэгцээ 200 МВт хүчин чадалтай хосолмол эрчим хүчний төсөлд SRE-ийн зорьж буй хурдацтай хэрэгжүүлэлтийг дэмжиж хамтран ажиллах өндөр сонирхолтой түнштэй болсон. 2025 оны 12 дугаар сарын байдлаар төслийн талбайд салхины хэмжилтийн цамхаг суурилуулсан ба төслийн нарны цахилгаан станц болон батарей хуримтлуурын хэсгийн техник, эдийн засгийн үндэслэлийг боловсруулан Эрчим хүчний яаманд хянуулж батлуулахаар хүргүүлсэн.

Тайлант хугацааны дараа Монгол Улсын Засгийн газрын бүтэц, бүрэлдэхүүнд өөрчлөлт орсны улмаас Эрчим хүчний яамнаас зөвшөөрөл олгох үйл явц тодорхой хэмжээнд удааширсан хэдий ч сэргээгдэх эрчим хүчний төслүүдийг эрчимжүүлэхэд онцгойлон анхаарч эхэлснээр SRE нь энэхүү боломжийг үр дүнтэй ашиглах таатай нөхцөлд байна. Дээрх 200 МВт-ын хосолмол төслөөс гадна одоогоор 100 МВт-ын нарны эрчим хүч / 100 МВт-ын батарей хуримтлуурын яаравчилсан төслийг авч хэрэгжүүлэх хэлэлцээр мөн явагдаж байна. SRE 100 МВт-ын салхины эрчим хүчний төслийн тендерт оролцох хүсэлтээ Олон улсын санхүүгийн корпорацид (IFC) хүргүүлээд байна. Түүнчлэн Улаанбаатар хотын захиргаатай 90 МВт-ын нарны эрчим хүч/ батарей хуримтлуурын төслийн нөхцөлийг

тохиролцоо давуу эрх бүхий тендерт сонгогдсон консорциумын бүрэлдэхүүнд багтан ажиллаж байна. 200 МВт-ын хосолмол төслийн нэгэн адил дээрхяаравчилсан төсөл болон Улаанбаатар хотын төсөл нь хамтран ажиллахад бэлэн түншүүдтэй, шахуу боловч хэрэгжүүлэх боломжтой хугацааны төлөвлөгөөтэй тул ойрын хугацаанд SRE үнэ цэн бодитоор бүрдүүлэх боломжтой юм.

Орон нутгийн харилцаа

Компанийн зүгээс орон нутгийн иргэдийн оролцоо болон орон нутгийн харилцааны чиглэлээр хүлээсэн үүрэг хариуцлагаа онцгойлон үздэг. Аливаа ажлын хөтөлбөр, үйл ажиллагааг хэрэгжүүлэхийн өмнө Компани нь Ашигт малтмал, газрын тосны газар болон холбогдох бусад төрийн байгууллагуудаас шаардлагатай бүх зөвшөөрлийг авдаг. Компанийн ажилтнууд зохицуулагч байгууллагууд болон орон нутгийн иргэдтэй хамтарсан уулзалтуудад оролцож, төлөвлөж буй үйл ажиллагаагаа танилцуулж, хэлэлцүүлдэг. Орон нутгийн удирдлагуудтай хийх уулзалтаас гадна олон нийтэд мэдээлэл хүргэх хөтөлбөрийн хүрээнд орон нутгийн иргэдтэй нээлттэй уулзалтууд зохион байгуулж, тэдний сонирхсон асуултад хариулдаг. Мөн компанийн төлөөлөгчид төлөвлөж буй үйл ажиллагаа явагдах бүсэд нутаглаж буй малчин өрхүүдтэй уулзан бүх талын санал хүсэлт, байр суурийг сонсдог. Компанийн харилцааны хэлтсийн ажилтнууд үйл ажиллагаа явагдаж буй хугацаанд төслийн талбайд байнга ажиллаж, орон нутгийн иргэд болон бусад оролцогч талуудтай тогтмол харилцаа холбоотой байдаг.

Үйл ажиллагаа хэрэгжиж буй бүс нутагт орон нутгийн хөгжлийг дэмжих зорилготой төсөл, хөтөлбөрүүдийг орон нутгийн захиргаатай хамтран хэрэгжүүлдэг. Компани нь орон нутгийн иргэдтэй идэвхтэй хамтран ажиллаж, тэдний оролцоог хангах нь үйл ажиллагааг аюулгүй, амжилттай хэрэгжүүлэх гол хүчин зүйл бөгөөд ингэснээр тухайн орон нутгийн нийгэм, эдийн засгийн хөгжилд эерэг хувь нэмэр оруулах ач холбогдолтой гэж үздэг.

Нийгмийн үр нөлөө

“Матад ХХ” талбайн Бүтээгдэхүүн хуваах гэрээ (БХГ)-ний дагуу “Петро Матад” компани нь Матад сумын Засаг даргатай “Байгаль орчныг хамгаалах, орон нутгийн хөгжилд дэмжлэг үзүүлэх гэрээ”-г 2025 онд байгуулж, уг гэрээний дагуу ойролцоогоор 150,000 ам.долларын санхүүжилт олгосон. Матад сумын Засаг дарга орон нутгийн иргэдийг дэмжихэд оруулсан хувь нэмрийг нь үнэлэн “Петро Матад” компанид талархлын захидал ирүүлсэн.

Олборлолтын үйл ажиллагаандаа “Петро Матад” компани орон нутгаас ажилчид сонгон шалгаруулж, ажил олгосон бөгөөд тэдэнд зориулсан иж бүрэн сургалтын хөтөлбөрийг хэрэгжүүлсэн. Үйл ажиллагааны хугацаанд төслийн талбайд ажилласан эмч ойр орчимд амьдардаг малчин өрхүүдэд анхан шатны эрүүл мэндийн тусламж, үйлчилгээ үзүүлсэн.

Дүгнэлт

Энэхүү тайлант жил нь Компанийн хувьд идэвхтэй, үр өгөөжтэй жил байлаа. “Цэн тогоруу-1” цооногийн олборлолт хэвийн үргэлжилж, “Цагаан зээр-1” цооногийн олборлолтыг эхлүүлсэн нь онцлох үйл явдал байв. “Матад ХХ” талбайн түүхий тосыг борлуулах чиглэлээр “ПетроЧайна” компанитай хамтран ажиллах явцад тодорхой сорилтууд тулгарч байсан хэдий ч энэхүү түншлэл нь Компанийн олборлолтын үйл ажиллагааны эхний шатанд орлого бүрдүүлэх хамгийн оновчтой шийдэл хэвээр байна. Дэлхийн эрчим хүчний салбарт гарсан өөрчлөлт, тогтворгүй байдлын дараа хөрөнгө оруулалт татах (farm-out) санаачилга илүү их сонирхол татаж эхэлсэн бөгөөд Компанийн сэргээгдэх эрчим хүчний хамтарсан компани эхлүүлсэн төслүүдээ цааш хөгжүүлэн бодит хүртээмжийг харуулах таатай боломж бүрдэж байна. Компанийн зүгээс бизнесийн энэ хоёр чиглэлээ цаашид улам хөгжүүлж, хувьцаа эзэмшигчдэдээ үнэ цэн бий болгохыг зорьж байна.

Талархал

Монгол Улсын холбогдох төрийн байгууллагуудаас тайлант жилийн туршид Компанид дэмжлэг үзүүлж хамтран ажилласанд Компанийн зүгээс талархал илэрхийлэхийн ялдамд “Цагаан зээр-1” цооногийн олборлолтыг богино хугацаанд эхлүүлэхэд дэмжлэг үзүүлсэнд онцгойлон талархаж байна. Мөн “Матад ХХ” талбайгаас олборлосон түүхий тосыг борлуулах боломжийг бүрдүүлэн хамтран ажиллаж буй хөрш талбайн оператор “ПетроЧайна” компанид талархлаа илэрхийлье.

Төлөөлөн Удирдах Зөвлөлийн зүгээс “Петро Матад” компанийн ажилчдадаа хүндрэл, бэрхшээлтэй үед ч урам зориг, хичээл зүтгэл, тууштай байдлаа хадгалан ажилласанд гүн талархал илэрхийлж байна. Мөн байнга дэмжиж, бүтээлч санал санаачилга гаргаж ирсэн хувьцаа эзэмшигчдэдээ талархал илэрхийлье.

ТУЗ-ийн гишүүд



Environment, Social, Governance (ESG) Statement

04

As an active oil explorer and producer based in Mongolia, we are aware that our activities impact the communities and environment 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 maintain our corporate governance in line with the new 2023 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 twice a year on our exploitation block and prior to the commencement of any field programmes where we are exploring apply the recommendations of the Detailed Environmental Impact Assessment which is approved by the Ministry of Environment and Climate Change.

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 and Climate Change, demonstrating effective management of the environment. We are pleased to report that the Dornod Aimag Environment Committee awarded Petro Matad an overall score of 96.4% on Block XX for our first full year of production operations, which demonstrates the Company's strong compliance in our field operations.

We continue to review new technologies that will reduce our overall operational carbon footprint which will improve operational performance and reduce potential harmful emissions into land, water and air. The Company's Environmental Department continues to evaluate more environmentally sustainable methods for treating and restoring drilling mud sumps. In 2025, a pilot remediation study was funded to assess a range of biological treatment options, including microbial products and phytoremediation. However, these methods failed to achieve the required remediation objectives. The study concluded that bioremediation was not a viable solution for restoring the drilling mud sump under the tested conditions. Despite these findings, the Company remains committed to identifying and implementing improved mud sump remediation techniques that offer a higher environmental standard than the conventional stabilization and burial methods currently practiced in Mongolia. We continue to engage with technical experts, research institutions, regulators, and technology providers to evaluate alternative treatment and recycling solutions that may offer better long-term environmental outcomes.

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

Since the announcement of the President of Mongolia's One Billion Tree Campaign in 2021, the Company has contributed to national reforestation

efforts in the communities where it has operated . In 2025, Petro Matad initiated planting of another 500 tree saplings in Matad Soum in close collaboration with local residents and students, 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. In 2025, a focused training on proper planting techniques and seasonal care was held in conjunction with an expert. The Company will continue tree-planting efforts in other areas of Dornod Province, 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 for exploitation areas. 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 close collaboration with the Environmental Department of Dornod Aimag, for year 2025, the Company funded the manufacturing, installation, and servicing of signage and informational boards around a protected area in Dornod Province. These efforts will raise environmental awareness, guide sustainable access, and enhance enforcement by clearly marking the area's protected status.

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. Procedures are in place to ensure machinery and equipment are stringently serviced and maintained to reduce pollutants. Transportation and logistical plans are constantly reviewed to reduce carbon emissions. The connection of the Heron-1 production wellsite to the power grid has also enhanced the Company's environmental performance by reducing carbon emissions and the overall environmental footprint of operations.

Renewable Energy

Petro Matad's investment into renewable energy solutions through Sunsteppe Renewable Energy (SRE) is targeting utility sized projects in an environment where domestic energy demand is growing rapidly and neighbouring countries are looking to cooperate on sustainable energy solutions. SRE's portfolio is expanding as the sector develops in Mongolia and is well placed to be a significant participant.

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 2025 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, fire safety certifications, 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. As a result of this preparatory work all activities were executed without any local issues arising.

In cooperation with provincial and district authorities, in late 2025 Petro Matad was able to secure recategorisation of the land it holds for exploration and production operations and to reduce the land holding fees accordingly on those areas that are yet to go into production.

Embarking on the project to connect the Heron-1 well pad to the national grid, Petro Matad obtained formal approval on detailed engineering designs for its power supply line including a 10/0.4 kV substation and a 10 kV overhead transmission line. Approvals were granted by the General Architect of Dornod Province, the Head of the Emergency Management Agency, and the Chief Engineer of Dornod Power Station. Following which, the Governor of Dornod Province issued the construction commencement permit, enabling construction and installation works to proceed. Subsequent to construction, the State Commission conducted an on-site inspection of the completed facilities, approved the commissioning, and authorised their connection to the overhead power transmission network. The Heron-1 production well was then connected to the electrical grid, significantly reducing operating costs

compared with diesel-fired power generation. These savings stem from reduced fuel consumption, lower maintenance, and decreased logistical support for fuel transport and generator operation.

In 2026, as part of its commitment to transparent stakeholder engagement and regional development, the industry regulator, the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), in collaboration with the Governor's Office of Umnugovi Province, organized a regional forum to discuss the current status and future outlook of Mongolia's petroleum sector. During the event, Petro Matad, the contractor for the Borzon VII PSC area covering seven soums of Umnugovi Province, engaged with local authorities, government representatives, and other stakeholders. The Company provided updates on its operational activities, project progress and future development plans, while fostering open dialogue and strengthening relationships with local communities and government institutions.

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 2025, Petro Matad partnered with Matad Soum to sponsor the prestigious stallion horse race at the Matad Soum Naadam Festival, supporting the preservation of Mongolia's cultural heritage and strengthening relationships with local communities.

In accordance with the Block XX PSC, Petro Matad and Matad Soum entered into an "Environmental Protection and Local Community Development Support Agreement" valued at MNT 550 million. In compliance with the Mongolian Law on the Budget,

the funds were transferred to the Soum Local Development Fund to support local development priorities and community welfare initiatives. In recognition of the Company's contribution to local development and its commitment to supporting community initiatives, the Governor of Matad Soum sent a formal letter of appreciation.

During the 2025 operations, Petro Matad deployed an emergency medical doctor on-site and provided basic primary healthcare support to nearby herder families, helping to improve access to essential healthcare services in remote areas.

The commencement of production at the Heron-1 and Gazelle-1 wells created employment and training opportunities for local residents. By recruiting and employing local community members in security and operational roles, the Company is contributing to workforce development, enhancing local capabilities, and supporting sustainable economic growth in the region.

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 the 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 firmly believe that a robust corporate governance framework provides the foundation for sustainable success and supports the effective delivery of our strategy and objectives. Our business continues to operate in a challenging environment across multiple fronts, and we believe that maintaining strong governance standards has enabled us to navigate these challenges transparently, responsibly and ethically.

We remain conscious of the Company's scale, stage of development and evolving risk profile, while seeking to maintain an efficient and effective governance structure. Although circumstances may occasionally require temporary departures from certain aspects of the QCA Code, our focus remains on acting in the best interests of shareholders and stakeholders alike. The current Board structure has enabled agile decision-making supported by timely and informed management reporting, and we look forward to further strengthening the Board's skills, diversity and independence as opportunities arise.

The Board recognises that Petro Matad has continued to face challenges; however, the Company has demonstrated resilience and remains committed to advancing opportunities within Mongolia's petroleum sector while expanding its focus into renewable energy initiatives. We continue to foster a dynamic and engaged workforce with a strong commitment to environmental stewardship and stakeholder engagement.

We are particularly pleased with the safe and efficient execution of our operations during 2025, supported by constructive relationships with local communities and continued efforts to minimise our environmental footprint.

We remain dedicated to delivering long-term shareholder value through a strong governance culture and extend our sincere appreciation to all shareholders, both large and small, for their continued support and confidence 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 of 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 2025 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 2025 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 2025 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 2025, 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 and attendees 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.

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

A total of 71,308 manhours was recorded in 2025. Petro Matad Group's Total Recordable Incident Rate (TRIR), which is one of the Company's Key Performance Indicators (KPIs) was 14.15. 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 a strong safety performance in 2025. However, after nine consecutive years without a Lost Time Injury (LTI), one LTI was recorded during the year. A Production Operator sustained a minor injury to his right wrist and was on medical leave until cleared by his treating physician. Although the injury itself was relatively minor, the resulting absence from work required it to be classified as a LTI in accordance with the reporting criteria of the International Association of Oil and Gas Producers (IOGP). A thorough investigation was conducted, and the lessons learned have been incorporated into ongoing safety improvement initiatives to prevent recurrence and further strengthen the Company's safety culture.

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 other PSC operators along with the Petroleum and Natural Gas Exploration and Production Association and 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 becoming 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 sites. 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 International Association of Oil and Gas Producers (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. Production personnel are also routinely assessed to ensure performance and compliance are maintained so that operations remain safe, effective and aligned with established requirements.



05

**Remuneration
Report
(Unaudited)**

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 2024 and 2025, 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 2025 \$'000	31 Dec 2024 \$'000
Short-term employee benefits	397	711
Share based payment expense	(4)	4
	393	715

Directors	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Enkhmaa Davaanyam	53	51
Timothy Paul Bushell	66	64
Michael James Buck	246	565
Shinezaya Batbold	32	31
Total	397	711

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 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

Balance at 31 December 2025 or if applicable at the date of resignation	Balance as at 01-Jan-25	Acquired and (Disposed)	Options & Awards Exercised	Balance as at 31-Dec-25
Directors				
Enkhmaa Davaanyam	6,424,675	-	-	6,424,675
Timothy Paul Bushell	1,476,538	-	-	1,476,538
Michael James Buck	15,537,940	4,595,588	-	20,133,528
Shinezaya Batbold	2,151,000	-	-	2,151,000
Total	25,590,153	4,595,588	-	30,185,741

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 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	-	-	-	-	-	-	-

For the year ended 31 December 2025	Balance as at 01-Jan-25	Granted as Remu- neration	Options Exercised	Options Lapsed	Balance as at 31-Dec-25	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 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	-

For the year ended 31 December 2025	Balance as at 01-Jan-25	Granted as Remu- neration	Awards Exercised	Awards Lapsed	Balance as at 31-Dec-25	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
Enkhmaa Davaanyam	112,500	-	-	-	112,500	75,000	37,500
Timothy Paul Bushell	-	-	-	-	-	-	-
Michael James Buck	-	-	-	-	-	-	-
Shinezaya Batbold	-	-	-	-	-	-	-
Total	112,500	-	-	-	112,500	75,000	37,500



06

**Consolidated
Financial
Statements**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
Continuing operations			
Revenue			
Operating income	4(a)	2,921	626
Cost of Goods Sold	4(a)	(940)	(172)
		1,981	454
Interest income	4(a)	51	193
Other income	4(a)	21	1
		72	194
Expenditure			
Consultancy fees		(140)	(124)
Depreciation and amortisation	4(b)	(1,344)	(463)
Employee benefits expense	4(c)	(1,397)	(2,271)
Exploration, exploitation and evaluation expenditure	4(d)	(963)	(5,044)
Other expenses	4(e)	(1,488)	(1,924)
Share of loss from equity accounted investments	4(f)	(950)	(1,738)
(Loss)/Profit from continuing operations before income tax		(4,229)	(10,916)
Income tax expense	5	-	-
(Loss)/Profit from continuing operations after income tax		(4,229)	(10,916)
Net (loss)/profit for the year		(4,229)	(10,916)
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 (2024: \$Nil)		(27)	2
Other comprehensive (loss)/income for the year, net of income tax		(27)	2
Total comprehensive (loss)/income for the year		(4,256)	(10,914)
(Loss)/Profit attributable to owners of the parent		(4,229)	(10,916)
Total comprehensive (loss)/income attributable to owners of the parent		(4,256)	(10,914)
(Loss)/Earnings per share (cents per share)			
Basic (loss)/earnings per share	6	(0.3)	(0.8)
Diluted (loss)/earnings per share	6	(0.3)	(0.8)

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 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	3,093	1,987
Trade and other receivables	8	1,706	698
Prepayments	9	140	123
Financial assets	10	-	968
Inventory	11	210	223
Total Current Assets		5,149	3,999
Non-Current Assets			
Exploration and evaluation assets	12	14,187	15,084
Financial assets	10	575	-
Property, plant and equipment	13	699	510
Right-of-Use asset	13	112	103
Petroleum asset	13	307	503
Investments in SunSteppe	14	613	663
Total Non-Current Assets		16,493	16,863
TOTAL ASSETS		21,642	20,862
LIABILITIES			
Current Liabilities			
Trade and other payables	15	2,103	961
Lease liability	15	116	109
Total Current Liabilities		2,219	1,070
Non-Current Liabilities			
Decommissioning provision	16	595	562
Total Non-Current Liabilities		595	562
TOTAL LIABILITIES		2,814	1,632
NET ASSETS		18,828	19,230
EQUITY			
Equity attributable to owners of the parent			
Issued capital	17	172,792	169,009
Reserves	18	488	448
Accumulated losses		(154,452)	(150,227)
TOTAL EQUITY		18,828	19,230

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 2025

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash flows from operating activities			
Proceeds from sale of crude oil		2,113	-
Payments to suppliers and employees		(3,826)	(9,994)
Interest received		51	192
Net cash flows (used in)/provided by operating activities	7	(1,662)	(9,802)
Cash flows from investing activities			
Purchase of property, plant and equipment		(321)	(344)
Proceeds from sale of financial assets		393	2,561
Investment in SunSteppe		(900)	283
Proceeds from the sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(828)	2,500
Cash flows from financing activities			
Proceeds from issue of shares		4,036	9,390
Capital raising cost		(253)	(557)
Payments of lease liability principal		(160)	(49)
Net cash flows from financing activities		3,623	8,784
Net (decrease)/increase in cash and cash equivalents		1,133	1,482
Cash and cash equivalents at beginning of the year		1,987	503
Net foreign exchange differences		(27)	2
Cash and cash equivalents at the end of the year	7	3,093	1,987

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 2025

	Note	Consolidated			
		Attributable to equity holders of the parent			
		Issued capital	Accumulated Losses	Other Reserves	Total
		\$'000	\$'000	\$'000	\$'000
As at 1 January 2024		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	17	9,390	-	-	9,390
Cost of capital raising	17	(557)	-	-	(557)
Transfer of Petro Matad Singapore		-	53	-	53
Share-based payments	17 & 18	-	-	203	203
Exercise of Conditional Share Awards	17, 18 & 19	-	-	-	-
Expiry of Options	18 & 19	-	-	-	-
As at 31 December 2024		169,009	(150,227)	448	19,230
Net loss for the year		-	(4,229)	-	(4,229)
Other comprehensive income		-	-	(27)	(27)
Total comprehensive gain/(loss) for the year		-	(4,229)	(27)	(4,256)
Issue of share capital	17	4,036	-	-	4,036
Cost of capital raising	17	(253)	-	-	(253)
Share-based payments	18 & 19	-	-	71	71
Exercise of Conditional Share Awards	17, 18 & 19	-	-	-	-
Expiry of Options	18 & 19	-	4	(4)	-
As at 31 December 2025		172,792	(154,452)	488	18,828

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 2025 was authorised for issue in accordance with a resolution of the Directors dated 23 June 2026 which was approved on 25 June 2026.

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 seven wholly owned subsidiaries, which are: Capcorp Mongolia LLC, Petro Matad LLC and Petro Matad Energy LLC (all incorporated in Mongolia), Central Asian Petroleum Corporation Limited (Capcorp) and Petromatad Invest Limited (both incorporated in the Cayman Islands), as well as Petro Matad Energy Limited and Petro Matad Resources Limited (both 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 activities during 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 15.54% of the shareholding at the end of 2025.

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 \$4.23 million for year 2025 (2024 Loss: \$10.92 million) and experienced net cash outflows from operating activities of \$1.66 million (2024 Outflow: \$9.80 million). In addition, as outlined in Note 20(b) the Group is required to meet minimum exploration commitments on its Block XX and Block VII Production Sharing Contract (PSC) of approximately \$5.61 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 \$4.04 million in July 2025, which provided sufficient working capital for ongoing operations including well testing and well completion operations of Gazelle-1 well, optimising production operations, and investing in high-graded renewable energy projects through its interest in SunSteppe.

The Company believes that the current cash balance is sufficient to continue operations until at least July 2027. The commencement of production operations in late 2024 has provided the Company with a revenue source that is expected to continue beyond 2027, thereby enhancing the Company's ability to remain a going concern. While not included in the cashflow forecast, commencement of revenue from renewable projects is expected to occur within the next few years. It is also important to note that the Company can access loans up to \$1.5 million from Petrovis under an existing loan agreement.

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 in line with IFRS (European Union) that are relevant to its operations.

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.

(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) Joint arrangements

Currently Petro Matad accounts for its interest in SunSteppe as an investment under equity method of accounting. SunSteppe is the operator of the venture and employs its own management and staff.

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements relate to the operating and capital decisions of the arrangement, such as the approval the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel of, or service providers to, the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from the legal form of the separate vehicle
- The terms of the contractual arrangement
- Other facts and circumstances (when relevant)

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting

Interests in Joint Arrangements

Joint ventures represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of the joint operations are included in the respective line items of the financial statements. Information about the joint arrangements is set out in Note 14.

All of the Group's current joint arrangements are treated as joint operations.

(x) 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.

The Company sells its produced crude from Block XX to ultimate buyer, China Oil United Petroleum via PetroChina Daqing Tamsag Mongolia XIX Co., Ltd who is operator of neighbouring Block XIX under a Crude Oil Entrustment, Processing and Sales Agreement established in 2025.

4 REVENUES AND EXPENSES

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
(a) Revenue		
Operating income – Oil sale revenue	2,921	626
Cost of Goods Sold:		
Transportation and services	(751)	(131)
Royalty paid to MRPAM	(189)	(41)
	1,981	454
Interest income	51	193
Other income:		
Other income	21	1
	72	194
(b) Depreciation and Amortization		
Depreciation of assets over useful life		
Amortization of evaluation assets on unit of production basis		
Depreciation – Property and Plant Equipment	116	72
Depreciation – Right-of-Use asset	155	154
Depreciation – Petroleum Asset (Decommissioning Reserve)	175	46
Capitalized – Petroleum Asset	898	191
	1,344	463
(c) Employee benefits expense		
Included in employee benefits expense are the following:		
Wages and salaries	1,152	1,886
Bonuses	-	-
Non-Executive Directors' fees (including Directors of affiliates)	150	146
Consultancy fees	24	36
Share-based payments	71	203
	1,397	2,271
(d) Exploration, exploitation and evaluation expenditure		
Exploration, exploitation and evaluation expenditure relates to the following PSCs:		
Block XX – Exploitation	935	5,037
Block VII – Exploration	28	7
	963	5,044
(e) Other expenses		
Included in other expenses are the following:		
Administration costs	1,084	1,043
PSC administration costs	211	201
Production bonus	-	500
Audit fees	69	64
Travel expenses	124	116
	1,488	1,924
(f) Share of loss from equity accounted investments		
SunSteppe costs	950	1,738
	950	1,738

5 INCOME TAX

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'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:		
Net (loss)/profit for the year	(4,229)	(10,916)
Income tax benefit calculated at 10% (i)	422	1,091
Effect of different tax rates on entities in different jurisdictions (ii)	(289)	(293)
Change in unrecognised deferred tax assets	(133)	(798)
	-	-

(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, Petro Matad Energy Limited and Petro Matad Resources 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 2025 cents per share	31 Dec 2024 cents per share
Basic (loss)/earnings per share	(0.3)	(0.8)
Diluted (loss)/earnings per share	(0.3)	(0.8)
	\$'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	(4,229)	(10,916)
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share (in thousands)	1,654,862	1,299,390
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share (in thousands)	1,654,862	1,299,390

7 CASH AND CASH EQUIVALENTS

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash at bank and in hand	3,093	1,987
	3,093	1,987

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 \$3,093,000 (2024: \$1,987,000) 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 2025 \$'000	31 Dec 2024 \$'000
Net (loss)/gain after tax	(4,229)	(10,916)
<i>Adjustments for:</i>		
Depreciation and amortisation	1,344	463
Share based payments	71	203
Decommissioning provision	54	13
Unrealised foreign exchange (gains)/ losses	39	1
Transfer of Petro Matad Singapore	-	53
Other income	(21)	-
SunSteppe costs	950	-
<i>Changes in assets and liabilities</i>		
Decrease/(increase) in trade and other receivables	(1,008)	(260)
Decrease/(increase) in prepayments	(17)	36
Decrease/(increase) in inventory	13	(8)
Increase/(decrease) in trade and other payables	1,142	613
Net cash flows used in operating activities	(1,662)	(9,802)

Non-cash investing and financing activities

There were no non-cash investing or financing activities undertaken in the 2025 financial year or prior year (2024: \$0.00).

8 TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Current		
Other debtors	1,706	698
	1,706	698

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

2025 account receivables include oil sales revenue due from PetroChina Daqing Tamsag Mongolia XIX Co., Ltd for the crude oil produced and delivered, for which receipt of a certain amount of the sales revenue was pending at end 2025.

9 PREPAYMENTS

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Prepayments	140	123
	140	123

10 FINANCIAL ASSETS

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Long Term Deposits	575	968
	575	968

The Group holds term deposits with an average weighted interest rate of 5.89%. 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 2025 \$'000	31 Dec 2024 \$'000
Raw materials	210	223
	210	223

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

12 EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Exploration and evaluation assets	14,187	15,084
	14,187	15,084

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.

Evaluation assets are amortized on a unit of production basis.

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

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Plant and equipment at cost	1,514	583
Accumulated depreciation and impairment	(815)	(73)
	699	510
Right-of-Use asset	167	137
Accumulated depreciation – Right-of-Use asset	(55)	(34)
	112	103
Petroleum asset	527	549
Accumulated depreciation – Petroleum asset	(220)	(46)
	307	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 2024 (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

Additions	322	167	-	489
Foreign exchange	(17)	(3)	(21)	(41)
Depreciation charge for the year	(116)	(155)	(175)	(446)
As at 31 December 2025 (net of accumulated depreciation)	699	112	307	1,118

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

14 INVESTMENT IN SUNSTEPPE

On 30 January 2023, Petro Matad Limited entered into a heads of agreement with Sunsteppe Energy LLC to become joint ventures partners to develop renewables projects. On 20 February 2024, the Company transferred a 50% ownership interest in Petro Matad Singapore Pte. Ltd. to Sunsteppe Energy LLC. Subsequently, Petro Matad Singapore Pte. Ltd. was renamed Sunsteppe Renewable Energy Pte. Ltd.

Petro Matad Limited, as a funding shareholder, is required to contribute funding to the joint venture per the terms of the heads of agreement.

The Company's investment in Sunsteppe Renewable Energy Pte. Ltd. (SunSteppe) is accounted for using the equity method. The Company is funding shareholder in SunSteppe and does not have day to day operational control.

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Current assets	397	13
Non-current assets	452	926
Current liabilities	(26)	(14)
Non-current liabilities	-	-
Net assets (100%)	823	925
Group's share of net assets (50%)	412	463
Carrying amount of interest in equity accounted investments	412	463
Profit/(Loss) for the period from continuing operations (100%)	(417)	(481)
Other comprehensive income / (expenses)	(583)	(1,628)
Total comprehensive income for the period from continuing operations (100%)	(1,000)	(2,109)
Losses arisen from initial application of equity method	(900)	(1,367)
Group's share of losses for the period (50%)	(950)	(1,738)
Investment in SunSteppe		
Beginning balance	663	946
Additional capital contribution	900	1,367
Transfer of Petro Matad Singapore & Investment in SunSteppe	-	88
Share of loss under equity method	(500)	(1,055)
Share of impairment loss	(450)	(684)
Ending balance	613	663

During 2025, the Company made capital contributions of \$0.90 million (2024: \$1.36 million) in SunSteppe. For the year, the Company's recognised share of SunSteppe's loss under the equity method is \$0.50 million (2024: \$1.05 million). In addition, the Company recognised an impairment loss of \$0.45 million, representing its share of losses in excess of the carrying amount of its investment in the joint venture, including the impact of funding contributions made during the year. Accordingly, the total loss recognized in respect of the joint venture for the year amounted to \$0.95 million (2024: \$1.74 million).

15 TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Trade payables	2,103	961
Lease liability	116	109
	2,219	1,070

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

16 DECOMMISSIONING PROVISION (NON-CURRENT)

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Decommissioning provision	595	562
	595	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.

17 ISSUED CAPITAL

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Ordinary Shares		
1,858,800,396 shares issued and fully paid (2024: 1,483,883,601)	172,792	169,009
	172,792	169,009

Movements in ordinary shares on issue:

	Number of Shares	Issue Price \$	\$'000
As at 1 January 2024	1,113,883,601		160,176
Placement shares through Shore Capital on 1 July 2024 (note (a))	189,311,666	\$0.025	4,802
Placement shares through Zeus on 1 July 2024 (note (b))	117,381,250	\$0.025	2,981
Direct subscription shares on 1 July 2024 (note (c))	43,307,084	\$0.025	1,100
Open Offer shares on 1 July 2024 (note (d))	20,000,000	\$0.025	507
Capital raising cost			(557)
As at 31 December 2024	1,483,883,601		169,009
Placement shares through Shore Capital on 18 July 2025 (note (e))	132,750,000	\$0.011	1,425
Placement shares through Zeus on 18 July 2025 (note (f))	190,500,000	\$0.011	2,051
Direct subscription shares on 18 July 2025 (note (g))	32,169,117	\$0.011	350
Open Offer shares on 18 July 2025 (note (h))	19,497,678	\$0.011	210
Capital raising cost			(253)
As at 31 December 2025	1,858,800,396		172,792

(a) 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

(b) 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.

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

(d) 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.

(e) On 18 July 2025, the Company concluded a placing by issuing 132,750,000 shares at a price of GBP0.008 per share arranged through its nominated adviser, broker and joint book runner for the purposes of the Placing, Shore Capital Stockbrokers.

(f) On 18 July 2025, the Company concluded a placing by issuing 190,500,000 shares at a price of GBP0.008 per share arranged through its broker and joint book runner for the purposes of the Placing, Zeus Capital.

(g) On 18 July 2025, the Company issued 32,169,117 shares through direct subscriptions at a price of GBP0.008 per share.

(h) On 18 July 2025, the Company issued 19,497,678 shares to shareholders at a price of GBP0.008 per share through a retail offering.

18 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 2024	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
Currency translation differences	-	-	(27)	(27)
Expiry of Options	-	(4)	-	(4)
Exercise of Awards	-	-	-	-
Share based payments	-	71	-	71
As at 31 December 2025	831	1,024	(1,367)	488

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 19 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.

19 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, determined by management as of 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 2028.

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.

No Options have been issued during 2024 and 2025.

(c) Movement in Share Options

The weighted average fair value for all Options in existence as at 31 December 2025 is 0.04 (2024: 0.04).

	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	-

	Opening balance at 1 Jan 2025	Granted during the year	Forfeited during the year	Exercised during the year	Closing balance as at 31 Dec 2025	Exercisable as at 31 Dec 2025
Consolidated						
Grant of options on 29 May 2023	11,388,000	-	166,000	-	11,222,000	-
	11,388,000	-	166,000	-	11,222,000	-
Weighted Average Exercise Price (cents per option)	5.93	-	5.93	-	5.93	-

(d) Share Options contractual life

The weighted average remaining contractual life of outstanding share Options is 7.4 year (2024: 8.4 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 2024 and 2025.

(f) Movement in Conditional Share Awards

The weighted average fair value for all Awards in existence as at 31 December 2025 is 0.84 (2024: 0.84)

	Opening balance at 1 January 2024	Granted during the year	Exercised during the year	Forfeited 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	-

	Opening balance at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Closing balance as at 31 Dec 2025	Exercisable as at 31 Dec 2025
Consolidated						
Grant of Conditional Share Awards on 3 Jun 2008	123,750	-	-	-	123,750	41,250
Grant of Conditional Share Awards on 8 Apr 2009	60,000	-	-	-	60,000	20,000
Grant of Conditional Share Awards on 9 Jul 2010	214,500	-	-	-	214,500	71,500
Grant of Conditional Share Awards on 6 Apr 2011	18,000	-	-	-	18,000	6,000
Grant of Conditional Share Awards on 5 Jul 2011	135,000	-	-	-	135,000	45,000
Grant of Conditional Share Awards on 22 Nov 2011	37,500	-	-	-	37,500	12,500
Grant of Conditional Share Awards on 5 Dec 2011	21,450	-	-	-	21,450	7,150
Grant of Conditional Share Awards on 25 Apr 2012	75,000	-	-	-	75,000	25,000
Grant of Conditional Share Awards on 4 Dec 2012	2,250	-	-	-	2,250	750
Grant of Conditional Share Awards on 9 Jul 2013	90,000	-	-	-	90,000	30,000
	777,450	-	-	-	777,450	259,150
Weighted Average Exercise Price (cents per award)	1.00	-	-	-	1.00	1.00

(g) Conditional Share Awards contractual life

The weighted average remaining contractual life of outstanding Conditional Share Awards is 2.5 years (2024: 3.5 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 2025 \$'000	31 Dec 2024 \$'000
Vesting of Awards and Options	18	71	203
		71	203
Lapsed Options	18	(4)	-
		(4)	-

20 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 2025 \$'000	31 Dec 2024 \$'000
Operating Leases:		
Within one year	54	66
After one year but not more than five years	-	-
Greater than five years	-	-
	54	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. Block V PSC expired in July 2024 and the block has since been relinquished.

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 2025 \$'000	31 Dec 2024 \$'000
Production Sharing Contract Fees:		
Within one year	310	87
After one year but not more than five years	434	434
Greater than five years	1,562	1,345
	2,306	1,866
Minimum Exploration Work Obligations:		
Within one year	416	-
Greater than one year but no more than five years	-	-
Greater than five years	5,195	5,168
	5,611	5,168

During the year, it was identified that the minimum work and expenditure obligations disclosed for the year ended 31 December 2024 incorrectly included \$0.98 million relating to the Block VII PSC. The Block VII PSC was executed in January 2025; accordingly, no contractual minimum obligation existed at 31 December 2024. The 2024 comparative commitments disclosure has been corrected to remove this amount. The error affects disclosure only and has no impact on the reported financial position, financial performance, or cash flows of the Group for any period presented.

21 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	
		2025 %	2024 %
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
Petro Matad Energy Limited	Isle of Man	100	100
Petro Matad Energy LLC	Mongolia	100	-
Petro Matad Resources Limited	Isle of Man	100	-
Joint Venture - Sunsteppe Renewable Energy Pte. Ltd. (formerly Petro Matad Singapore Pte. Ltd.)	Singapore	50	50
Joint Venture - 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. For the year 2025, the Company has made capital contributions of \$0.90 million.

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

Petro Matad Energy LLC is 100% owned by Petro Matad Energy Limited. Petro Matad Energy Limited holds 35,000 ordinary shares of MNT10,000 each.

Petro Matad Resources 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 15.54% of the shareholding at the end of 2025. The Company maintains a loan facility with Petrovis (main Petro Matad shareholder) for an amount of \$1.5 million. Currently the loan balance is zero.

22 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 2024 and 2025, 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 2025 \$'000	31 Dec 2024 \$'000
Short-term employee benefits	397	711
Share based payment expense	(4)	4
	393	715

(c) Other key management personnel transactions

There were no other key management personnel transactions during the year (2024: Nil).

23 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 2025 \$'000	31 Dec 2024 \$'000
Financial Assets			
Cash and cash equivalents	0.46%	3,093	1,987
*Other financial assets	5.89%	575	968
		3,668	2,955
Trade and other receivables	0%	1,706	698
		5,374	3,653
Financial Liabilities			
Trade and other payables	0%	2,103	961
Lease liability		116	109
		2,219	1,070
Net exposure		3,155	2,583

*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 2024 and 2025 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	
	2025	2024	2023	2022
USD				
Mongolian Tugrug (MNT) 1	3,556.66	3,390.02	3,556.66	3,420.25
Australian Dollar (AUD) 1	1.551960	1.515831	1.52688	1.535120
Great British Pound (GBP) 1	0.759177	0.782606	0.755742	0.785108

Sensitivity Analysis

A 5% strengthening/weakening of the MNT against USD at 31 December 2024 and 2025 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 2025 \$'000	31 Dec 2024 \$'000
Financial Assets			
Trade and other receivables	8	1,706	698
Net exposure		1,706	698

Impairment Losses

None of the Group's receivables are past due at 31 December 2025 (2024: 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	0.46%	3,093	-	-	-	3,093
Trade and other receivables	-	1,706	-	-	-	1,706
Financial Assets	5.89%	-	-	575	-	575
As at 31 December 2025		4,799	-	575	-	5,374
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

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

	Note	Consolidated	
		31 Dec 2025 \$'000	31 Dec 2024 \$'000
6 months or less		2,219	1,070
6-12 months		-	-
1-5 years		-	-
over 5 years		-	-
		2,219	1,070

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 20(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 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Trade and other receivables	-	1,706	-	1,706
Total	-	1,706	-	1,706
Financial Liabilities				
Trade and other payables	-	2,103	-	2,103
Lease liability	-	116	-	116
Total	-	2,219	-	2,219

	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

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.

24 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 17 and 18). 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.

25 EVENTS AFTER THE REPORTING DATE

No reportable event.

26 AUDITORS' REMUNERATION

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

	Consolidated	
	31 Dec 2025 \$'000	31 Dec 2024 \$'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	48	41
• other services in relation to the entity and any other entity in the Group	-	-
	48	41
Amounts received or due and receivable by Onch Audit LLC (2024)		
• an audit or review of the financial report of subsidiary entities	-	23
• other services in relation to the subsidiary entities	-	-
	-	23
Amounts received or due and receivable by Reliance Securities Audit LLC (2025)		
• an audit or review of the financial report of subsidiary entities	21	-
• other services in relation to the subsidiary entities	-	-
	21	-
	69	64

27 OTHER INFORMATION

Registered Office:

Victory House
Douglas
Isle of Man
IM1 1EQ

Directors' Declaration

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

In the opinion of the Directors:

- the financial statements and notes of the Group give a true and fair view of the Group's financial position as at 31 December 2025 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
- 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
25 June 2026

009
**Independent
Auditor's Report**



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 2025, 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 2025 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 \$14.19 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 (\$14.19 million as at 31 December 2025) 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: \$2.30 million</p> <p>Minimum Exploration Work Obligations: \$5.61 million</p> <p>(Refer Note 20b 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.

HALL CHADWICK

HALL CHADWICK

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As disclosed in Note 20b 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 2025, 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 25th day of June 2026
Perth, Western Australia



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