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Petro Matad Limited

("Petro Matad" or the "Company")

Heron-1 operational update

LONDON, 19 September 2024 Petro Matad Limited (AIM: MATD), the AIM quoted Mongolian oil company, provides the following operational update on the Heron-1 oil discovery well and anticipated oil production start-up.

- Petro Matad has proposed that Heron-1 will be put onstream through temporary facilities so that production is not further delayed by slow moving bureaucracy.
- Mineral Resources and Petroleum Authority of Mongolia (MRPAM) has formally agreed to this proposal, with production start-up on Heron-1 now anticipated during October.

Heron-1 well pad - surface facilities

As previously reported, the application for the construction permit to install the long-term production facilities at Heron-1, which could only be initiated after land access had been approved in late May, had reached the final stage and the permit is with the provincial Governor for the final signature required. The Governor is new in-post, having been formally appointed in early September, and has told the Company that he needs time to review the application. In light of this, and with no indication of how long this review will take, Petro Matad has proposed, and industry regulator MRPAM has formally agreed, that Heron-1 will be put onstream through temporary facilities so that production is not further delayed by slow moving bureaucracy. The temporary facilities will be positioned on the well site to allow construction of the long-term facilities to go ahead in parallel with production operations once the construction permit has been obtained. The Company has given notice to its chosen contractor to install the temporary facilities and the work is anticipated to be completed within two to three weeks.

Oil sales

Following the high level meeting held at the Block XIX facilities some 20km north of the Heron-1 well, agreement in principle has been reached between Petro Matad and the Block XIX operator for the collection, metering, processing, storage, export and sale of Block XX production. The details are now being incorporated into a cooperation agreement which will then be presented to MRPAM for its approval. The parties have committed to try to have the agreement in place in time for production start-up on Heron-1 which is now anticipated to be during October.

Mike Buck, CEO of Petro Matad, said:

"The further hold up of the construction permit at the final step of an unnecessarily complex process is unwelcome, but we are very pleased that we have the support of MRPAM to use temporary facilities to expedite production. We do not anticipate any significant facility cost increase as a result of this solution and we will closely manage the construction activities when they start, to allow construction and production operations to continue simultaneously.

The meeting in Block XIX was very productive and the operator's willingness to cooperate with the Company is much appreciated. We look forward to completing the drafting of the cooperation agreement and to securing MRPAM's approval within the next few weeks.

Meanwhile, Heron 2 drilling operations are proceeding smoothly. With Gobi Bear-1 soon to spud, these are busy and exciting times for the Petro Matad team."

Further updates will be provided as the 2024 work programme progresses.

- Ends -

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About Petro Matad

ABOUT PETRO MATAD

Petro Matad is the parent company of a group focused on oil exploration, as well as future development and production in Mongolia. Currently, Petro Matad holds 100% working interest and the operatorship of the Matad Block XX Production Sharing Contract with the government of Mongolia. Block XX has an area of 214 square kilometres in the far eastern part of the country.

Petro Matad Limited is incorporated in the Isle of Man under company number 1483V. Its registered office is at Victory House, Prospect Hill, Douglas, Isle of Man, IM1 1EQ.

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