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Petro Matad Limited
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Petro Matad Limited

("Petro Matad" or the "Company")

Spud of Gobi Bear-1 exploration well

LONDON, 23 September 2024 Petro Matad Limited (AIM: MATD), the AIM quoted Mongolian oil company, is pleased to announce that on 21 September it spudded the Gobi Bear-1 exploration well in the Tamsag Basin of eastern Mongolia. The well is being drilled by DQE International rig #30609 and is located c. 12km southwest of the Heron-1 oil discovery well in the Block XX Exploitation Area.

Gobi Bear-1 is targeting reservoir quality sandstones in the Cretaceous Lower Tsagaantsav Formation which is the main producing horizon in the Tamsag Basin and which was proven to be oil bearing in Petro Matad's nearby Heron-1 and Gazelle-1 wells. Based on seismic interpretation, the primary reservoir target in Gobi Bear-1 is anticipated to be reached at a depth of c. 1,400m within a combination structural/stratigraphic trap at the southern end of the proven prolific Toson Uul sub-basin in which c. 2 billion barrels of oil in place have been discovered in the last 20 years. The Gobi Bear prospect is estimated to have mean oil in-place potential of 307 million barrels and the well is planned to drill to a total depth (TD) of c. 1,800 metres. The well is expected to take c. 20 days to drill to TD following which wireline logging will be conducted to determine if it merits testing. In the event of encouragement, well testing will be performed using the same contractor engaged for the operations planned at the nearby Heron-2 well.

Mike Buck, CEO of Petro Matad, said:

"Gobi Bear-1 is an important well within Block XX. The prospect has significant resource potential which can be rapidly exploited in the event of success as it is located within an already approved Exploitation Licence Area.

The well cost is estimated to be 1.5 million, making this a very high impact/very low cost, near-field exploration well. It also has the potential to de-risk other prospects and leads identified within Block XX.

Gobi Bear-1 will also provide important geological information on the characteristics of the Lower Tsagaantsav Formation reservoir where petrophysical parameters may be improved at the relatively shallow depths of burial that are prognosed."

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

- Ends -

Further information please contact:

Petro Matad Limited

Mike Buck, CEO

+976 7014 1099 / +976 7575 1099

Shore Capital (Nominated Adviser and Broker)

Toby Gibbs

Rachel Goldstein

+44 (0) 20 7408 4090

Zeus (Joint Broker)

Simon Johnson

Louisa Waddell

+44 (0) 20 3829 5000

FTI Consulting (Communications Advisory Firm)

Ben Brewerton

Christopher Laing

Catrin Trudgill

+44 (0) 20 3727 1000

Technical information in this news release has been reviewed by the Company's Technical Manager, Mr. Jerry Smart. He has over 40 years of industry experience in oil and gas exploration and production with LASMO, Eni, Salamander Energy and Ophir Energy. He holds a B.Sc. in Geology from King's College, London.

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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