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Petro Matad Limited

('Petro Matad' or the 'Company' or the 'Group')

Update on production operations and 2025 well testing programme

LONDON, 29 September 2025: Petro Matad Limited, the AIM quoted Mongolian oil company, is pleased to provide the following update on its Heron-1 production operations and the 2025 well testing programme.

Heron-1 production operations

The Heron-1 well continues to produce with artificial lift at a rate of c. 150 barrels per day (bopd) with water cut stable at c. 3%. The well performance to date when compared to data the Company has for other wells in the basin indicates a pressure profile similar to some of the better producing wells in Block XIX. To date, data from Heron-1 does not show that any faults or reservoir boundaries have been encountered that limit reservoir volume. Trucking, offloading and transfer operations at the Block XIX TA-1 facilities continue to run smoothly.

Following interaction with the Customs authorities, they have determined that supporting export paperwork specific to Block XX crude is not required as the crude is mixed with Block XIX crude and exported to the buyer as a single product. This decision by Customs streamlines the bureaucracy considerably as it avoids the need to provide a certificate of origin and to do laboratory tests at the provincial testing facilities for each export shipment.

Oil sales payments

In late September, the Company received payment for July's production. PetroChina continued to withhold 30% so the amount received was 110k net to Petro Matad. The realised oil price for July was 66.4 per barrel. The invoice for August production is already overdue for payment but since PetroChina has advised that the teething problems of its new payment system have been overcome, we are hopeful of smoother payment processing from this point forward. It remains to be seen if PetroChina can meet the payment timetable that it incorporated in the oil sales agreement. We are encouraging them to do so.

Petro Matad met with senior representatives of PetroChina Mongolia to discuss the withholding of revenue. The feedback received from the Mongolian Tax Authorities was presented and Petro Matad provided further comfort that VAT and Customs Duties are not payable on Block XX oil sales as per the Production Sharing Contract, Petroleum Law and the well defined precedents set in the country. PetroChina has responded to say that once the oil sales agreement has been re-worded to incorporate the pertinent details, they will then start paying the invoices in full and will clear the withheld backlog. We are working on the amended wording as a matter of urgency.

2025 work programme

With the final permit having been approved by the provincial governor, the construction contractor has mobilised to install the transmission line extension that will connect Heron-1 to the national electricity grid. This involves the construction of 1.2km of overhead 10kV transmission line and a substation at Heron-1 to connect to the existing electrical distribution system. The work is expected to be completed by mid-October. A 15% saving in operating expenditure is targeted from this work.

Further to the recent update provided on Heron-2, the beam pump provided by PetroChina is being refurbished and it and related equipment are being prepared for installation.

The workover rig has moved to the Gazelle-1 location and is rigging up and once completed, the production casing will be perforated across the oil bearing zone and a well test string run in hole. Well test operations are expected to commence in early October and complete within the month. Preparations are in hand for the installation of production facilities in the event of a successful test result.

Mike Buck, CEO of Petro Matad, said:

"It is a very busy period for the Company at the moment. The focus in head office is on removing PetroChina's withholding of revenue. We are encouraged by the recent progress on this and we are pushing to resolve the issue and to get paid in full. Meanwhile the team in the field continues to execute the 2025 work programme at multiple sites. I look forward to updating shareholders further as these matters progress."

- Ends -

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About Petro Matad

Petro Matad is the parent company of a group focused on oil exploration, development and production in Mongolia. Currently, Petro Matad holds a 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. The Company also holds a 100% working interest and operatorship of the Borzon Block VII Production Sharing Contract with an area of 41,141 square kilometres in southern central Mongolia.

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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