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Petro Matad Limited

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

Operational Update

LONDON, 9 October 2025: Petro Matad Limited, the AIM quoted Mongolian oil company is pleased to provide the following operational update.

Key updates

- Gazelle-1 well test exceeds expectations.
- Heron-2 completion run and pumping has commenced.
- Heron-1 electrification installation completed.

Gazelle-1 Well Testing Operations

After the short move from the nearby Heron-2 location, the service rig was installed at Gazelle-1 in early October and testing operations began with the perforation of an 8 metre zone across pay zones identified on logs in the Tsagaantsav Formation between 2057 and 2065 metres measured depth (MD). On opening the well, gas and oil flowed to surface without the need for artificial lift. The first flow period of the test was conducted on a 1/8 inch choke and the well flowed at a stabilised rate of 160 barrels of oil per day (bopd). The second flow period on a 3/16 inch choke flowed at 300 bopd and on a 1/4 inch choke a rate of c. 460 bopd was achieved. No formation water was observed throughout the flow periods. Oil gravity has been measured on site at 43° API which is similar to Heron-1 crude. The well has now been shut-in to gather pressure build-up data.

The performance of Gazelle-1 on test has exceeded expectations and so the well will now be completed for production. The rig will remain on site to run the completion string after which the surface production facilities will be installed. Neighbouring operator PetroChina has made available equipment from its inventory to allow us to expedite the well completion and production start up and we are targeting the start of production from Gazelle-1 before the end of October. The oil sales agreement with Block XIX has provisions within it for additional wells to be brought onstream and the incorporation of Gazelle-1 production is already under discussion.

The need to retain the rig at Gazelle-1 to make the well ready for production as a matter of priority means that there will be insufficient time ahead of the winter shut down in November to carry out the planned test of the Gobi Bear-1 well. Plans are being made to conduct this operation next April at the start of the 2026 operating window.

Heron-2 Completion

The installation of the beam pump and temporary offloading facilities at Heron-2 has been completed and pumping commenced on 6 October. As expected, the beam pump is proving much more efficient at recovering the remaining frack and acid wash fluids than DQE's swabbing operation and so we expect to complete the well clean out and to determine the flowing formation fluid and the rate capability of the well quicker and more cost effectively.

Heron-1 Electrification Project

The connection of the Heron-1 production facility to the national electricity grid has been completed. The 10kV transmission line and the current supply load from the recently upgraded provincial power plant can provide sufficient power for Heron-1 and several additional wells in Block XX. Planning and permitting have started to facilitate the connection of both Heron-2 and Gazelle-1 to the grid should it be deemed advantageous. Final commissioning and certification of the transmission line and substation for Heron-1 are ongoing with the aim to energise the line by mid-October. Provision of electricity to the Heron-1 wellsite and cessation of using diesel generators for power not only reduce operating costs by an estimated 15% but will also significantly reduce emissions and simplify our production operations.

Mike Buck, CEO of Petro Matad, said:

"We are delighted that the results from the Gazelle-1 well test have exceeded our expectations and we are now prioritising getting the well onstream as it shows the potential to significantly increase our daily production and revenue.

We are also glad to see the start of an efficient down hole clean up at Heron-2 which should give us the definitive results on flowing fluid and well rate that we seek.

We are disappointed that we will not be able to test Gobi Bear-1 during this operational season but there is minimal additional cost to remobilise for this activity in 2026 and right now, given the enthusiasm with which Gazelle-1 has tested, the production addition must be our first priority.

The Company is very grateful to its field staff who are once again executing a very busy programme with dedication and diligence."

Further operational updates will be provided in due course.

- Ends -

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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, 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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