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Petro Matad Limited

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

Operational Update

LONDON, 5 November 2025: Petro Matad Limited, the AIM quoted Mongolian oil company, is pleased to provide the following operational update.

Key updates

- The Gazelle-1 well, which was tested in October, has been brought onto production at an initial rate of 200 barrels of oil per day (bopd).
- Heron-2 re-test is ongoing.
- Heron-1 reached the first anniversary of production start-up with c. 60,000 barrels (bbls) having been produced to date.
- Production from Gazelle 1 is being processed for export under the existing Oil Sales Agreement with PetroChina and progress is being made on rewording the agreement to ensure 100% payment and payment of money withheld to date.

Gazelle-1 on production

Following the successful well test of Gazelle-1 in October, surface facilities have been installed and the well has been brought onstream. The first shipments of Gazelle crude have been delivered to the Block XIX TA-1 processing and export facility under the existing Oil Sales Agreement.

Based on analysis of the pressure data acquired during the well test, the initial production rate for Gazelle-1 has been set at 200 bopd. Well performance will be closely monitored to determine if this rate can be increased. Since the distance of the well from the oil water contact within the trap is not known, a conservative approach is being taken on start up to reduce the chance of early water breakthrough.

Production data from the well will help to refine the estimation of the connected reservoir volume and to guide decisions on potential appraisal well locations.

Heron-2 re-test

The temporary pumping facilities at Heron-2 initially proved much more efficient than the preceding swabbing operation with approximately one third of the remaining injected fluid quickly recovered. This comprised mainly stimulation fluid but with an increasing percentage of oil. However, an unexpected drop off in flow was observed which may indicate some form of down hole mechanical issue or potentially an obstruction of the perforations. Whilst this matter was being investigated the well had to be shut-in to realign the beam pump. This work was completed and pumping operations have now resumed. If the lower than expected fluid recovery rate continues, the well will be shut in for the winter and further remediation options will be evaluated.

Heron-1 update

24 October 2025 saw the first anniversary of production start up at the Heron-1 well. In the first 12 months 298 deliveries of crude oil to the Block XIX TA-1 facilities have been made with a total of 59,920 barrels of crude oil offloaded.

This equates to an average production from the well over the year of 164 bopd. The water cut remains stable at c. 3%. The production of Heron-1 is trending in line with that observed in the basin as a whole with current daily production of c. 145 barrels. Performance to date is comparable with some of the better producers in the basin.

The infrastructure connecting Heron-1 to the national electricity grid is in place and ready to be energised. The committee required under the regulations to inspect and certify the installation and to approve its start up requires sign off from the provincial governor and this has not yet been provided. We are following up with the governor's office and we have sought the assistance of industry regulator, the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), to expedite this so that the grid connection can be commissioned and cost savings on power generation can start to be realised. Until the grid connection is energised, power will continue to be supplied by the onsite generator and operations will not be interrupted.

Oil Sales Agreement and payment update

Payments under the Oil Sales Agreement with Block XIX operator PetroChina have been made up to and including the month of August. The invoice for September production is being processed for payment and today we have submitted the invoice for October.

Meetings have been held with PetroChina on the rewording of the Oil Sales Agreement and we are pushing to finalise the matter and obtain their written confirmation of the removal of the withholding and a firm date by which the withheld amount will be paid.

Mike Buck, CEO of Petro Matad, said:

"Our operations team has worked hard to get the Gazelle-1 well ready for production in short order. We will closely monitor well performance to maximise production balanced with prudent reservoir management. We are very pleased to be able to increase production and revenue generation so quickly after the successful Gazelle-1 well test and to add this to the consistent performance of Heron-1.

Meanwhile, Heron-2 continues to present challenges. We still hope to get an oil rate out of the well this year or, at the very least, enough information to allow us to prepare for another operationally appropriate attempt to do so after this winter's operational shut down.

PetroChina has been slow to respond on the rewording of the oil sales agreement but progress is being made."

Further operational updates will be provided in due course.

- 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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