

Petro Matad Limited (“Petro Matad” or the “Company”)

Temporary Suspension of Operations at Davson Tolgoi

Petro Matad advises the temporary suspension of preparation for the commencement of drilling of the DT-1 well at its Davsan Tolgoi Prospect in Block XX in Dornod Aimag (Province or State) due to an outbreak of foot and mouth disease.

The outbreak of foot and mouth disease in Dornod Aimag, and specifically in Matad Soum local government area, has led the Governor of Dornod Aimag to issue Official Order No. 22, resulting in blanket vehicle and personnel movement restrictions into and out of the area. The movement restrictions mean that supply trucks to DT-1 cannot reach site, and no personnel on site are permitted to leave. At this stage the Order is in force until 9 June 2010.

While spudding of the DT-1 well is imminent, the Company decided that, for engineering, logistical and safety reasons it would not be practical to commence drilling whilst movements are so restricted. A skeleton crew from the Company remains on site, along with the complete Chinese drilling team. The site team will continue to perform as much maintenance and preparatory work on the rig as can be achieved.

Chief Executive Officer Douglas McGay commented “While this delay is inopportune and mildly frustrating to the management and shareholders, we are fully cooperating with the local authorities to ensure the limitation and elimination of this potentially disastrous disease from our area of operation. It is more important to protect the health of the livestock and the herders of our area of operation, in addition to the well-being of our own people and those of our contractors. We will be monitoring and assisting over the next 10 days and hope for a speedy resolution and re-commencement of operations.”

Note to Editors:

About Petro Matad

Petro Matad is the parent company of a group focussed on oil exploration, as well as future development and production in Mongolia. The group holds the sole operatorship of three Production Sharing Contracts (“PSCs”) with the Government of Mongolia. The principal asset is the PSC for Block XX, a petroleum block of 14,250km² in the far eastern part of the country. The two other Blocks, IV and V, are located in central Mongolia and jointly cover 73,498km².

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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