

Petro Matad Limited ("Petro Matad" or the "Company") Issue of Equity

Petro Matad announces that 97,497 ordinary shares of US\$0.01 each (the "Performance Shares") were issued today under the Company's Long Term Equity Incentive Plan (the "Incentive Plan"). The 97,497 Performance Shares were issued, under the terms of the Incentive Plan, at nominal value.

The Company also announces that 189,090 ordinary shares (the "Option Shares") were issued today as a result of the exercise of options held by employees under the Incentive Plan. Of the Option Shares 5,000 were issued at an exercise price of 11 pence per share and 184,090 were issued at an exercise price of 46.16 pence per share.

On 5 July 2011, the Company granted 150,000 Options (the "New Options") which have an exercise price of 117 pence per ordinary share and 150,000 Performance Share Awards to the newly appointed non-executive director Ms Enkhmaa. The vesting terms of the New Options are that 33 per cent. shall vest on the first anniversary of the date of grant, 33 per cent. on the second anniversary of the date of grant and 34 per cent. on the third anniversary of grant. The Performance Share Awards have been issued under the terms of the Company's existing Incentive Plan and the vesting terms are in accordance with the plan; namely that 25 per cent. shall vest on the first discovery by the Company of oil on a commercial scale, 25 per cent. shall vest on the first production of oil by Petro Matad on a commercial scale and 50 per cent. shall vest on the Company selling 1 million barrels of oil.

The 286,587 new ordinary shares issued pursuant to the Performance Shares and the exercised options (the "New Shares") will rank pari passu with the existing ordinary shares of the Company. Application will be made for the New Shares to be admitted to trading on AIM and this is envisaged to occur on 11 August 2011.

Following the issue of the New Shares, the Company will have 184,476,874 ordinary shares in issue.

Note to Editors:

About Petro Matad Limited

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 with the Government of Mongolia. The principal asset is the PSC for Block XX, a petroleum block of 10,340km² in the far eastern part of the country. The two other Blocks, IV and V are located in central Mongolia and jointly cover 71,040km².

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.

Further information:

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