

Petro Matad Limited - "Petro Matad" or the "Company"

Award of Options

The Board of Petro Matad announces the grant of options ("New Options") and performance share awards ("Performance Shares") to directors and employees of Petro Matad following the annual grant review by the Board and the passing of a board resolution on 9 July 2010 under the Company's Long Term Equity Incentive Plan, the purpose of which is to incentivise and retain staff.

Pursuant to the rules of the Petro Matad Long Term Equity Incentive Plan, the Company's Remuneration Committee has approved the New Options and Performance Shares to be awarded to the executive directors.

The Board has approved the issue of an aggregate of 3,319,000 New Options at an exercise price of 46.16 pence per ordinary share, as determined by the volume weighted average price of the Company's share price and trading record for the previous 30 dealing days immediately preceding 9 July 2010, being the date of grant. This aggregate number includes 1,825,000 New Options issued to directors of the Company. 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.

In addition, the Board has approved the issue of an aggregate of 2,671,000 Performance Shares. This aggregate number includes 1,325,000 Performance Shares issued to directors of the Company. The vesting terms of the Performance Shares are that 25 per cent. shall vest on the first discovery of oil on a commercial scale, 25 per cent. shall vest on the first production of oil on a commercial scale and 50 per cent. shall vest on the Company selling 1 million barrels of oil.

Disclosure of Directors' Options

The number of New Options and Performance Shares issued to each director is set out in the table below:

Name	Number of shares subject to New Option	Number of Performance Shares
Douglas McGay	550,000	250,000
Clyde Evans	400,000	200,000
Gordon Toll	175,000	175,000
Janchiv Oyungerel	225,000	225,000
John Robertson	150,000	150,000
Davaadorj Sarangua	100,000	100,000
Mary Ellen Collins	125,000	125,000
Davaanyam Enkhchimeg	100,000	100,000

Further information about the Company:

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Note to Editors:

About Petro Matad Limited

Petro Matad is the parent company of a group focused 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 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.