

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

Issue of Equity and Exercise of Options

Issue of Equity

Petro Matad, the AIM quoted parent company of a group focused on oil exploration as well as future development and production in Mongolia, is pleased to announce that it has today issued 14,644,004 new ordinary shares of \$0.01 (the “**New Share(s)**”) to the European Bank for Reconstruction and Development (the “**EBRD**”). The New Shares were issued pursuant to the subscription agreement between the Company and the EBRD dated 18 December 2009 and represent the second and final tranche, of \$3 million, of the EBRD’s \$6 million subscription.

The New Shares have been issued following the satisfaction of certain conditions, principally the appointment of a representative of the EBRD to the board of Petro Matad.

Exercise of Options

Petro Matad also announces that 18,750 ordinary shares of US\$0.01 each (the “**Option Shares**”) were issued today as a result of the exercise of options held by an employee under the employee share scheme. The 18,750 Option Shares were issued at a price of 11p per share.

The New Shares and the Option Shares will rank *pari passu* with the existing ordinary shares of the Company. Application has been made for the New Shares and the Option Shares to be admitted to trading on AIM and this is envisaged to occur on 17 June 2010.

Following the issue of the New Shares and the Option Shares, there will be 153,734,646 ordinary shares in issue. The EBRD will have a holding of shares representing 18.46 per cent. of the enlarged issued share capital.

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

About the EBRD

The EBRD is an international financial institution that supports projects in 29 countries from central Europe to central Asia. The EBRD is the largest single investor in the region and also mobilises significant foreign direct investment into its countries of operations. Owned by 61 countries and two intergovernmental institutions, the EBRD maintains a close political dialogue with governments, authorities and representatives of civil society to promote its goals. In all its operations the EBRD follows the highest standards of corporate governance and sustainable development. www.ebrd.com

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