

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

### **Investment in Petro Matad by the European Bank of Reconstruction and Development**

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 the Company has conditionally raised US\$6 million through a subscription for new ordinary shares of \$0.01 per share (the “**New Share(s)**”) in the Company by the European Bank of Reconstruction and Development (the “**EBRD**”). The New Shares will be issued at a subscription price of 14 pence per New Share and will rank *pari passu* with the existing ordinary shares of the Company.

The New Shares will be issued in two equal tranches of US\$3 million, with the number of shares issued calculated based upon the sterling to US dollar exchange rate on the business day before the relevant subscription. The first tranche of New Shares will be issued subject to the fulfilment of the Subscription Agreement’s conditions precedent, which are expected to be satisfied in the coming weeks; the second tranche will be issued on the satisfaction of certain further conditions, principally the appointment of a representative of the EBRD to the board of Petro Matad. Upon issue, application will be made for each tranche of New Shares to be admitted to AIM.

Commenting on the share subscription Petro Matad’s CEO, Douglas McGay, said:

“The EBRD are to be congratulated for supporting the Mongolian oil exploration sector through its investment in our Company. The EBRD’s support of Petro Matad also demonstrates a meaningful path forward for the fast developing Mongolian private sector. Petrovis LLC, the Company’s largest shareholder, should also be applauded for its support in this process and its faith in international business disciplines.

“Overall, it is tangible evidence of our Company’s progress. Following the completion of tranche 2 the EBRD will hold approximately 17.5 per cent. of the Company’s issued share capital and the addition of this prestigious investor and its funding of Petro Matad is an endorsement of the Company’s achievements to-date. Together with our existing shareholders, the EBRD will provide a stable platform for Petro Matad’s future growth and development. Additionally, the EBRD’s experience and input at Board level will be very welcome.

“During the winter suspension of field activities, the Company is furthering research and preparation on our newly awarded Production Sharing Contracts on Blocks IV and V in central Mongolia, putting in place further technical personnel and fine tuning the preparations for the resumption of the drilling programme on Block XX.”

Mr Kevin Bortz, the EBRD’s Director for Natural Resources said: “The EBRD is pleased to support the first oil exploration project in Mongolia conducted by a local private company. This transaction will strengthen the role of the private sector in the Mongolian economy, and subject to exploration success, will in time help reduce Mongolia’s energy dependency on external providers by offering a new source of supply. In addition, the project will bring new and improved environmental and corporate governance standards.”

### **Use of Proceeds**

The net proceeds of the Subscription will be applied by the Company on its drill programme, together with further exploration on Blocks XX, IV and V.

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 14,250km<sup>2</sup> in the far eastern part of the country. The two other Blocks, IV and V, are located in central Mongolia and jointly cover 73,498km<sup>2</sup>.

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](http://www.ebrd.com)

Further information:

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With effect from 26 November 2009, the Company's nominated adviser changed its name from Hanson Westhouse Limited to Westhouse Securities Limited.