

Petro Matad Limited ("Petro Matad" or the "Company")
Operational Update – DT-9 well results

Petro Matad announces that the Company's Davsan Tolgoi-9 well ("DT-9") has reached a total depth of 1,766m in metamorphic rocks below the Lower Tsagaantsav objective.

The well penetrated the top of the Lower Tsagaantsav at 1,596m where it encountered sandstone with live oil shows consisting of fast bluish white fluorescent cut. The shows were preceded by elevated gas in the overlying Lower Zuunbayan seal. The well drilled a 132m gross thickness of Lower Tsagaantsav, with 8 metres of net pay averaging 23% porosity within a single principal zone between 1,639 and 1,651m depth

DT-9 was designed to test a Lower Tsagaantsav structural closure within Petro Matad's Shoroo prospect. The Company is preparing future drilling locations in a contiguous part of Shoroo Prospect, where the Lower Tsagaantsav reservoir is 100m higher than at DT-9. The location of this prospect is shown on the map in the website version of the Company's news release of 14 July 2011. The high porosity sandstone with high calculated hydrocarbon saturation in DT-9 provides a well-defined test interval for Petro Matad's on-going testing programme.

The exploration drilling rig has now been relocated from DT-9 to the DT-10 location. DT-10 will target a Lower Tsagaantsav primary objective 4.3 km south of DT-9, within a separate structural closure that is 450m higher than DT-9. The structure lies between the Company's Shoroo and Gal prospects in an area that was enhanced by recent reprocessing of the Davsan Tolgoi 3D seismic survey. The DT-10 structure is analogous to producing structures at the Tolson Uul field in Block XIX north of Davsan Tolgoi, and the DT10 closure is situated along the interpreted migration path between DT-9 and the Lower Tsagaantsav oil encountered in the Company's DT-3 well drilled in 2010. DT-10 continues the Company's evaluation of its Lower Tsagaantsav prospect inventory in the western part of the Davsan Tolgoi area of Block XX. DT-10 was spudded at 1300hrs (Mongolian time) on 21 August.

Commenting on the results from DT-9, Petro Matad CEO Doug McGay stated "DT-9 is the latest successful well in the Company's Davsan Tolgoi exploration programme and we are pleased to note such a good, solid interval of hydrocarbons. The Davsan Tolgoi Shoroo Prospect is now starting to develop very satisfactorily, considering the success of DT-9 and the previously drilled DT-4, together with the recently completed re-mapping of the reprocessed 3D seismic data in this area.

"The Company is now building an appreciable database of new and reprocessed data on Davsan Tolgoi and nearby environs. The mapping and integration of the merged seismic data (reprocessed 3D and 2D, and the 2011 2D) will be combined with this year's drilling and testing results and add knowledge and confidence to the Company's understanding of its assets."

Technical information in this news release has been reviewed by the Company's Exploration Manager, Dr James Coogan. Dr Coogan is a petroleum geologist with 30 years of experience in North American and international exploration and development. He is a member of the American Association of Petroleum Geologists and the Geological Society of America.

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.

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