

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

Davsan Tolgoi-1 Exploration Well Spud and Additions to the Team

Spudding of DT-1

Petro Matad (AIM:MATD) is pleased to announce that the Davsan Tolgoi-1 ("DT-1") exploration well was spudded at 2 a.m. Mongolian time on 23rd June (1900 hours on 22nd June 2010, BST).

The DT-1 well is being drilled vertically to an estimated target depth of approximately 1440 metres. The well is being drilled in accordance with the Company's drilling contract with Chinese operator Ansai Yuehua Oil Tech Company Ltd ("Ansai Yuehua"). Drilling operations are expected to take approximately 30 days and a further announcement will be made once drilling is completed.

DT-1 is the first exploration well to be spudded as part of Petro Matad's 2010 drilling programme on its Production Sharing Contract on Block XX in Eastern Mongolia, one of three exploration blocks owned and operated by the Company in Mongolia.

Additions to the Petro Matad team

Petro Matad has secured the services of Mr Frank Witteman as Wellsite Geologist and Petrophysicist for the planned three-well programme. Mr. Witteman was Lead Wellsite Geologist and Petrophysicist on three of the initial SOCO plc discovery wells in the Tamsag Basin.

The Company is contracting global oilfield services group, Weatherford, to undertake certain functions within the drilling programme. Weatherford China will be engaged to acquire an advanced wireline log suite and Weatherford Laboratories, based in Houston, Texas will be used for petrologic and geochemical analysis. Waanders Palynology Consulting, based in California, will be engaged to undertake biostratigraphic analysis of well samples.

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.