

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

Notification of Subscription by EBRD and Completion of Direct Subscriptions

Following Petro Matad’s announcement of 16 September 2010, the Company is pleased to announce that the European Bank for Reconstruction and Development (the “EBRD”) has today notified the Company that it will conditionally subscribe for 3,367,003 new ordinary shares of US\$0.01 each in the Company (“Share(s)”) at a price of 135 pence (US\$2.08) per Share (the “EBRD Subscription”). Following the EBRD Subscription of approximately US\$7 million, the aggregate amount raised by the Company in its September fundraising is approximately US\$54 million.

Timetable

Application has been made for the 8,843,675 Shares issued pursuant to the direct subscriptions set out in the Company’s announcement of 16 September (the “Direct Subscription Shares”) to be admitted to AIM. It is expected that trading will commence in these Shares at 8.00 am on or around 30 September 2010.

The issue of Shares pursuant to the EBRD Subscription will take place separately and a further announcement will be made in due course.

Shares in issue

Following the issue of the Direct Subscription Shares and prior to the EBRD Subscription, the Company will have 179,185,324 Shares in issue.

The new Shares will, following allotment, rank pari passu in all respects with the existing issued Shares.

Changes to notifiable holdings following the Placing

In so far as Petro Matad is aware, the following change has occurred to the following significant shareholder’s holding as a result of its participation in the direct subscription:

	Previous Shareholding	New Shareholding	Percentage of Petro Matad’s Issued Share Capital ¹
Petrovis LLC	34,040,032	36,684,262	20.47%

¹ Calculated prior to the issue of the Shares pursuant to the EBRD Subscription

Following the EBRD Subscription, the EBRD will hold 31,741,110 Shares representing 17.4% of the Company's enlarged issued share capital.

John Robertson, a director of the Company, subscribed for 50,000 new Shares in the Placing and not 103,950 new Shares as previously announced on 16 September 2010. His holding is, therefore, following the issue of new Shares pursuant to the Direct Subscriptions, as follows:

Previous Shareholding	New Shareholding	Percentage of Petro Matad's Issued Share Capital
300,000	350,000	0.20% ¹

¹ Calculated prior to the issue of the Shares pursuant to the EBRD Subscription

Related party transactions

The prospective placing of Shares to the EBRD will constitute a related party transaction in accordance with Rule 13 and Rule 16 of the AIM Rules for Companies. The independent directors (being each of the directors with the exception of Mary Ellen Collins, who is the EBRD's nominee on Petro Matad's board), having consulted with the Company's nominated adviser, Westhouse Securities Limited, consider that the terms of the transaction are fair and reasonable insofar as the shareholders are concerned.

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 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.