

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

Spudding of DT-7

Petro Matad (AIM: MATD) is pleased to announce that the Davsan Tolgoi-7 (“DT-7”) exploration well was spudded at 12:30 Mongolian time (5.30 a.m. BST) on 27 June 2011.

The DT-7 well is being drilled vertically to an estimated target depth of 1,800 metres. The well is being drilled by the Company's contractor, DQE International.

This well will test a portion of the Uvgan Gal paleovalley as well as part of the Lower Tsagaansav Formation. DT-7 is 2.3km south-southwest of DT-6 and 3.2km south-southeast of DT-2. The well will test the Davsan Tolgoi Mod Prospect with dual objectives in the Uppermost Tsagaantsav paleovalley system and the Lower Tsagaantsav sandstones.

A further announcement will be made once drilling is completed, or as appropriate.

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.

Further information:

Petro Matad Limited
Douglas J. McGay - CEO
+976 11 331099

Westhouse Securities Limited
Richard Baty / Petre Norton
+44 (0)20 7601 6100