

Petro Matad Limited - “Petro Matad” or the “Company”

Issue of Equity

Holding(s) in Company

Exercise of Options

The Company has received notification from Petrovis LLC (“Petrovis”) of its instruction to issue to Petrovis 2,000,000 ordinary shares (the “Petrovis New Shares”) in settlement of an outstanding trade liability. The outstanding liability is payable, at the election of Petrovis, in either cash or ordinary shares. The liabilities relate to fees pursuant to a Services Agreement dated 19 June 2009 whereby Petrovis provided services to the Company, including assistance with fund raisings and expansion activities. The Services Agreement stipulated a fee of either £280,000 or 2,000,000 ordinary shares.

Petrovis has requested that the Petrovis New Shares be allotted as specified below:

Petrovis	1,167,000
Forestberries LLC	683,000
Ms Davaanyam Enkhchimeg	150,000

Ms Davaanyam Enkhchimeg is also a director of Petro Matad.

The Petrovis New Shares will rank pari passu with the existing ordinary shares of the Company. Application has been made for the Petrovis New Shares to be admitted to trading on AIM and this is envisaged to occur on 26 July 2010.

Petro Matad has also been notified that Petrovis LLC has transferred a total of 17,317,000 ordinary shares in the Company to certain of Petrovis LLC’s shareholders and directors, including Ms Davaanyam Enkhchimeg.

Petro Matad also announces that following the exercise of options by its nominated adviser Westhouse Securities Limited over 966,800 ordinary shares (the “Westhouse New Shares”). These options were exercisable at US\$0.75 cents per ordinary share.

The Westhouse New Shares will also rank pari passu with the existing ordinary shares of the Company. Application has been made for the Westhouse New Shares to be admitted to trading on AIM and this is envisaged to occur on 26 July 2010.

Following the issue of the Petrovis New Shares and the Westhouse New Shares, there will be 156,701,446 ordinary shares in issue.

Petro Matad has also been notified that Mr. Douglas McGay’s interest in Petro Matad’s ordinary shares has changed following his disposal on 19 July 2010 of 150,000 ordinary shares at a price of 129p per ordinary share. Mr McGay is a director and CEO of Petro Matad.

As a consequence of the above disclosures, Petro Matad understands that the following changes will occur to the following disclosable shareholdings:

	Previous Shareholding	New Shareholding	Percentage of Petro Matad's Issued Share Capital
Petrovis LLC	50,190,032	34,040,032	21.72%
Forestberries LLC	0	11,000,000	7.02%
Mr Douglas McGay	3,950,000	3,800,000	2.43%
Ms Davaanyam Enkhchimeg	200,000	2,550,000	1.63%

Further information about the Company:

Petro Matad Limited

Douglas McGay- CEO +976 11 331099

Westhouse Securities Limited

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

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.