

news release

1 May 2008

Petro Matad Limited

First Day of Dealings

Petro Matad Limited ("Petro Matad" or the "Company") is pleased to announce its introduction to the AIM market of the London Stock Exchange and the first day of dealings in its ordinary shares under ticker symbol MATD. Petro Matad is the first substantially Mongolian owned company to be quoted on any major international stock exchange.

The number of shares in issue following admission is 96,680,004.

Hanson Westhouse is acting as Nominated Adviser and Broker to the Company.

The Company

Petro Matad is the parent company of a group focused on oil exploration, as well as future development and production of oil in Mongolia. The Group's principal asset is 100% participation in a Production Sharing Contract over Block XX, a petroleum block covering an area of 18,956km² in eastern Mongolia.

Investment Highlights

- Onshore low cost exploration and development - key targets within Block XX believed to be at between 500 metres and 2,050 metres depth
- Near term development potential - key leads and prospects identified
- Adjacent to proven hydrocarbon system - the adjacent Block XIX is owned and operated by Daqing Oilfield Limited Company, a subsidiary of PetroChina Company Limited, and test production is currently yielding over 2,000 barrels per day
- Close proximity to Chinese energy market
- The opportunity to participate in the development of a domestic petroleum industry, given that Mongolia currently imports all processed oil products.
- Key associations within Mongolia - Petrovis, the largest petroleum products distributor in Mongolia, is the major shareholder in the Company.

Strategy

Petro Matad intends to focus its resources on further exploration, including the acquisition and analysis of 3D and 2D seismic data in the northern part of Block XX adjacent to Daqing's productive Block XIX, with the intention of commencing a three year drilling programme in the first half of 2009. The Group also intends to seek new prospects and opportunities in the oil sector within Mongolia.

Mongolia

The Mongolian oil sector has an international standard statutory framework which has been in place for 17 years without significant revision of commercial terms. Significant oil discoveries have been made in recent years with production increasing from 199,797 barrels in 2006 to 592,445 barrels in 2007. Demand for oil from China is increasing and current production in Mongolia is being sold to China at or around world market prices.

Commenting on the Group's admission to AIM Doug McGay, Chief Executive, said:

"This important milestone of marrying Mongolian ownership and international capital markets is a significant new step in the development of Mongolia's market economy. Petro Matad's introduction to AIM is another step in our business plan of exploring and developing the assets in Mongolia.

We have excellent relationships with key partners in Mongolia and we look forward to building shareholder and partner value."

Further information:

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Notes to Editors

Directors

The Board comprises:

Gordon Leonard Toll, Non-Executive Chairman

Mr. Toll is an Australian mining engineer with over 36 years' experience in the mining industry. He has an MBA from Columbia University in the USA and is a member of the Australian Institute of Mining and Metallurgy. His career in the mining and minerals industry has included six and a half years with BHP Iron Ore in Australia including four years as production manager. Following this, he worked for Texasgulf, Inc. as Manager of Mining International. In the 1980s, he worked for Atlantic Richfield Coal and was involved in building two coal mines in Indonesia and Venezuela. He then worked for seven years with Rio Tinto where he became the Group Mining Executive based in London. Until 2001, he was the Chairman of Emperor Mines Limited, a gold mining company listed in Australia with assets in Fiji and concurrently and until December 2004 was Deputy Chairman of Ivanhoe Mines Limited, listed in Canada and currently exploring a world class copper/gold deposit in Mongolia.

Dr. Janchiv Oyungerel, Non-Executive Deputy Chair

Dr. Oyungerel graduated from the Institute of Petrochemical and Gas Industry, Moscow in 1979. She began her career as an economist at the Ulaanbaatar Oil Terminal and in 1982 became the Chief Economist at the Petroleum Supply Department at the Mongolian Ministry of Transportation where she was employed until 1991. In 1991, she was appointed the General Director of the Petroleum Import Concern of Mongolia and in 1994 became the General Director and Chair of the Board of Directors of the government owned company, Neft Import Company (NIC). In 1996, she founded Petrovis LLC and was the General Director until January 2008 and has been Chair ever since. She has completed an Oil Economics and Marketing Program at the Arthur D. Little Institute in Cambridge, USA. In January 2007, she completed a doctorate in economics in Moscow, Russia. Since 2001, she has been the Chair of the Board of Directors of Prime General (Insurance) Daatgal LLC, and from 2005 the Chair of the Board of Directors of Unigas LLC.

Douglas John McGay, Chief Executive Officer

Mr. McGay is a land, mining and engineering surveyor by profession. Between 1974 and 1988 he was the principal of his own practice, McGay Surveys. The head office was in Kalgoorlie, with offices and operations throughout Australia. Following the sale of McGay Surveys in 1988, he remained involved in the mining and mineral industry as a management consultant to international mining and exploration companies providing computer generated aerial mapping services. In 1997, he moved to Mongolia initially pursuing his profession, but then expanding to a general resource industry service consultancy, mainly as the Country Manager for a mineral exploration companies. He was most recently involved in forming the Mongolian NGO, the "Minerals and Mining Development Foundation", serving as founding Executive Director. In 2005, he was part of the formation of Central Asian Petroleum Corporation Limited. Mr. McGay lives in Mongolia.

Clyde Robert Evans, Finance Director

Mr. Evans was a career banker, having spent 37 years with National Australia Bank (NAB), where he was involved at senior leadership levels. He successfully led and managed NAB's Western Australian corporate banking centres, catering for NAB's large base of public listed industrial and natural resource companies.

Gregory Thomas Meldrum, Technical Director

Mr. Meldrum is a petroleum geologist with over 35 years' exploration, production and new ventures experience, in Australia and internationally, principally with large operating oil companies. Mr. Meldrum began his career in 1972 as a petroleum geologist with Burmah Oil Company in Perth, Western Australia. For the next 10 years he worked in exploration and production roles for Burmah/Woodside, Esso and Hubday Oil. From 1982 to 1996, he worked for Marathon Petroleum Australia Ltd where he spent time in Australia, Egypt, Indonesia and Tunisia. In 1996, he formed Meldrum Pty Ltd, a petroleum geological consultancy. In 2001, he joined Apache Energy Ltd as Senior Staff Geologist, working on reservoir modelling and prospect generation in the Carnarvon and Perth Basins. In mid-2005, he conducted basin and field reviews in Offshore Malaysia (Petronas), offshore Sarawak (PCPP) and offshore Gabon, and began consulting for the Group, evaluating and advising on the petroleum potential of Mongolia. Mr Meldrum is responsible for managing the technical aspects of Petro Matad's exploration of Block XX.

Sarangua Davaadorj, Non-Executive Director

After graduating from the Moscow State University Law Faculty with Bachelors and Masters Degrees in International Law, Ms. Sarangua began her career in Mongolia as in-house counsel at a large national geological and geophysical exploration company, where she assisted in the establishment of the first natural resource database in the country and drafting contracts with international oil exploration companies on behalf of the Government. In 1992, she joined the State Bureau of Mines of Mongolia where she coordinated the restructuring of the mining industry and participated in the drafting of the first Mining Law of Mongolia. In 1993, she obtained a Masters of Law from Harvard Law School. In 1993, she became General Counsel and a Head of the Department of International Cooperation at the Ministry of Geology and Mineral Resources, Ulaanbaatar. In 1994, she co-founded Arlex Consulting Services Ltd, one of the first law firms in Mongolia. In 1998, she became an Associate Director at the International Law Institute in Washington, DC and a consultant to the World Bank Legal Department for East Asia and the Pacific. From 2001 to 2003, she was Marketing Manager for Emerging Markets at LTB Limited, a firm providing financial and corporate advisory services. Currently, she is a Managing Director for PITPROP Limited, a London based consulting firm working on structuring financing for oil, gas and mining projects in Russia, Kazakhstan, Mongolia and Central Asia.

Dr. John Campbell Robertson, Non-Executive Director

Following his undergraduate studies at the University of St. Andrews, Dr. Robertson completed a doctorate in engineering at the University of Dundee. Dr. Robertson began his career in 1970 with J. Henry Schroder Wagg, the London merchant bank and, in 1972, he joined the corporate finance department of Cannon Street Investments. In 1975, he joined the Ultramar group of companies where he held a number of senior positions in London, Montreal, Toronto and New York. In 1992, he returned to London and joined Durlacher, a UK stockbroker where he advised corporate finance clients. From February 1995 until his retirement in June 2005, he was a director of Nabarro Wells & Co., the London based independent corporate finance advisory firm where he brought a number of significant oil and gas and mining companies to AIM. He is a non-executive director of a number of AIM and Australian Stock Exchange quoted companies.

Senior management

The following are the other members of the Group's senior management:

Tuul Amarzul, Executive Director of Capcorp Mongolia LLC and Petro Matad LLC

Ms. Amarzul is a Mongolian citizen, educated in Singapore and has a BA degree in Foreign Relations. She has worked in the Mongolian Government's Foreign Investment and Foreign Trade Agency (FIFTA). Ms. Tuul joined the resources sector in Mongolia in 2003, holding senior management positions in private sector resource companies.

Budjav Dendevchuluun, General Manager

Mr. Dendevchuluun has 38 years' experience as a geophysicist, engineer and executive in various state agencies and private companies. He started work with the Geophysic-topomapping Authority

and went on to be appointed as the Chairman of the State Industrial Authority of Mongolia. In his latter role, he was one of the initiators and developers of the 1991 Petroleum Law of Mongolia. Mr. Dendevchuluun has a BSc degree in geophysical engineering from the Polytechnic of Irkutsk, Russia.