

PETRO MATAD LIMITED

ANNOUNCES RESULTS OF DAVSAN TOLGOI 2008 3D SEISMIC SURVEY

Petro Matad Limited (“PML” or the “Company”), reported today that the Company has completed the interpretation of its 145 km², 3D seismic survey in the north eastern part of Block XX (the “2008 3D Seismic Survey”). The 2008 3D Seismic Survey was undertaken to further mature the Company’s most advanced Prospect, 8Ts, to drillable status. The Prospect is to be re-named Davsan Tolgoi which is the local Mongolian nomenclature for the general area of 8Ts.

The 2008 3D Seismic Survey was acquired during the second and third quarters of 2008. The Company engaged independent consultants, Isis Petroleum Consultants Pty Ltd (“ISIS”), to undertake the interpretation and to integrate the 3D seismic interpretation with appropriate portions of the Company’s existing 2D seismic database.

ISIS reported that the 2008 3D seismic data quality is of very good quality and has greatly improved fault definition. Previous 2D data had been acquired using a dynamite source and the 2008 3D data was acquired using a vibroseis source. A good character tie was established between the 2D and 3D data. The overall structural configuration shows great improvement over the structural interpretation based on the 2D seismic data set. The understanding of the reservoir presence, trap integrity, migration pathways and sealing potential over the prospective area has been greatly enhanced by the acquisition of the 3D seismic data set.

ISIS has concluded that the 3D data has increased the mean STOIP for the Greater Davsan Tolgoi Prospect by 57% to a mean value of approximately 500 MMbbl of oil and that the 3D data has improved the geological probability of success for Davsan Tolgoi by 15% to at least 38%. In addition, two further prospects outside of the Greater Davsan Tolgoi Prospect were identified. Those two prospects (Davsan Tolgoi West and Davsan Tolgoi North) have a mean STOIP totalling 105MMbbl of oil.

ISIS has determined that the cumulative mean risked prospective resources potential of Greater Davsan Tolgoi, together with Davsan Tolgoi West and Davsan Tolgoi North has increased from 19 MMbbl to 58 MMbbl.

Following the completion of the 2008 3D Seismic Survey, the mean risked prospective resource of PML’s total inventory of all Leads and Prospects in Block XX has been increased from 83 MMbbl to 123 MMbbl.

The Company is now working with its advisers to identify drilling targets within its Davsan Tolgoi Prospect and is also examining work programmes to further the exploration in other prospective areas previously identified in Block XX.

CEO Douglas McGay commented: “We are very pleased with the results of the 3D seismic work on Davsan Tolgoi. They provide further validation of our faith in the prospectivity of Block XX, particularly when read in conjunction with the 2008 2D survey results (released in October 2008). These reports have provided Petro Matad with a clear path forward in its exploration programme.”

Technical information in this news release has been reviewed by Mr. Eric Tucker, the Chief Operating Officer and Principal Explorationist with ISIS. Mr. Tucker is a member of the American Association of Petroleum Geologists and the Petroleum Exploration Society of Australia. He holds a fellowship Diploma in Geology from the Royal Melbourne Institute of Technology and has over 30 years of oil and gas exploration, appraisal and development experience.

ISIS has carried out its assessment of the prospective resources for Block XX in accordance with the Society of Petroleum Engineers / World Petroleum Council / American Association of Petroleum Geologists (SPE / WPC / AAPG) guidelines and standards as published in March 2007.

Glossary

2D	Two dimensional
3D	Three dimensional
Fault definition	The ability to interpret the fault plane in section and to then map the fault in plan form
Mean	Arithmetic average of a series of values
Migration pathways	Porous and permeable conduits along which hydrocarbons travel updip and away from the hydrocarbon generating kitchen
Mean Risked Prospective Resource	The mean risked quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations
MMbbl	Million US barrels of oil
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target
Prospective Resources	Those quantities of oil which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
Seal	An impermeable layer of rocks which does not allow transmission of fluids
STOIIP	Stock tank oil initially in-place
Trap	Any barrier to the upward movement of oil and or gas allowing either or both to accumulate; it includes both the reservoir rocks and the overlying or updip impermeable sealing rocks.
Vibroseis	Is a servo controlled hydraulic vibrator seismic energy source that can propagate energy signals into the earth over an extended period of time as opposed to the near instantaneous energy provided by an impulse source such as dynamite

Further information:

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Notes to editors:

Petro Matad is the parent company of a group focussed on oil exploration, as well as future development and production in Mongolia. The Group's principal asset is the 100 per cent. ownership of a PSC over Block XX, a petroleum block of 14,250km² in the far eastern part of Mongolia.