

Gordon Toll (*Non-Executive Chairman*)  
Dr. Janchiv Oyungerel (*Non-Executive Deputy Chairman*)  
Douglas McGay (*Chief Executive Officer*)  
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Gregory Meldrum (*Technical Director*)  
Sarangua Davaadorj (*Non-Executive Director*)  
Dr. John Robertson (*Non-Executive Director*)



**Petro Matad Limited**  
(Isle of Man Company 1483V)

## **PETRO MATAD LIMITED (“PML” or “the Company”) ANNOUNCES THE AWARD OF A 3D SEISMIC CONTRACT FOR EXPLORATION ON BLOCK XX IN MONGOLIA**

PML has appointed geophysical services group BGP Inc. (“BGP”) to undertake a 130km<sup>2</sup> 3D seismic acquisition programme on petroleum Block XX, in Eastern Mongolia, for which the Company solely holds the Production Sharing Contract in conjunction with the Government of Mongolia.

During 2007, PML undertook its own modern 2D seismic survey over the most pertinent prospective area within Block XX. That survey was analysed in conjunction with seismic data over the same area, acquired approximately 10 years ago, that the Company had reprocessed. 11 Leads and Prospects were defined by this process and 8Ts was analysed by the Company’s “Competent Person”, Isis Petroleum Consultants Pty Ltd (“Isis”) as the strongest.

The 8Ts prospect is a large faulted anticline which has the same sandstone reservoir objective as, and on trend with, the producing Tolson Uul Oil Field located 15 kilometres to the north in the adjoining Block XIX. 8Ts has a mapped area of closure of 37km<sup>2</sup>. Isis assessed the un-risked mean recoverable prospective resource as 79 million barrels of oil with a probability of geological success of 23%.

The survey is intended to delineate drill targets within the 8Ts prospect, and to raise the probability of success, with a view to a 2009 drilling programme. BGP are expected to commence work in July and complete the contract late in the third quarter of 2008.

BGP were awarded the contract after a tender process involving qualified companies from both Mongolia and China. BGP is a subsidiary of China National Petroleum Corporation and was formed in 2002 via the amalgamation of six other Chinese geophysical companies. It is now one of the largest companies of its type in the world. BGP’s clients include Shell, ExxonMobil, BP, Saudi Aramco, and it operates in China, Africa, South America, the Middle East and other parts of Asia.

The contract between the Company and BGP specifies the use of Mongolian sub-contractors and labour to the greatest extent possible, adhering to PML’s policy for and training and technology transfer to Mongolians.

In early April 2008, the Company completed a further 2D seismic acquisition programme, undertaken by Mongolian geophysical contractor, Khet LLC. That survey comprised 155 line kilometres and was designed to infill existing seismic lines over a “strong lead” termed 6Ts. 6Ts is situated 10 kilometres to the west of 8Ts and also adjacent to the aforementioned Block XIX. Data from the acquisition is currently being processed and analysed.

Further information:

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