

Mongolia

Production Starting  
Near-field Exploration  
and  
Renewable Energy



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## Mongolia's Leading Independent Energy Company



### AIM Listed (MATD)

Mongolia focused oil company with experienced Board and Management Team



### Two PSCs with Government of Mongolia

100% working interest and ownership

Block XX Exploitation Licence only the third ever awarded in Mongolia

Two new PSCs pending award



### Transition into oil production plus Renewable Energy

Block XX Heron development

Two Renewable Energy projects in hand



### Strong Government relationships and in-country experience

Highly active E&P Company

Active and agile Renewable Energy JV

Responsible approach to operations, proactively managing all environmental and social risks and working in partnership with local stakeholders to support licence to operate

# Our Assets

## Two new PSCs pending award

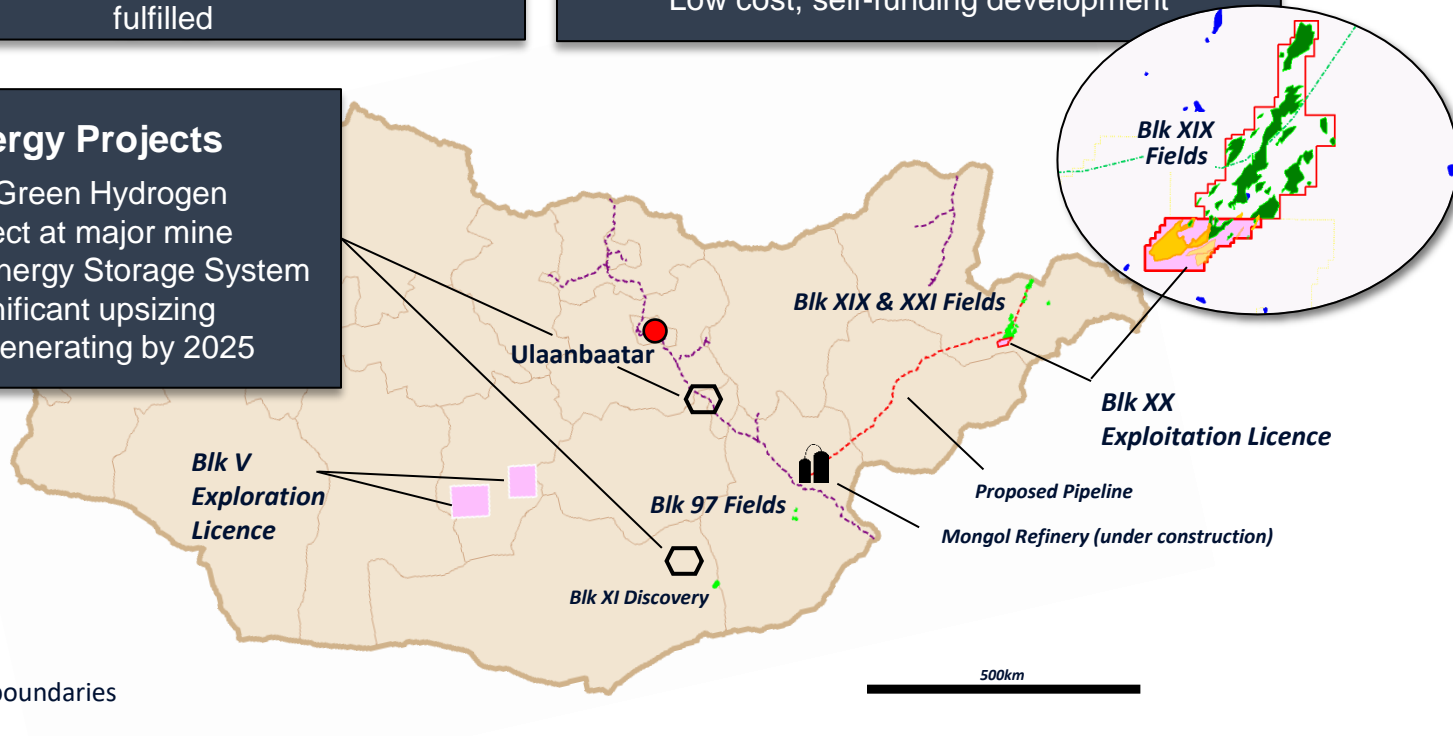
Confirmed winner of tender - awards expected late 2024/early 2025  
 Large blocks covering extensions of basins producing in China  
 Block V PSC expiring 2024. Commitments fulfilled

## Block XX

Development, appraisal, exploration  
 Adjacent to Mongolia's main oil producing area and sharing infrastructure  
 Heron field production startup in mid-2024  
 Low cost, self-funding development

## Renewable Energy Projects

Off-grid wind farm/Green Hydrogen demonstration project at major mine  
 On-grid 50MW Battery Energy Storage System with scope for significant upsizing  
 Potentially revenue generating by 2025



**Block XX Heron Field development starting in 2024**  
**Two utility scale Renewable Energy Projects in development**

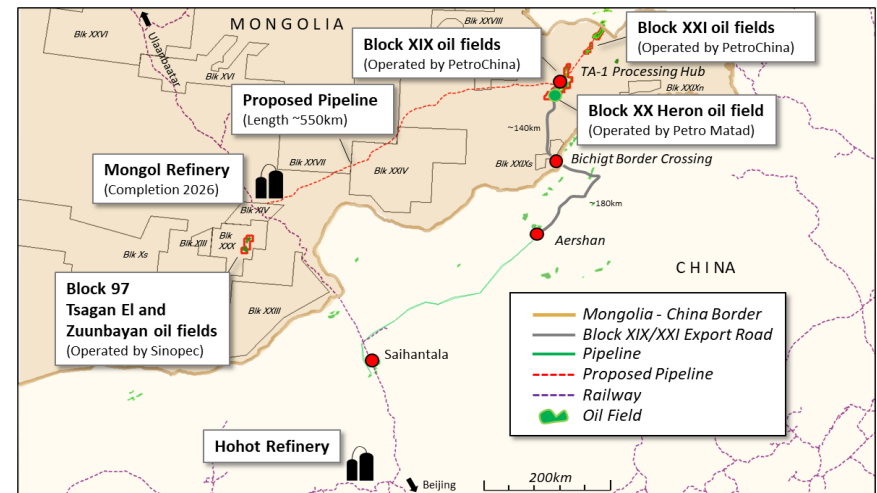
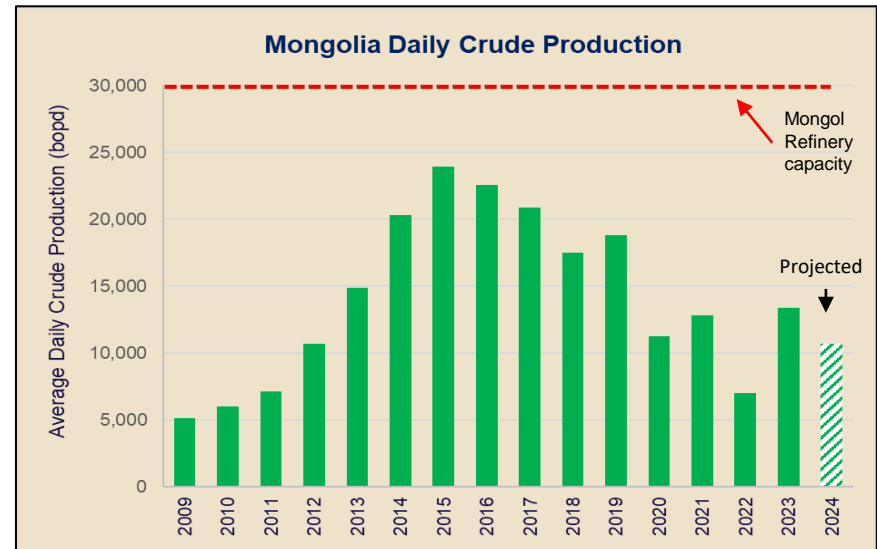
# Mongolia Oil Industry

## Government supportive of domestic oil industry

- Mongolia's average daily crude production in 2023 was 13,395 bopd<sup>1</sup>
- PetroChina operates 96% of country's production which is trucked to Chinese refineries
- Mongolia's refined product need end 2023 has increased to over 60,000 bopd<sup>1</sup>
- Government seeking to increase production and investment in upstream oil sector to meet domestic demand

## Mongolian Refinery under construction using \$1.3bn+ loan from India

- Infrastructure connections (rail, road, power) complete
- Support facilities, power plant complete
- Refinery 16% complete. Scheduled on stream 2027<sup>2</sup>
- Designed for 30,000 bopd feedstock. Heron production will help meet this but the government aspires to increase its energy independence and to be an exporter of crude and/or refined products
- Pipeline from Block XIX to refinery: Work under way. 42% complete





# Block XX: Land access - a work around is found

## Regulation 287 process

- 287 is the long term land access fix whereby central government declares Block XX to be a State Special Purpose Area
- Approved as SSPA by Cabinet in July 2023
- Remaining procedural formalities held up provincial officials for various reasons and latterly by a government created overlap and in 2024 by parliament elections
- Expecting the process to complete in 2H 2024 once the new government is in place

## Improvement of relationship with local community

- Organised Matad Citizens' representative Committee visit to South-Gobi province to introduce industrial and extractive projects in which cooperation resulted in benefits for the local community
- Executed a Cooperation Agreement with Matad district involving annual funding of community projects as per the Petroleum Law

## Local land approval

- Matad approved our land usage request in 2Q 2024
- Land agreements signed for 3 areas chosen for work in 2024/25. 5 year validity
- All other approvals in place for work to commence

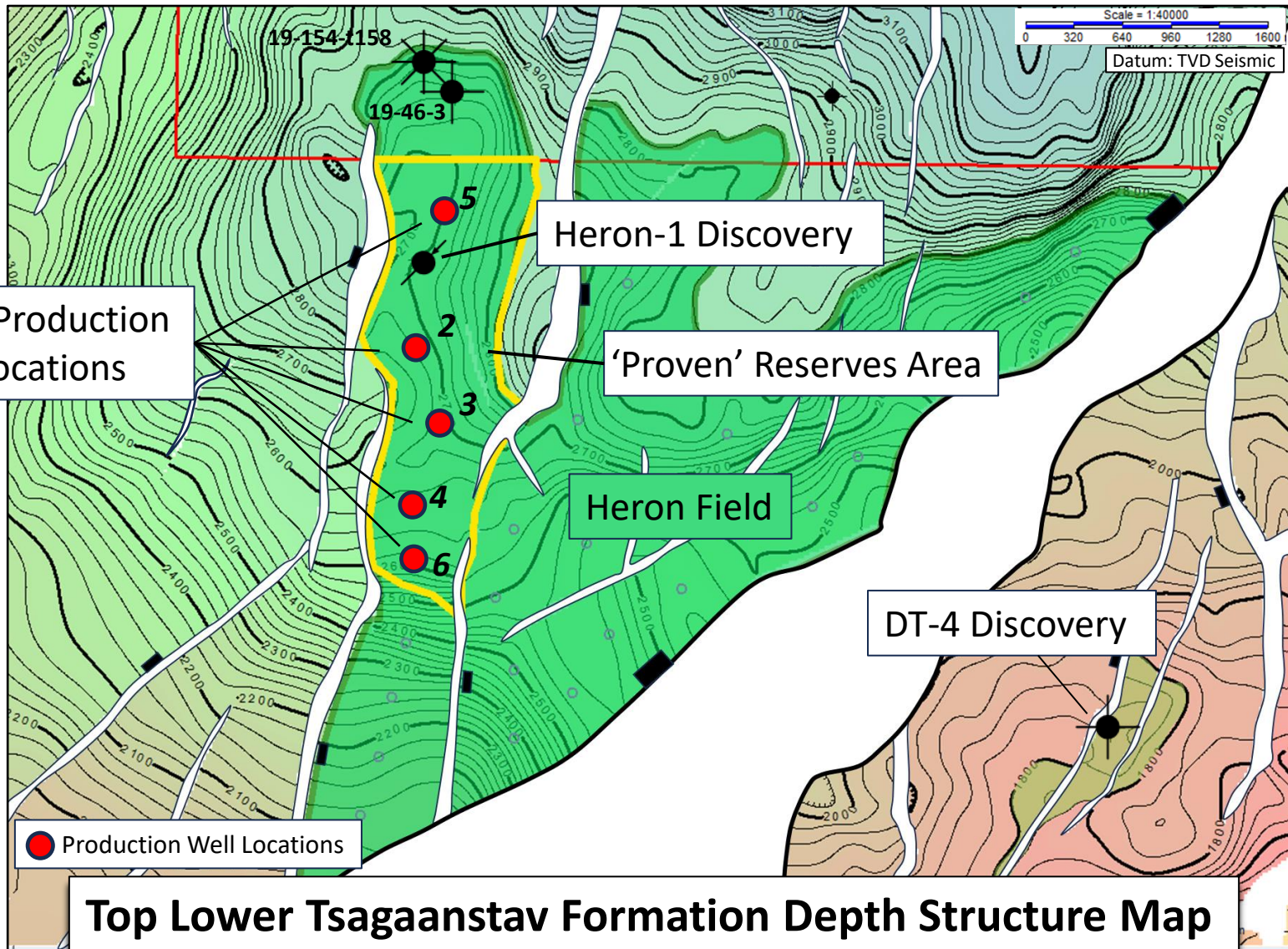


Members of Matad Citizens' Representative Committee visit S Gobi





# Heron Appraisal and Development 1





# Heron Appraisal and Development 2

## Heron-1 First Oil Plan

- Heron-1 re-entered for fracking and completion
- Install and commission production facilities for first oil
- Oil transported to facilities in Block XIX for export and sales

## Heron-2 and Heron-3

- Both wells drilled and completed as production wells in 2024
- Same single well production facilities, export and sales

## Cost Effective Production Enhancements

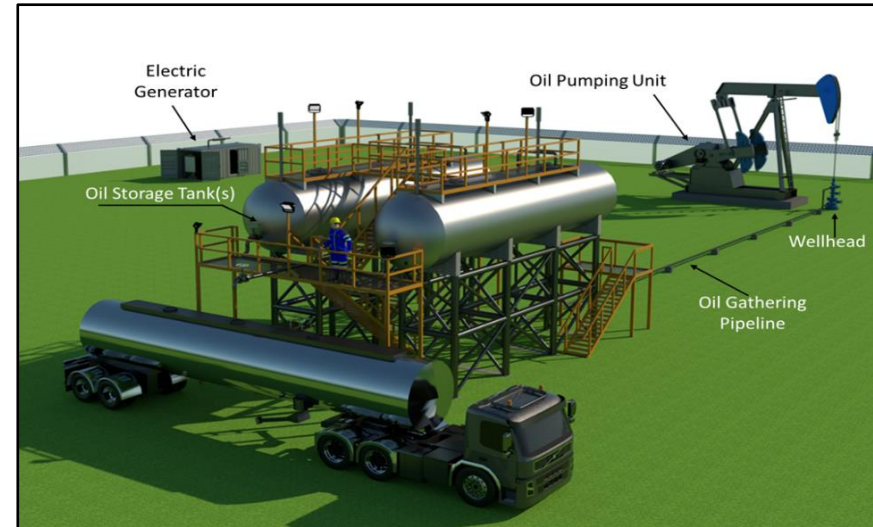
- New reservoir architecture data to inform choice of slanted vs. horizontal wells and/or radial drilling and/or perforation fracking re-design to uplift future well performance
  - Radial Drilling: can improve well recoveries by 20-30%
  - Horizontal wells in PetroChina Block XXI have improved well performance and additional horizontal wells are planned

## 5 Year Plan

- Evaluate well performance of initial wells to guide further drilling - both locations and well design
- 5+ wells per year complete production well programme - build profile to ~3,000 – 5,000 bopd<sup>1</sup>
- Decision on reservoir pressure maintenance project – water and/or CO<sub>2</sub> injection to uplift recovery further

**Targeting >30% recovery and peak production c. 9,000bopd<sup>1</sup>**

Single Well Production Pad Layout



Production Tanks  
(second-hand from PetroChina)



Beam Pump  
(purchased and in storage)



# Gobi Bear Prospect

## Exploration upside

- There are a number of Prospects and Leads within the Block XX Exploitation Licence with a total in-place resource upside of c. 430 MMbo<sup>1</sup>
- The Exploitation Licence award allows for exploration drilling to target additional resources within the retained area

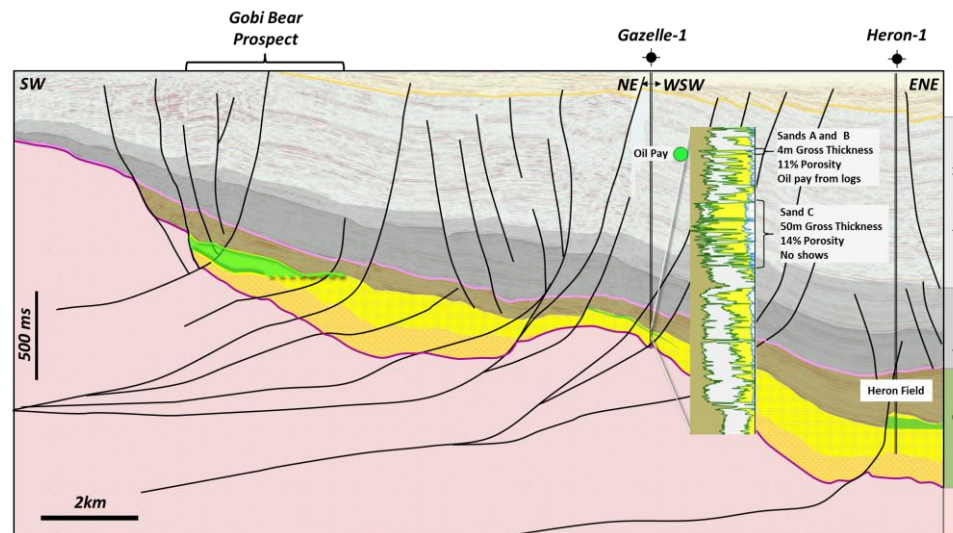
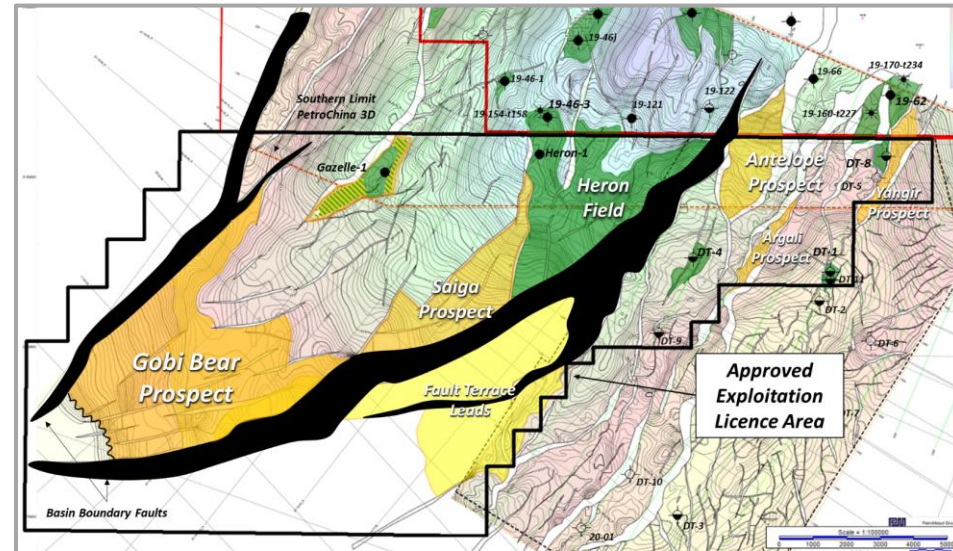
## Gobi Bear Prospect Description

- Comprises an 'End of Basin' stratigraphic/pinch-out trap of the Lower Tsagaantsav Fm sandstones - the main reservoir unit in the Tamtsag Basin
- The trap relies on the effectiveness of lateral and base seals by Upper Tsagaantsav Fm shales and Basement lithologies
- The trap is up-dip of proven oil in Heron-1 and good oil shows in Gazelle-1
- Gross 50m thick sandstone at Gazelle-1 proves presence of good reservoir lithologies in the southern part of the Tamtsag Basin and also provides an excellent oil migration carrier bed allowing charge to up-dip traps

## Resource Potential

- Estimated mean in-place oil resource of 307 MMbo<sup>1</sup>
- Geological Risk assessment 15% - main risks are trap definition and migration

Block XX Prospect and Leads





# Mongolia: Renewable Energy

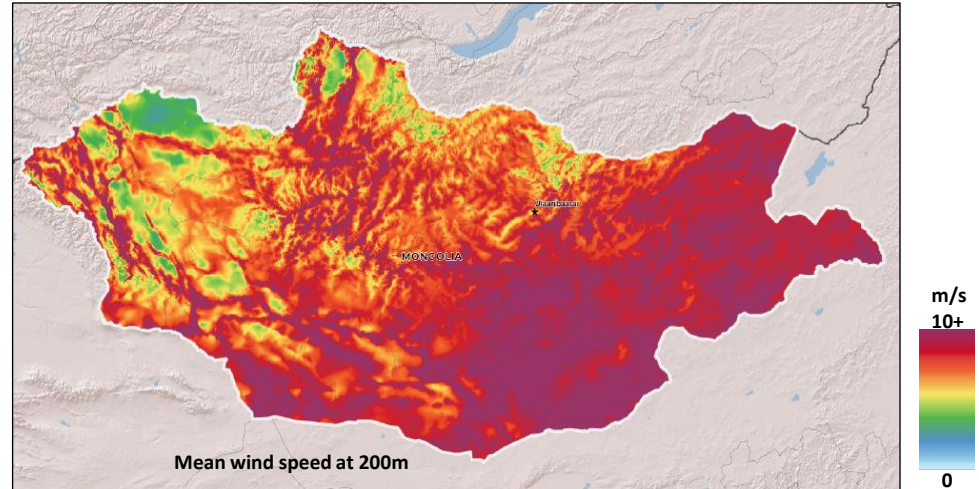
## Government Strategy

- Government Energy Strategy and COP26/27 pledges. By 2030:
  - 30% domestic generation from renewables (currently 9%)
  - 23% reduction in reliance on thermal power
  - Meet 100% of national energy demand from domestic supply and become an energy exporting country

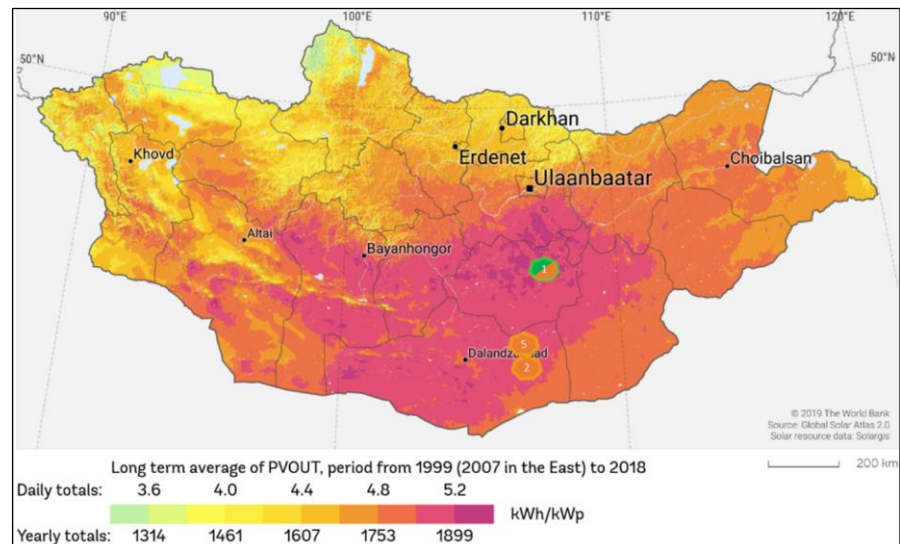
## Opportunities

- Huge potential for sector growth given world class wind and solar PV potential
- Huge area of flat land for large scale projects
- Domestic and export demand
- Early entrant advantages available as sector at very early stage of growth
  - First wind farm 2013, first PV project 2017
  - Fiscal framework in place and working. Tariffs in US\$. Take or pay provisions exist
  - Projects offer double digit rate of return
- SunSteppe focusing on off-grid supply to mining projects and on-grid Battery Energy Storage Systems (BESS)
- Ministry of Energy needs to stabilise the grid and meet peak demand. BESS is its top priority

Wind: 2,550 TWh/yr potential <sup>1,2</sup>



Solar: 4,774 TWh/yr potential (3<sup>rd</sup> highest from worlds deserts)<sup>1,2</sup>



# SunSteppe JV: Projects, Opportunities and Team

## Projects under development

### 50MW Battery Energy Storage System (BESS) at Choir, Central Mongolia

- Urgently needed by Ministry of Energy to stabilise grid
- 2<sup>nd</sup> BESS in country, the first to involve a private company
- Huge growth potential. Ministry has identified a need for 350MW BESS in country
- Project approved by Ministry with request to execute by 2025. Licence to construct application being prepared

### Green Hydrogen demonstration project at Oyu Tolgoi (OT) mine

- Exclusive MOU in hand. Project involves 24MW wind farm to generate power for Hydrogen production to heat mine camps and replace coal fired power
- Phase 1 targeted online in early 2025
- Japanese government grant funding approved. Application for a further grant to be lodged in 2H 24

### Export to China initiative

- MOU signed with major Chinese utility for 1.5GW electricity export to China

## Team



**Mike Buck**  
Chairman



**Zula Luvsandorj, Co-Founder/CEO**  
15 years Intl finance/banking  
9 years in Mongolian RE



**Turbat Banzragch, Snr Eng Advisor**  
32 years in Mongolian Energy Including with National Dispatch Centre



**Enkhbaatar Sambuu, Snr Eng**  
26 years in Mongolian Energy: ADB BESS, Salkit, OT



**Ganchimeg Mujaan, Gov Rel Advisor**  
40 years in Mongolian Energy including with Energy Regulatory Commission



**Oyunsuren Vandandorj, RE Specialist /Engineer**  
34 years in Mongolian Energy including ERC. Worked on ADB BESS



# 2024/25 Work Programme

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## Goals

- Commence production and development of Heron discovery in Block XX
- Near field low-cost exploration drilling
- Develop renewable energy projects to bankable ready to build status
- Achieve self-sustainability and deploy oil production revenue on development drilling, near-field exploration, new PSCs and developing renewable energy projects

## Timing

- Heron-1: re-perforation, stimulation and completion - July. Put on production targeting late 3Q 2024
- Heron-2: drill, complete - late 3Q. Put on production 4Q 2024
- Gobi Bear-1: drill - late 3Q/early 4Q dependent on rig availability
- Sign two new PSCs late 2024/early 2025
- Choir 50MW BESS to bankable, ready-to-build status early 2025
- OT Green Hydrogen, phase 1 onstream in 2025

# Thank you

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