



## **Third quarter 2018**

23 November 2018

# Q3 2018 highlights

- 23% increase in production from Q2 and 43% from Q1
- 17 wells drilled in 2018, 12 completed by end of Q3 and 5 tbc in Q4
- Daily gross production passed 1,000 boepd in early October
- 24% increase in revenues from Q2 and 37% from Q1
- EBITDA improved to 0.5 MUSD

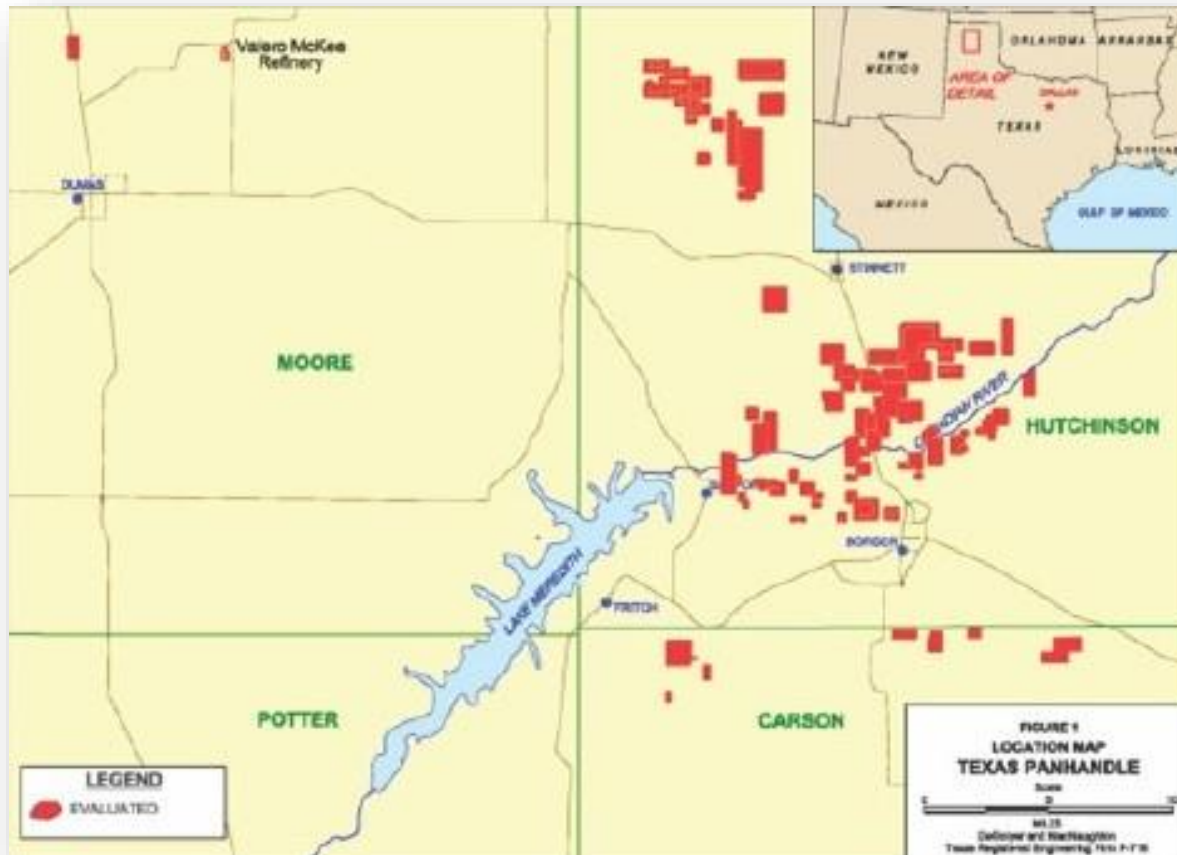
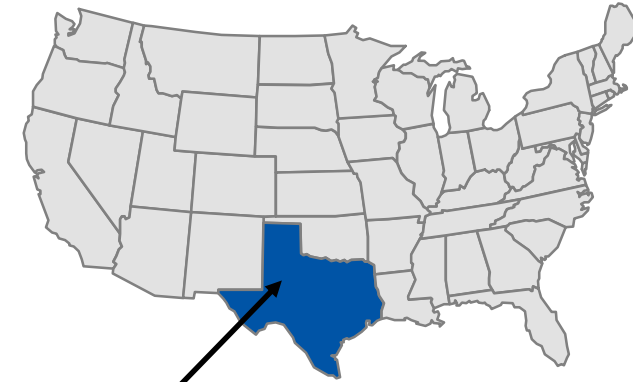
“Looking ahead, we expect further financial improvements and increasing cash flow driven by higher production levels and supportive oil and gas markets“, *Maxim Barskiy, CEO*

	Q3-18	Q2-18	Q3-17
Total production, gross (boe)*	75,708	67,822	65,557
Total production, gross (boepd)*	823	745	713
Revenue, TUSD	3,239	2,606	2,363
EBITDA, TUSD	492	-88	436
Operating result, TUSD	395	-744	-77

# Operations in Texas Panhandle, USA



- Significant hydrocarbon basin in a region with well developed infrastructure
- Private ownership of mineral rights & favorable taxation
- Matra owns and operates 170 leases (18,470 hectares)
- Acquisition of proved reserves of 3.1 mmbo of oil 4,970 mmcf of gas (4.0 mmboe) in Q2



# Reserves & growth opportunities



Category	Net reserves			Share,%	PV (10%) (TUSD)
	Oil, MBO	Gas, MMCF	MBOE		
<b>Proved developed producing*</b>	1,281	6,581	2,378	<b>10%</b>	25,818
<b>Proved developed non-producing*</b>	2,171	17,639	5,110	<b>21%</b>	41,527
<b>Proved undeveloped*</b>	7,817	33,953	13,476	<b>54%</b>	83,664
<b>CoreTerra, acquired in 2018**</b>	3,134	4,970	3,962	<b>16%</b>	28,733
<b>Total proved</b>	<b>14,403</b>	<b>63,143</b>	<b>24,926</b>		<b>179,268</b>
<b>Share, %</b>	<b>58%</b>	<b>42%</b>			

- Reserves are conventional and shallow (less than 1 km)
- 398 active wells / 826 total
- About 526 PUD locations
- Over 447 opportunities to improve production from existing wells

**Long term production target from existing asset base of up to 6,000 boepd (Gross)**

\* The estimate of reserves has been conducted as of 30 November 2017 by independent petroleum consultants DeGolyer and MacNaughton

\*\* Matra management estimate

# Development / Production Overview



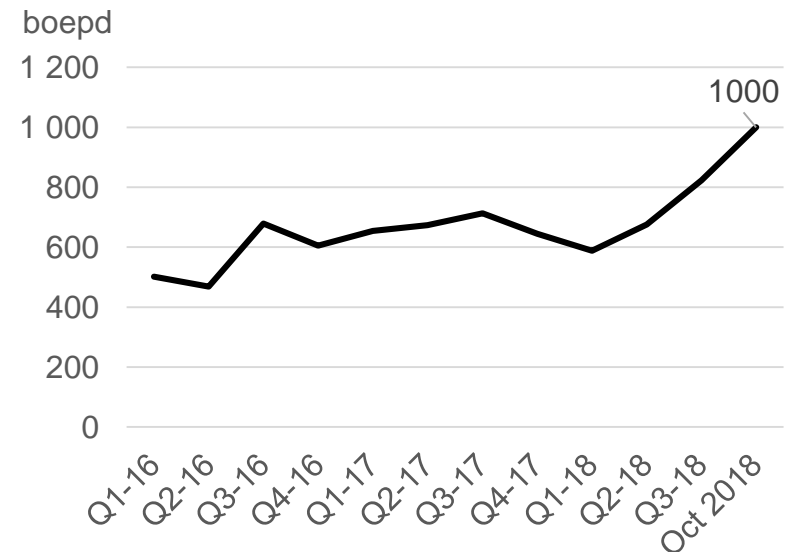
**Production, gross, Q3 2018: 823 boepd**

**In early October gross production passed 1,000 boepd**

## Drilling and work program 2018

- 2018 drilling program includes **24 wells**
  - **17** wells have been drilled and the tenth well has been spudded
  - **12** wells were completed by the end of Q3
  - **5** are completed in Q4
  - New wells reach full potential after about 60 days
  - Will extend into 2019
- An extensive program to improve oil and gas production from existing wells through workovers and reopening of shut-in wells.
- Annual target to double daily oil and gas production by year end

**Production, gross, 2016 - October 2018**

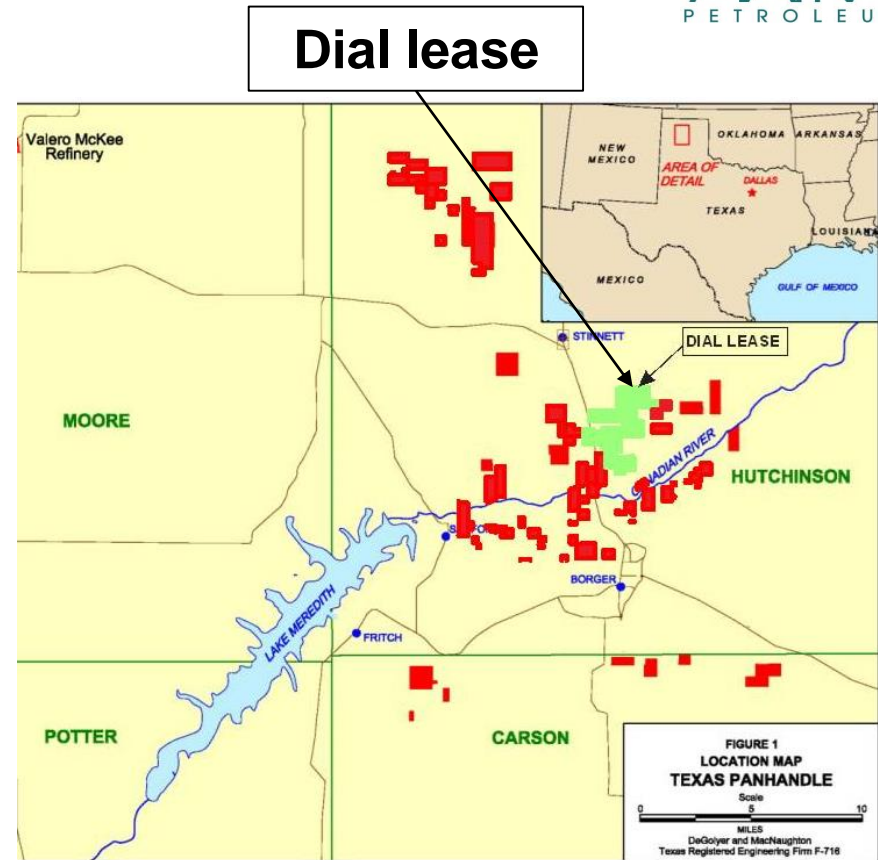


# Dial lease Overview - Texas Panhandle



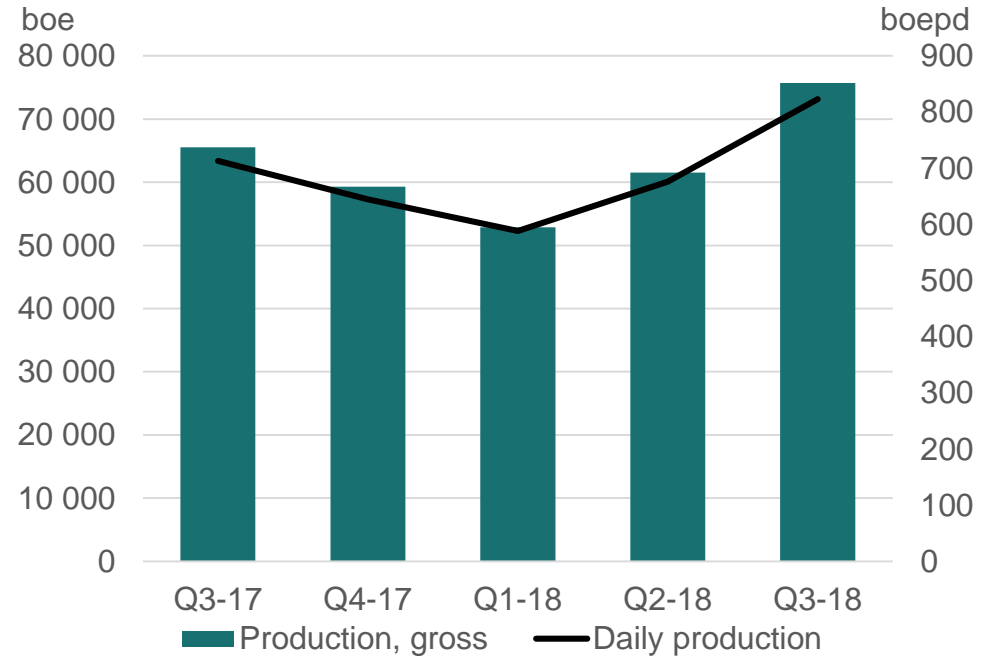
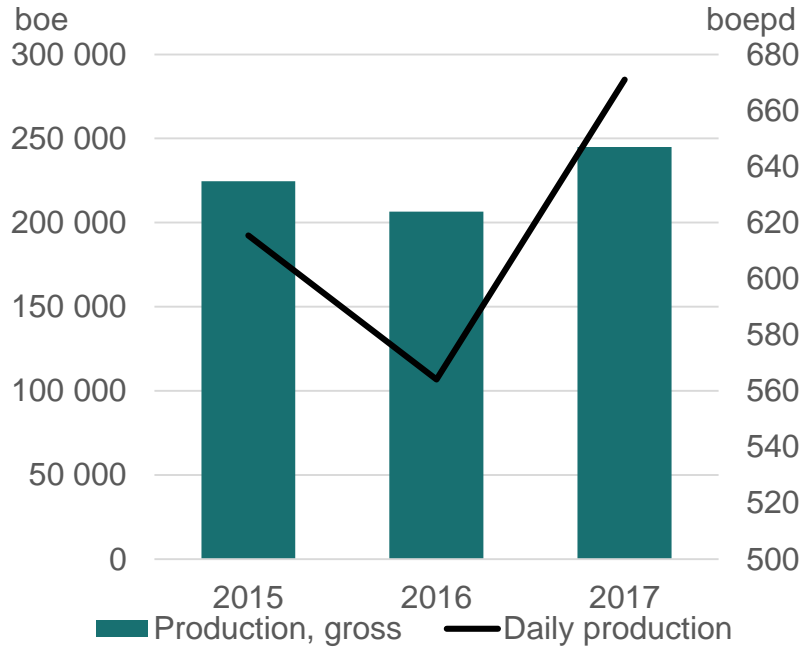
## Located in Hutchinson County

- **1P reserves\***: 7.5 MMboe / PV10\* MUSD 98.0 (36% and 65% of total)
- **Area (net)**: 6,005 acres
- **Working Interest**: 100% (Royalty – 15.275%)
- **Lease operating expenses**: USD 17.5/boe of net production
- **Average gas price (9M 2018) USD 9.2/Mcf** - about three times higher than Henry Hub pricing
- **Strategic objectives of the drilling program**:
  - to convert proved undeveloped reserves to production
  - to explore the limits of the field and potential reserve additions through drilling in sections of the field previously not tested by drilling



\* - DeGolyer and MacNaughton as of November 30, 2017 (SEC standards, WTI flat forecast - \$50.7/bbl)

# Production

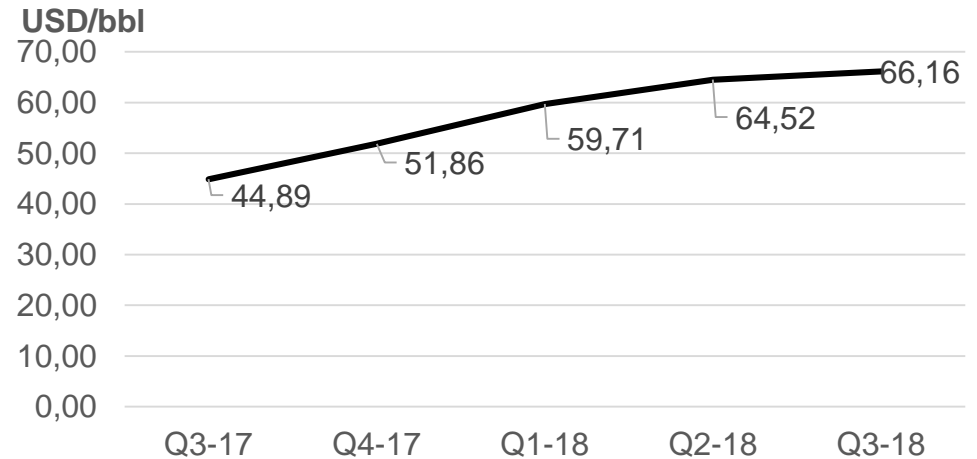
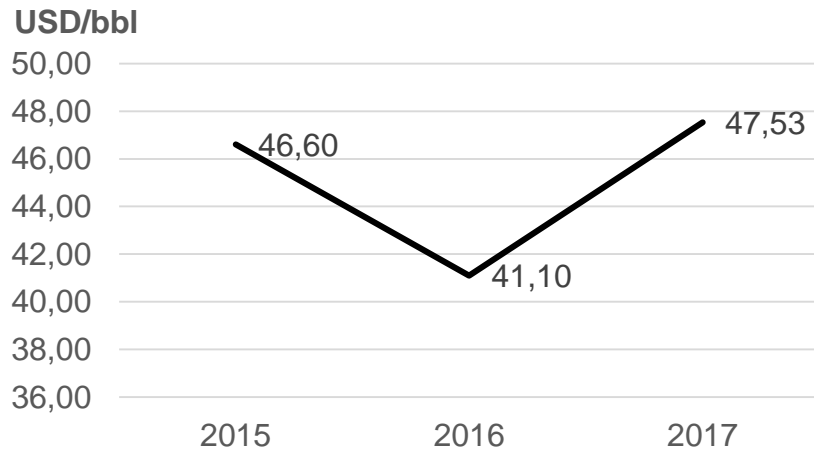


• Production up 23% from Q2-18 and 43% from Q1

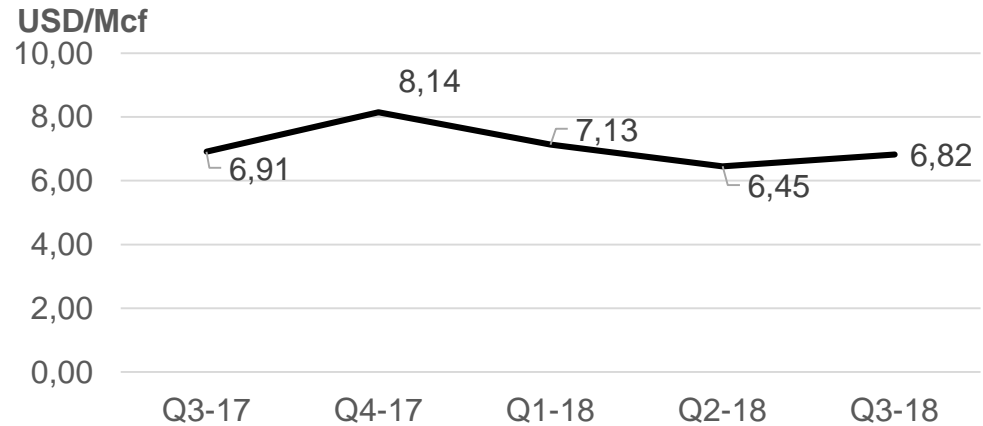
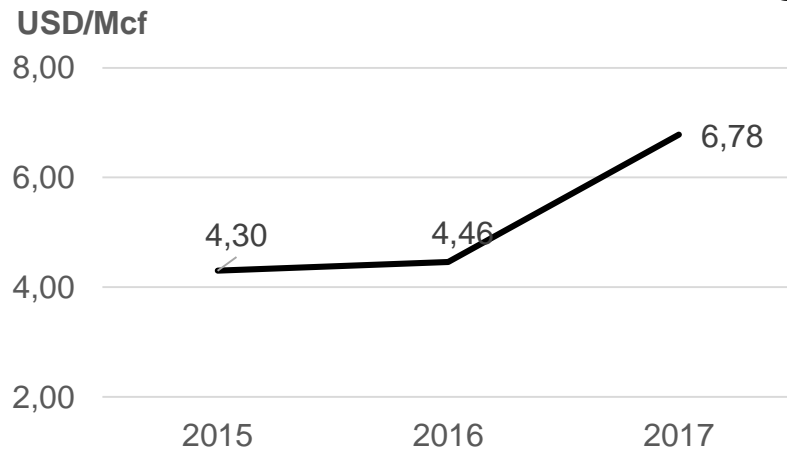
# Average sales prices



## Oil prices



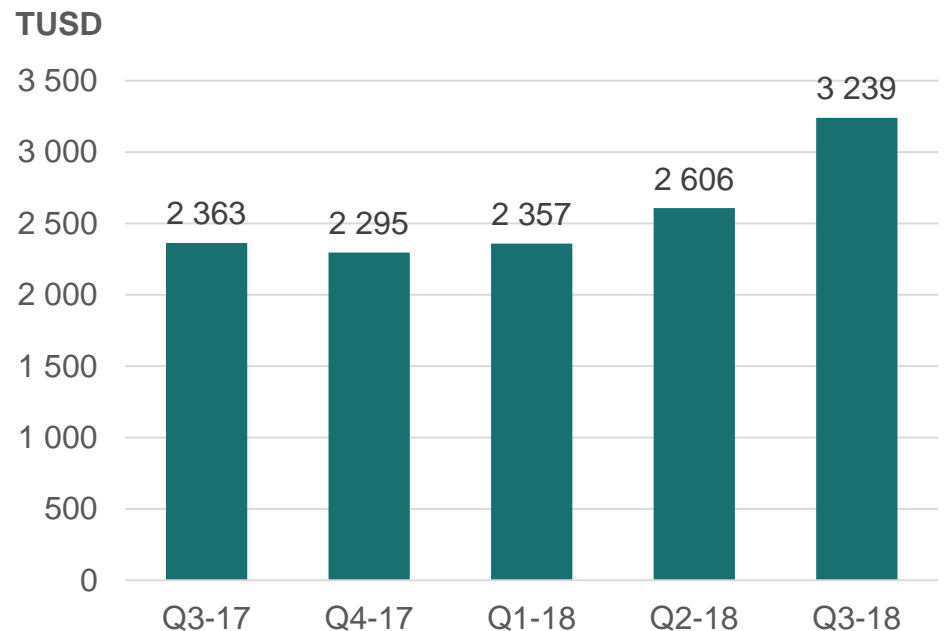
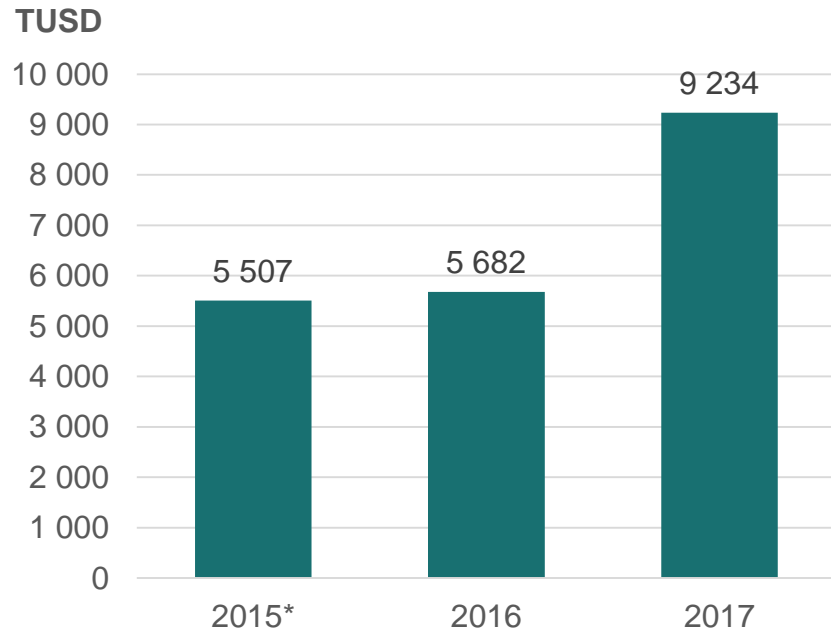
## Gas prices



- Sequentially higher oil prices
- Rapid increase in gas prices in Q4 2018

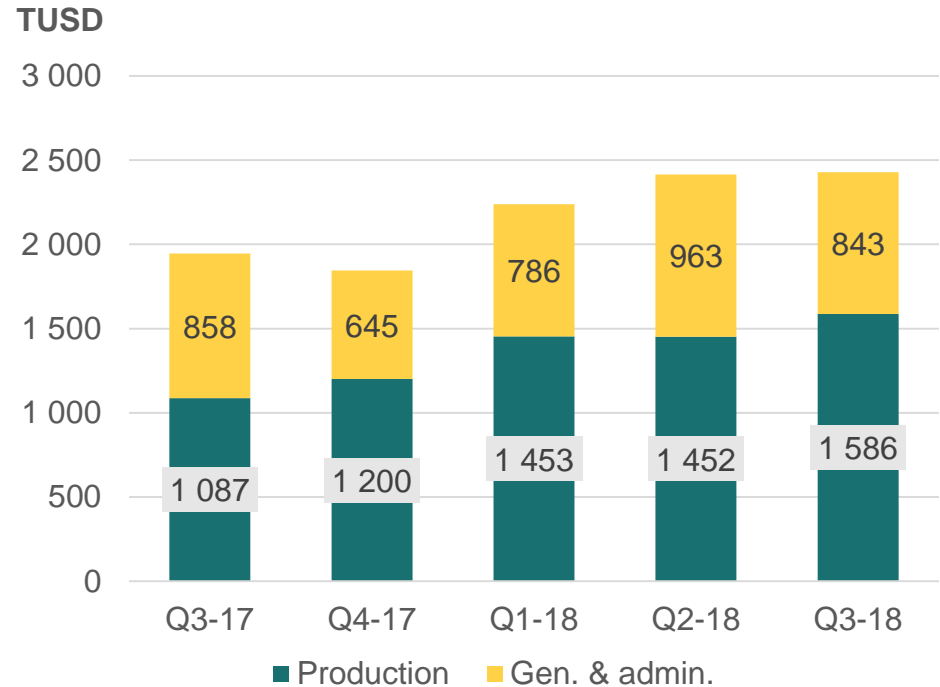
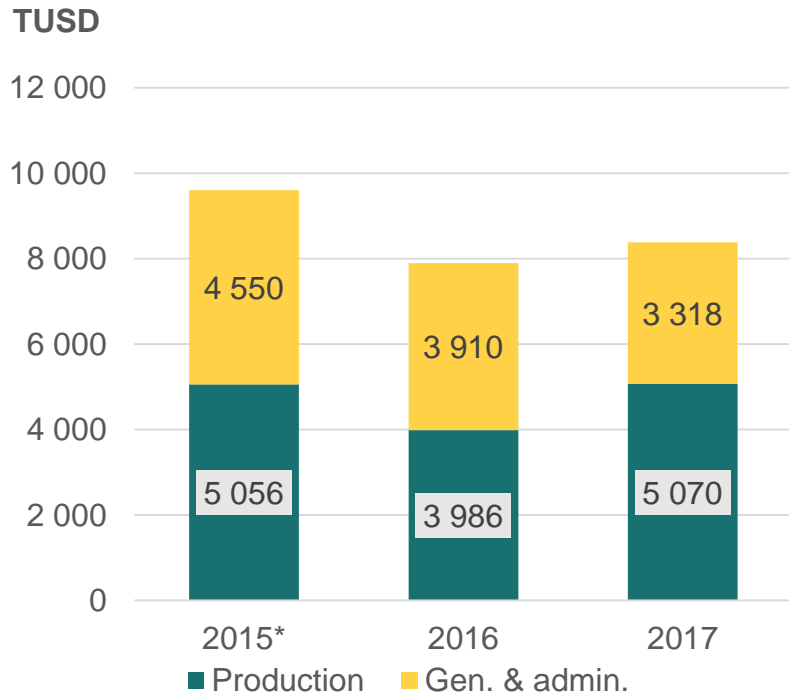


# Revenues



- Q3 Revenues were 24% higher than in Q2 and 37% higher than in Q1
- The increase in revenue was driven by higher selling prices for oil and higher production

# Expenses



**Production costs increased following expansion of operations through acquisition**

# Balance sheet



## Balance sheet

TUSD	30 Sep, 2018	30 Jun, 2018	31 Dec 2017
<b>Oil and Gas Properties</b>	92,582	89,166	80,957
<b>Cash and cash equivalents</b>	2,003	1,637	604
<b>Shareholders' Equity</b>	17,243	18,988	21,650
<b>Borrowings, non-current</b>	43,447	62,870	52,625
<b>Borrowings, current</b>	24,844	113	953

# Summary



“In the third quarter, Matra continued to execute the drilling and development program which resulted in accelerated growth and further sequential operational and financial improvements“, *Maxim Barskiy, CEO*

- Q3 production was 23% higher than in Q2 and 43% higher than in Q1
- 17 wells have been drilled on the Dial and Lyall leases, 12 of which had been completed by the end of Q3 and 5 are completed in Q4
- Daily gross production passed 1,000 boepd in early October
- Q3 Revenues were 24% higher than in Q2 and 37% higher than in Q1
- EBITDA improved to 0.5 MUSD from being negative in the first half of the year

“The outlook is promising as we continue our efforts to transform Matra Petroleum through successful drilling, production growth, operational performance and reduced debt costs, with the objective to continue to add value to our oil and gas reserves and improve bottom line performance“, *Maxim Barskiy, CEO*