Mart Announces Financial and Operating Results for the Six Months Ended June 30, 2013

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CALGARY, ALBERTA--(Marketwired - Aug 15, 2013) - Mart Resources Inc. (TSX VENTURE:MMT) ("Mart" or the "Company") is pleased to announce its financial and operating results (all amounts in United States dollars unless noted) for the three and six months ended June 30, 2013 ("Q2 2013"):

THREE MONTHS ENDED JUNE 30, 2013

- Mart's share of average daily oil produced and sold for the three months ended 30 June 2013 ("Q2 2013") from the Umusadege field was 5,070 barrels of oil per day ("bopd") compared to 4,491 bopd for the three months ended June 30, 2012 ("Q2 2012").
- On June 26, 2013 Mart declared a quarterly dividend of Canadian dollars ("CAD") $0.05 per common share. The quarterly dividend was paid on July 18, 2013 for an aggregate amount of $17.0 million (CAD $17.8 million).
- Net income for Q2 2013 was $19.1 million ($0.054 per share) compared to net income of $2.4 million ($0.007 per share) for Q2 2012.
- Funds flow from production operations was $31.7 million ($0.089 per share) for Q2 2013 compared to $21.4 million ($0.064 per share) for Q2 2012 (see Note 1 to the Financial and Operating Results table on page 3 hereof regarding Non-IFRS measures).
- Mart's share of Umusadege field oil produced and sold in Q2 2013 was 461,329 barrels of oil ("bbls") compared to 408,638 bbls for Q2 2012.
- The average price received by Mart for oil in Q2 2013 was $109.30 per barrel of oil ("bbl") compared to $103.05 per bbl for Q2 2012.
- Mart's share of pipeline and export facility losses for Q2 2013 is estimated to be 85,750 bbls, or approximately 16% of crude deliveries from the Umusadege field for the period. The pipeline operator has not yet reported the losses for May and June 2013. Mart has estimated losses of 16% for the two months based upon average losses during preceding periods. During Q2 2013, the Umusadege field was shut down for a total of 28 days (Q2 2012: 9 days) due to various disruptions, repairs and maintenance of the export pipeline.

SIX MONTHS ENDED JUNE 30, 2013

- Mart's share of average daily oil produced and sold for the six months ended June 30, 2013 from the Umusadege field was 3,827 bopd compared to 5,713 bopd for the six months ended June 30, 2012. During the six month ended June 30, 2013, the Umusadege field was shut down for a total of 74 days (2012: 27 days) due to various disruptions, repairs and maintenance of the export pipeline.
- During the six months ended June 30, 2013, Mart has declared total dividends of CAD $0.10 per common share for an aggregate amount of CAD $35.6 million (2012: CAD $35.6 million).
- Net income for the six months ended June 30, 2013 was $21.0 million ($0.059 per share) compared to net income of $40.3 million ($0.120 per share) for the six months ended June 30, 2012. The lower net income during the period was due to the export pipeline shutdowns in Q1 2013 caused by repairs and maintenance that resulted in decreased revenue.
- Funds flow from production operations was $44.8 million ($0.126 per share) for the six months ended June 30, 2013 compared to $76.4 million ($0.227 per share) for the six months ended June 30, 2012 (see Note 1 to the Financial and Operating Results table on page 3 hereof regarding Non-IFRS measures).

- Mart's share of Umusadege field oil produced and sold for the six months ended June 30, 2013 was 692,713 bbls compared to 1,039,840 bbls for the six months ended June 30, 2012. The decrease in oil produced and sold was primarily attributable to Umusadege field shutdowns during the first half of 2013.
- The average price received by Mart for oil for the six months ended June 30, 2013 was $109.53 per bbl compared to $107.05 per bbl for the six months ended June 30, 2012.
- Mart's share of estimated pipeline and export facility losses for the six months ended June 30, 2013 totaled 136,903 bbls, or approximately 16% of crude deliveries from the Umusadege field for the period. The pipeline operator has not yet reported the losses for May and June 2013. Mart has used 16% as the estimated losses for these two months based upon average losses during preceding periods.

FINANCIAL AND OPERATING RESULTS

The following table provides a summary of Mart's selected financial and operating results for the three and six months ended June 30, 2013 and 2012 and the twelve months ended December 31, 2012:

USD $ 000's (except oil produced and sold, share, per share amounts, and oil prices)	3 months ended June 30, 2013	3 months ended
Mart's share of the Umusadege Field:		
Barrels of oil produced and sold	461,329	
Average sales price per barrel	$109.30	
Mart's percentage share of total Umusadege oil produced and sold during the period	69.8%	
Mart's share of petroleum sales after royalties, content development levy and community development costs	$43,214	
Funds flow from production operations (1)	$31,705	
Per share - basic	$0.089	
Net income	$19,088	
Per share - basic	$0.054	
Per share - diluted	$0.053	
Total assets	$267,116	
Total bank debt (2)	$23,425	
Weighted average shares outstanding for periods ended:		
Basic	356,574,869	
Diluted	358,717,631	

Note:

1. Indicates non-IFRS measures. Non-IFRS measures are informative measures commonly used in the oil and gas industry. Such measures do not conform to IFRS and may not be comparable to those reported by other companies nor should they be viewed as an alternative to other measures of financial performance calculated in accordance with IFRS. For the purposes of this table, the Company defines "Funds flow from production operations" as net petroleum sales less royalties, content development levy, community development costs and production costs. Funds flow from production operations is intended to give a comparative indication of the Company's net petroleum sales less production costs as shown in the following table:

USD $ 000's	3 months ended June 30, 2013	3 months ended June 30, 2012	6 months ended June 30, 2013	6 months ended June 30, 2012	12 months ended Dec. 31, 2012
Petroleum sales	50,423	30,888	75,873	103,862	190,761
Less: Royalties, content development levy and community development costs	7,209	3,064	12,837	14,154	29,371
Net petroleum sales	43,214	27,824	63,036	89,708	161,390
Less: Production costs	11,509	6,392	18,192	13,316	23,647
Funds flow from production operations	31,705	21,432	44,844	76,392	137,743

1. Bank indebtedness was $25 million of which $1.6 million related to borrowing costs (consistent with IFRS), resulting in the reported the bank debt is $23.4 million.

OUTLOOK AND OPERATIONS UPDATE:

Dividend

On June 26, 2013, Mart declared a quarterly cash dividend of CAD $0.05 per common share that was paid to shareholders on July 18, 2013 for an aggregate amount of CAD $17.8 million.

UMU-10 Well

The Company announced on November 5, 2012 that the UMU-10 well encountered 479 feet of gross hydrocarbon pay in 20 sands. The results of the well tests conducted have been previously press released.

The operator of the Umusadege field plans to return to the UMU-10 well after drilling the UMU-11 well (discussed below) to carry out the remaining testing operations on the XXb and XIX sands in the long string with a coiled tubing unit. Multirate flow testing will then be performed on all sands completed in the long string: XIX, XXb, and XXI.

UMU-11 Well

The UMU-11 well commenced drilling operations on August 14, 2013 and is currently at a depth of 1,100 feet in the 16-inch upper hole section. The 16-inch upper hole section is anticipated to be drilled to a depth of approximately 5,000 feet. The next activity will include running and cementing 13 3/8 inch casing in the upper hole section. Once completed, drilling will then continue with a 12 1/4 inch section to a total measured depth of approximately 8,700 feet, followed by running a 9 5/8 inch casing.

The main objectives for the UMU-11 well are to appraise and produce proven oil reservoirs encountered but not completed in the UMU-9 and UMU-10 wells. These sands (XIIb, XIIc, XVIa, and XVIb) were previously logged and sampled. The UMU-11 objective is to test four of these oil-bearing sands, and if successful, complete these sands for production.

After completion of the UMU-11 well, an exploration/appraisal well is planned to be drilled on the East exploration structure of the Umusadege field.

Second Drilling Rig

A tender for a second drilling rig was successfully completed, and after site preparation the second drilling rig is expected to start drilling a water disposal well in September 2013. After completion of the water disposal well, the rig is planned to be used to re-entry UMU-8 well. Following the activities at UMU-8, the drilling rig will move to the UMU-4 location to drill a re-entry horizontal development well in Q1 2014. Mart and its co-venturers plan to drill several additional horizontal wells.

Umugini Pipeline Construction Update

Construction of the Umugini pipeline has been completed from the location near the Umusadege field to a point approximately 17 kilometers into the 51-kilometer pipeline. Construction operations are being delayed due to weather conditions and heavy rains in the area that required the construction contractor to shut down operations. It is now expected that pipeline construction will be completed in the first quarter of 2014.

The Umugini pipeline has two segments. The first segment is from the Umusadege field south to the Ogini flow station on OML 26. This section is 23 kilometers in length and is where the 17 kilometers of pipeline construction has been completed. The second segment is from the Ogini flow station west to the Eriemu flow station. This section of the pipeline will be constructed along an existing right of way and will be twinning the existing pipeline currently operating between the Ogini flow station and the Eriemu flow station. The Umugini pipeline will provide a second independent export pipeline for Umusadege field production. The Umugini pipeline's gross transportation capacity will be approximately 45,000 barrels per day and it will connect the Umusadege field to the Trans Forcados export pipeline. The Trans Forcados export pipeline will deliver crude oil from Umusadege field to the Forcados export terminal operated by Shell.

Production Update

Umusadege field production during July 2013 averaged 10,800 bopd. Umusadege field downtime during July 2013 was approximately 4.5 days due to sporadic shutdowns required for commissioning and testing of the new central processing facility and operations connected to preparation for drilling of the UMU-11 well. The average field production based on producing days was 13,200 bopd in July 2013, which is the highest average production rate for a calendar month based on production days.

Total net crude oil deliveries into the export pipeline from the Umusadege field for July 2013 were approximately 347,100 bbls before pipeline losses. Pipeline and export facility losses for May 2013, June 2013 and for July 2013 have not yet been reported by Nigerian Agip Oil Company ("Agip"), the export pipeline operator. In the past, Agip has reported pipeline and export facility losses one month after the final reporting of each month's injection totals, but for the past two months the pipeline losses have not been reported. Mart and its co-venturers have requested the loss information from Agip and will publicly disclose this information when it is received.

As a result of negotiations with Agip, the Umusadege field has been allocated an additional pipeline reserved production capacity of up to 4,500 bopd. An increase in oil shipments from the Umusadege field will be achieved after more powerful pumps are obtained and installed by Agip.

CHAIRMAN'S COMMENT:

Wade Cherwayko, Chairman & CEO of Mart, said, "In the second quarter of 2013 Mart resumed normal production operations, after experiencing shutdowns in the first quarter that were far above normal due to maintenance and repairs to the export pipeline performed by the pipeline operator. This resulted in much improved production and revenue in Q2 2013 compared to Q1 2013 and Mart's revenue for Q2 2013 was $43.2 million with a net income after taxes of $19.1 million.

The export pipeline resumed normal operations on April 17, 2013, and production and injection into the export pipeline has continued at levels at or nearing the maximum allocation. The Umusadege field's production capacity remains strong, and the potential of the field continues to be very positive. The Company continues to work towards maximizing production and increasing reserves. The construction of the additional export pipeline will also enable the Umusadege co-venturers to fully exploit the potential of the Umusadege field. The new Central Production Facility ("CPF") was commissioned in the beginning of July 2013 at the Umusadege field and all production is being processed by new facility. Current capacity of the CPF is 35,000 barrels per day and is expandable to handle future production increases as needed. The drilling of UMU-11 well began in August 2013. Additional development drilling activities are planned for the remainder of 2013. The Company declared a quarterly cash dividend of CAD $0.05 per common share that was paid to shareholders on July 18, 2013 for an aggregate amount of CAD $17.8 million."

Mart will hold a conference call to discuss the operational and financial results for the quarter ended June 30, 2013. The conference call is scheduled for August 16, 2013 at 10:00 AM Mountain Daylight Time (12:00 Eastern Daylight Time). Wade Cherwayko, Chairman & CEO of Mart, and Dmitri Tsvetkov, Chief Financial Officer of Mart, will host the call and be available during the question-and-answer session. To access the conference call, please dial 1-866-225-2055 or 416-340-8061. An instant replay of the call will be available until August 23, 2013 by dialing 1-800-408-3053 or 905-694-9451 and entering pass code 5224100.

Additional information regarding Mart is available on the Company's website at www.martresources.com and under the Company's profile on SEDAR at www.sedar.com.

Notes: Except where expressly stated otherwise, all production figures set out in this press release, including bopd, reflect gross Umusadege field production rather than production attributable to Mart. Mart's share of total gross production before taxes and royalties from the Umusadege field fluctuates between 82.5% (before capital cost recovery) and 50% (after capital cost recovery).

Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking statements" as such term is *used in applicable Canadian and US securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or are not statements of historical fact and should be viewed as "forward-looking statements". These statements relate to analyses and other information that are based upon forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.*

In particular, statements (express or implied) contained herein or in Mart's Management's Discussion and Analysis ("MD&A") regarding the following should be considered forward-looking statements: the Company's goals and growth strategy, estimates of reserves and future net revenues, exploration and development activities in respect of the Umusadege field, the Company's ability to finance its drilling and development plans with cash flows from operations, the ability of the Company to successfully drill and complete future wells, the ability of the Company to commercially produce, transport and sell oil from the Umusadege field, future anticipated production rates, export pipeline capacity available to the Company, the expectation of the Company that production and export pipeline disruptions will not have a lasting impact on the Company's future production, timing of completion of the Company's upgrading of the central production facility, the construction and completion of an alternative export pipeline, the acceptance of the Company's tax filings by the Nigerian taxing authorities, treatment under government regulatory regimes including royalty and tax laws, projections of market prices and costs, supply and demand for oil, timing for receipt of government approvals, and the ability of the Company to satisfy its current and future financial obligations to its banks and other creditors.

There can be no assurance that such forward-looking statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release. This cautionary statement expressly qualifies the forward-looking statements contained herein.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements and if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

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