

CALGARY, ALBERTA--(Marketwired - May 15, 2015) - [Mart Resources Inc.](#) (TSX: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 months ended March 31, 2015, including the Company's outlook and operations update:

### THREE MONTHS ENDED MARCH 31, 2015

- Mart's share of average daily oil produced and sold for the three months ended March 31, 2015 ("Q1 2015") from the Umusadege field per calendar day was 8,785 barrels of oil per day ("bopd") compared to 6,891 bopd for the three months ended March 31, 2014 ("Q1 2014"). Mart's share of average daily oil produced and sold for Q1 2015 from the Umusadege field per production day was 9,172 bopd compared to 8,555 bopd for the Q1 2014. During Q1 2015, the Umusadege field was shut down for approximately 4 days (Q1 2014: 17.5 days) due primarily to various disruptions, and repairs and maintenance to the export pipelines and export facility.
- Net loss for Q1 2015 was \$17.5 million (\$0.049 loss per share) compared to net income of \$14.5 million (\$0.041 per share) for Q1 2014. Cash flows from operating activities were an inflow of \$17.9 million in Q1 2015 compared to an inflow of \$12.0 million in Q1 2014. Excluding the changes in non-cash working capital, the cash flows from operating activities in Q1 2015 were an outflow of \$0.9 million (Q1 2014: \$31.3 million, inflow), which represents a decrease of \$32.2 million in Q1 2015 compared to Q1 2014 (see Note 1 to the Financial and Operating Results table on pages 3 and 4 hereof regarding Non-IFRS measures). The loss for the period and the cash outflow from operating activities excluding changes in non-cash working capital during the period were primarily due to lower oil prices, higher production costs, general and administrative expenses and business development and corporate costs, offset by lower costs relating to taxes on venture production during Q1 2015 compared Q1 2014.
- Mart's percentage share of total Umusadege oil produced and sold during Q1 2015 was 56.4% (Q1 2014: 77.3%). The decrease was primarily due to reduced cost oil recovery during the three month period ended March 31, 2015.
- Funds flow from continuing production operations was \$16.6 million (\$0.046 per share) for the Q1 2015 compared to \$48.4 million (\$0.136 per share) for Q1 2014 (see Note 1 to the Financial and Operating Results table on pages 3 and 4 hereof regarding Non-IFRS measures).
- Mart's estimated share of Umusadege field oil produced and sold for Q1 2015 was 790,630 barrels of oil ("bbls") compared to 620,224 bbls for Q1 2014.
- The average price received by Mart for oil sales for Q1 2015 was \$52.20 per barrel of oil ("bbl") compared to \$110.60 per bbl for Q1 2014.
- Mart's estimated share of Umusadege field pipeline and export facility losses ("pipeline losses") for Q1 2015 was 120,396 bbls (Q1 2014: 76,606 bbls), or approximately 13.2% (Q1 2014: 11.0%) of Mart's share of total crude deliveries from the Umusadege field.
- In April 2015, Mart, through its wholly-owned Nigerian subsidiary Mart Umusadege Resources Nigeria Limited ("MURNL"), entered into a revised facility agreement (the "facility agreement") with Guaranty Trust Bank ("GTB") of Nigeria that provides for a 12-month deferral of principal loan repayments effective March 4, 2015 ("moratorium period"). The total outstanding borrowings as at March 4, 2015 were approximately \$200.5 million. During the moratorium period, MURNL and its co-venturers are required to deposit into a designated account held by GTB the proceeds of Umusadege field crude oil sales equal to a minimum of the deferred quarterly principal loan repayment amount and the funds will be used to fund 2015 Umusadege field capital expenditure program directly from the designated account. Under this arrangement, MURNL's obligation to fund the 2015 Umusadege field capital expenditure program has been reduced to approximately 50% during the moratorium period and there will be no recovery of Mart's capital expenditures incurred and not recovered before the start and during the moratorium period. MURNL may not pay dividends during the moratorium period.
- In March 2015, Mart entered into a definitive arrangement agreement (the "Arrangement Agreement") with Midwestern, the operator of and one of Mart's co-venturers in the Umusadege field in Nigeria. Pursuant to the Arrangement Agreement, a wholly-owned subsidiary of Midwestern will acquire all of the issued and outstanding common shares of Mart by way of a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement"), including the assumption of all outstanding bank debt of Mart (currently, approximately US\$200 million), and each Mart shareholder will receive CDN\$0.80 in exchange for each Mart common share held. The completion of the Arrangement is subject to numerous customary closing conditions including the completion of a private placement financing by Midwestern by June 15, 2015 (the "Financing Condition"). If the Arrangement Agreement is terminated by either party as a result of the Financing Condition not having been satisfied, Mart is entitled to a reverse break fee of CDN\$5.8 million from Midwestern. The Financing Condition has to be satisfied by June 15, 2015.

### FINANCIAL AND OPERATING RESULTS

The following table provides a summary of Mart's selected financial and operating results for the three month periods ended March 31, 2015 and 2014 and the twelve month period ended December 31, 2014:

USD \$ 000's (except oil produced and sold, oil sales prices, per share amounts, and shares outstanding)	3 months ended March 31, 2015	3 months ended March 31, 2014	12 months ended December 2014
Mart's share of the Umusadege Field:			
Barrels of oil produced and sold	790,630	620,224	2,361,160
Average sales price per barrel	\$52.20	\$110.60	\$96.70
Mart's percentage share of total Umusadege oil produced and sold during the period	56.4%	77.3%	81.1%
Funds flow from continuing production operations (1)	\$16,583	\$48,405	\$154,154
Per share - basic (continuing operations)	\$0.046	\$0.136	\$0.432
Net (loss)/income from continuing operations	(\$17,493	) \$17,135	\$37,819
Loss from discontinued operations	-	(\$2,675	) (\$9,738
Net (loss)/income for the period	(\$17,493	) \$14,460	\$28,081
(Loss)/earnings per share from continuing operations			
Per share - basic	(\$0.049	) \$0.049	\$0.106
Per share - diluted	(\$0.049	) \$0.048	\$0.106
Loss per share from discontinued operations			
Per share - basic	-	(\$0.008	) (\$0.027
Per share - diluted	-	(\$0.008	) (\$0.027
(Loss)/earnings per share from all activities			
Per share - basic	(\$0.049	) \$0.041	\$0.079
Per share - diluted	(\$0.049	) \$0.040	\$0.079
Petroleum property interests capital expenditure (2)	\$6,694	\$16,299	\$84,362
Total assets	\$390,661	\$338,079	\$417,726
Total borrowings (3)	\$198,847	\$128,725	\$189,886
Dividends paid	-	\$16,700	\$40,536
Cash provided by operating activities	\$17,891	\$12,036	\$97,679
Weighted average shares outstanding			
Basic	356,941,048	356,574,869	356,717,000
Diluted	356,941,048	359,164,844	357,538,200

Notes:

- 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 continuing production operations" as petroleum sales less royalties, content development levy, community development costs and production costs. Funds flow from continuing production operations is intended to give a comparative indication of the Company's net petroleum sales less production costs. Cash provided by operating activities excluding non-cash working capital is intended to give a comparative indication of the Company's cash inflows from operations. The reconciliation of funds flows from continuing production operations to income from continuing operations before finance income and reconciliation of cash provided by operating activities to cash provided by operating activities excluding non-cash working capital are shown in the following table:

USD \$ 000's	3 m ended Mar 2015
Reconciliation of funds flow from continuing production operations to income from continuing operations before finance income and expenses	
Net petroleum sales	33,500
Less: Production costs	16,900
Funds flow from continuing production operations	16,500
Foreign exchange loss	33
General and administrative	6,200
Taxes on venture production	1,700
Business development and corporate costs	3,100
Share-based compensation	1,400
Share of profit of associate	527
Depreciation	59
Depletion	18,100

(Loss)/ income from continuing operations before finance income and expenses

(14,

USD \$ 000's

3 months

Reconciliation of cash provided by operating activities to cash provided by operating activities excluding non-cash working capital

ended  
March 3  
2015

Cash provided by operating activities

17,891

(Less)/add changes in non-cash working capital

(18,836

Cash (used)/provided by operating activities excluding non-cash working capital

(945

1. Petroleum property interests capital expenditures relate to additions to petroleum property interests excluding the capitalized decommissioning obligations.

1. Total gross borrowings less loan repayments was \$200.5 million as at March 31, 2015 (December 31, 2014: \$191.6 million) and \$198.8 million net of unamortized borrowing costs (December 31, 2014: \$189.9 million). After taking account of unamortized borrowing costs, the total loan amount due within one year is \$3.6 million (December 31, 2014: \$58.3 million) and has been reported under current liabilities in the condensed consolidated interim statement of financial position. The amount due after the end of March 2016 is \$195.2 million (December 31, 2014: \$131.6 million) and is included within non-current liabilities in the condensed consolidated interim statements of financial position.

## OUTLOOK AND OPERATIONS UPDATE

### *Financing*

In April 2015, Mart, through its wholly-owned subsidiary, MURNL entered into a revised facility agreement with GTB that provides for a 12-month deferral of principal loan repayments effective March 4, 2015.

The total outstanding borrowing as at March 4, 2015 was approximately \$200.5 million and is comprised of:

- \$56.5 million due under Facility A that has a remaining term of 40 months. At the expiration of the moratorium period, Facility A will be repayable in quarterly instalments of principal and interest amortized over the remaining loan term which, after taking account of the moratorium period, will be 28 months.
- \$25.0 million due under Facility B, a one-year revolving loan facility. At the expiration of the moratorium period, Facility B will be repayable, in full, within 90 days.
- \$63.5 million due under Facility C that has a remaining term of 48 months. At the expiration of the moratorium period, Facility C will be repayable in quarterly instalments of principal and interest amortized over the remaining loan term which, after taking account of the moratorium period, will be 36 months.
- \$55.5 million due under Facility D that has a remaining loan term of 48 months. At the expiration of the moratorium period, Facility D will be repayable in quarterly instalments of principal and interest amortized over the remaining term which, after taking account of the moratorium period, will be 36 months.

Interest is based on 90 day LIBOR, plus 4 percent (floor of 8.25 percent) and is payable quarterly. The facility is secured by all assets of MURNL. Concurrent with entering into the revised facility agreement, MURNL's Umusadege co-venturers also entered into separate facility agreements with GTB that provide for a 12 month deferral of their respective principal loan repayments to GTB.

During the moratorium period, MURNL and its co-venturers are required to deposit into a designated account held by GTB (the "capex account"), the proceeds of Umusadege field crude oil sales equal to a minimum of the deferred quarterly principal loan repayment amount. These funds will be used to fund the 2015 Umusadege field capital expenditure program directly from the capex account. Under this arrangement, Mart's obligation to fund the 2015 Umusadege field capital expenditure program has been reduced to approximately 50% and there will be no recovery of Mart's capital expenditures incurred and not recovered before the start and during the period of moratorium. MURNL may not pay dividends during the moratorium period.

Upon the expiry of the moratorium period, Mart and its co-venturers are required to deposit proceeds from the sale of crude oil above US\$70/bbl (after deduction of funds required for capital expenditures, operating expenditures and statutory obligations), into a designated account held by GTB, which may be used by GTB, to prepay the outstanding loan obligations. In addition, GTB may, at its discretion, apply 50% of the residual cash flows from sale of crude oil to prepay the outstanding facility, after deduction of funds required for all statutory obligations, financial obligations to the bank, as well as all obligations under the approved 2015 Umusadege work program.

### *Umusadege drilling update*

Operations have commenced on the UMU-8 well site to side-track and deepen the existing UMU-8 well. The UMU-8 drilling

program is intended to appraise intervals below the XV sand, specifically horizons XVIII through XXI, which have not yet been penetrated in the central prospect. The target depth is approximately 8500 feet.

The Umusadege Joint Venture has budgeted to spend approximately \$113 million during 2015 for the planned drilling program and miscellaneous Umusadege field capital expenditures. However, the work program and capital expenditure budget are expected to be revised and may be reduced during 2015.

#### *Trucking of crude oil from UMU-13*

Trucking of crude oil from the UMU-13 well to the Central Processing Facility has commenced and will continue until a permanent flowline is constructed to tie the UMU-13 well into the facility. An average of about 1,400 bopd is currently being trucked from UMU-13, and the target volume is approximately 3,000 bopd.

#### *Umugini pipeline capital expenditure*

Following the completion of the Umugini pipeline construction in Q4 2014, capital expenditures for 2015 are expected to be minimal, mainly relating to completion of remaining civics works, pumps and LACT units. Mart expects to spend \$2.0 million on capital expenditures for 2015 for the Umugini pipeline.

#### *Definitive Arrangement Agreement with Midwestern*

In March 2015, Mart entered into a definitive arrangement agreement with Midwestern, the operator of and one of Mart's co-venturers in the Umusadege field in Nigeria. Pursuant to the Arrangement Agreement, a wholly-owned subsidiary of Midwestern will acquire all of the issued and outstanding common shares of Mart by way of a plan of arrangement under the Business Corporations Act (Alberta), including the assumption of all outstanding bank debt of Mart (currently, approximately US\$200 million), and each Mart shareholder will receive CDN\$0.80 in exchange for each Mart common share held. The completion of the Arrangement is subject to numerous customary closing conditions including the Financing Condition. If the Arrangement Agreement is terminated by either party as a result of the Financing Condition not having been satisfied, Mart is entitled to a reverse break fee of CDN\$5.8 million from Midwestern. The Financing Condition has to be satisfied by June 15, 2015.

Additional information regarding Mart is available on the Company's website at [www.martresources.com](http://www.martresources.com) and under the Company's profile on SEDAR at [www.sedar.com](http://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 extent of future production and export pipeline disruptions and pipeline losses, 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, completion, commissioning and tie-in of the Umugini 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.*

*In addition, information regarding the reserve and resource estimates attributable to Mart's oil and gas properties should be considered forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that*

*the reserves and resources described exist in the quantities predicted or estimated and that the reserves and resources can be profitably produced in the future. Readers are referred to the heading "Forward Looking Statements" in the Company's Statement of Reserves Data for a more detailed discussion of risks associated with forward looking statements regarding reserves. In addition, past production performance, sales volumes and prices from the Umusadege field are not necessarily indicative of future performance, sales volumes and prices.*

*Finally, there is no assurance that the conditions set out in the Arrangement Agreement, including the Financing Condition, will be met. There is no assurance that the Arrangement will be completed on the timelines indicated or at all or that there will not be amendments to the Arrangement Agreement.*

*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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