

CALGARY, ALBERTA--(Marketwired - Aug 13, 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 six months ended June 30, 2015, including the Company's outlook and operations update:

THREE MONTHS ENDED JUNE 30, 2015

- Mart's share of average daily oil produced and sold for the three months ended June 30, 2015 ("Q2 2015") from the Umusadege field per calendar day was 5,785 barrels of oil per day ("bopd") compared to 5,213 bopd for the three months ended June 30, 2014 ("Q2 2014"). Mart's share of average daily oil produced and sold for Q2 2015 from the Umusadege field per production day was 7,153 bopd compared to 7,412 bopd for the Q2 2014. During Q2 2015, the Umusadege field was shut down for approximately 17 days (Q2 2014: 27 days) due primarily to various disruptions, and repairs and maintenance to the export pipelines and export facility.
- Net loss for Q2 2015 was \$6.8 million (\$0.019 loss per share) compared to net loss of \$1.4 million (\$0.004 per share) for Q2 2014. The increase in loss for Q2 2015 compared to Q2 2014 was primarily due to lower oil prices, higher depletion costs, and inclusion of a share of losses of associates, which were offset, in part, by lower production costs, general and administrative expenses and business development and corporate costs and taxes on venture production.
- Mart's percentage share of total Umusadege oil produced and sold during Q2 2015 was 50.0% (Q2 2014: 82.5%). The decrease was due to no cost oil recovery being realized during the three month period ended June 30, 2015 in line with the terms of the revised facility agreement entered into in April 2015 with Guaranty Trust Bank Limited ("GTB") that provides for a 12-month deferral of principal loan repayments effective March 4, 2015 ("moratorium period"). Under the arrangement, there will be no recovery of Mart's capital expenditures incurred and not recovered before the start and during the moratorium period.
- Funds flow from continuing production operations was \$16.3 million (\$0.046 per share) for the Q2 2015 compared to \$36.0 million (\$0.101 per share) for Q2 2014 (see Note 1 to the Financial and Operating Results table on page 5 hereof regarding Non-IFRS measures).
- Mart's estimated share of Umusadege field oil produced and sold for Q2 2015 was 526,445 barrels of oil ("bbls") compared to 474,343 bbls for Q2 2014.
- The average price received by Mart for oil sales for Q2 2015 was \$58.01 per barrel of oil ("bbl") compared to \$111.18 per bbl for Q2 2014.
- Mart's estimated share of Umusadege field pipeline and export facility losses ("pipeline losses") for Q2 2015 was 83,395 bbls (Q2 2014: 164,973 bbls), or approximately 13.7% (Q2 2014: 25.8%) of Mart's share of total crude deliveries from the Umusadege field. The actual pipeline losses have not yet been allocated by the pipeline operators and as a result, Mart was paid its full share of total crude deliveries from the Umusadege field during the reporting 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 terms of 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 "Cash Consideration"). The completion of the Arrangement is subject to numerous customary closing conditions including the completion of a private placement financing by Midwestern (the "Midwestern Financing"). The transaction was expected to complete on June 16, 2015 but on June 15, 2015, Mart and Midwestern entered into an amending agreement that provided for the Midwestern Financing to be completed on or before July 26, 2015. On July 26, 2015 Mart and Midwestern entered into a second amending agreement (the "Second Amending Agreement"). Under the terms of the Second Amending Agreement, Midwestern has until August 19, 2015 to complete the Midwestern Financing and until August 26, 2015 to complete the transaction. If Midwestern has not met the Midwestern Financing by August 19, 2015, Mart is able to terminate the Arrangement Agreement and compel Midwestern to provide to Mart the benefit of the reverse break fee of CDN\$5.8 million. The Second Amending Agreement also provides an additional covenant on behalf of Midwestern that should the transaction not be completed, Midwestern will pay Mart's portion of a corporate tax liability out of the proceeds payable under the reverse break fee.
- In March 2015, Mart as a member of a consortium of companies (the "consortium members") through Eroton Exploration and Production Company Limited ("Eroton"), a special purpose company owned directly or indirectly by the consortium members, acquired a 45% participating interest in Nigeria Oil Mining Lease 18 ("OML 18"). Mart holds approximately 10% interest in OML 18 through its 40% shareholding in Martwestern Energy Limited, which in turn owns 50% interest in Eroton. Gross crude oil production from OML 18 before pipeline losses, increased from approximately 14,000 bopd in March 2015 to approximately 24,000 bopd in June 2015. Full reconciliation and allocation of the pipeline losses has not yet been completed. Eroton was nominated the operator of OML 18 and engaged Shell Petroleum Development Company of Nigeria ("SPDC") to operate OML 18 on its behalf for a period of two and a half months until mid-May 2015 when Eroton took over operatorship. The preparation of OML 18 reserves report compliant with NI 51-101 has not yet been completed by Eroton.

Six Months Ended June 30, 2015

- Mart's share of average daily oil produced and sold for the six months ended June 30, 2015 from the Umusadege field per calendar day was 7,277 bopd compared to 6,047 bopd for the six months ended June 30, 2014. Mart's share of average daily oil produced and sold for the six months ended June 30, 2015 from the Umusadege field per production day was 8,242 bopd compared to 8,019 bopd for the six months ended June 30, 2014. During the six months ended June 30, 2015, the Umusadege field was shut down for approximately 21 days (2014: 44.5 days) due primarily to various disruptions, and repairs and maintenance to the export pipelines and export facility.
- Net loss for the six months ended June 30, 2015 was \$24.3 million (\$0.068 loss per share) compared to net income of \$13.1 million (\$0.037 per share) for the six months ended June 30, 2014. Excluding the changes in non-cash working capital, the cash flows from operating activities for the six months ended June 30, 2015 were \$5.0 million (2014: \$53.0 million), which represents a decrease of \$48.0 million in the six months ended June 30, 2015 compared to the six months ended June 30, 2014 (see Note 1 to the Financial and Operating Results table on page 5 hereof regarding Non-IFRS measures). The loss for the period and the decrease in cash flows from operating activities excluding changes in non-cash working capital during the period were primarily due to lower oil prices, higher production and depletion costs, higher general and administrative expenses, and higher business development and corporate costs, and inclusion of a share of losses of associates, which were offset by lower costs relating to taxes on venture production during the six months ended June 30, 2015 compared to the six months ended June 30, 2014.
- Mart's percentage share of total Umusadege oil produced and sold during the six months ended June 30, 2015 was 53.6% (2014: 79.5%). The decrease was primarily due to no cost oil recovery being realized during the six month period ended June 30, 2015 in line with the terms of the revised facility agreement entered into in April 2015 with GTB that provides for a moratorium period. Under the arrangement, there will be no recovery of Mart's capital expenditures incurred and not recovered before the start and during the moratorium period.
- Funds flow from continuing production operations was \$32.9 million (\$0.092 per share) for the six months ended June 30, 2015 compared to \$84.4 million (\$0.237 per share) for the six months ended June 30, 2014 (see Note 1 to the Financial and Operating Results table on page 5 hereof regarding Non-IFRS measures).
- Mart's estimated share of Umusadege field oil produced and sold for the six months ended June 30, 2015 was 1,317,075 bbls compared to 1,094,566 bbls for the six months ended June 30, 2014.
- The average price received by Mart for oil sales for the six months ended June 30, 2015 was \$54.52 per bbl compared \$110.85 per bbl for the six months ended June 30, 2014.
- Mart's estimated share of Umusadege field pipeline losses for the six months ended June 30, 2015 was 203,791 bbls (2014: 241,578 bbls), or approximately 13.4% (2014: 17.8%) of Mart's share of total crude deliveries from the Umusadege field. The actual pipeline losses have not yet been allocated by the pipeline operators and as a result, Mart was paid its full share of total crude deliveries from the Umusadege field during the reporting period.

FINANCIAL AND OPERATING RESULTS

The following table provides a summary of Mart's selected financial and operating results for the three and six month periods ended June 30, 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 June 30, 2015	3 months ended June 30, 2014	6 months ended June 30, 2014
Mart's share of the Umusadege Field:			
Barrels of oil produced and sold	526,445	474,343	1,317,075
Average sales price per barrel	\$58.01	\$111.18	\$54.52
Mart's percentage share of total Umusadege oil produced and sold during the period	50.0	% 82.5	% 53.6
Funds flow from continuing production operations (1)	\$16,314	\$35,999	\$32,900
Per share - basic (continuing operations)	\$0.046	\$0.101	\$0.092
Net (loss)/income from continuing operations	(\$6,809	) \$4,183	(\$2,400
Loss from discontinued operations	-	(\$5,564) -
Net (loss)/income for the period	(\$6,809	) (\$1,381	) (\$2,400
(Loss)/earnings per share from continuing operations			
Per share - basic	(\$0.019	) \$0.012	(\$0.019
Per share - diluted	(\$0.019	) \$0.012	(\$0.019
Loss per share from discontinued operations			
Per share - basic	-	(\$0.016) -
Per share - diluted	-	(\$0.016) -
(Loss)/earnings per share from all activities			
Per share - basic	(\$0.019	) (\$0.004	) (\$0.019

Per share - diluted	(\$0.019	) (\$0.004	) (\$0.000
Petroleum property interests capital expenditure (2)	\$16,291	\$18,999	\$22,999
Total assets	\$391,475	\$360,868	\$391,475
Total borrowings (3)	\$198,962	\$135,173	\$198,962
Dividends paid	-	\$16,130	-
Cash provided by operating activities	\$12,979	\$31,063	\$30,870
Weighted average shares outstanding			
Basic	356,941,048	356,574,869	356,941,048
Diluted	356,941,048	359,855,068	356,941,048

Notes:

(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 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 months ended June 30, 2015
Reconciliation of funds flow from continuing production operations to income from continuing operations before finance income and expenses	
Net petroleum sales	23,870
Less: Production costs	7,591
Funds flow from continuing production operations	16,279
Foreign exchange loss	58
General and administrative	3,911
Taxes on venture production	1,380
Business development and corporate costs	590
Share-based compensation	385
Share of loss/(profit) of associate	3,360
Depreciation	56
Depletion	11,800
(Loss)/ income from continuing operations before finance income and expenses	(5,319)

USD 000's	6 months ended June 30, 2015
Reconciliation of cash provided by operating activities to cash provided by operating activities excluding non-cash working capital	
Cash provided by operating activities	30,870
(Less)/add changes in non-cash working capital	(25,909)
Cash provided by operating activities excluding non-cash working capital	4,961

(2) Petroleum property interests capital expenditures relate to additions to petroleum property interests excluding the capitalized decommissioning obligations.

(3) Total gross borrowings less loan repayments was \$200.5 million as at June 30, 2015 (December 31, 2014: \$191.6 million) and \$199.0 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 \$45.0 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 June 2016 is \$154.0 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

Umusadege drilling and testing update

The UMU-8 well was side-tracked and deepened to 9,506 feet. The sands selected for completion include XIIc, XIX, XXb, and

XXI, with the XIX and XXb sands being commingled. The combined gross oil pay for the completed sands is 87 feet. The clean-up and initial flow testing has been concluded for the XXI and XIIC sands. In these tests, no sand or water production was observed. The initial flow testing of the XIIC sand was conducted over a six hour period and yielded a stabilized oil rate of 1,106 bopd of 35 API crude oil on a 28/64 choke setting and flowing tubing head pressure of 180 psig. Basic sediment and water ("BS&W") was less than 1%, and the gas-oil ratio ("GOR") was 309 scf/bbl.

The initial flow testing of the XXI sand was conducted over a five hour period and yielded a stabilized oil rate of 1,914 bopd of 50 API crude oil on a 36/64 choke setting and flowing tubing head pressure of 1,150 psig. BS&W was less than 1%, and the GOR was 1,573 scf/bbl. The foregoing test results should be considered as preliminary. Readers are cautioned that the test results herein are not necessarily indicative of long-term performance, future production levels, or of ultimate oil recovery.

The rig has been skidded to the UMU-14 horizontal well location and the well was spudded on July 12, 2015. As at July 15, 2015, the well is drilling ahead at 3,350 feet. The UMU-14 horizontal well is the fourth horizontal well in the Umusadege field, and is planned to target the VIII sand in the central-east area of the field. After drilling and completion of the UMU-14 horizontal well, the operator plans to clean up and test the commingled XIX and XXb sands, and conduct multirate production tests and bottom hole pressure buildup surveys for both the UMU-8 and UMU-14 wells.

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.

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 terms of 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 completion of the Midwestern Financing. The transaction was expected to complete on June 16, 2015 but on June 15, 2015, Mart and Midwestern entered into an amending agreement that provided for the Midwestern Financing to be completed on or before July 26, 2015. On July 26, 2015 Mart and Midwestern entered into a second amending agreement. Under the terms of the Second Amending Agreement, Midwestern has until August 19, 2015 to complete the Midwestern Financing and until August 26, 2015 to complete the transaction. If Midwestern has not met the Midwestern Financing Condition by August 19, 2015, Mart is able to terminate the Arrangement Agreement and compel Midwestern to provide to Mart the benefit of the reverse break fee of CDN\$5.8 million. The Second Amending agreement also provides an additional covenant on behalf of Midwestern that should the transaction not be completed, Midwestern will pay Mart's portion of a corporate tax liability out of the proceeds payable under the reverse break fee.

Management Changes

Effective March 30, 2015, Wade Cherwayko took a voluntary leave of absence as Chief Executive Officer of the Company and Dmitri Tsvetkov, the current Chief Financial Officer was appointed as interim Chief Executive Officer. Mr. Cherwayko ceased to be a director of the Company on June 15, 2015. Effective July 31, 2015, Mr. Cherwayko ceased to be the CEO of the Company. Mr. Cherwayko will however continue to provide consulting services to the Company with respect to the proposed Arrangement with Midwestern. Mr. Tsvetkov continues to be the Interim CEO and CFO of the Company.

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 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 terms, within the timelines indicated or at all or that there will not be future additional 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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