

CALGARY, ALBERTA--(Marketwired - Jan 22, 2016) - [Mart Resources Inc.](#) (TSX:MMT) ("Mart" or the "Company") announces that it has entered into an arrangement agreement (the "Arrangement Agreement") with Midwestern Oil & Gas Company Limited ("Midwestern"), [San Leon Energy Plc](#) ("San Leon") and 1038221 B.C. Ltd. ("Acquireco"). Under the terms of the Arrangement Agreement, Acquireco, 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"). Each Mart shareholder will receive CAD\$0.25 in exchange for each Mart common share held (the "Per Share Consideration") for aggregate consideration of all Mart shares of approximately CAD\$89.2 million. At closing, Mart and its subsidiaries are expected to have approximately US\$200.5 million of outstanding bank debt resulting in an overall transaction value of approximately US\$263 million. The Arrangement is subject to customary terms and conditions, including a Financing Condition.

The Per Share Consideration represents a 194% premium to the closing price and a 191% premium to the 20 day VWAP price of Mart's common shares on the Toronto Stock Exchange ("TSX") on January 21, 2016, the last trading day for Mart's common shares prior to the date of this announcement.

The board of directors of Mart, following receipt of a unanimous recommendation by a special committee of independent directors of Mart constituted to review strategic alternatives (the "Special Committee"), has unanimously determined that the Arrangement is fair to Mart shareholders and optionholders and that the Arrangement is in the best interests of the Company and its securityholders and recommends that shareholders and optionholders vote in favour of the Arrangement. FirstEnergy Capital LLP has provided the Special Committee with a verbal opinion that the Per Share Consideration under the Arrangement is fair, from a financial point of view, to Mart shareholders.

While the offer price of CAD\$0.25 to be paid to Mart shareholders pursuant to the Arrangement is lower than the price offered to shareholders under the two previously terminated transactions, it is considered to be fair by the board of directors of Mart because of (i) the continued and significant worsening of the broader macro-environment for emerging market exploration and development companies, including forecast oil prices being US\$15 to US\$40 per barrel lower than when the previous offers were made; (ii) increased volatility and significant reduction of net cash flows from Mart's current operations; and (iii) significant constraints on available cash and working capital due to Mart's ongoing obligations to service the Company's significant level of debt.

The Arrangement Agreement

The Arrangement is subject to customary conditions for a transaction of this nature, which include court approvals, applicable third party approvals, including consent of Mart's lenders to the change of control, applicable regulatory and stock exchange approvals, the approval of 66 2/3% of Mart shareholders and 66 2/3% of Mart shareholders and optionholders (voting together as a single class) represented in person or by proxy at a special meeting of Mart shareholders and optionholders to be called to consider the Arrangement.

The Arrangement Agreement includes customary non-solicitation covenants by Mart and provides Mart with the ability to respond to unsolicited proposals considered superior to the Arrangement in accordance with the terms of the Arrangement Agreement. In the event Mart accepts a superior proposal, Mart will be required to pay a break fee of US\$2.2 million to Acquireco. Acquireco has a right to match any such superior proposal.

The Arrangement is subject to a financing condition (the "Financing Condition"). San Leon has agreed to complete a financing and advance sufficient funds to Acquireco in order for Acquireco to deposit the aggregate Per Share Consideration and certain amounts relating to Mart's transaction costs with a depository on or before February 17, 2016. Acquireco has agreed to use commercial reasonable efforts to satisfy the Financing Condition on or before February 17, 2016 and to keep Mart informed as to the status and timing of the satisfaction of the Financing Condition. If the Financing Condition is not met, Acquireco shall have the right to terminate the Arrangement Agreement upon the payment by San Leon to Mart of a reverse break fee of US\$2.2 million ("San Leon Reverse Break Fee"). If the aggregate Per Share Consideration and amounts relating to Mart's transactions costs are not paid to the depository on or before February 17, 2016, Mart shall have the right to terminate the Arrangement Agreement and San Leon will be required to pay to Mart the San Leon Reverse Break Fee.

An information circular regarding the Arrangement is expected to be mailed to Mart securityholders in early February for a special meeting of the holders of common shares and options to consider the Arrangement currently anticipated to take place in early March, with closing expected to occur shortly thereafter.

A copy of the Arrangement Agreement will be made available under the Company's profile on SEDAR at www.sedar.com.

All of the members of Mart's board of directors and certain senior officers, who collectively own approximately 1.6% of the outstanding Mart common shares and 73.7% of the outstanding Mart options have agreed to vote their shares and options in favour of the Arrangement.

About Acquireco

Acquireco is a corporation subsisting under the laws of British Columbia, Canada. Acquireco is a newly formed entity with no significant assets, other than its rights under the Arrangement Agreement. Acquireco is a wholly owned subsidiary of Midwestern and was formed for the purpose of completing the Arrangement. Midwestern and San Leon have agreed to jointly and severally guarantee all of Acquireco's obligations under the Arrangement Agreement.

About Midwestern

Midwestern is a private corporation existing under the laws of Nigeria. Midwestern is the operator of the Umusadege field and holds an indirect participating interest in OML 18.

About San Leon

San Leon is a corporation subsisting under the laws of Ireland. San Leon, a public corporation, has been listed on the London Alternative Investment Market since September 2008. San Leon is focused on oil and gas exploration in, and has a portfolio of assets across, Europe and North Africa. Its main focus is currently on Polish conventional and unconventional oil and gas reserves, and assets in Albania and Morocco. San Leon is an arms-length company to Midwestern. For further information about San Leon and its shareholders, see www.sanleonenergy.com.

Financial Advisor and Fairness Opinion

FirstEnergy Capital LLP is acting as financial advisor to the Special Committee. A copy of FirstEnergy Capital LLP's fairness opinion will be included in the information circular to be sent to Mart's securityholders for the special meeting to be called to consider the Arrangement.

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.

Forward Looking Statements and Risks

Certain statements contained in this press release constitute "forward-looking statements" as such term is used in applicable Canadian 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". There are "forward-looking statements" included in this press release that relate to the timing of the mailing of the information circular regarding the Arrangement, the meeting date and the closing date. 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.

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. The forward-looking statements contained herein are expressly qualified by this cautionary statement. In particular, there is no assurance that the conditions set out in the Arrangement Agreement, including Financing Condition will be satisfied. There is also no assurance that the Arrangement will be completed on the timelines indicated or at all. Accordingly, because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information 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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