CALGARY, ALBERTA--(Marketwired - Feb 29, 2016) -

- • *Umusadege field production averaged approximately 19,590 barrels of oil per day ("bopd") during January 2016 based on calendar days; average field production based on production days was approximately 21,170 bopd during January 2016.*
- • *Total production from the Umusadege field in January 2016 was approximately 607,420 barrels of oil ("bbls").*
- • *The combined net delivery of oil from the Umusadege field through the Umugini pipeline and the Nigerian Agip Oil Company Limited ("NAOC") export pipeline totaled approximately 612,380 bbls in January 2016 before estimated combined pipeline a export facility losses, and approximately 539,360 bbls after deduction of combined pipeline and export facility losses for Janu 2016 as estimated by Mart.*
- • *Aggregate calculated Umusadege field downtime during January 2016 totaled approximately two days.*
- • *OML 18 gross field production before pipeline losses reconciliation averaged approximately 37,750 bopd and 29,980 bopd during December 2015 and January 2016 accordingly.*
- • *The UMU-16 well discovered hydrocarbons in a separate seismically defined structure that is located west of the existing producing area of the Umusadege field. The well was drilled to a total depth of 10,372 feet.*
- • *Preliminary evaluations based on open-hole well logging, pressures, and drilling data indicate that the UMU-16 well encount approximately 312 feet of gross pay in 15 zones.*
- • *SPDC declared force majeure and suspension of production into its Forcados terminal and on export liftings from its Forcado terminal effective February 21, 2016.*
- • *GTB has made a US$15 million prepayment of the loan from the restricted cash bank account which reduced the total princi of the loans owing to GTB to approximately US$185.5 million*

Mart Resources Inc. (TSX:MMT) ("Mart" or the "Company") and its co-venturers, Midwestern Oil and Gas Company Limited ("Midwestern", Operator of the Umusadege field) and SunTrust Oil Company Limited are providing the following updates on Umusadege field production for January 2016 and other operations.

January 2016 Aggregate Production Update

Umusadege field production during January 2016 averaged approximately 19,590 bopd resulting in total production of approximately 607,420 bbls for the month. Aggregate calculated Umusadege field downtime during January 2016 was approximately two days (based upon days with production of more than 10,000 bopd being considered to have no downtime). There were shutdowns of the Trans Forcados pipeline and the NAOC export pipeline during January 2016 due to operational interruptions for general pipeline and facility maintenance, but ongoing production from the Umusadege field was managed by the ability of the field operator to alternate production between the Trans Forcados and NAOC export pipelines. There were no full down days during the month. The average field production based on producing days was approximately 21,170 bopd in January 2016.

The combined net delivery of oil from the Umusadege field through the Umugini pipeline and NAOC export pipeline totaled approximately 612,380 bbls in January 2016 before estimated pipeline and export facility losses, and approximately 539,360 bbls after deduction of combined pipeline and export facility losses estimated for January 2016 by Mart.

NAOC Export Pipeline Update

Total net crude oil deliveries into the NAOC export pipeline from the Umusadege field for January 2016 were approximately 157,970 bbls before pipeline losses. Based upon the 12-month rolling average rate of pipeline and export facility losses from December 2013 to December 2014 of 17.46%, Mart estimates NAOC export pipeline and Brass River export facility losses for January 2016 will be approximately 27,580 bbls. Accordingly, Mart estimates that the total net crude deliveries into the NAOC export pipeline from the Umusadege field for January 2016 less estimated pipeline losses will be approximately 130,390 bbls.

As previously announced, total net crude oil deliveries into the NAOC export pipeline from the Umusadege field for December 2015 were approximately 75,560 bbls. Actual NAOC pipeline and export facility losses have not been allocated for December 2015 because allocation was suspended beginning in December 2014 by the Department of Petroleum Resources pending an approved loss computation formula. Mart previously estimated pipeline and export facility losses for December 2015 to be approximately 13,190 bbls, based upon the 12-month rolling average rate of pipeline and export facility losses of 17.46% between December 2013 and November 2014.

The NAOC export pipeline was down for one day in January 2016 due to operational problems.

Trans Forcados and Umugini Pipeline Update

Based upon Mart's internal production and facility data, the Company estimates that Umusadege field deliveries into the Trans Forcados export pipeline connected to the Forcados oil export terminal were approximately 454,410 bbls in January 2016.

Based upon historic pipeline losses encountered by other exploration and production companies utilizing the Trans Forcados export system, Mart estimates pipeline and export facility losses of 10% of crude oil deliveries, resulting in estimated Umusadege field deliveries of approximately 408,970 bbls for January 2016 after deduction of estimated pipeline and export facility losses.

The Umugini pipeline was down for three days in January 2016 due operational problems and maintenance work done on the pipeline.

Further to its previous disclosures regarding the absence of accurate and reconcilable injection data from Shell Petroleum Development Company of Nigeria Limited ("SPDC"), the operator of the Trans Forcados oil export terminal system, Mart advises that the Company and its co-venturers have received unreconciled reports that include only preliminary gross oil injection volumes and estimated pipeline and export facility losses. From our initial review, it is not clear whether the reported volumes represent all producers on the system or only Mart and its co-venturers. Mart and its co-venturers have requested additional and more complete information from SPDC in order to accurately reconcile volumes and any attributed pipeline losses. However, based upon preliminary analysis of the volume and loss information provided, Mart has calculated that the average loss rate could range between 10% and 21% of gross oil injections. The Company cautions that it is currently not able to obtain confirmation of these values, and it is not able to perform a reliable reconciliation. Until more accurate and complete information and reports can be obtained from SPDC, Mart will continue to estimate such pipeline losses at a rate of 10% based upon historic pipeline losses encountered by other exploration and production companies utilizing the Trans Forcados export system.

SPDC Declares Force Majeure on Forcados Terminal

SPDC declared force majeure and suspension of production into its Forcados terminal and on export liftings from its Forcados terminal effective February 21, 2016. SPDC discovered a leak on the Forcados subsea crude export line that will require replacement of a section of the line. The timeframe for repair completion will depend upon the work involved, but is expected to take several weeks.

Delivery of oil from the Umusadege field while repairs are being made to the Forcados system will be through only the NAOC export pipeline and volume is expected to be limited to approximately 5,600 bopd.

OML 18 Production December 2015 and January 2016

OML 18 gross field production before pipeline losses reconciliation during December 2015 averaged approximately 37,750 bopd resulting in total production of approximately 1,170,390 bbls for the month. There was no field downtime during December 2015.

OML 18 gross field production before pipeline losses reconciliation during January 2016 averaged approximately 29,980 bopd resulting in total production of approximately 929,490 bbls for the month. There were approximately 8.5 days of field downtime during January 2016.

Mart holds an indirect working interest in OML 18 of approximately 10% through its share ownership of Martwestern Energy Limited that in turn owns 50% of the shares of Eroton Exploration and Production Company Limited ("Eroton"). At this early stage of Eroton operations, all Eroton's sales proceeds are used to fund the operations and development of OML 18 and service Eroton's debt.

Guaranty Trust Bank Debt Update

Guaranty Trust Bank plc ("GTB") has made a US$15 million prepayment of the loan from the restricted cash bank account that reduced the total principal of the loans owing to GTB to approximately US$185.5 million. GTB has notified Mart that the interest rate for the remaining loans has been raised to 11% per annum from January 2016 and that the next scheduled principal payment is scheduled in June 2016.

UMU-16 Well Update and Discovery

As previously announced, the UMU-16 well was drilled to appraise the potential of a seismically defined structure located west of the existing producing area of the Umusadege field (the "West Prospect"). The well was drilled to a total depth of 11,372 feet. Based on the open hole wireline logs, pressure points, and bottom hole fluid samples, the UMU-16 well has encountered a total of 312 feet of gross pay in 15 hydrocarbon-bearing sands. The sands encountered are consistent with the geology of the main field, however the hydrocarbons in the West Prospect are accumulated in a separate, seismically defined structural high. The preliminary evaluations of the drilling, wireline logs and fluid sampling data indicate that UMU-16 has encountered 284 feet of gross oil pay in 14 sands, and 1 gas/condensate sand with 28 feet of gross gas pay.

The UMU-16 well has been completed in three sands using dual string, sliding sleeve technology. The completed intervals include the XVIb sand in the short string, and the XVIIIb and XIX sands in the long string that will access a combined 132 feet of the total 312 feet of gross pay encountered in the UMU-16 well. The initial production is expected to be from the XVIb and XIX sands, with the XVIIIb being produced after depletion of the XIX sand. The well is expected to be tested and brought on commercial production following the installation of the flow lines to tie back the West Prospect to the existing Umusadege central production facility.

Mart Files and Mails Meeting Materials for Annual and Special Securityholders Meeting

Mart confirms that it has filed on SEDAR and mailed to its shareholders and optionholders (collectively, "Securityholders") an information circular dated February 2, 2016 along with forms of proxy and a letter of transmittal ("Meeting Materials") in respect of the upcoming annual and special meeting ("Meeting") of Mart's Securityholders. If you are a Securityholder and have not received the Meeting Materials, please contact your broker.

At the Meeting, Securityholders will be asked to vote in respect of a proposed plan of arrangement pursuant to which a wholly-owned subsidiary of Midwestern will, subject to certain conditions, acquire all of the issued and outstanding common shares ("Common Shares") of Mart for $0.25 per Common Share in cash (the "Arrangement") in accordance with the terms of an arrangement agreement dated January 21, 2016 between Mart, Midwestern, San Leon Energy Plc and 1038821 B.C. Ltd (the "Arrangement Agreement"). Pursuant to the Arrangement Agreement, all options will be cancelled for no consideration.

The Meeting will be held at the Calgary Petroleum Club, 319 Fifth Avenue S.W., Calgary, Alberta, Canada on March 3, 2016 at 9:00 a.m. (Calgary time). The record date for voting at the Meeting has been set at February 2, 2016. Proxies must be received no later than March 1, 2016.

Board Maintains Unanimous Recommendation to Approve Arrangement

The underlying issues and risks associated with Mart and its business continue to exist. In particular, unless there is an immediate and significant increase in oil prices and amendments to the terms of its existing credit facilities, Mart will continue to have very limited cash and cashflow, will have limited access to capital, whether on an accretive or non-accretive basis, and does not expect to have working capital sufficient to finance its ongoing operations (including the UMU 16 well) or fund its other obligations or to realize the value of the Company's assets. The Board therefore maintains its recommendation that Mart's securityholders vote FOR the Arrangement Resolution. See "Reasons for the Arrangement" in the information circular for further details.

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.

Except where expressly stated otherwise, all Umusadege 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). As a result of the Umusadege field capital expenditure funding arrangement entered into by Mart and its co-venturers with Guaranty Trust Bank Limited ("GTB") in April 2014, during the twelve moratorium period, Mart's share of funding of the 2015 Umusadege field capital expenditure program will be approximately 50% and there will be no recovery of Mart's capital expenditures incurred and not recovered before the start and during the moratorium period. This arrangement results in Mart's share of total gross production before taxes and royalties from the Umusadege being 50% during the during the twelve moratorium period ending in March 2016.

All OML 18 field production figures set out in this press release, including bopd, reflect gross OML 18 field production rather than production attributable to Mart. Mart holds an indirect working interest of approximately 10% of OML 18 through its share ownership of Martwestern Energy Limited that in turn owns 50% of the shares of Eroton. Currently, all sales proceeds are used to fund operations and development of OML 18 and to service Eroton's bank debt.

Forward-Looking Statements and Risks

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, there is no assurance that there will not be future disruptions of the NAOC export pipeline or Brass River export facility. Any future disruptions may materially and adversely affect the ability of the Company to transport, deliver and sell its *crude oil production from the Umusadege field. Pipeline and export facilities losses are expected to continue in the future and such losses could be material. There is no assurance that there will not be adjustments to previously reported pipeline and export facilities losses by NAOC. There is no assurance that the estimates of current month pipeline and export facilities losses will reflect actual losses once reported to the Company by NAOC.*

There is no assurance that there will not be future disruptions to the Umugini Pipeline, Trans Forcados export pipeline or the Forcados export terminal. Any future disruptions may materially and adversely affect the ability of the Company to transport, deliver and sell its crude oil production from the Umusadege field. There is no assurance on when the operators of the Trans Forcados export system will report actual oil injections or pipeline and export facility losses to the Company or that the estimates of the Company regarding oil injection volumes or pipeline and export facility losses referenced in this press release will reflect those volumes and losses reported by the operators of the Trans Forcados export system to the Company. The Umugini pipeline will continue to face risks generally associated with pipeline operations in Nigeria.

Production estimates from the OML 18 field have been provided by Eroton, operator of the OML 18 without independent verification from Mart. There is no assurance that there will not be future disruptions or production downtime in respect of operations conducted on OML 18. There is no assurance that there will not be pipeline and export facilities losses relating to future OML 18 production.

There is no assurance that the Company will be able to commercially produce, transport or sell oil from the UMU-16 well (or any one or more of the sands identified by the UMU-16 well). Statements (express or implied) regarding the ability of the Company to commercially produce, transport and sell oil from the UMU-16 well (or any one or more of the hydrocarbon sands identified by the UMU-16 well) should all be viewed as forward-looking statements. The foregoing test results herein not necessarily indicative of long-term performance, future production levels, or of ultimate oil recovery from the UMU-16 well.

There is no assurance when the repairs will be completed on the Forcados subsea crude export line will be completed or when the Forcados terminal will recommence acceptance of crude deliveries or the volumes subject to acceptance.

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.

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.

Contact

Mart Resources Inc. - London, England
Dmitri Tsvetkov
Interim CEO & CFO
+44 207 351 7937
dmitri.tsvetkov@martresources.com
Mart Resources Inc. - Canada
Sam Grier
403-270-1841
sam.grier@martresources.com
www.martresources.com