



# MART RESOURCES INC.

Corporate Presentation

**MAY 2011**



Certain statements contained in this presentation constitute "forward-looking statements" as such term is used inapplicable Canadian and US securities laws. 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. In particular, statements concerning the timing of the drilling of the UMU-8 and UMU-9 well, the future success of such wells, the ability of the Company to successfully complete and commercially produce, transport and sell oil from such wells, the maintenance of current production levels from existing wells and future wells, future crude oil pricing levels and the ability to of the Company to fund future drilling operations (including the drilling of the Umu-8 and UMU-9 wells) from future cash flow and events or projections referenced or implied herein should be viewed as forward-looking statements. *In addition, statements (express or implied) concerning the allocation of export and pipeline capacity to the Umusadege field from the third party pipeline owners, including the assessment by the Company of the production volumes that may be allocated to the Umusadege field or capable of delivery as described herein should be viewed as forward looking statements. There is no assurance that such production volumes will be made available to the Umusadege field on a permanent or long term basis as the arrangement is dependent on a number of factors including available volumes of oil capable of being delivered by other members of the production group and by the owners of the pipelines. Further, there is no assurance that the owners of the pipelines will not reduce the export and pipeline capacity attributable to the Umusadege field without notice. Any such reduction could have a material adverse effect upon the financial condition and results of operations of the Company. When such disruptions occur, it may not be possible to predict how long such disruptions may last or how long a production shutdown may occur.*

All reserves estimates and estimates of future net revenue do not represent fair market value.

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". Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, costs and timing of exploration and production development, availability of capital to fund exploration and production development; political, social and other risks inherent in carrying on business in a foreign jurisdiction, the effects of a recessionary economy and such other business risks as discussed herein and other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Investors are cautioned that such forward-looking statements involve risks and uncertainties. There can be no assurance that such 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 hereof and the Company undertakes no obligation to update any forward-looking statements contained herein whether as a result of new information, future events or otherwise, except as required by applicable law.



All estimates of reserves and future net revenue are derived from Mart Resources Inc.'s NI 51-101F1 having an effective date of December 31, 2010 and which can be found at [www.sedar.com](http://www.sedar.com)

**Reserves:** Reserves are volumes of hydrocarbons and associated substances estimated to be commercially recoverable from known accumulations from a given date forward by established technology under specified economic conditions and government regulations. Specified economic conditions may be current economic conditions in the case of constant price and uninflated cost forecasts (as required by many financial regulatory authorities) or they may be reasonably anticipated economic conditions in the case of escalated price and inflated cost forecasts.

**Proved Reserves:** Proved reserves are those reserves that can be estimated with a high degree of certainty on the basis of an analysis of drilling, geological, geophysical and engineering data. A high degree of certainty generally means, for the purposes of reserve classification, that it is likely that the actual remaining quantities recovered will exceed the estimated proved reserves and there is a 90% confidence that at least these reserves will be produced, i.e. there is only a 10% probability that less than these reserves will be recovered. In general reserves are considered proved only if supported by actual production or formation testing. In certain instances proved reserves may be assigned on the basis of log and/or core analysis if analogous reservoirs are known to be economically productive. Proved reserves are also assigned for enhanced recovery processes which have been demonstrated to be economically and technically successful in the reservoir either by pilot testing or by analogy to installed projects in analogous reservoirs.

Mart's reserves have been evaluated by RPS Energy Canada Ltd. ("RPS Energy"), an independent reserves evaluator. The reserves definitions used by RPS Energy conform to the reserves definitions set forth in Canadian National Instrument 51-101, "Standards of Disclosure for Oil and Gas Activities" and its companion policy, which reserves definitions are set out below.

**Probable Reserves:** Probable reserves (also called Probable Additional reserves) are quantities of recoverable hydrocarbons estimated on the basis of engineering and geological data that are similar to those used for proved reserves but that lack, for various reasons, the certainty required to classify the reserves as proved. Probable reserves are less certain to be recovered than proved reserves; which means, for purposes of reserves classification, that there is 50% probability that more than the Proved plus Probable Additional reserves will actually be recovered. These include reserves that would be recoverable if a more efficient recovery mechanism develops than was assumed in estimating proved reserves; reserves that depend on successful workover or mechanical changes for recovery; reserves that require infill drilling and reserves from an enhanced recovery process which has yet to be established and pilot tested but appears to have favorable conditions for successful application.

**Possible Reserves:** Possible reserves are quantities of recoverable hydrocarbons estimated on the basis of engineering and geological data that are less complete and less conclusive than the data used in estimates of probable reserves. Possible reserves are less certain to be recovered than proved or probable reserves which means for purposes of reserves classification there is a 10% probability that more than these reserves will be recovered, i.e. there is a 90% probability that less than these reserves will be recovered. This category includes those reserves that may be recovered by an enhanced recovery scheme that is not in operation and where there is reasonable doubt as to its chance of success. RPS Energy only determines possible reserves when specifically requested to do so.



**Mart is an independent international oil & gas company focused on production and development opportunities in the highly prolific Niger Delta region of Nigeria.**

- Mart is publicly traded on the Toronto TSX Venture Exchange (MMT.V)
- Umusadege Field in Delta State, Nigeria is Mart's core strategic asset
- 12,975 barrels/day gross average production for 25 actual production days during the period 1-28 May 2011 from 4 wells
- Producing Bonny oil selling at a premium from Brent
- Umu-7 well commenced production in early May 2011
- Umu-8 well will commence drilling in early June 2011
- Significant upside development, appraisal and exploration potential in the Umusadege Field
- Growth potential from proven fields being awarded by Nigerian government and divestments of the Major Oil Companies in 2011/2012



Nigeria is the largest oil & gas reserve base in Sub-Saharan Africa with an estimated 30+ Billion bbls of oil and 180 Tcf of Gas

Nigeria is the 4<sup>th</sup> largest oil supplier of the US (USEIA 2010)

Nigeria just concluded their most successful democratic election

- Over 1,000 fields discovered with only 35% producing
- Nigerian government initiatives to increase Oil Production from 2.3 Million BOPD to 4 Million by 2012
- Nigerian government to conduct a conventional license and marginal field allocation round in 2011
- Long standing presence of Major Oil and Independent Companies provide industry stability
- Attractive risk/reward profile
  - Numerous proven/undeveloped field opportunities
  - Attractive Fiscal Regime
  - High quality crude oil with good infrastructure for transportation and export



## Nigeria's Marginal Field Programme

- Initiated in 2001: over 130 fields identified for the programme
- 24 "marginal fields" allocated to indigenous companies in 2003
- Considerably improved fiscal terms from historical 20% royalty and 85% Profit Tax
- Reduced royalty and Profits Tax (65%)
- Sliding-scale royalties to government
- Farm-out royalties to original field owners

## "Marginal Fields"

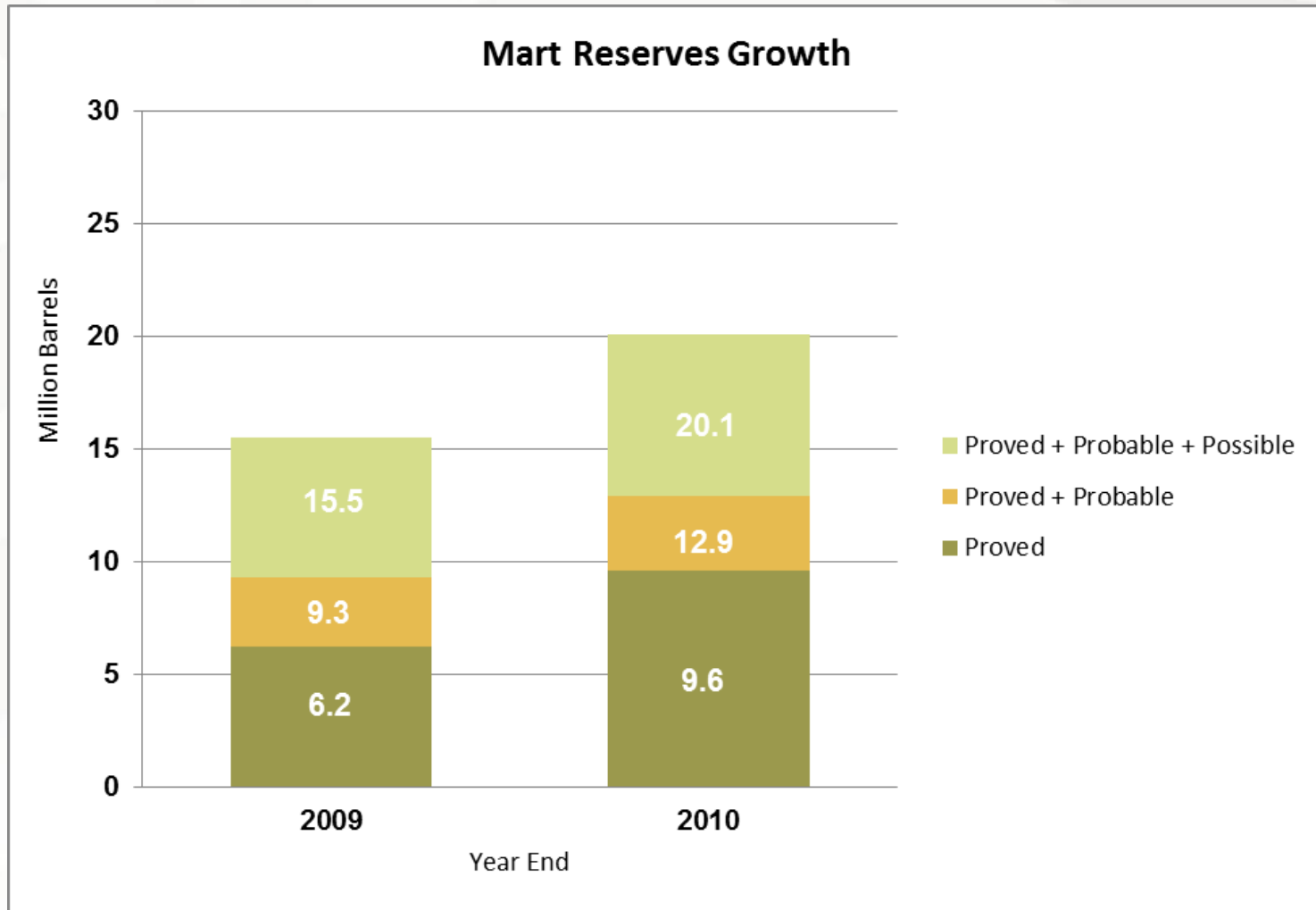
- Fields owned by major international oil companies and state oil company (NNPC) which have remained non-producing for over 10 years
- Fields not under development due to marginal economics for major oil operators and high fiscal terms
- Exploration discoveries but no appraisal activities

**Umusadege Field was allocated under this programme.**



## TRANSFORMATIONAL YEAR (2010) - FINANCIAL IMPACT

- Total comprehensive income after taxes of \$8.5 million compared to Loss of \$26.3 million in 2009
- Funds flow from production operations (after royalties) of \$48.2 million
- Significant cost reductions across the board
  - Production costs reduced from \$17 million to \$8.2 million
  - Cost per barrel reduced from \$14.8 to \$11.3
  - G&A reduced from \$13 million to \$7.8 million
- Debt reduced from \$13.4 million to \$2.1 million
- \$5 million credit facility agreed, \$3.5 utilised at 2010 year end





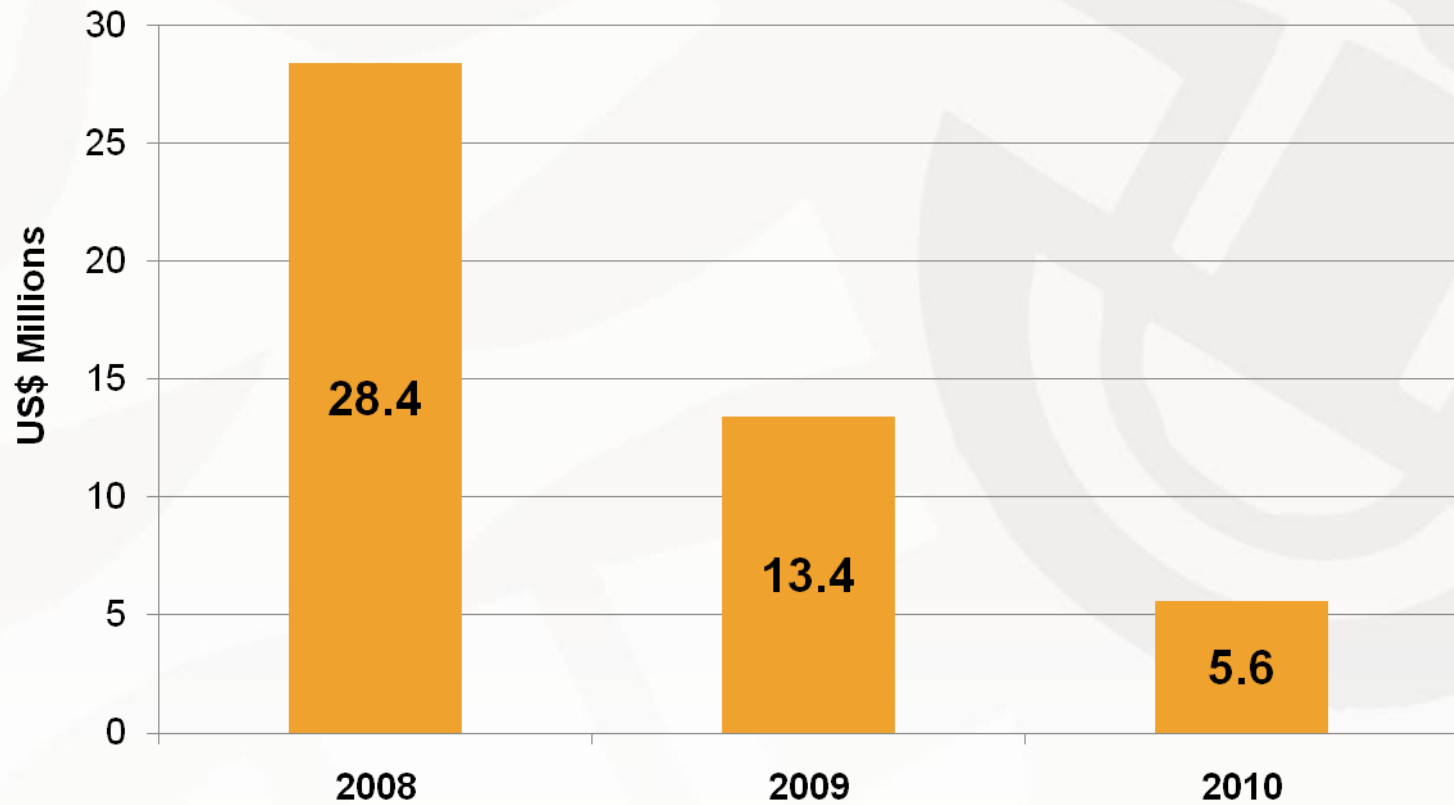
Description	Mart – Oil Reserves	Mart - Net Present Value Cash Flow After Tax (10% Discounted)	NPV per Share
Umusadege Field	(MMbbl)	\$mm	\$(CDN)
51-101 Proved and Probable (Dec 2010)	12.9	300	0.90
Potential Exploration Upside	17.5	406	1.21
<b>Total Mart</b>	<b>30.4</b>	<b>706</b>	<b>2.11</b>



(CDN\$)	12 months ended	12 months ended
Mart's share of the Umusadege Field	Dec. 31, 2010	Dec. 31, 2009
Barrels of oil produced	732,101	1,152,989
Average sales price per barrel	84.1	79.06
Mart's share of oil	66.60%	97.50%
Mart's share of oil revenue after royalties	\$56,524,797	\$72,605,726
Funds flow from production operations (1)	\$48,235,615	\$55,485,284
Funds flow from production operations per share		
Basic	\$0.144	\$0.165
Diluted	\$0.142	\$0.165
Net income (loss)	\$8,080,808	(\$26,285,610)
Per share - basic	\$0.024	(\$0.078)
Per share - diluted	\$0.024	(\$0.078)
Total assets	\$123,144,294	\$82,143,164
Total bank debt	\$5,627,778	\$13,350,193
Shares outstanding - end of period		
Basic	335,548,201	335,548,201
Diluted	340,232,766	335,548,201



## Bank Debt Reduction





Monthly Cash Flow	Current UMU-1, 5,6,7	After completion of UMU-8(if successful)	After completion of UMU-9(if successful)	UMU-1,5,6,7,8,9 after Cost Oil recovery (if successful)
Average BOPD	12,500	15,000	18,000	18,000
Downtime	17.5%	17.5%	17.5%	17.5%
Lifted barrels	302,404	374,988	435,467	435,467
Price US\$/bbl	115	110	113	113
<b>US \$ Millions</b>				
Revenue	34.8	41.2	49.2	49.2
Royalties, ARO, NDDC	3.6	5.0	6.7	6.7
Transportation Charges	1.1	1.4	1.6	1.6
Opex	0.8	1.0	1.1	1.1
G&A	0.7	0.9	0.9	0.9
Total Expenditure	6.2	8.3	10.3	10.3
Provision for Income Taxes	8.7	15.2	17.1	19.4
Net Proceeds	19.9	17.7	21.8	19.5
Cost Oil	6.7	3.9	3.9	0.0
Profit Oil	13.1	11.7	13.9	19.5
Monthly Cash Distributed inc G&A	13.5	11.1	13.8	10.1



<b>Monthly Cash Flow</b>	<b>Current UMU-1, 5,6,7</b>	<b>After completion of UMU-8</b>	<b>After completion of UMU-9</b>	<b>UMU-1,5,6,7,8,9 after Cost Oil recovery</b>
<b>Cash Distributed inc G&amp;A</b>				
<b>Mart</b>	<b>13.5</b>	<b>11.1</b>	<b>13.8</b>	<b>10.1</b>
<b>Mart G&amp;A</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>
<b>Net Monthly Operating Cash US\$Millions</b>	<b>12.4</b>	<b>10.0</b>	<b>12.7</b>	<b>9.0</b>
<b>Annualized US\$ per share</b>	<b>0.44</b>	<b>0.36</b>	<b>0.45</b>	<b>0.32</b>



<b>Per Barrel Analysis</b>	<b>Current UMU-1, 5,6,7</b>	<b>After completion of UMU-8</b>	<b>After completion of UMU-9</b>	<b>UMU-1,5,6,7,8,9 after Cost Oil recovery</b>
<b>Sales Price</b>	<b>115.00</b>	<b>110.00</b>	<b>113.00</b>	<b>113.00</b>
<b>Royalties,ARO,NDDC</b>	<b>11.90</b>	<b>13.33</b>	<b>15.39</b>	<b>15.39</b>
<b>Transport</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>	<b>3.75</b>
<b>OPEX</b>	<b>2.63</b>	<b>2.75</b>	<b>2.58</b>	<b>2.58</b>
<b>G&amp;A</b>	<b>2.31</b>	<b>2.40</b>	<b>2.07</b>	<b>2.07</b>
<b>Net Back</b>	<b>94.40</b>	<b>87.76</b>	<b>89.22</b>	<b>89.22</b>
<b>Mart's Share per barrel</b>	<b>63.15</b>	<b>53.44</b>	<b>55.08</b>	<b>44.61</b>

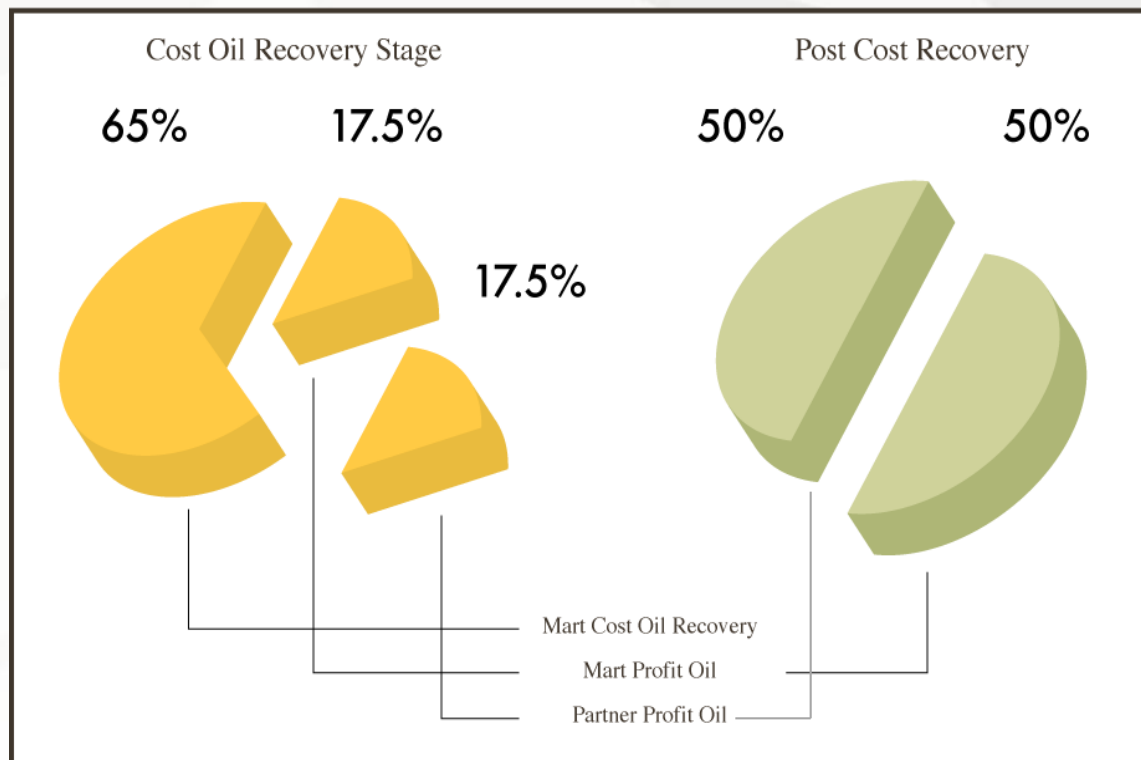
<b>Mart's share of taxes</b>	<b>14.38</b>	<b>20.00</b>	<b>19.40</b>	<b>22.27</b>
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Under the terms of the FPSA\*, Mart funds 100% of all capital expenditure. Mart is entitled to 65% of distributable funds until it has fully recovered the capital spend. Mart is entitled to 50% of the remaining distributable funds, giving a total of 82.5% during cost recovery phase.

After full recovery of capital costs Mart is entitled to 50% of distributable funds .

Distributable funds are defined in the FPSA as revenue less royalties, abandonment operating costs, nddc, G&A and taxes.



\*FPSA – Field Production Sharing Agreement



- Focused on production / low risk development portfolio with appraisal/exploration upside
- Highly skilled management team with extensive knowledge and experience in Nigeria & Africa
- Long-established local relationships
- Strong operational team based in Nigeria with mainly national staff

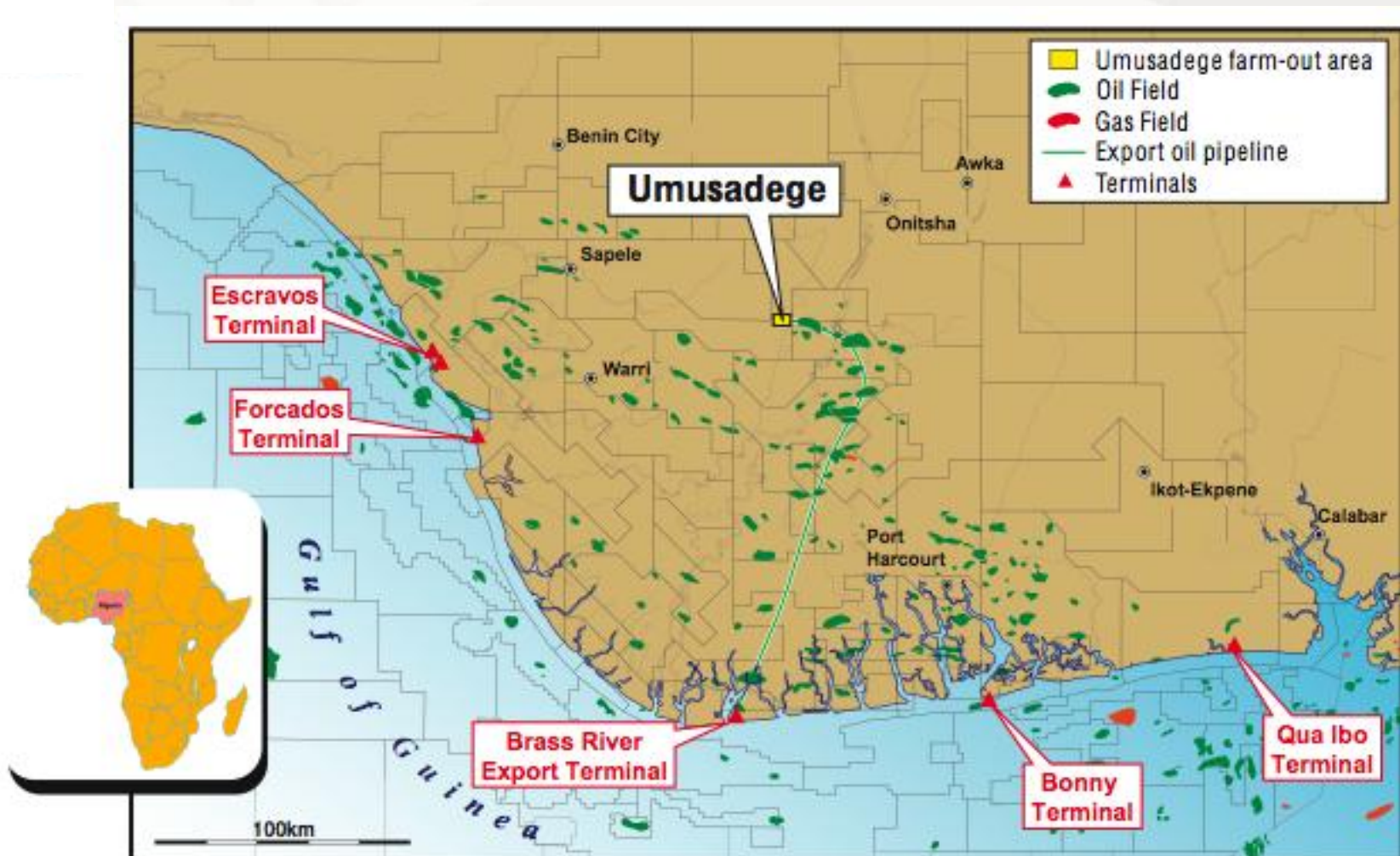




*Compact NRG 101 service / drilling rig*



*Early production equipment*

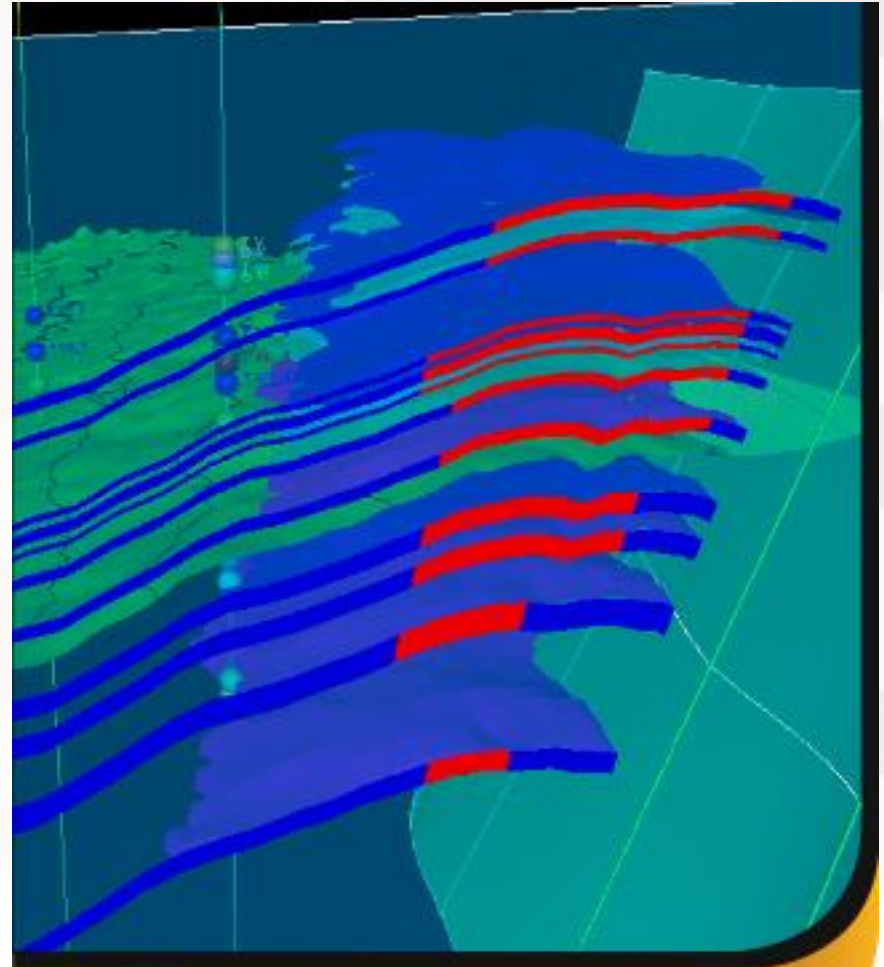






**Key Features:**

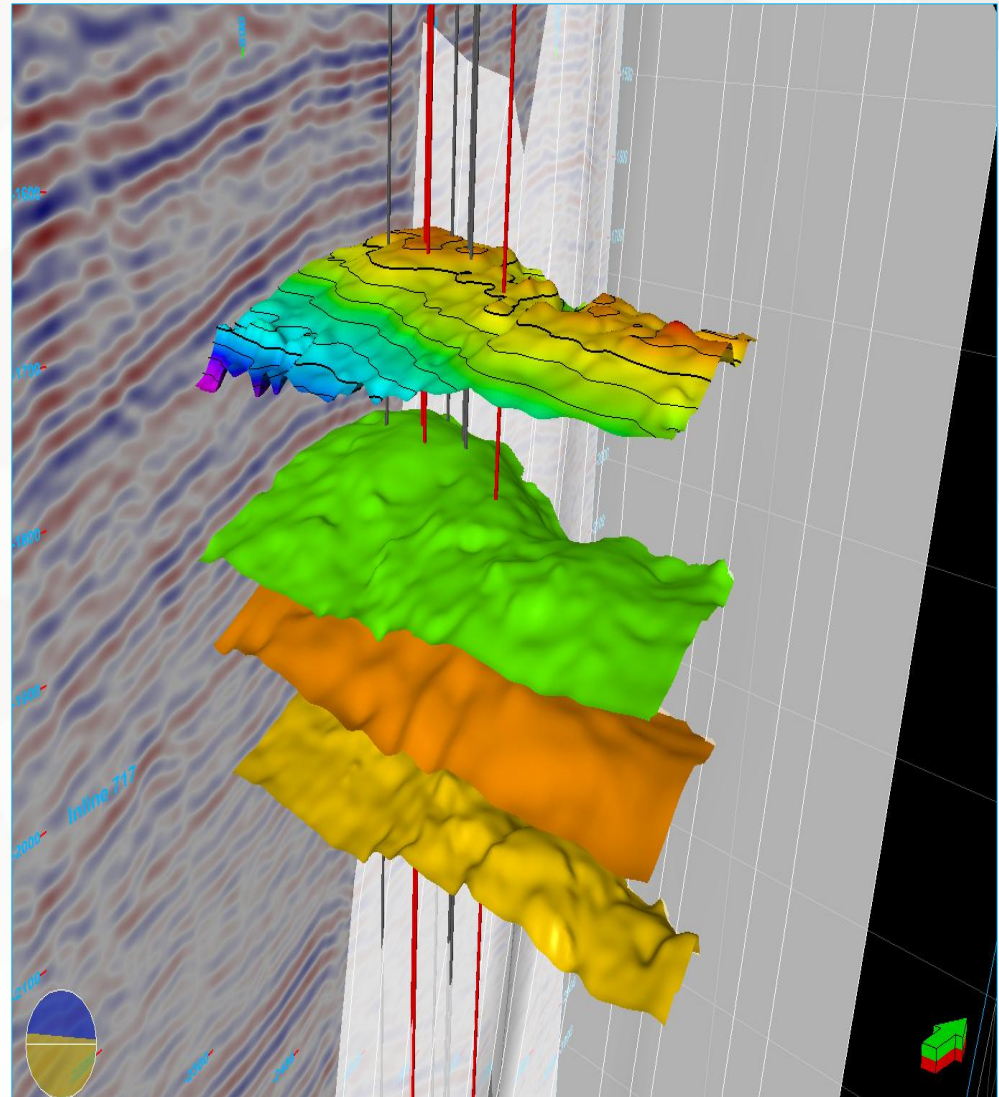
- Discovered by UMU-1 well in 1974
- Four producing wells (UMU-1, 5, 6 and 7) - Currently Producing 12,945 average bopd for May so far.
- Over 3 Million barrels produced by May 2011
- Crude export via pipeline system
- to AGIP's Brass River Terminal





**Development:**

- Use of vertical wells completed at multiple reservoir zones to optimize production of stacked reservoirs
- Use of dual-string tubing configuration for simultaneous production from any 2 sands of the 4 completed zones
- Umu-6 well finished drilling in Nov. 2010,
  - 18 hydrocarbon bearing sands
  - 420' of pay
  - Tested at 14,319 BOPD on 4 zones
  - Now producing 3144 bopd
- Umu-7 well finished drilling in April 2011
  - 15 hydrocarbon bearing sands
  - 380' of pay
  - Tested at 10,347 bopd on 4 zones
  - Now producing 3096 bopd
- UMU-8 starting drilling in early June 2011
- Production facilities increased to 30,000 - 35,000 bopd
- Umu-9 planned for drilling by September 2011 with production late Q4 2011.
- Further wells planned for 2012

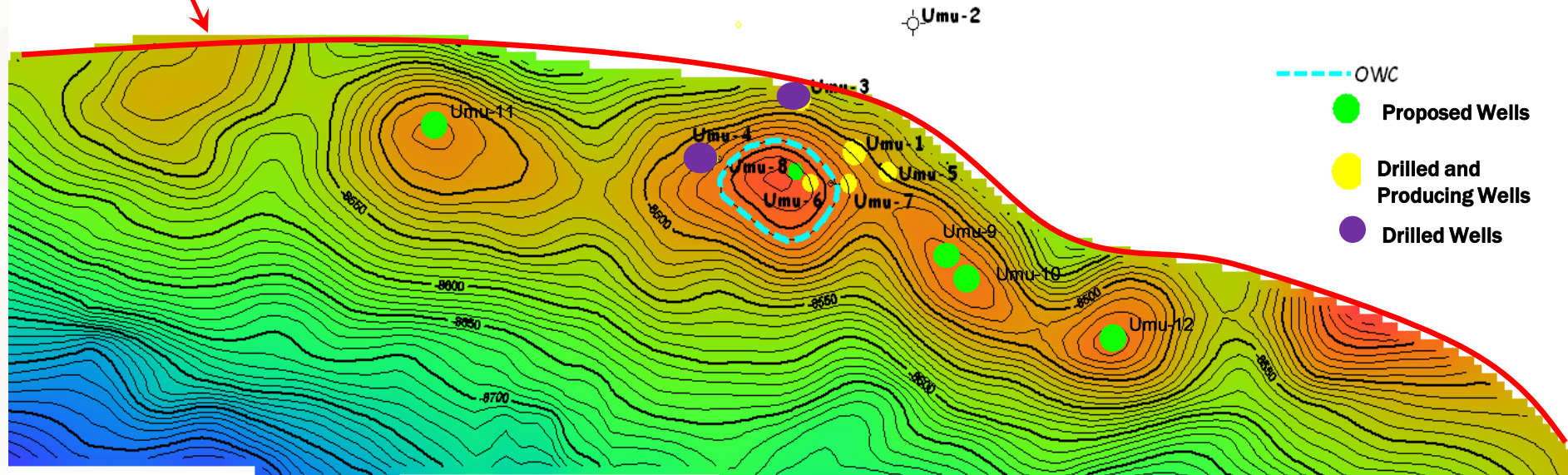




Fault Line

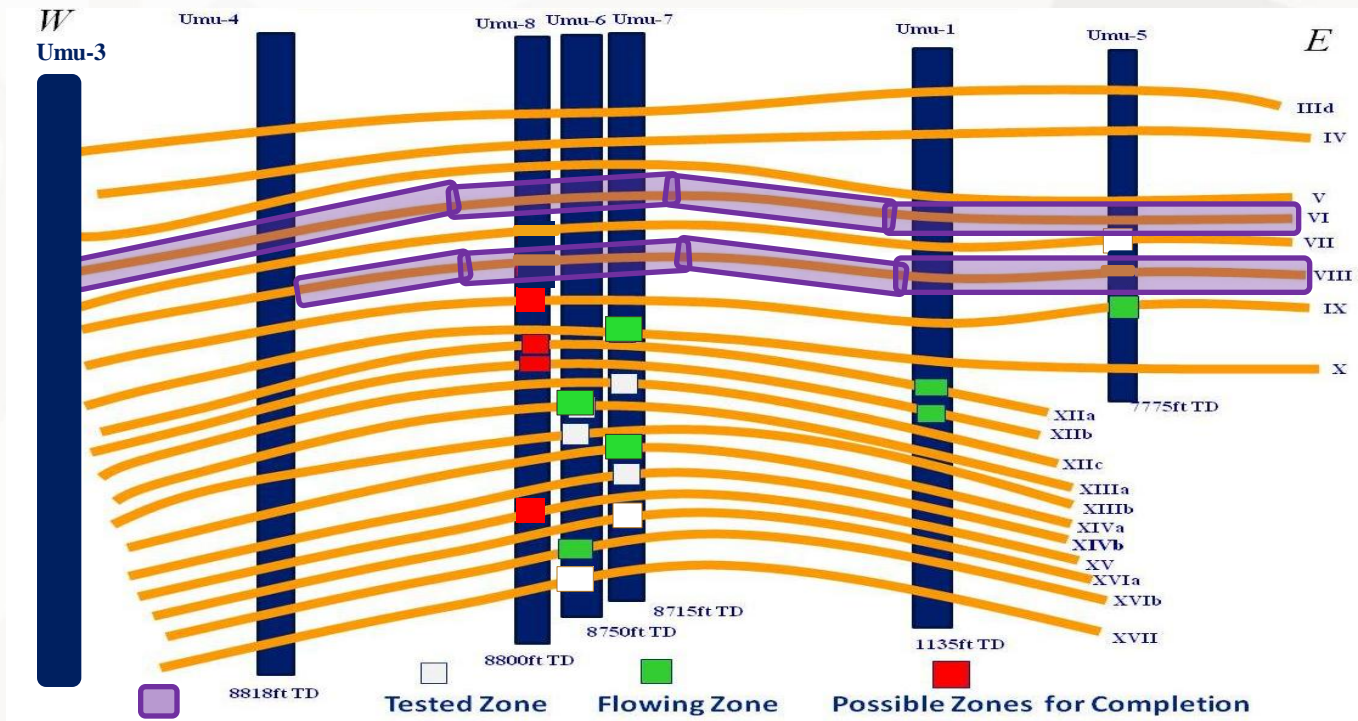


Level XVIIa Structure Depth MAP





# UMUSADEGE - WELL CROSS SECTION

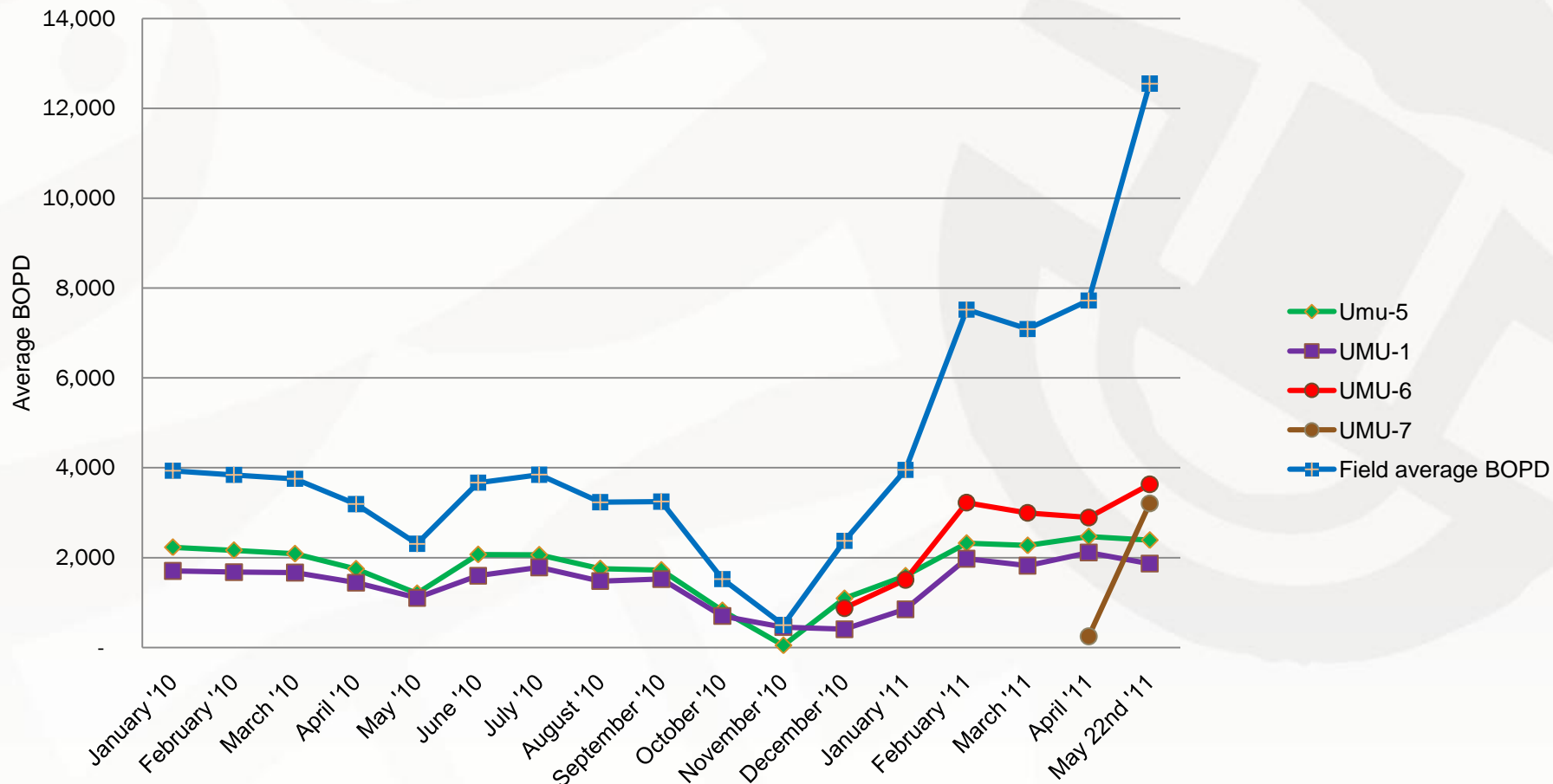


**Future Horizontal Well**

Well	Number of zones encountered	Total pay sand thickness	Tested zones	Tested zones sand thickness	Tested zones total flow rate	May 2011 average production rate per well (by May 29 <sup>th</sup> 2011)
Umu 1	11		XIIa, XIIb			2521 bopd
Umu 5	13	175'	IX	27'	3,200 bopd	2391 bopd
Umu 6	18	420'	XVII, XVIIb, XIIIb, XIIIa	71'	14,319 bopd	4290 bopd
Umu 7	15	380'	XIIc, XIV, Xva, X	79'	10,373 bopd	3773 bopd

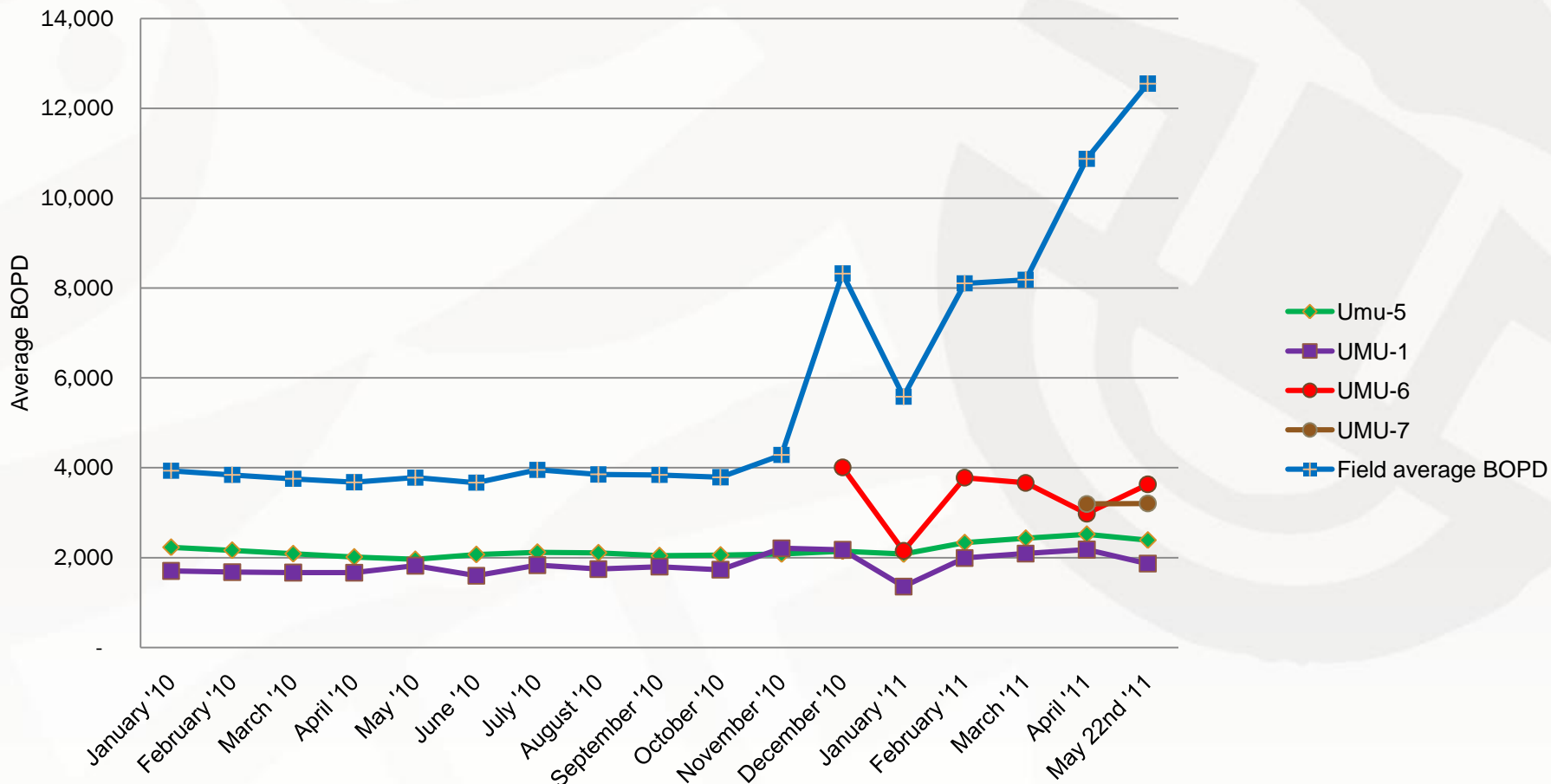


Monthly Average and Umusadege Field Profile based on calendar days



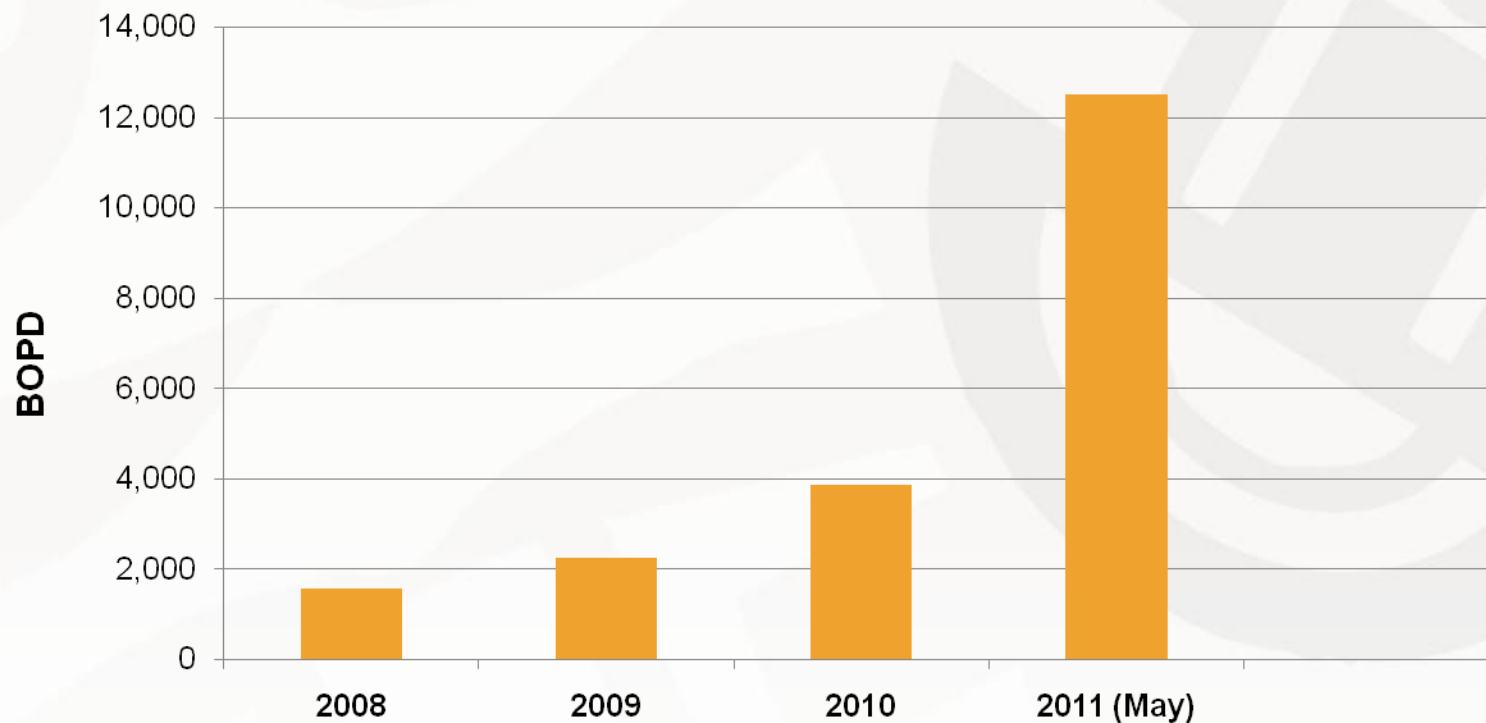


Monthly Average and Umusadege Field Profile based on production days





## **Production Profile: Average Daily Production** Prior years and Present production



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).



- Strong cash flow from Umusadege field used as a foundation for:
  - Funding development, appraisal & exploration drilling on Umusadege field
  - Potential future share buy-back
  - Potential future dividend
  - Fund new “proven undeveloped” field acquisitions and development
  - Fund participation in assets being divested by major oil and gas companies
  - Significant growth potential from internally generated cash flow with good ability to raise debt for new assets



- UMU-7 well was recently completed and placed on-production in early May, 2011
- Umusadege gross average field production for May, 2011 is 12,975 bopd.
- Rig has been moved to UMU-8 well location with drilling to commence in early June 2011
- Additional development and appraisal wells are proposed to fully exploit the reserve potential of the Umusadege field
  - UMU-9: Targeting another structure similar to main Umusadege producing structure. Its potential could significantly improve our proved, probable and possible reserve estimates. Drilling is anticipated to commence by early Q4 2011 and production is anticipated to commence by year end 2011.
  - UMU-10: Drilling anticipated to commence drilling in Q1 2012.
  - UMU-3: Future horizontal well re-entry for sand VI
  - UMU-4: Future horizontal well re-entry for sand VIII
- Production facility capacity being upgraded to 30,000 - 35,000 bopd
- Secured increase in third party pipeline export capacity & build a second alternative pipeline
- Umusadege cash flow creates strong foundation for growth by funding new opportunities

***The Perfect Investment Opportunity!***



- Infrastructure Projects
- Power and Water Projects
- Healthcare Projects





- Partnerships with indigenous companies is strategic for new opportunities
- Treat local communities as stakeholders to ensure security:
  - Community development programmes
  - Employment & training
  - Use of community contractors
- Fit-for-purpose operational practices – early production systems reduces time to first oil
- Significant growth opportunities with new government proven field allocations
- Local Content
  - Service & Supply Companies
- Local sources of finance.



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