



CPO Joint Venture Update

ASX Code: MKE

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July 3, 2013 – Perth, July 2, 2013 – Calgary

Mako Hydrocarbons Ltd. (ASX: MKE, “Mako” or the “Company”) wishes to provide the market with the following update.

Canadian Pan Ocean Joint Venture

As previously announced in March 2013, a binding Terms Sheet has been executed with Canadian Pan Ocean Limited (CPO) setting out the broad terms of a farm-in to Mako's 50% working interest in its lands in Western Alberta.

The farm-in was conditional upon CPO executing an agreement with both Transerv Energy Limited (TSV) and Tamaska Oil & Gas Limited (TMK) on the acquisition of the remaining 50% working interest in the lands. It was also conditional upon Mako and CPO settling detailed terms and documentation of the proposed new joint venture and farm-in.

We refer to recent announcements made by TSV and TMK in relation to the progress of that part of the transaction.

In relation to the joint venture and farm-in documentation, the parties have reached final agreement and execution of the relevant documents is scheduled to occur at the time of the execution of the transaction between CPO, TSV and TSK.

Whilst the Company regrets the delay, due largely to the complexity of this transaction, all parties anticipate completion in the near future. Once Completion occurs the Company will be in a position to finalise its accounts and resume trading.

We expect to make further announcements as the various steps in this process unfold over the coming weeks.



Bridging Financing

The Company has also recently closed a 'bridging finance' facility of CAD\$3M with a Hong Kong based financier.

The funds will be applied in repayment of the current Canadian debt facility in full, costs associated with the bridging facility as well as to provide working capital through until Completion of the CPO transaction.

In addition to the farm-in and joint venture, CPO will acquire the Company's Provost production asset in return for assuming the Company's full liability under the bridging finance facility. This in addition to the funds due from CPO under the terms of the farm-in agreement will adequately satisfy the Company's immediate working capital requirements.

Mako Hydrocarbons Ltd. is a Calgary based exploration and production company concentrating on value creation through the exploitation of its interests in the world class, Duvernay liquids rich natural gas shale play formation in west central Alberta.

For further information, please contact:

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