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Subject: Alphastox Provides an Update on Madalena Energy (MVN.V)

Dear Alphastox Subscribers,

Madalena Energy (MVN.V) has been moving to the upside quite nicely in the last week or so, going from \$0.375 to \$0.42 on heavy volume and I feel there is a huge opportunity to be had here and great upside potential from where the stock currently sits. Here are the reasons why:

Several new Joint Venture deals are expected to come before the end of this year

- Chevron and YPF signed a \$1.24 billion JV agreement increasing investors confidence and credibility to Argentine oil plays
- Wintershall signed an LOI with Gas y Petroleo del Neuquen for up to ~\$4 Billion in investment over three separate phases
- Dow Chemical and Wintershall are expected to announce finalized agreements shortly

In case you missed the news, Dow Chemical is currently in discussions with YPF to farm-in on their Orejano block. According to the Argentina newspaper Conistar Comercial, Dow Chemical plans to invest US \$120 million in return for a 50% interest in the block. This is great news for the market as a whole as it gives investors a lot more comfort that their investments are safe in Argentina and that the government is on side with building value for shareholders.

Wintershall also announced on September 23rd, that it has inked a deal with Gas y Petroleo del Neuquen (GyP), which is the Neuquen provincial oil and gas company to jointly develop the Vaca Muerta shale. Wintershall is expected to make cash payments rumored to be around US \$30 million and earn a 50% interest after completion of their Phase 1 drilling program. This is even better news for Madalena Energy (MVN.V) as it gives even more value to their current ground (**i.e. Madalena is the only public junior with a key oil block in and around where the Chevron/YPF and Wintershall deals are taking place**). Think of this: If we assume Wintershall completes their US \$30 million cash payment to earn a **50% interest in the 23,970 acre Aguada Federal block**, the land transaction calculates to **\$7,300/acre**.

Madalena currently has a 35% w.i in the **Coiron Amargo block** which comprises of **34,973 net acres...** which is in very close proximity to the Wintershall Vaca Muerta shale deal. Take a very close look at the Madalena's acreage and do the math...Strictly based on the value a major is willing to pay per acre in that area, the potential for Madalena's valuation to change here to the upside is massive.

Like I mentioned before, Madalena Energy (MVN.V) is personally my largest holding and I continue to support the company everyday and believe in its potential. The company is actively working on finding Joint Venture partners to fund their Curamhuele asset which in my mind, will be a major catalyst for the stock.

I was able to catch up with Kevin Shaw last week in Vancouver and got a very good update, so if you are a shareholder or follow the company, please do not hesitate to give me a call anytime.

Best Regards,

Etienne

Disclosure: Madalena Energy has paid Transcend Resource Group a consulting fee and Transcend's President, Etienne Moshevich, currently owns shares in Madalena Energy.