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Dear Alphastox Subscribers,

Production averaged 872 boe/d in line for Q1 average volumes. The company is expected to be 1200 + boe/d currently, and has additional production behind pipe that will come on late Q2/early Q3. Production is going in the right direction.

Madalena Ventures (MVN) put out their interim financial statements this morning and I have added a link to it here if you are interested:

<http://www.sedar.com/CheckCode.do;jsessionid=0000grwswj9UUzPoyNAYJf4jvvi:17lkkk26t>

Here is a quick update for you:

- Production averaged 872 boe/d in line for Q1 volumes. We should see 6 - 7 additional wells for the remainder of the year and a number of workovers
- 2 Ostracod wells tied in for production in Q2 at restricted rates with full production capacity to be online post the completion of a pipeline twinning project and compression upgrades in the area.
- Trading at \$41,000/boe 2013E flowing and 5x cash flow

2013 capital budget of \$34million, of which \$17 was spent during the Quarter, will be funded from its existing working capital of \$12.4 million, cash flow from operations and bank lines of credit.

MVN is poised to move higher on near term news flow from their Ostracod wells as well as positive macro news in Argentina. We have already seen several senior oil and gas companies like Exxon and Chevron investing billions in Argentina, which brings great credibility and comfort to the area.

As always, please do not hesitate to get in contact with me anytime.

Best Regards,

Etienne Moshevich

President

Transcend Resource Group

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