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Madalena Ventures (MVN) obtains One-Year Extension at Curamhuele

Dear Alphastox Subscribers,

I hope everyone got a chance to take a look at MVN's news yesterday. The market didn't take notice but we certainly did. Madalena announced yesterday that it received a one year extension on their Curamhuele block until Nov. 8, 2014. This extension provides Madalena the opportunity to find a strategic JV partner to continue its work on the block and to fulfill its remaining work commitments of approximately \$13.8 million U.S plus VAT by late 2014.

According to MVN's news release yesterday, "Given this block extension, for the remainder of 2013, Madalena is financed and budgeted to meet its remaining commitments across its three blocks within the Neuquen basin."

Additionally, and of key note, the EIA highlighted Argentina as having the 4th Largest Shale Oil Resources in the world and ranked 3rd globally for shale gas. A summary is as follows:

The US Energy Information Administration (EIA) issued an updated report on global shale oil and gas potential. The report ranks Argentina fourth (after Russia, US and China) for oil and third for gas. Nationwide shale oil resources have been estimated at 27 billion bbls of oil. The report builds on the 2011 EIA report that outlined shale gas resources of 774tcf that has been increased to 802 Trillion cubic feet in this report predominantly driven by the Vaca Muerta shale within the Neuquen Basin.

The report assesses the progress made with over 50 wells drilled in the basin by a range of companies including Apache, ExxonMobil, Total, YPF, etc. many of which have been drilled offset to Madalena's acreage. The Vaca Muerta formation in the Neuquén basin alone, has technically recoverable shale gas and shale oil resources of 308 Trillion cubic feet of gas and 16 billion bbls oil and condensate, according to the report for the basin.

Madalena has three key blocks located in prime acreage positions within the Nequen basin which

are highly prospective for the unconventional Vaca Muerta shale and the Agrio Shale which have been getting a lot more recognition lately with several majors planning to invest billions of dollars in the region. Recall, Madalena has 2.9 Billion Boe of prospective and contingent recoverable resources according to a recent report by Ryder Scott, of which approximately 2.0 Billion Boe net to Madalena comes from the Vaca Muerta shale.

Keep MVN on watch and I think this could be a good opportunity at \$0.31-\$0.32. MVN has a lot of upside potential at these levels as more positive news out of Argentina comes to the market.

As always, please do not hesitate to contact me anytime with any questions.

Best Regards,
Etienne Moshevich
President
Transcend Resource Group

Disclosure: Madalena Ventures is a client of Transcend Resource Group. Etienne Moshevich personally owns shares in Madalena Ventures (MVN)