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**Subject: Argentina Attracts \$1.24 Billion from Chevron as the Country adds New Incentives for Oil Patch Investments ; Madalena (MVN-V) shareholders set to benefit strong as the Company Moves Forward with Unconventional Shale Drilling and Strategic Joint Venture Activity Across its 2.9 Billion BOE of Recoverable Resources**

Dear Alphastox Subscribers,

Argentina's state owned oil company YPF just announced earlier this week that they finally reached a \$1.24 billion joint venture deal with Chevron aimed to help increase investment into the country's oil and gas sector and focused on shale development. This news comes just as the Argentina Government announced new incentives to companies that invest over US \$1 billion over five years. According to Bill Newman, energy analyst at Mackie Research covering Madalena, "Companies will be able to sell 20% of the production at world prices, without paying export taxes. In addition, 100% of the 20% export revenue can be repatriated back to the company's home country". This is huge news for Madalena Ventures (MVN) as they move forward in 2013 with Joint Venture plans for its Curamhuele block (90% W.I.) in the Nequen Basin. This new policy provides additional incentives for the big E&P players (i.e. Chevron, ExxonMobil, Shell, Total S.A., Bidas, Statoil, Apache, Sinopec, etc.) to invest over a multi-year platform which is key for unconventional shale development in-country. It is also significant to note that the Chevron \$1.24 Billion dollar deal (is for a 50% stake in the Vaca Muerta shale and to earn an estimated 48,803 net acres which translates to Chevron paying an implied value of **\$25,408/acre**) is right next door to Madalena's Coiron Amargo block within the oil window. This deal implies that Madalena's Coiron Amargo acreage of 35,000 net acres could be worth well over \$1/share **for just this one block alone**. Recall, Madalena has three sizeable shale blocks within the Nequen basin, a large landbase in Canada of over 150 net sections, no debt, a strong balance sheet with cash in the bank and increasing production levels.

Here are some comments from Ryan Mooney and Josh Ochman, both directors of institutional equity sales at National Bank Financial on the recent news in Argentina and how that can affect MVN:

*“As MVN is actively searching for a JV partner for its Curamhuele block in the Nequen Basin, we believe this new policy could help to garner additional interest. This policy is also another step in the right direction for the Argentina government to continue building investor trust and interest in the country. Recall that back in April 2012, the government expropriated YPF from Repsol, shaking investor confidence. The expected JV deal between YPF and super major Chevron will keep the momentum going in the country's bid to attract further investment.”*

**National Bank** maintains their BUY recommendation on Madalena with a **\$1.20 price target**.

I have always said, it's my opinion that Madalena Ventures (MVN) will see a drastic move to the upside once we get better news out of Argentina and investors feel comfortable investing in the country. This recent news is the first step. I believe this is only the beginning. We saw MVN's stock rise from \$0.25 to \$0.48 not too long ago as the Chevron/YPF deal was first announced. This proves that investors are eager to see MVN succeed and Argentina's oil and gas sector prosper. I believe it is just the matter of time when we see this all come to fruition.

Catalyst to Watch between now and year end 2013:

- **Vaca Muerta shale drilling on Madalena's Coiron Amargo block (35% W.I.) offset to the Chevron \$1.24 Billion Joint Venture deal**
- **Potential JV partner for Madalena's Curamhuele block which could be transformational for shareholders to unlock value in the unconventional shales**
- **High Impact Re-entry work at Cortadera (with partner Apache) to evaluate thick (200 to 500+ meter) uphole zone(s) of interest**
- **Horizontal Drilling operations to recommence in Canada focused on the companies multiple oil and liquids-rich resource plays; Ostracod oil drilling to be the focus out of the gate**

I am a shareholder of MVN, it is personally my biggest holding and I continue to support the market everyday.

As always, if you have any questions, please do not hesitate to get in contact with me anytime, either by phone or e-mail. I look forward to hearing from my subscribers.

Best Regards,

Etienne