

Is Madalena Energy The Oil Company To Watch In 2015?

Madalena Energy – A Key International Oil & Gas Player Drilling Four “Company Makers” in 2015

Nineteen Compelling Reasons why Madalena Energy (TSXV: MVN; OTC: MDLNF) is positioned for triple digit returns

As an investor looking for torque and multi-bagger potential in the oil and gas industry there is one company that has secured large acreage positions on prolific conventional plays, massive unconventional shale assets and multiple large-in place horizontal resource plays, and has centered its company strategy around a turn in the Argentina energy sector heading into 2015.

Madalena Energy (TSXV: MVN; OTC:MDLNF), a growing small-cap international based in Canada, has assembled approximately 1 million net acres across a portfolio of concessions in Argentina alongside over 150 net sections of acreage in Western Canada. With the company nearing 5000 boe/d (70% oil & NGL's), cash in the bank and no debt, Madalena is entering an exciting 2015 **with plans to drill four company making plays, any one of which could create significant returns for shareholders from the current trading levels.**

With a recent new hydrocarbon law being passed in Argentina, Madalena is positioned to significantly increase in value from an improving Argentine energy market in 2015 and **could see a 50% to 100% gain for investors based on an evolving macro environment alone.** Layer in an active drill program and a number of high impact wells being drilled through 2015 and prime unconventional shale acreage, and Madalena could truly be a “home run” event over the next 12 months.

Madalena is one of the only small-cap international exploration companies that is drilling big wells in 2015 to prove up big plays with extensive scope and a lure which is sure to attract the attention of the NOC's and major E&P's in the area like YPF (NYSE: YPF), ExxonMobil (NYSE: XOM), Wintershall, Total SA (NYSE: TOT), Chevron (NYSE: CVX), Gazprom, and Sinopec to name a few.

In order to highlight what could quite easily be one of the biggest buying opportunities in the marketplace today heading into 2015, here are **nineteen reasons why Madalena Energy is positioned for triple digit returns over the next 12 months:**

1. **The probability of hitting a “home run” is high with a number of company making plays being drilled internationally in 2015** including the Loma Montosa oil resource play, Vaca Muerta shale, Agrio shale, and “Montney-like” liquids-rich Mulichinco. Each of these plays have size and scope that would be significant for the world's largest oil & gas companies, let alone a small-cap company like Madalena Energy.
2. **Madalena is self-funded with a solid production and cash flow stream** to execute the company's strategic business plan to drill a number of big plays in 2015 while growing a stable production base.
3. **There is massive upside potential with approximately 35 Billion barrels of oil equivalent (boe) of in-place resources** across Madalena's unconventional shale positions, driven by the **Vaca**

Muerta and Agrio shale plays. Argentina's two shale basins could end up being the most active outside of the United States, and **could even be bigger than the Eagle Ford and Bakken**.

4. **Argentina has an improving energy macro environment** and the **2015 Presidential Elections could be a big positive** for well-positioned energy companies in the region, like Madalena.
5. **Madalena has prime Vaca Muerta shale acreage** in the oil and gas windows of the Neuquen basin. Acreage values in and around Madalena's unconventional shale acreage have been going for between **\$5,000 to \$15,000 per acre in the oil window** and an estimated up to **\$5,000 per acre in the liquids-rich gas window**. With approximately 132,000 net acres of Vaca Muerta shale alone (doesn't include the Agrio shale), **Madalena's Vaca Muerta shale exposure alone could prove to be worth between USD \$600 million to over USD \$1 Billion** under the right macro conditions and continued progression by the industry on the Vaca Muerta in Argentina.
6. **Madalena is also sitting on prime Agrio shale acreage in the heart of the oil fairway offsetting a recent discovery by state run company YPF (NYSE: YPF)**. Madalena's Agrio shale asset is on its Curamhuele block (90% WI) and is over 200 meters thick and over-pressured. The company has a rigs booked to commence drilling in 2015, which could be another company maker for this small-cap.
7. Madalena has an **estimated 2.9 billion barrels of oil equivalent (recoverable) assessed** to its holdings in Argentina.
8. **Madalena's light oil resource to be drilled in 2015 at the Puesto Morales field (100% WI), which the market has not yet paid any attention, could be another company maker**. In Q1 2015, the company is gearing up to execute horizontal drilling technology into a large oil resource. This is a well-defined and scalable play on a large-in-place oil asset. Upon success, this asset could significantly enhance the overall valuation of the company.
9. **The Sierras Blancas light oil exploitation (via horizontal drilling) continues to add production** with the company going three for three on this play. It is expected to spud a further high impact horizontal well before year end 2014.
10. Madalena recorded an added bonus with a **recent Nordegg oil & gas discovery in Western Canada**, adding a low cost horizontal play into the mix across 140+ net sections.
11. **There is a focused and experienced management team** to leverage North American technology into Latin America with a seasoned group of oil patch executives on Madalena's board of directors.
12. **Madalena has laid out an active drilling program through 2015** with an expected three to four drilling rigs to run at different times throughout the year.
13. **The company has lots of assets and multiple blocks with call options** for value enhancement.
14. **There is a sustainable business plan** allowing for unconventional shale delineation activities and high impact horizontal drilling.

15. **George Soros is making big bets on Argentina and the Vaca Muerta shale, betting on the turn in the Argentina energy sector in 2015.** If Soros is correct, Madalena is one of the best ways to gain leverage and torque to the Argentina energy sector in 2015, which could be the biggest shale play outside of the United States.
16. **Madalena has much bigger neighbors and could be a prime takeover target as the Argentina energy market picks up steam heading into the 2015 elections and beyond.** Madalena is one of only a select few smaller companies with significant acreage positions in Argentina and key acreage in the unconventional shales. The Vaca Muerta's acreage is dominated by the alliance between Chevron and YPF, and acreage positions held by ExxonMobil, Shell, Total S.A., Wintershall, Pluspetrol and Petrobras. That is working to Madalena's advantage. YPF, Chevron, ExxonMobil etc. are pouring in billions to develop the Vaca Muerta and are starting to do work on the Agrio shale, two formations that hold great promise. Madalena stands to benefit from the knowledge gained about the formation. For example, on August 14, YPF made a [major discovery in the Agrio shale](#), on the Filo Morado block. Madalena now has acreage next to YPF and Chevron's biggest Vaca Muerta and Agrio discoveries, which bodes well for the small Canadian company.
17. **Strong Financial Position.** Madalena expects to end 2014 without any debt, and has sizeable positive working capital and cash in the bank. With production approaching 5,000 boe/d (72% oil and liquids) Madalena is well funded to drill a number of high impact wells and company making plays.
18. **Company valuation is highly attractive at the current trading levels.** There are different ways to look at the value equation on Madalena, but any way you slice it, one can very quickly realize that investors can **get the 2.9 Billion boe of net recoverable unconventional shale resources and horizontal resource plays for free** at the current \$0.32/share level (or \$168 million market cap). The market is not factoring in value for the high quality acreage positions, and has not yet realized that Madalena has a strong production platform to drill a number of company making plays in 2015.
19. Taking a look at the company's deep portfolio of assets, and understanding the points made above, it is likely that **Madalena's stock could double over the next 12 months.**

You may have never heard of Madalena, but that is what makes the small company such an intriguing case. It has premier acreage in Argentina, one of the most promising areas for shale oil and gas development outside of the United States. Its neighbors in the Vaca Muerta and Agrio have made significant discoveries – a very bright sign for this small company. And although up until now Madalena has flown beneath the radar, that may soon change as it prepares for an active drilling program heading into 2015 and is drilling a number of company makers on big plays.

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