



Madalena Energy

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Madalena Energy brings North American horizontal technology to unlock big prizes in Argentina

Argentina focused oil producer Madalena Energy (CVE:MVN) (OTC:MDLNF) has posted a new corporate presentation on its website at www.madalenaenergy.com, providing an overview of Madalena's international assets, which provide investors significant upside on Argentina's unconventional shale and conventional resource opportunities.

Madalena holds over 950,000 net acres in five provinces of Argentina where it has been delineating its unconventional shale assets (oil and gas) and implementing North American horizontal technology in scalable oil resource plays. In Argentina, Madalena has secured prime acreage positions in three strategic oil resources including the Vaca Muerta shale, Lower Agrio shale, and Loma Montosa with these strategic acreage positions offset by companies like Chevron, YPF, Shell, Petronas, and Wintershall (all of which are scaling up drill programs).

Argentina has one of the most important non-conventional oil deposits in the world in the Vaca Muerta shale and has a huge opportunity to implement horizontal technology into already defined conventional (non-shale) resource plays. Experts say that is the key to energy independence for Argentina, which would become a direct exporter of energy, taking advantage of this resource to attract foreign investment to boost public-private relationships and use these resources improve infrastructure and reduce social inequality.

Focusing on Argentina has allowed Madalena to benefit from that South American country's regulated oil price, which at about US\$76/bbl and US\$5.30/mmbtu far exceeds the current world price of about US\$50/barrel. Indeed, during the first quarter of 2015, the company realized in Argentina an average price of CDN \$90.43/bbl, to fuel netbacks of \$37.16/boe and cash flow of \$6.0M.

The Vaca Muerta shale is believed to be the world's second largest shale gas and fourth largest shale oil formation, with the area containing an estimated 27 Billion barrels of recoverable hydrocarbon.

Unique to this size of company, Madalena holds a significant percentage of the country's Vaca Muerta resources in Argentina and has been a significant holder of acreage in the Vaca Muerta shale and Lower Agrio shale since 2007. The Company has started to progress these assets over the last couple of year alongside executing a strategy focused on building a sustainable business plan and portfolio of assets in Argentina.

Price: C\$0.405

Market Cap: C\$221.823M

1 Year Share Price Graph



Share Information

Code: MVN

Listing: TSX-V

Sector: Oil & Gas Exploration & Production

Website: www.madalenaenergy.com

Company Synopsis:

Madalena is an independent, Canadian-based domestic and international upstream oil and gas company whose main business activities include exploration, development and production of crude oil, natural gas liquids and natural gas.

Author:

Alessandro Bruno +44(0)1202770386

action@proactiveinvestors.com



Recently, Madalena had its Buy recommendation and C\$0.80 target price reiterated by Industrial Alliance Securities (IAS), which was keen on the fact that the company's Q1/15 average oil and gas production of 3,586 boe/d met expectations with current production already increasing to approximately 4,000 boe/d.

Analyst Michael Charlton noted that for during the remainder of 2015 the company plans further "development at Puesto Morales where the PMS-1135(h) has averaged 570 boe/d up 5.5" casing over 30 days as well as drilling additional Sierras Blancas light oil horizontals. Looking ahead into 2016, an exciting Vaca Muerta multi-stage frac horizontal well at Coiron Amargo is in the plans.

Charlton is impressed by how well technology developed in the North American shale has worked in unlocking hydrocarbons from the conventional basins in Argentina: "we believe it will be the key to unlocking the large resource potential in the unconventional and large-in-place resource plays Madalena is pursuing.

Ultimately, Charlton observes that Madalena is devoting its energy on Argentina and that is why we all really invest in Madalena - for the unparalleled pure-play Argentina exposure. Shares of Madalena have risen almost 20 percent year-to-date, and are currently trading around 41 cents on the TSX Venture Exchange in Toronto.

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