



# Madalena Energy

Nov 4<sup>th</sup> 2014

## Madalena finds significant new oil & gas in Canada while drilling success continues in Argentina

Madalena Energy (CVE:MVN) (OTC:MDLNF) has announced what it says is a significant new oil and gas discovery on its Western Canada assets, while also achieving continued drilling success at its prized Argentina properties.

The news came in an operational update released by the junior oil and gas producer Tuesday, with the new oil and gas discovery found in the Nordegg formation on Madalena's assets in Western Canada.

The new well flowed continuously up 7 inch casing, and ended its initial clean-up period flowing at a rate of 718 barrels of oil equivalent per day (boe/d), according to the Calgary, Alberta-based company's statement. The average rate was 663 boe/d.

The exploratory well was drilled horizontally to a total measured depth of 2,533 metres. The well was then completed, stimulated and flowed back on clean-up for 67 hours, Madalena said.

During the total 67-hour period, the well recovered a total of 1,100 barrels of oil, 4.5 million cubic feet of natural gas and 1,416 barrels of water. The Canadian company said the well is now being prepared for an extended well test.

Madalena holds over 140 net sections of Nordegg rights across its land base in the greater Paddle River area of Alberta, with a large inventory of potential horizontal drilling locations.

Meanwhile, the oil and gas producer is seeing continued action on its assets in Argentina, where the company is undertaking an aggressive drilling program. The company drilled, completed and placed on stream its third Sierras Blancas light oil well after successfully targeting a third separate oil pool on its Coiron Amargo block. The highest production rate for the well was a total of 910 boe/d.

Drilling of a fourth Sierras Blancas light oil horizontal is expected to begin in late November.

The company has also begun drilling the famous Vaca Muerta shale in the southern portion of its Coiron Amargo block, and has secured two additional drilling rigs heading into 2015 for its Puestos Morales and Curamhuele blocks.

Madalena's Curamhuele block is within the oil window of the Agrio shale and directly offsets a recent Agrio shale discovery made by Argentina state oil company YPF.

Madalena, following its acquisition of Gran Tierra's Argentinean assets in June, now has 14 concessions across Argentina over 1 million net acres of land, with a major foothold in an area dominated by industry majors such as YPF, Chevron, Total, Exxon and several others.

Argentina has become an oil and gas destination of late, with the country estimated to hold 27 billion barrels of technically recoverable oil and 802 trillion feet of technically recoverable shale gas, much of it attributed to the prized Vaca Muerta shale formation in the Neuquen basin, the fourth largest shale oil deposit in the world.

The region has become more investment-friendly after a new hydrocarbon law was approved last week to boost oil

**Price:** C\$0.305

**Market Cap:** C\$168.022M

### 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.*

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investment in the Vaca Muerta shale, spelling out greater transparency and improved fiscal terms in Argentina.

Industry analysts say Madalena has a solid mix of high impact horizontal resource plays, unconventional shale acreage in the Vaca Muerta and Agrio Shales, and a large portfolio of conventional development and exploration assets in the region.

Indeed, its Argentina acreage is positioned in some of the key areas of the Neuquen basin where the highest activity levels in terms of dollars spent offset its blocks.

The company said Tuesday that ongoing technical work is expected to improve its understanding of the ultimate potential of the Nordegg horizontal play in Canada, and the ongoing horizontal development in the Sierras Blancas. It is well equipped to continue its programs, with positive working capital and no debt on its balance sheet.

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