



Madalena Energy

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Madalena Energy's Cortadera block just northwest of Petrobras new natural gas find

Brazilian oil company Petrobras has just made a new natural gas discovery in the Agrio formation on the El Mangrullo block just southeast of junior Madalena Energy's (CVE:MVN) Cortadera block in Argentina, boding well for the Canadian company's exploration upside.

"Although the resource potential [of the Petrobras discovery] was not disclosed, the discovery demonstrates the multi-zone shale and conventional potential of the Neuquén Basin," wrote Mackie Research analyst Bill Newman in a note Wednesday.

"In the recent Rider Scott resource report, MVN was assigned a net estimated contingent and prospective resource in the Agrio of 373 million boe," he noted.

A recent bustle of activity by oil majors in Argentina has drawn much attention to Madalena, which seeks joint ventures to fund the appraisal of its shale resources in the region. Last month, a joint venture was announced between Dow Chemical Co. (NYSE:DOW) and state-run YPF to invest up to \$120 million in developing 16 shale gas wells in the Vaca Muerta formation. YPF also signed a separate deal with Germany's Wintershall last week.

Madalena holds 135,000 net acres on the Coiron Amargo, Curamhuele and Cortadera blocks within the Neuquen basin.

The local subsidiary of Brazilian group Petrobras said in a statement the new productive accumulation of natural gas was found in the area of the concession "El Mangrullo", southeast of Cortadera, a block in which Madalena holds a 40 per cent weighted interest.

"The finding occurred during drilling of exploratory well M.x-1015, which allowed the discovery of gas in the Agrio formation at a depth of 1,300 metres," said the company. Petrobras Argentina clarified that it is still "not possible to estimate the reserves associated with this discovery, which will probably require new studies and punctures to their delimitation." The company is owner and operator of the contract for exploration, development and exploitation of the area El Mangrullo with force until 2025, according to Efe.

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Price: C\$0.47

Market Cap: C\$157.49M

1 Year Share Price Graph



Share Information

Code: MVN

Listing: TSX-V

Sector: Oil & Gas Exploration & Production

Website: www.madalena-ventures.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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