



Madalena Energy

Aug 28th 2014

Madalena Energy reports oil & gas revenue more than doubles in second quarter

Madalena Energy Inc. (CVE:MVN) (OTCMKTS:MDLNF), an independent upstream oil and gas company focused on Argentina and Western Canada, reported oil and gas revenue more than doubled in the second quarter.

Oil and gas revenue rose to \$9.1 million in the three months ended June 30 from \$3.9 million in the year-earlier period, the Calgary, Alberta-based company said in a statement today.

Total average daily sales increased to 1,569 barrels of oil equivalent per day (boe/d) in the quarter, from 1,020 boe/d a year earlier. The average daily crude oil sales rose to 841 barrels per day from 297 barrels per day, and the average daily natural gas sales improved to 3.7 million cubic feet per day from 3.5 million cubic feet per day.

The average sales price of crude oil rose to \$90.31 in the April-to-June period, from \$78.77 in the year-earlier period.

Operating costs in Argentina have improved averaging \$21.60 per boe in the second quarter, compared to \$40.43 per boe in the year-ago period.

The company reported second-quarter loss of \$3.5 million, or \$0.01 loss per diluted share, compared with \$0.3 million, or breakeven per diluted share, last year.

During the quarter, the company closed a bought deal financing for aggregate gross proceeds of \$50 million, and it closed the acquisition of the Argentinean business unit of Gran Tierra Energy Inc. for a \$74.4 million.

Moving forward, Madalena established a capital budget for the second half of \$36 million, which will be funded by existing working capital and cash flow from operations.

Madalena is budgeting to exit 2014 with production of 5,200 - 5,400 boe/d, compared with current production of 4,700 - 4,800 boe/d.

"At the end of 2014, the Company expects to be in a positive working capital position with no debt and a strong balance sheet with financial flexibility," Madalena said.

Shares closed up 6.1 percent at 52 Canadian cents in Toronto yesterday.

Madalena holds 14 large concessions/blocks within five provinces in Argentina, as well as a land base with over 150 net sections in Western Canada.

In Argentina, Madalena is focused on the delineation of large petroleum in-place shale and unconventional resources in the Vaca Muerta and Agrio shales, in addition to multiple tight sand plays. It is also implementing horizontal drilling and completions technology to develop high impact conventional and resource plays.

Price: C\$0.52

Market Cap: C\$262.534M

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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