



Madalena Energy

Aug 2nd 2013

Madalena changes name to Madalena Energy as Argentina progress continues

The company formerly known as Madalena Ventures has changed its name to Madalena Energy (CVE:MVN), with the move approved by its shareholders at its annual meeting held at the end of July, as well as by the TSX Venture Exchange.

Effective at the open this morning, Madalena's common shares will start trading under the new name, and will continue to trade under the symbol "MVN".

The Canada-based oil and gas junior said earlier this week it is moving forward with its plan to unlock unconventional oil and gas resources within the prolific Nequen basin in Argentina, saying it has started a multi-well drilling program at its Coiron Amargo block while it also continues to make progress at its other two blocks in the region, where recent changes have created a more investment-friendly climate.

The upstream oil and gas company, which also has existing production in Canada, holds three blocks in the Nequen basin in Argentina, focused on delineating resources in the Vaca Muerta and Lower Agrio shales, alongside tight sand plays and conventional zones of interest. Its properties span 135,000 net acres across the Coiron Amargo, Cortadera and Curamhuele blocks, the latter of which the company is looking to joint venture.

In an operations update Tuesday, Madalena said that in the southern portion of the Coiron Amargo block, in which it has a 35 per cent working interest, it has started the first well of a multi-well program, with the primary target being the Vaca Muerta shale. Drilling is expected to last up to four weeks, with completion operations to follow.

Meanwhile, at Curamhuele, the company said it is moving forward with RBC Capital Markets as its financial advisor to help find a potential joint venture partner to develop the asset, in which it holds a 90 per cent working interest. Of note, Chevron, Total, Exxon and Apache hold blocks that are adjacent to the Curamhuele block.

Mackie Research analyst Bill Newman reiterated his buy rating and \$2.05 price target on the company on the back of the update Tuesday, saying the Canadian junior continues to make progress on all three of its blocks located in Argentina. "A high volume test from the CorS.X-1 well on the Cortadera block or securing a partner for the Curamhuele block should be a major catalyst for the stock," he said.

Indeed, the company has received much attention from the analyst recently, in light of recent developments in Argentina, including a decree earlier this month that provides for new incentives for large investments into the oil and gas sector, with companies that invest over US\$1 billion over a five year period to be allowed to sell 20 per cent of their production at world prices, without paying export taxes. This was followed by Chevron and YPF completing a US\$1.24 billion joint venture deal that should see 100 wells drilled over the next 18 months targeting the Vaca Muerta shale.

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Price: C\$0.38

Market Cap: C\$121.69M

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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