EARLY WARNING REPORT
FILED IN ACCORDANCE WITH NATIONAL INSTRUMENT 62-103

1. ***Name and address of the offeror:***

   Maglan Capital LP ("Maglan Capital")
   25 West 39th Street
   New York, NY
   10018, USA

2. ***Name of reporting issuer:***

   Madalena Energy Inc. ("Madalena")

3. ***Designation and Number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:***

   On January 30, 2015, Maglan Capital on behalf of Maglan Distressed Master Fund LP ("Maglan Fund") and certain managed accounts for which it has discretionary trading authority (together with Maglan Capital and Maglan Fund, "Maglan"), acquired beneficial ownership of 4,092,500 common shares ("Acquired Shares") of Madalena, representing approximately 0.8% of the issued and outstanding common shares, on a partially diluted basis, of Madalena.

   After giving effect to the acquisition of the Acquired Shares, Maglan Capital controls and directs 57,900,000 common shares of Madalena, representing approximately 10.73% of the issued and outstanding common shares, on a partially diluted basis, of Madalena.

4. ***Designation and Number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:***

   See item 3 above.

5. ***Designation and Number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to above over which:***

   (a) the offeror, either alone or together with any joint actors, has ownership and control:

   NA

   (b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

   NA

   (c) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

   See item 3 above.

6. ***The name of the market in which the transaction or occurrence that gave rise to the news release took place:***

The Acquired Shares were acquired through the facilities of the TSX-V at a price of Cdn$0.23 per Acquired Share.

7. ***The value of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:***

See item 6 above.

8. ***The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:***

The Acquired Shares were acquired for investment purposes. Maglan may dispose of its holdings or acquire ownership of, or control or direction over, additional securities of Madalena, depending on market conditions and in compliance with applicable law.

9. ***General Nature and material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:***

NA

10. ***Names of any joint actors in connection with the disclosure required by Appendix E of National Instrument 62-103:***

NA

11. ***In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:***

NA

12. ***If applicable, a description of any change in any material fact set out in a previous report by the offeror under the early warning requirements:***

NA

13. ***If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:***

NA

DATED this 9th day of February, 2015.

MAGLAN CAPITAL LP

Per: _____

Steven Azarbad
Managing Member of the GP