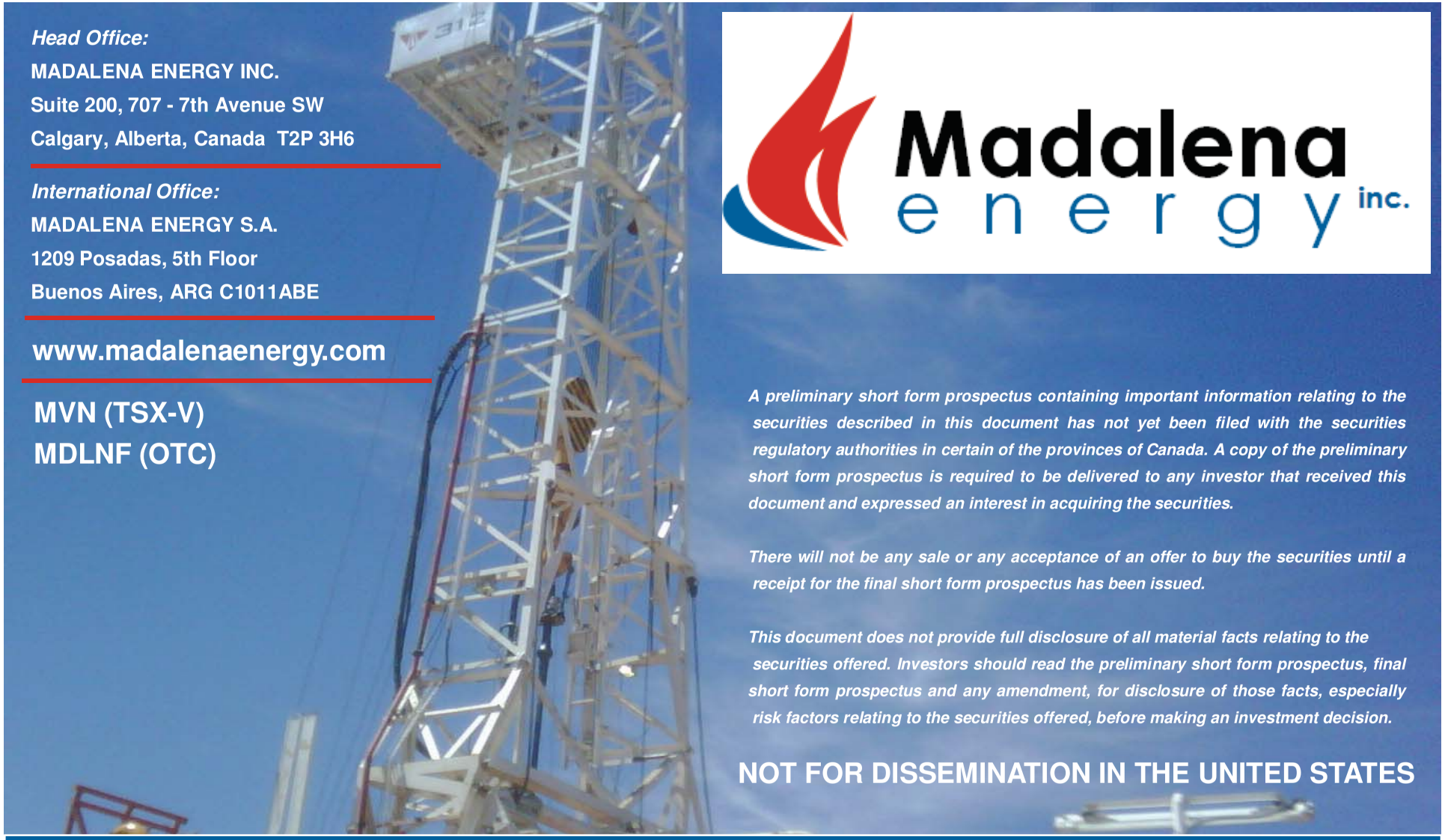


Head Office:
MADALENA ENERGY INC.
Suite 200, 707 - 7th Avenue SW
Calgary, Alberta, Canada T2P 3H6

International Office:
MADALENA ENERGY S.A.
1209 Posadas, 5th Floor
Buenos Aires, ARG C1011ABE

www.madalenaenergy.com

MVN (TSX-V)
MDLNF (OTC)

Madalena energy inc.

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in certain of the provinces of Canada. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.

There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

NOT FOR DISSEMINATION IN THE UNITED STATES

STRATEGIC & TRANSFORMATIONAL ARGENTINA ACQUISITION

MAY / JUNE 2014

UNITED STATES LEGAL DISCLAIMER

Madalena Energy Inc. (the "Company") is proposing to sell its securities (the "Securities") in the United States on a private placement basis, pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "Securities Act"). The Company has retained Dundee Securities Ltd. as underwriters in connection with the offering of the Securities in Canada, and has retained Dundee Securities Inc. as its placement agents in connection with the private placement of the Securities in the United States (such placement agents together, the "Placement Agents").

This presentation is being provided solely to enable the offeree to evaluate the Company and the Securities. The Securities have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States unless registered under the Securities Act and applicable state securities laws or pursuant to an available exemption from the registration requirements thereof. This information does not constitute an offer to any other person or a general offer to the public of, or the general solicitation from the public of, offers to subscribe for or purchase any of the Securities in the United States. Purchasers of the Securities in the United States will be required to be "qualified institutional buyers". Any unauthorized use of the presentation is strictly prohibited.

Information concerning the assets and operations of the Company included in this presentation has been prepared in accordance with Canadian standards and is not comparable in all respects to similar information for United States companies. In particular, and without limiting the foregoing, information included in this presentation regarding oil and gas operations and properties and estimates of oil and gas reserves have been prepared in accordance with Canadian disclosure standards, which differ in certain respects from the disclosure standards applicable to information included in reports and other materials filed with the United States Securities and Exchange Commission by issuers subject to United States Securities and Exchange Commission reporting and disclosure requirements. In addition, any financial information included in this presentation has been prepared in Canadian dollars and is subject to applicable Canadian generally accepted accounting principles and Canadian auditing and auditor independence standards, which differ from United States generally accepted accounting principles and United States auditing and auditor independence standards in certain material respects.

The information provided in this presentation is not intended to provide financial, tax, legal or accounting advice. **Each offeree, prior to investing in the Securities, should perform and rely on its own investigation and analysis of the Company and the terms of the offering of the Securities, including the merits and risks involved.**

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, BY ANY STATE SECURITIES REGULATORY AUTHORITY OR BY ANY CANADIAN PROVINCIAL SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY SUCH STATE REGULATORY AUTHORITY, OR ANY CANADIAN PROVINCIAL SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No dealer, salesman or any other person has been authorized by the Company or the Placement Agents to give any information other than this presentation, or to make any representations in connection with the offer or sale of the Securities, and, if given or made, that information or representation must not be relied upon as having been authorized by the Company or the Placement Agents.

The Company exists under the laws of the Province of Alberta, Canada. All of the Company's assets are located outside the United States. All of Company's officers and directors are residents of Canada, as are some of the Placement Agents. As a result, it may be difficult for investors to enforce civil liabilities under the United States federal securities laws.

READER ADVISORIES

Forward-Looking Statements or Information

Certain statements contained in this presentation of Madalena Energy Inc. ("Madalena" or the "Corporation") constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "illustrative", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "objective", "aim", "potential", "target", "seek", "budget", "predict", "might" and similar words and derivatives thereof suggesting future events or future performance. All statements other than statements of historical fact may be forward-looking statements. In addition, statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or resources described exist in the quantities predicted or estimated and can be profitably produced in the future. In particular, this document contains, without limitation, forward-looking statements pertaining to the following: all details of, all projections of future activities related to, and all expectations of our performance and results as a result of executing, Madalena's short and long term plans, strategies and goals, and the benefits anticipated to accrue to Madalena and its securityholders as a result thereof; expected production levels; expected additional oil and gas plays that could provide opportunities to the Corporation; expected product types in the Corporation's areas in which it holds assets; expected operations to be undertaken by the Corporation in the future and the timing thereof; type-curves for various kinds of wells that are expected by the Corporation and the assumptions related thereto; price decks provided by independent reserves evaluators; Madalena's inventory of drilling locations; the expected quality of the Corporation's assets and the probability of successful operations on such assets; the thickness of zones in Madalena's assets; and the quality of infrastructure in the areas in which the Corporation operates.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: the expected nature of and timing of operational activity; Madalena's ability to execute on its short and long-term plans as described herein and the impact that the successful execution of such plan will have on Madalena and its shareholders; the laws and regulations that Madalena will be required to comply with, including laws and regulations relating to taxation, royalty regimes and environmental protection; future capital expenditure levels; future crude oil, natural gas liquids and natural gas prices and differentials between light, medium and heavy oil prices and Canadian, WTI and world oil prices; future crude oil, natural gas liquids and natural gas production levels; drilling results; future exchange rates and interest rates; future debt levels; the cost of expanding Madalena's property holdings and growing production; Madalena's ability to obtain equipment in a timely manner to carry out exploration and development activities and the costs thereof; Madalena's ability to market oil and natural gas successfully to current and new customers; the impact of increasing competition; Madalena's ability to obtain financing on acceptable terms; and our ability to add production and reserves through Madalena's development and exploitation activities. In addition, many of the forward-looking statements contained in this document are located proximate to assumptions that are specific to those forward-looking statements, and such assumptions should be taken into account when reading such forward-looking statements.

Although Madalena believes that the expectations reflected in the forward-looking statements contained in this presentation, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: the possibility that Madalena will not be able to successfully execute its short or long-term plan in part or in full, and the possibility that some or all of the benefits that Madalena anticipates will accrue to it and its securityholders as a result of the successful execution of such plans do not materialize; the impact of weather conditions on seasonal demand and Madalena's ability to execute capital programs; risks inherent in oil and natural gas operations; uncertainties associated with estimating reserves and resources; competition for, among other things, capital, acquisitions of reserves, resources, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems; general economic and political conditions in Canada, the U.S., Argentina and globally, and in particular, the effect that those conditions have on commodity prices and Madalena's access to capital; industry conditions, including fluctuations in the price of crude oil, natural gas liquids and natural gas, price differentials for crude oil produced in Canada and Argentina, respectively, as compared to other markets, and transportation restrictions; royalties payable in respect of oil and natural gas production and changes to government royalty frameworks; changes in government regulation of the oil and natural gas industry, including environmental regulation; fluctuations in foreign exchange or interest rates; unanticipated operating events or environmental events that can reduce production or cause production to be shut-in or delayed (including wild fires and flooding); failure to obtain regulatory, industry partner and other third-party consents and approvals when required, including for acquisitions, dispositions and mergers; failure to realize the anticipated benefits of dispositions, acquisitions, joint ventures and partnerships; changes in taxation and other laws and regulations that affect us and our securityholders; the potential failure of counterparties to honour their contractual obligations; and the other factors described under "Risk Factors" in our Annual Information Form, and described in our public filings available in Canada at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

READER ADVISORIES

Coiron Amargo Discovered Petroleum Initially In Place [1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	242.6	244.4	246.2	0.077	0.077	0.078	255.4	257.4	259.2

Notes:
(1) When calculating DPIIP, there is no material production or reserves associated with these properties. All DPIIP, other than contingent resources, has been categorized as unrecoverable. There is no certainty that it will be commercially viable to produce any portion of the resources referred to In the table above.
(2) These volumes are arithmetic sums of multiple estimates, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein.

Coiron Amargo Contingent Resources[1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	5.8	18.3	30.6	0.002	0.006	0.01	6.1	19.3	32.2

Note:
(1) There is no certainty that it will be commercially viable to produce any portion of the resources referred to in the table above.

Coiron Amargo Undiscovered Petroleum Initially In Place [1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	2,687.8	2,717.5	2,747.5	0.851	0.861	0.870	2,829.7	2,860.9	2,892.5

Notes:
(1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources
(2) These volumes are arithmetic sums of multiple estimates, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein.

Coiron Amargo Prospective Resources[1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	122.7	249.7	377.2	0.039	0.079	0.119	129.2	262.9	397.1

Note:
(1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

Curamhuele Undiscovered Petroleum Initially In Place [1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Lower Agrio Shale	3,835.7	4,763.4	5,834.0	2.770	3.955	5.443	4,298.4	5,422.5	6,741.2
Vaca Muerta Shale	7,884.8	9,642.9	11,762.2	17.405	52.017	90.208	10,785.7	18,312.3	26,796.9
Total	11,720.5	14,406.2	17,596.2	20.182	55.971	95.651	15,084.2	23,734.8	33,538.1

Notes:
(1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources
(2) These volumes are arithmetic sums of multiple estimates, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein.

Curamhuele Prospective Resources[1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Lower Agrio Shale	86.1	328.6	596.2	0.070	0.266	0.524	97.8	373.0	683.5
Vaca Muerta Shale	174.7	667.4	1,207.4	0.663	2.942	8.096	285.2	1,157.6	2,556.7
Total	260.8	996.0	1,803.6	0.733	3.208	8.620	382.9	1,530.6	3,240.2

Note:
(1) There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

Cortadera Undiscovered Petroleum Initially In Place [1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Basal Quintuco	46.8	108.8	184.8	16.234	22.706	29.003	2,752.4	3,893.1	5,018.6
Vaca Muerta Shale	52.8	117.0	184.4	22.277	23.656	25.082	3,765.6	4,060.6	4,364.7
Total	99.6	226.8	369.2	38.510	46.362	54.085	6,518.0	7,953.7	9,383.3

Notes:
(1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources
(2) These volumes are arithmetic sums of multiple estimates, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein.

Cortadera Prospective Resources[1] (net to Madalena)
Oil, NGLs and Natural Gas at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Basal Quintuco	5.6	14.0	27.2	1.745	2.932	4.569	296.5	502.6	788.7
Vaca Muerta Shale	6.4	14.8	27.6	1.958	3.189	4.428	332.7	546.3	765.6
Total	12.0	28.8	54.8	3.703	6.121	8.997	629.2	1,048.9	1,554.3

Note:
(1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

READER ADVISORIES

Notes To Disclosure of Resources:

(1) "Total Petroleum Initially In Place" means DPIIP + UPIIP. When calculating DPIIP, there is no material production or reserves associated with these properties. Contingent resources is the only category of DPIIP that has been categorized as recoverable. Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that it will be commercially viable to produce any portion of the contingent resources referred to in the tables above. There is no certainty that any portion of the prospective resources referred to in the tables above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

(2) Certain volumes are arithmetic sums of multiple estimates of contingent & prospective resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein. Details on the categories that comprise these calculations are in the tables that follow.

DEFINITIONS:	
"Contingent resources"	**Definition:** Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.
"Discovered petroleum initially-in-place" or "discovered resources" or "DPIIP"	**Definition:** That quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable.
"Prospective resources"	**Definition:** Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.
"Total petroleum initially-in-place", "total resources" or "TPIIP"	**Definition:** That quantity of petroleum that is estimated to exist originally in naturally occurring accumulations; equal to DPIIP plus UPIIP. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.
"Undiscovered petroleum initially-in-place", "undiscovered resources" or "UPIIP"	**Definition:** That quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially-in-place is referred to as prospective resources; the remainder is unrecoverable.

READER ADVISORIES

Barrels of Oil Equivalent

All calculations converting natural gas to barrels of oil equivalent ("boe") have been made using a conversion ratio of six thousand cubic feet (six "Mcf") of natural gas to one barrel of oil, unless otherwise stated. The use of boe may be misleading, particularly if used in isolation, as the conversion ratio of six Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Analogous Information

Certain information in this document may constitute "analogous information" as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), including, but not limited to, information relating to areas, wells and /or operations that are in geographical proximity to or on-trend with prospective lands held by Madalena and production information related to wells that are believed to be on trend with Madalena's properties. Such information has been obtained from government sources, regulatory agencies or other industry participants. Management of Madalena believes the information may be relevant to help define the reservoir characteristics in which Madalena may hold an interest and such information has been presented to help demonstrate the basis for Madalena's business plans and strategies.

However, such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook and Madalena is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. Madalena has no way of verifying the accuracy of such information. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Madalena and such information should not be construed as an estimate of future production levels. Such information is also not an estimate of the reserves or resources attributable to lands held or to be held by Madalena and there is no certainty that the reservoir data and economics information for the lands held or to be held by Madalena will be similar to the information presented herein. The reader is cautioned that the data relied upon by Madalena may be in error and/or may not be analogous to such lands to be held by Madalena.

Initial Production Rates

Any references in this document to test rates, flow rates, initial and/or final raw test or production rates, early production, test volumes behind pipe and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not necessarily indicative of long-term performance or of ultimate recovery. Such rates may also include recovered "load" fluids used in well completion stimulation. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Madalena. In addition, the Vaca Muerta shale is an unconventional resource play which may be subject to high initial decline rates. Such rates may be estimated based on other third party estimates or limited data available at this time and are not determinative of the rates at which such wells will continue production and decline thereafter.

Financial Outlook

Any financial outlook or future oriented financial information in this presentation, as defined by applicable securities legislation, was approved by management of Madalena on May 28, 2014. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Non-GAAP Measures

In this presentation, management uses certain key performance indicators and industry benchmarks such as cash flow and operating netbacks to analyze financial and operating performance. Management feels that these key performance indicators and benchmarks are key measures of profitability for Madalena and provide investors with information that is commonly used by other oil and gas companies. These key performance indicators and benchmarks as presented do not have any standardized meaning prescribed by Canadian generally accepted accounting principles and therefore may not be comparable with the calculation of similar measures for other entities. For additional information on the use of these measures please see Madalena's Management's Discussion and Analysis at www.sedar.com.

Finding and Development Costs

National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") specifies how finding and development costs ("F&D costs") should be calculated if they are reported. Essentially NI 51-101 requires that the exploration and development costs incurred in the year along with the change in estimated F&D costs be aggregated and then divided by the applicable reserve additions. The calculation specifically excludes the effects of acquisitions and dispositions on both reserves and costs. Since acquisitions can have a significant impact on annual reserve replacement costs, excluding these amounts could result in an inaccurate portrayal of Madalena's cost structure. F&D costs disclosed herein are based on working interest gross reserves. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total F&D costs related to reserve additions for that year.

Information Regarding Disclosure on Reserves and Resources

The reserve and resource estimates contained herein are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. In relation to the disclosure of estimates for individual properties, companies or business units, as adjusted, such estimates may not reflect the same confidence level as estimates of reserves or resources and future net revenue for all properties, due to the effects of aggregation.

The estimates of reserves and future net revenue from individual properties or wells may not reflect the same confidence level as estimates of reserves and future net revenue for all properties and wells, due to the effects of aggregation. Where discussed herein "NPV 10%" represents the net present value (net of capex) of net income discounted at 10%, with net income reflecting the indicated oil, liquids and natural gas prices and IP rate, less internal estimates of operating costs and royalties. It should not be assumed that the future net revenues estimated by Madalena's independent resource evaluators represent the fair market value of the reserves, nor should it be assumed that Madalena's internally estimated value of its undeveloped land holdings or any estimates referred to herein from third parties represent the fair market value of the lands.

STRATEGIC
&
TRANSFORMATIONAL DEAL

- GTE Argentina Transaction





GTE ARGENTINA ACQUISITION: Terms

TRANSACTION STRUCTURE	Madalena Energy Inc. ("MVN") buying two companies and their subsidiaries. Former Petroliferia Petroleum Ltd. Argentina assets and Gran Tierra Energy Inc. ("GTE") Argentina assets.
CONSIDERATION	US$ 49 MM +/- working capital adjustments as of April 30, 2014 and US$ 14 MM in MVN common stock (at price of financing)
GTE INTEREST	GTE and MVN aligned GTE to take US$ 14 MM of MVN shares with 4 month hold as part of transaction
APPROVALS	Post-closing standard regulatory filings in Argentina and certain partner consents on UTE (Contractual agreement between provinces and operators/joint ventures) assignments
TIMING	Closing prior to June 30, 2014

HIGHLIGHTS

- **US$ 16.12 / Boe & US$ 9.67 excluding FDC[1]** (based on adjusted 2P reserves of 6,513 MBoe)[2]
- **US$ 19,091 / per flowing Boe** (based on estimated production on close of transaction of ~3,300 Boe/d)
- **RLI of 5.41 years** (based on closing estimated production and adjusted 2P reserves)
- **Recycle ratio of 2.1** (based on Q1-2014 operating property netbacks of $33.93 per Boe)
- **890,000 net acres** (developed and undeveloped lands)
- **82.5% average working interest**
- **94% operated production**
- **US$ 5.0 MM positive working capital on closing**

Notes: [1] "FDC" means finding and development costs. Please see the disclosure at the front of this presentation for important information on FDC.
[2] Based on the independent reserve reports of Gran Tierra evaluating the crude oil, natural gas liquids and natural gas reserves of Gran Tierra as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGE Handbook. Adjustments made pursuant to internal management estimates conducted by a qualified reserves engineer. Adjustments consisted of reduced PUD locations due to rescheduling or removal of proven undeveloped and probable locations on the subject assets.

GTE ARGENTINA ACQUISITION: Rationale

- **HIGHLY ACCRETIVE** on all metrics
- **TRIPLES CURRENT PRODUCTION**
  - Production increases to ~4,900 Boe/d based on field estimates (72% Oil & NGLs)
- **STRENGTHENS FUNDS FLOW**
  - Immediate expected cash flow of US$ 35 MM – US$ 45 MM annually
  - Expected to provide for a US$ 50 MM – US$ 60 MM capital program over 12 – 18 months to accelerate conventional development and the delineation of unconventional shale & tight sand resources
- **ACHIEVES CRITICAL MASS IN ARGENTINA**
  - Grow from 239,000 acres to over 1,130,000 acres
  - Increased portfolio of development and exploration opportunities
  - Improves access to exploration and production services
- **ENHANCES NEGOTIATING FLEXIBILITY**
  - Regarding possible future transactions associated with unconventional shale assets in Argentina
- **ADDITION OF FULLY INTEGRATED PROFESSIONAL & OPERATING TEAM**
  - Strengthens operations "on the ground“ in Argentina
- **GOOD TIME TO BUY**
  - Management expects macro-cycle in Argentina to continue to turn positively and valuations likely to move higher

PRO FORMA SUMMARY: Capitalization

Trading Symbol- TSXV: MVN	
Common Shares	396,885,731
Issued per financing	~ 98,100,000
Issued to GTE	~ 29,831,537
Total Issued and Outstanding at Closing	~ 524,817,268
Options (In-the-money)	16,604,000 (3.2%)
Diluted Shares	~541,421,268

Management & Director Ownership -Fully Diluted	26,001,500
Market Capitalization (Basic)	~CDN$ 268,000,000
At Closing – Positive Working Capital	US$ 5,000,000
Bank Line[1] (under review)	CDN$ 13,000,000

Note: [1] Madalena's current credit facility consists of a CDN$10.0 mm revolving operating demand loan plus a CDN$ 3.0 mm acquisition/development demand loan.

Based on share price of CDN$ 0.51/share

PRO FORMA SUMMARY: Reserves, Land & Resources

MADALENA PRO FORMA ASSET ACQUISITION					
	MADALENA [1]	ACQUISITION	ADJUSTMENTS [2]	PRO-FORMA	ACCRETION/DILUTION [4]
PROVED -Dec 31, 2013					
OIL & NGL (Mbbls)	1,350	4,248	(612)	4,986	182%
GAS (MMcf)	8,032	5,599	(510)	13,121	25%
BOE (MBoe @ 6:1)	2,689	5,181	(697)	**7,173**	**104%**
PROVED + PROBABLE -Dec 31, 2013					
OIL & NGL (Mbbls)	2,373	6,295	(900)	7,768	150%
GAS (MMcf)	13,651	7,615	(900)	20,366	14%
BOE (MBoe @ 6:1)	4,648	7,564	(1,050)	**11,162**	**83%**
NPV10%					
PROVED (US$ MM)	24	96	(0.8)	**119**	**274%**
P+P (US$ MM)	46	138	(3)	**181**	**196%**
FDC[3]					
PROVED (US$ MM)	20	46	(21)	45	
P+P (US$ MM)	33	77	(35)	75	
LAND					
Net Acres	239,587	891,165		**1,130,752**	
NET RESOURCES [5]					
Total Petroleum Initially In-Place (MMBoe)	34,800			34,800	
Contingent Resources (MMBoe)	19			19	
Prospective Resources (MMBoe)	2,840			2,840	

Notes: [1] Madalena NPV & FDC converted to US dollars at a rate of 0.91 US:CDN

[1] Based on the independent reserve reports of Madalena evaluating the crude oil, natural gas liquids and natural gas reserves of the Company as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and the COGE Handbook.

[2] Based on the independent reserve reports of Gran Tierra evaluating the crude oil, natural gas liquids and natural gas reserves of Gran Tierra as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGE Handbook. Adjustments made pursuant to internal management estimates conducted by a qualified reserves engineer. Adjustments consisted of reduced PUD locations due to rescheduling or removal of proven undeveloped and probable locations on the subject assets.

[3] "FDC" means future development costs. Please see the disclosure at the front of this presentation for important information on FDC.

[4] Assumes 127,931,537 shares issued pursuant to the transaction.

[5] P50 Best Estimates pursuant to the Resource Report of Madalena dated May 1, 2013 and effective December 31, 2012 prepared by Ryder Scott. Please see "Notes to Disclosure of Resources" on Slide 2 of this presentation and the tables on Slide 3 of this presentation for some important information to be read in conjunction with our resource disclosure.

PRO FORMA SUMMARY: Production & Financial

MADALENA PRO FORMA ASSET ACQUISITION				
	MADALENA [1]	ACQUISITION	PRO FORMA	ACCRETION/DILUTION [3]
Production (Boe/d) -Management Est at Closing	1,600	3,300	4,900	134%
Q1 2014 – Operating Statistics				Increase/ (Decrease)
Revenue (US$/Boe)	$55.86	$60.57	$59.03	5.7%
Royalty (US$/Boe)	($6.76)	($7.04)	($6.95)	2.8%
Op. Cost (US$/Boe)	($22.14)[2]	($19.81)	($20.57)	(7.1%)
Operating Net Back (US$/Boe)	$26.95	$33.72	$31.51	16.9%

Notes: [1] Madalena $ values converted to US dollars at a rate of 0.90 US:CDN
[2] Madalena management expects operating costs to decrease on a boe basis as the company executes its multi well horizontal programs
[3] Assumes 127,931,537 shares issued pursuant to the transaction.

PRO FORMA SUMMARY: Asset Base by Block

ASSET BASE						
AREA (Block)	**ACREAGE**	**PRODUCTION** (Boe/d)	**OIL & NGLs**	**AVERAGE WORKING INTEREST**	**ASSET FOCUS**	**ADJUSTED[1] 2P RESERVES** (Dec. 31, 2013 MBoe)
Coiron Amargo	34,951	550	80%	35%	Conventional & Unconventional	1,189
Curamhuele	50,595	Exploration & Appraisal		90%	Unconventional	
Cortadera	46,657	Exploration & Appraisal		38%	Unconventional	
Canadian Assets	107,384	1,050	50%	78%	Conventional & Resource Plays	3,459
Puesto Morales/Rinconada	69,419	1,600	50%	100%	Conventional and Unconventional	3,348
Surubi/Palmar Largo	103,336	1,250	100%	75%	Conventional High Volume	2,999
El Chivil & El Vinalar	152,464	450	100%	100%	Conventional High Volume	167
Santa Victoria	516,846	Exploration & Appraisal		100%	Conventional and Unconventional	
Valle Morado	49,099	Development		100%	Conventional Deep Gas Discovery	
Total	**1,130,752**	**4,900**	**72%**	**76%**		**11,162**

Current Assets **Acquisition Assets**

Note: [1] Based on the independent reserve reports of Gran Tierra evaluating the crude oil, natural gas liquids and natural gas reserves of Gran Tierra as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGE Handbook. Adjustments made pursuant to internal management estimates conducted by a qualified reserves engineer. Adjustments consisted of reduced PUD locations due to rescheduling or removal of proven undeveloped and probable locations on the subject assets.

MADALENA ASSET POSITIONING:
A Balanced and Strategic Approach

Solid Production Base

- **~4,900 Boe/d (72% oil)** Pro Forma on closing
- Expected growth to **5,500 – 6,000 Boe/d** in 12 - 18 months in addition to continued delineation & prove-up of shale assets
- Stable production platform which generates cash flow for reinvestment into **conventional development** and **unconventional shale delineation and prove-up**

Conventional Development Inventory to Grow Production & Reserves; EOR Upside

- Inventory of locations for **high-impact horizontal oil development**
- **3 Key Blocks:** Coiron Amargo, Puesto Morales and Surubi
- Palmar Largo, Sierras Blancas (Tordillo) and Lomo Montosa formations
- Inventory of production focused workovers and conventional vertical drilling
- Unbooked upside via enhanced oil recovery (EOR) / waterflood programs

Delineation of Unconventional Shale & Tight Sand Resources

- Unconventional Exposure to: ***Vaca Muerta shale, Lower Agrio shale, Mulichinco tight sands, Los Monos shale***
- **6 Key Blocks**: Coiron Amargo, Curamhuele, Cortadera, Santa Victoria, Puesto Morales and Rinconada

Exploration & Appraisal Upside

- Exploration & Appraisal upside on all **14 blocks**
- **20+ conventional prospects / leads** identified

FULLY FUNDED TO ADD VALUE:
Conventional and Unconventional Assets

Cash Flow and Financial Flexibility Post-Closing

- Stable, mature production base for reinvestment
- Estimated 20% decline profile on Pro forma assets
- Annual cash flow of between **US$ 35 MM to US$ 45 MM** and ability to leverage development activities via reserve base lending
- Expected to provide for a **US$ 50 MM to US$ 60 MM** capital program over 12 – 18 months to accelerate growth
    1.) Production, reserves and cash flow growth via high impact conventional wells
    2.) Delineation and unlocking of unconventional shale and tight sand resources

Significant Portfolio of Projects - Blend of High Impact Conventional & Unconventional Assets

Priority 1 (Conventional Development – *Focused on Production, Cash flow & Reserves Growth*)

- Focused on horizontal development in the ***Sierras Blancas***, ***Palmar Largo*** & ***Loma Montosa*** light oil reservoirs
- Vertical workover programs to optimize production base on existing producing fields (estimated 8-10 workovers)
- Next 12 - 18 months: 6 to 8 horizontal wells and a sidetrack re-entry

Priority 2 (Unconventional Shale & Tight Sand Resources – *Focused on Delineating and Proving-up Significant Value*)

- Focused on vertical delineation wells, re-entry / sidetrack wells , and multi-stage fracs on **Vaca Muerta shale**, **Agrio shale** and **Mulichinco** tight sand plays
- Next 12 - 18 months: Minimum 3 well events for Vaca Muerta shale (new drills or multi-stage fracs in existing wells); 3 re-entries for Agrio shale and Mulichinco
- Continue to assess strategic J.V. partnerships across unconventional assets

Priority 3 (Additional Appraisal & Exploration Upside) – *Focused on Farm-out's on Select Prospects within Portfolio*)

- Focus on **farming-out large gas appraisal / development project** at Valle Marado (**unbooked upside** of management estimated P50 contingent resources of **655 Bcf** and **5.6 MMbbl of NGLs**)
- Technically review portfolio of exploration and appraisal leads / prospects across the 14 blocks

PRO FORMA MADALENA

Asset Portfolio



- GTE Argentina
- Current Madalena



CURRENT MADALENA: Highlights

- **Current Conventional production of ~1,600 Boe/d** in Argentina and Canada funding the **Delineation and Prove-up of Unconventional Resources** in the Neuquen basin, Argentina
- Neuquen Basin Unconventional Resources: Total Petroleum Initially-in-Place: **34.8 Billion Boe (Net)**[1]
  Prospective Resources: **2.84 Billion Boe (Net)**[1]
  Contingent Resources: **19.3 Million Boe (Net)**[1]
- 2P reserves of **4.6 MMboe** (51% oil and liquids) as of Dec. 31, 2013 (predominantly conventional)
- Ongoing multiple high-impact ***Sierras Blancas*** horizontal oil wells and ***Vaca Muerta*** shale delineation wells/completions at Coiron Amargo
- 3 upcoming re-entries to prove-up ***Lower Agrio*** shale & ***Mulichinco*** tight sand plays at Curamhuele
- Actively pursuing JV opportunities to accelerate development of conventional assets in Canada and delineation of unconventional assets in Argentina



Neuquén Basin, Argentina

- **+132,000 net acres** (>205 net sections) across three blocks / concessions
- Focused on developing conventional oil and delineating unconventional shale & tight sand resources
- Acreage positioned amongst large integrated E&P's, NOC's and major utility companies

Alberta, Western Canada

- **+100,000 net acres** (~153 net sections) strategically focused within the ***Greater Paddle River Core Area***
- Unbooked inventory of horizontal development locations
- Expecting to grow production and reserves via horizontal resource plays

Note: [1] P50 Best Estimates pursuant to the Resource Report of Madalena dated May 1, 2013 and effective December 31, 2012 prepared by Ryder Scott. Please see "Notes to Disclosure of Resources" on Slide 2 of this presentation and the tables on Slide 3 of this presentation for some important information to be read in conjunction with our resource disclosure.

GTE ARGENTINA: Asset Summary

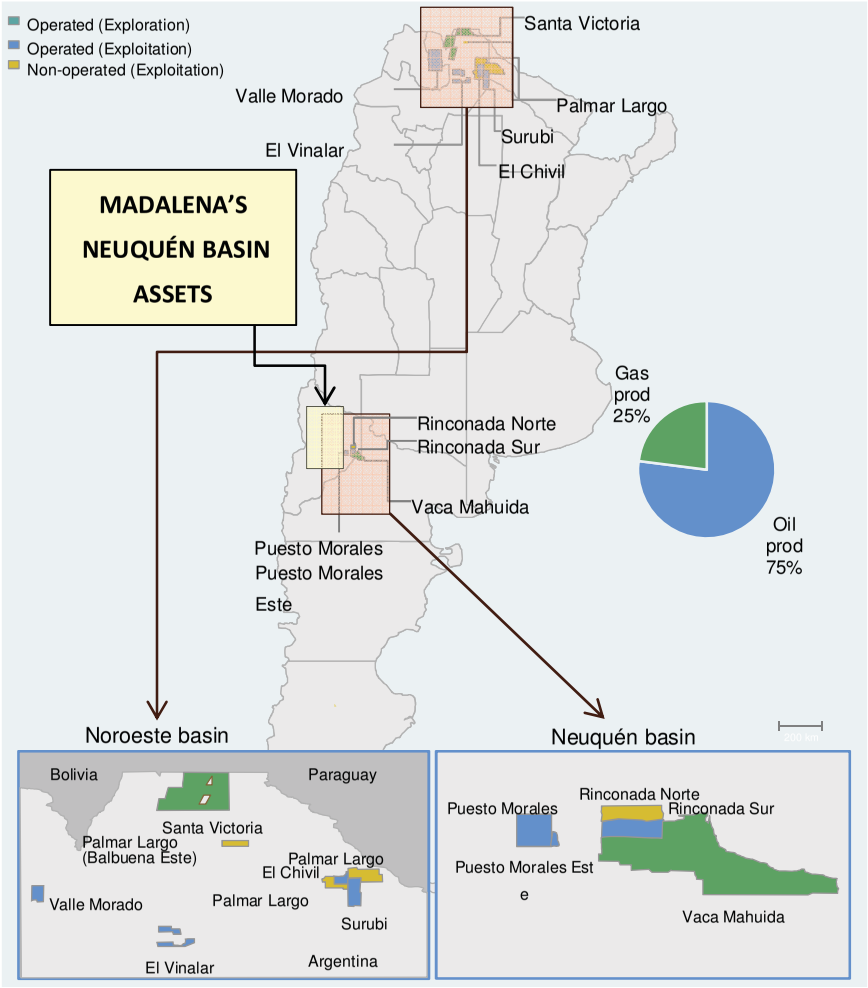
Overview

- Gran Tierra currently holds interests in 11 exploration and production contracts in Argentina comprising ~890,000 net acres
  - W.I. Production of 3,616 Boe/d in Q1 2014 (~75% oil)
  - **W.I. Adjusted[2] 2P Reserves** of 6.5 MMBoe at 2013 year-end
  - 2P Reserve Life Index ("RLI") ratio of **5.41** years based on closing production estimate of 3,300 Boe/d
  - Experienced technical team
  - Fully functional independent business unit

Block Summary

Block	W.I.	Operator	Net acres
El Chivil	100%	Gran Tierra	30,394
El Vinalar	100%	Gran Tierra	122,070
Palmar Largo	14%	High Luck	26,136
Puesto Morales Este	100%	Gran Tierra	1,532
Puesto Morales	100%	Gran Tierra	31,254
Rinconada Sur	100%	Gran Tierra	28,417
Rinconada Norte	35%	Americas Petrogas	8,216
Santa Victoria[1]	100%	Gran Tierra	516,846
Surubi	85%	Gran Tierra	77,200
Vaca Mahuida[1]	50%	Gran Tierra	Pending
Valle Morado[1]	97%	Gran Tierra	49,099
Total net acres			**891,165**
Total gross acres			**1,080,599**

Overview of Gran Tierra position



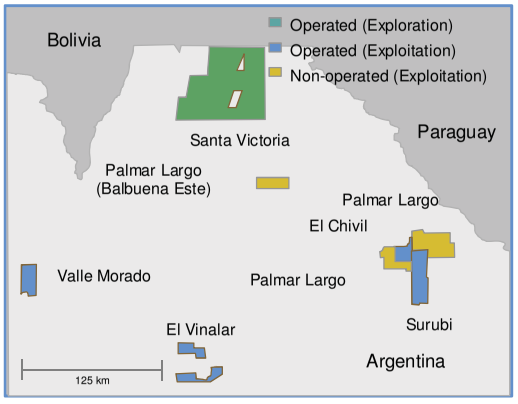
Notes: [1] Currently non-producing properties

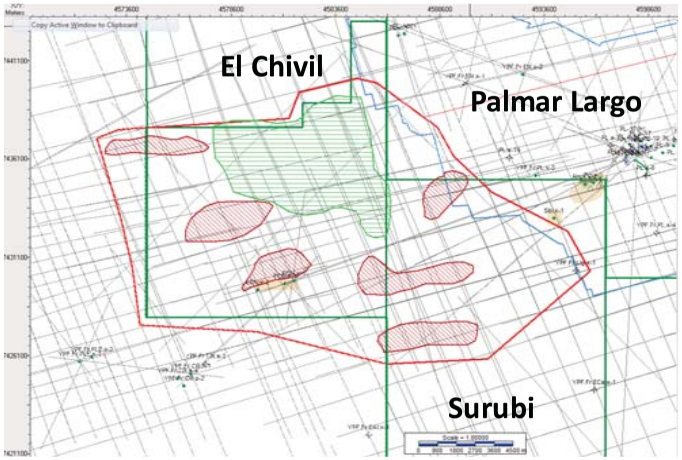
[2] Based on the independent reserve reports of Gran Tierra evaluating the crude oil, natural gas liquids and natural gas reserves of Gran Tierra as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGE Handbook. Adjustments made pursuant to internal management estimates conducted by a qualified reserves engineer. Adjustments consisted of reduced PUD locations due to rescheduling or removal of proven undeveloped and probable locations on the subject assets.

SURUBI / PALMAR LARGO: Conventional Oil Upside

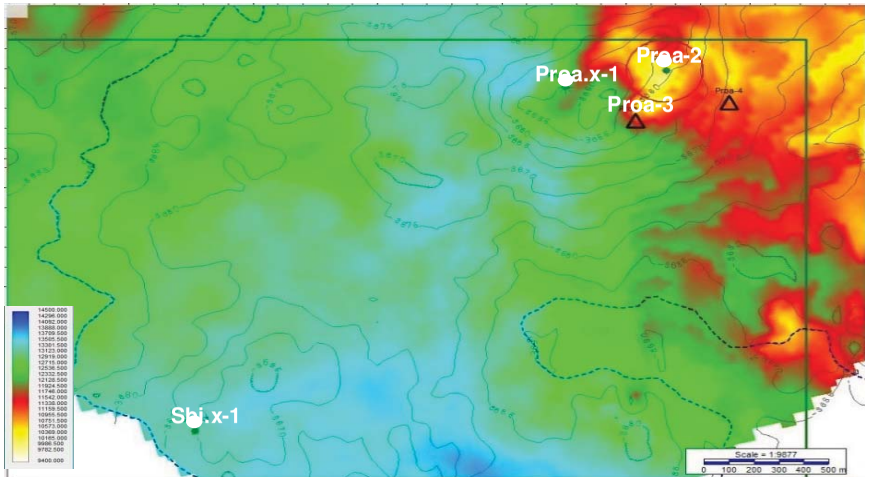
Overview

- GTE was granted a 10 year contract extension until **August 17, 2026** at Surubi
- GTE is the operator at Surubi with **85% W.I**
- Dec. 31, 2013 W.I. 2P reserves of **3.0 MMbbl**[1]
- **Proa-2** well had the highest test rate for an oil well in Argentina in the past 20 years at **6,300 Bbls/d**
- **Proa-2** produced **~900 Mbbl** in 15 months
- **Proa-3** just finished drilling. Q2 completion and testing
- Exploration upside: 7 leads
- 3D seismic acquisition proposal: 17,300 acres
- Additional vertical and horizontal development





Palmar Largo Structure and Impedance Maps

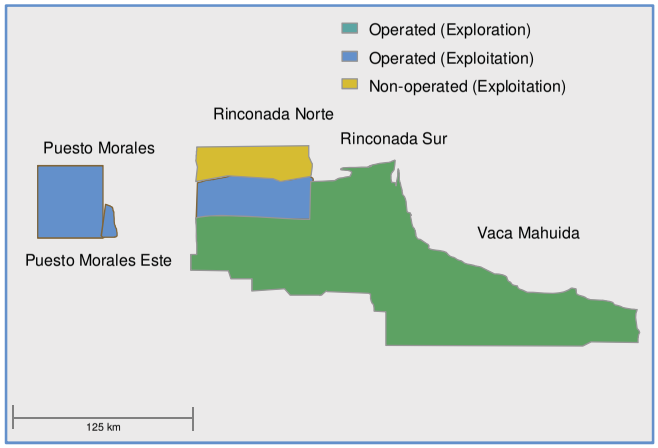


Note: [1] Based on the independent reserve reports of Gran Tierra evaluating the crude oil, natural gas liquids and natural gas reserves of Gran Tierra as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGE Handbook. Adjustments made pursuant to internal management estimates conducted by a qualified reserves engineer. Adjustments consisted of reduced PUD locations due to rescheduling or removal of proven undeveloped and probable locations on the subject assets.

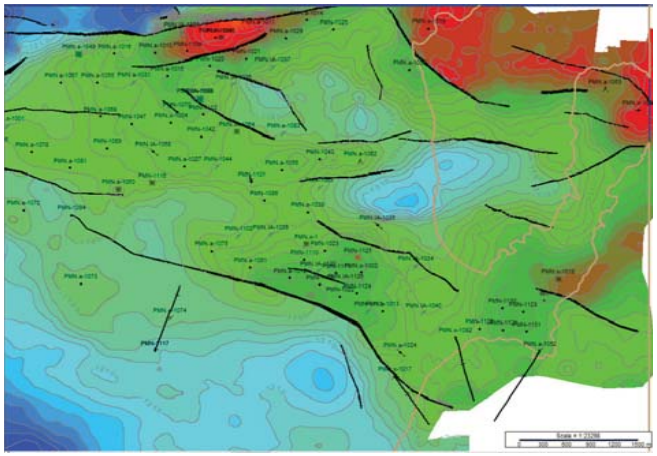
PUESTO MORALES / RINCONADA: Stable Oil Production & Growth via Horizontals, Infill Drilling & EOR Programs

Overview

- Puesto Morales contract was effective since January 22, 1991, has an exploitation phase of 25 years and a possible 10 year extension which is currently under negotiation
- GTE is the operator at Puesto Morales with **100% W.I.**
- Dec. 31, 2013 W.I. 2P reserves of **3,348 MBoe**[1]
- Production from this field currently being sold primarily to Shell and YPF
- **Horizontal light oil development** potential in both ***Sierras Blancas*** and ***Loma Montosa*** reservoirs
- Additional upside through vertical infill drilling and EOR / Waterflood programs
- Workovers and Optimization for oil & gas



Sierras Blancas Structure Map





Note: [1] Based on the independent reserve reports of Gran Tierra evaluating the crude oil, natural gas liquids and natural gas reserves of Gran Tierra as at December 31, 2013 prepared by an independent reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the COGE Handbook. Adjustments made pursuant to internal management estimates conducted by a qualified reserves engineer. Adjustments consisted of reduced PUD locations due to rescheduling or removal of proven undeveloped and probable locations on the subject assets.

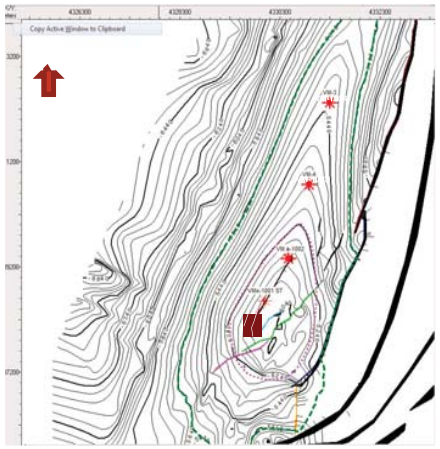
VALLE MORADO: Significant Structure - Confirmed Gas

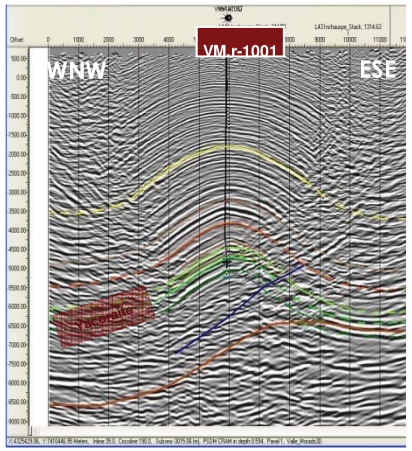
Overview

- GTE is the operator with 97% W.I.
- The contract for this block expires in 2034 with no outstanding work commitments remaining
- **VM-1001(ST)** well was drilled in 1997 and has produced at a rate up to **30 MMcf/d** in the period August 1999 until July 2001
- Significant seismically defined structure supported by historical gas production
- Facilities and infrastructure currently in place to handle 35 MMcf/d and can be expanded to meet production needs
- Gas price up to $7.50 USD/MMbtu (Resolution 1/2013)
- **Farmout candidate** –Potential to approach major E&P companies to drill **Vmo-1002** well



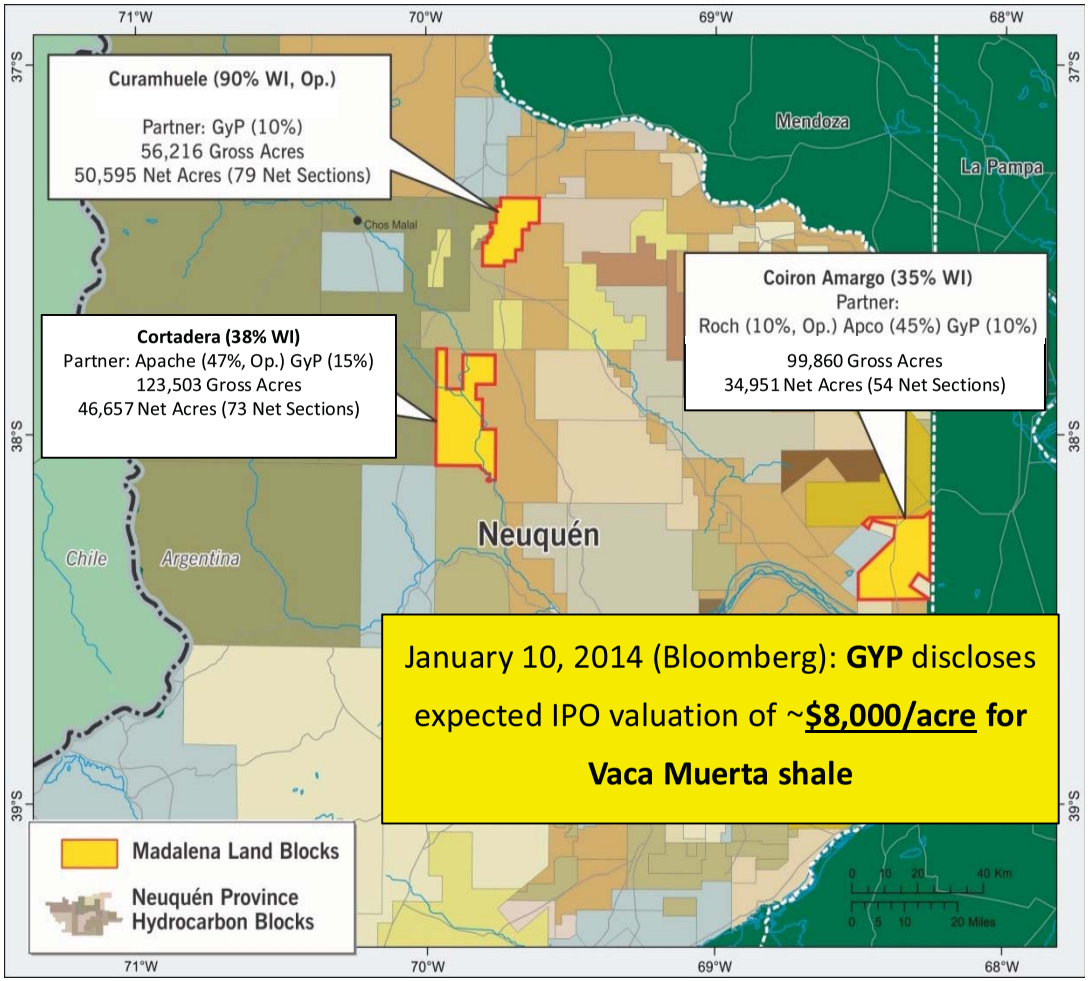
Structure Map





NEUQUEN BASIN ASSETS:
Coiron Amargo, Curamhuele and Cortadera Blocks

- **3 Large Land Blocks (132,200 net Acres)**
  - Madalena **blocks positioned in prime locations** and **surrounded by increasing industry activity**
    - **Unconventional oil and gas potential on all three blocks (**Vaca Muerta shale, Lower Agrio shale, Mulichinco & Basal Quintuco)
    - **Multi-stacked conventional zones** for exploration upside
    - Horizontal drilling / fracing technology being implemented
  - **Industy Focus Area #1: Loma Lata / Loma Campana / Coiron Amargo**
    - **First "sweet spot"** in the basin for shale activity with **over 150 shale wells** drilled over last 14 months on offsetting acreage; 100's of additional wells being drilled
    - Area moving to larger-scale exploitation & development
  - **Industry Focus Area#2: El Trapial / Narambuena / Curamhuele**
    - **Second "evolving" area** in the basin with Chevron, YPF, Total S.A., Exxon drilling exploration & appraisal wells offsetting



Source: Based on mapping by the Gobierno de la Provincia del Neuquén, modified by Madalena Energy Inc.

Madalena is well positioned among established and well capitalized multi-national operators in the Neuquén Basin

*** See "Analogous Information" on Slide 6 of this presentation.

RYDER SCOTT: Unconventional Resource Report Highlights - Neuquen Basin Assets

- Ryder Scott conducted a resource evaluation across three of Madalena's blocks in the Neuquen Basin, Argentina
  - Dated May 1, 2013 and effective December 31, 2012
  - Only includes evaluations for ***Vaca Muerta Shale, Lower Agrio Shale*** and ***Basal Quintuco*** formations
  - Only a portion of the total acreage was assessed
- **Total Petroleum Initially-in-Place[1]**
  34.8 Billion Boe Net to Madalena
  - 17.6 Billion Bbls oil + NGLs
  - 103.3 Tcf natural gas
- Additional zones not included in this report which have significant upside potential across the blocks: ***Mulichinco, Tordillo / Sierras Blancas, Lotena, Lajas,*** and ***Los Molles shale[1]***

Unlocking the International "Prize" [1]

NET CONTINGENT RESOURCES (P50 -Best Estimate)				
BLOCK	**FORMATION**	**Oil & NGLs (MMbbl)**	**Nat. Gas (Tcf)**	**Oil, NGLs & Nat. Gas (MMBoe)**
Coiron Amargo				
	Vaca Muerta	**18.3**	**0.006**	**19.3**

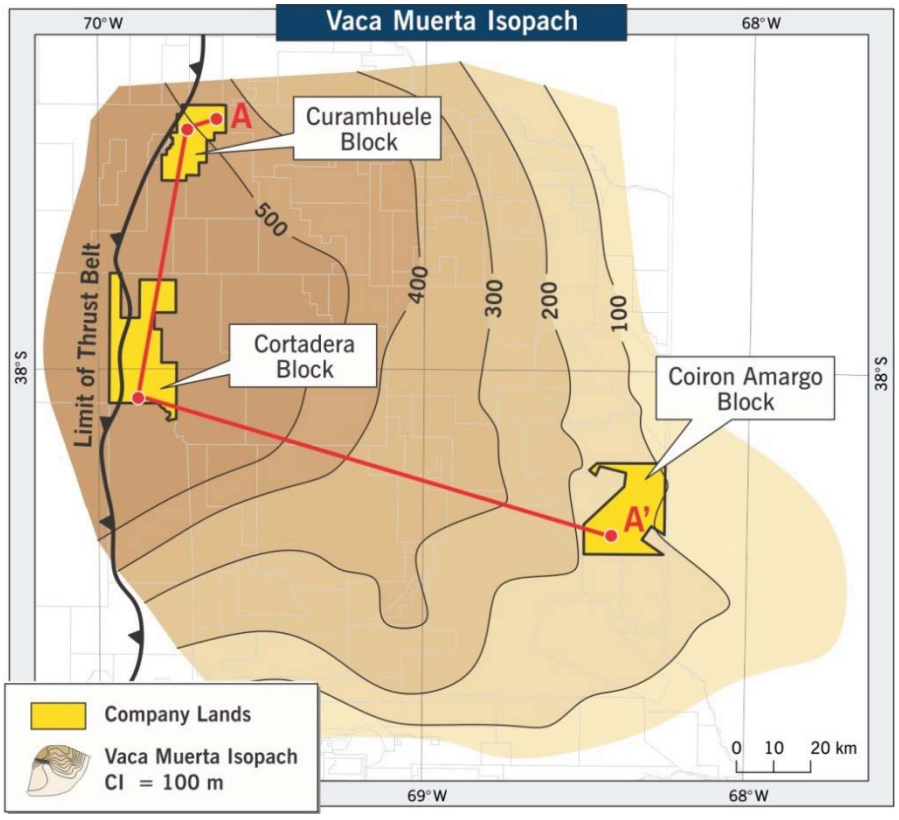
NET PROSPECTIVE RESOURCES (P50 -Best Estimate)			
Coiron Amargo			
Vaca Muerta	**249.7**	**0.079**	**262.9**
Curamhuele			
Lower Agrio	328.6	0.266	373.0
Vaca Muerta	667.4	2.942	1,157.0
Total Curamhuele	**996.0**	**3.208**	**1,530.6**
Cortadera			
Basal Quintuco	14.0	2.932	546.3
Vaca Muerta	14.8	3.189	546.3
Total Cortadera	**28.8**	**6.121**	**1,048.9**
TOTAL	**1,274.5**	**9.408**	**2,842.4**

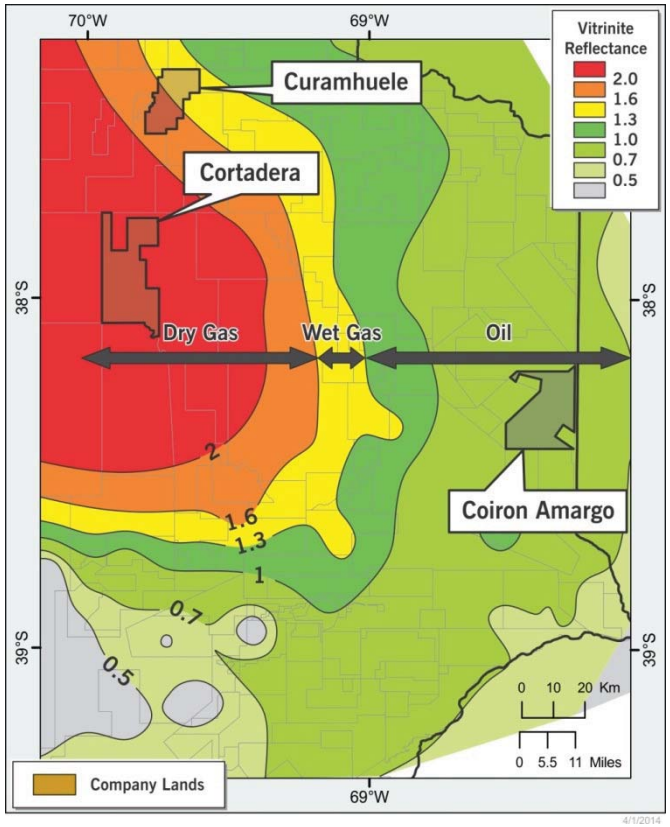
Madalena has 2.842 Billion Boe of Prospective Resources (69% Vaca Muerta) plus 19.3 Million Boe of Contingent Resources (100% Vaca Muerta)[(1)]

Note: [1] P50 Best Estimates pursuant to the Resource Report of Madalena dated May 1, 2013 and effective December 31, 2012 prepared by Ryder Scott. Please see "Notes to Disclosure of Resources" on Slide 5 of this presentation and the tables on Slide 4 of this presentation for some important information to be read in conjunction with our resource disclosure.

VACA MUERTA SHALE: All Three Neuquen Basin Blocks

- ***Vaca Muerta Shale:***
  - Thickness[1] **>500m** –Progressively deeper & thicker from east to west in the basin
  - Thickness[1] **>1000m** with the inclusion of the overlying ***Quintuco***
  - Madalena expects that the ***Vaca Muerta*** is Oil prone at **Coiron Amargo,** Gas prone around the **Cortadera** block & Oil, Liquids & Gas prone at **Curamhuele**





Sources: (Isopach Map) Madalena Energy Inc. mapping; (Thermal Maturity Map) Based on mapping by the Gobierno de la Provincia del Neuquén, modified by Madalena Energy Inc.

Note: [1] Ryder Scott Company, Petroleum Consultants, May 2013 and Madalena Energy Inc. internal data; Please see the disclosure at the beginning of this presentation and Madalena's news release dated April 30, 2013 for details with respect to the risks and uncertainty associated with the recovery of Madalena's resources.

VACA MUERTA VS US SHALES: Comparison



Shale Comparisons	*Vaca Muerta Shale* Madalena's Coiron Amargo Area [1]	Eagle Ford [2]	Bakken [3]	*Vaca Muerta Shale* Madalena's Cortadera Area [1]	Barnett [4]	Haynesville [4]	Marcellus [4]
Thickness (m)	**70 - 140**	**15 - 100**	**10 - 40**	**950 - 1350**	**45 - 75**	**70 - 90**	**20 - 45**
Depth (m)	2800 - 3200	2200 - 3400	2700 - 3400	3200 - 4500	2300	3700	2100
Porosity (%)	4 - 8	4 - 11	5 - 8	6 - 10	4 - 8	7 - 9	7 - 9
Permeability (nD)	50 - 250	40 - 1300	50K – 500K	30 - 1000	50 - 200	100 - 500	100 - 200
TOC (%)	7	1 - 7	2 - 18	4	4 - 5	3 - 4	4 - 7
Reservoir Pressure (psi)	6300 - 8000	4700 - 7800	3800 – 8400	>11,000	3000 - 3800	7200 - 9100	3500 - 4200
Pressure Gradient (psi/ft)	0.65 – 0.75	0.65 – 0.70	0.43 – 0.75	>0.75	0.4 – 0.5	0.6 – 0.75	0.5 – 0.6

The Vaca Muerta shale compares favourably to leading US shale resource plays

Notes: [1] Ryder Scott Company, Petroleum Consultants, May 2013 and Madalena Energy Inc. internal data; Madalena owns a 35% working interest in the Vaca Muerta rights on the Coiron Amargo block and a 40% working interest in the Vaca Muerta rights on the Cortadera block in the Neuquen basin of Argentina. Madalena expects the Vaca Muerta to be oil prone at Coiron Amargo and gas prone at Cortadera. Please see the disclosure at the beginning of this presentation and Madalena's news release dated April 30, 2013 for details with respect to the risks and uncertainty associated with the recovery of Madalena's resources.

[2] EOG Analyst Conference, April 2010

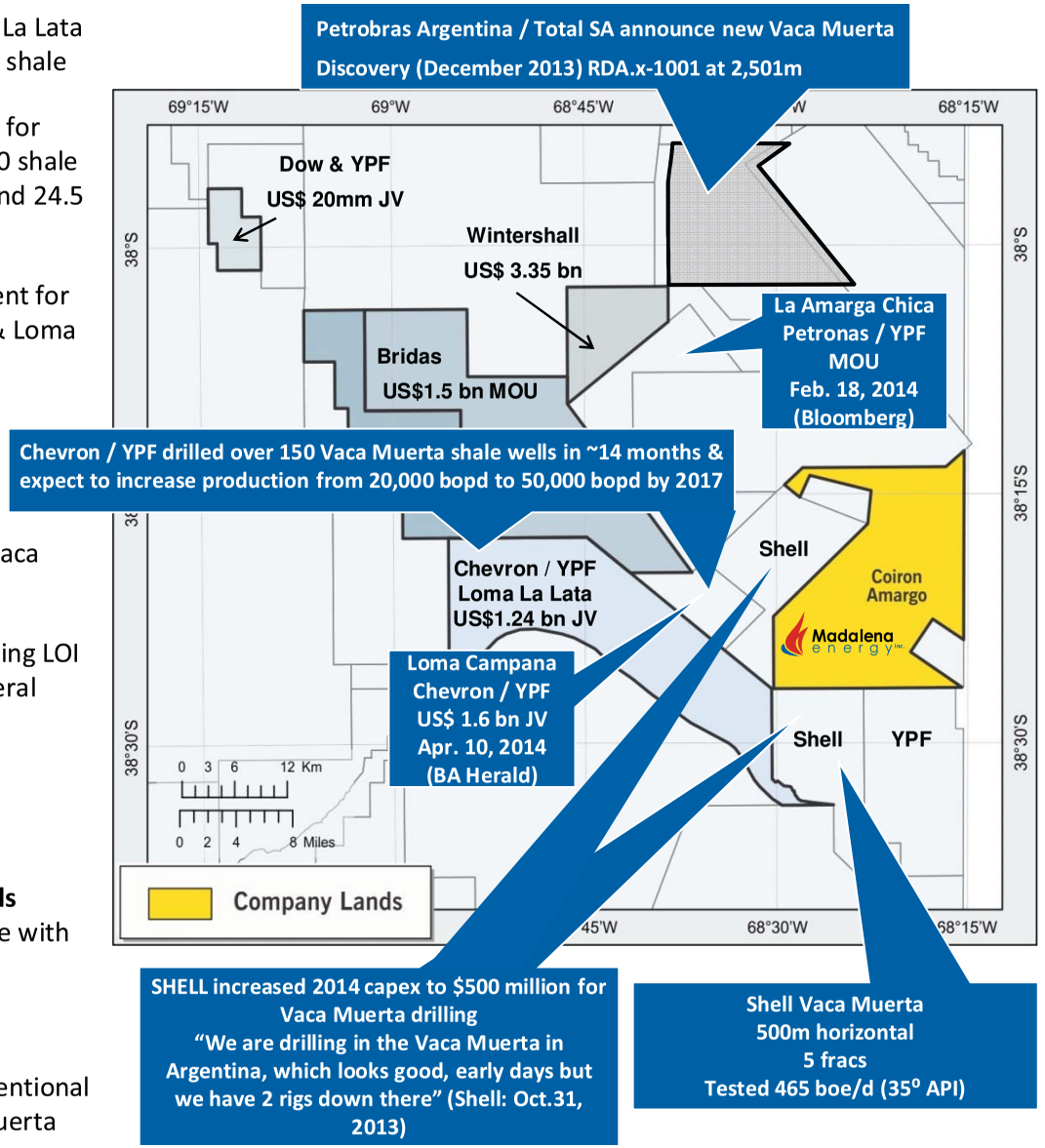
[3] Tudor, Pickering, Holt, "The Bakken Momentum Continues" November 2011, Hart Energy Playbooks 2008 & 2010, Jarvie – AAPG Section Meeting 2008

[4] Schlumberger, World Shale Summit September 2013 -Gas y Petroleo del Neuquén and YPF

*** See "Analogous Information" on Slide 6 of this presentation.

BLOCK #1: COIRON AMARGO Area
The "Eagle Ford" of the Neuquen Basin

- Feb. 7, 2012 (Reuters): **YPF** discovers ~1 billion Boe at Loma La Lata over 428 km^2 area (5.6 MMBoe/section) in the Vaca Muerta shale
- December 28, 2012 (Reuters): **Bridas** signs $1.5 billion MOU for Vaca Muerta development involving a 2 year plan to drill 130 shale wells at Bajadade Anelo and Bandurria blocks to earn 35% and 24.5 % WI respectively
- July 16, 2013 (Reuters): **Chevron** signs $1.24 billion agreement for Vaca Muerta development with YPF at Loma La Lata Norte & Loma Campana blocks for 50% W.I.
  - Includes $250 million for sunk costs (5,000 net boe/d @ $48,000/Boe/d) and $500 million for land (***~$10,245/acre*** for 48,804 net acres)
- July 24, 2013 (Reuters): **YPF** attributes basin-wide in-place Vaca Muerta resources of 661 Billion Bbls oil and 1,181 Tcf gas
- September 23, 2013 (Reuters): **Wintershall** signs a non-binding LOI with GyP for a 23,970 acre joint venture on the Aguada Federal block
  - Total investment of ~$3.35 billion over three phases
  - Estimated metric of ***~$7,300/acre on Phase 1***
- September 25, 2013 (Dow Jones Newswires): **Dow Chemicals** agrees to invest $120 million for a 50% W.I. in a joint venture with YPF at the 11,000 acre El Orejano block
  - Estimated metric of ***~$10,900/acre***
- December 2, 2013 (ENE): **Petrobras** announces new unconventional oil & gas discovery (55% Petrobras, 45% Total SA) in Vaca Muerta shale

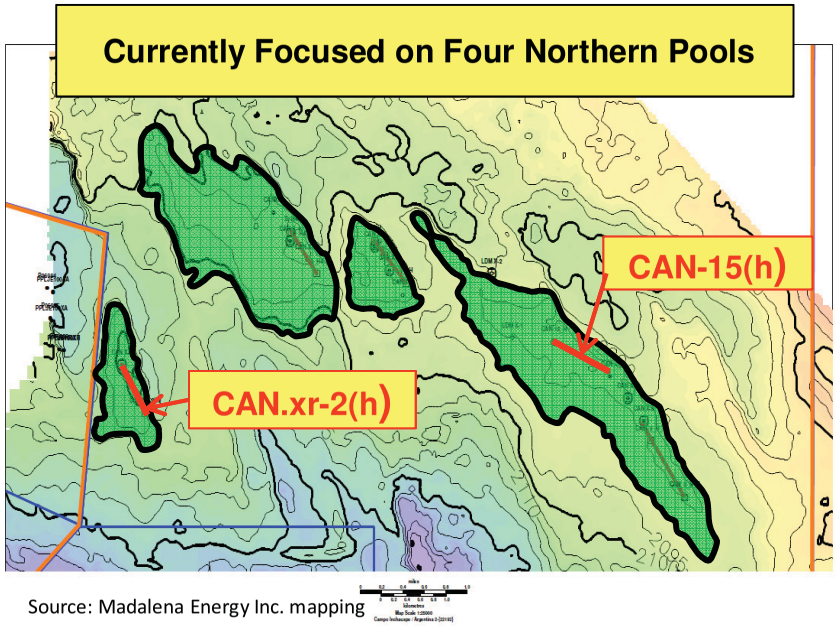


*** See "Analogous Information" on Slide 6 of this presentation.

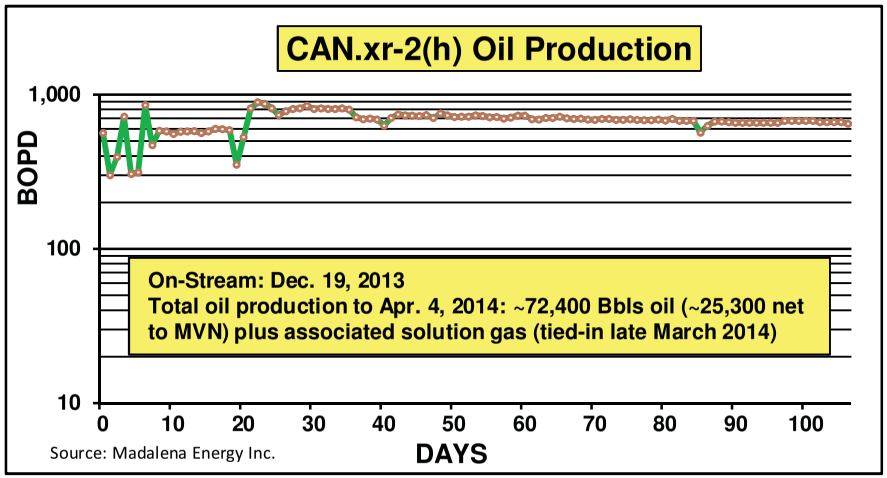
BLOCK #1: COIRON AMARGO NORTE – Applying Horizontal Technology to Sierras Blancas Light Oil

SIERRAS BLANCAS HORIZONTALS EXCEEDING EXPECTATIONS

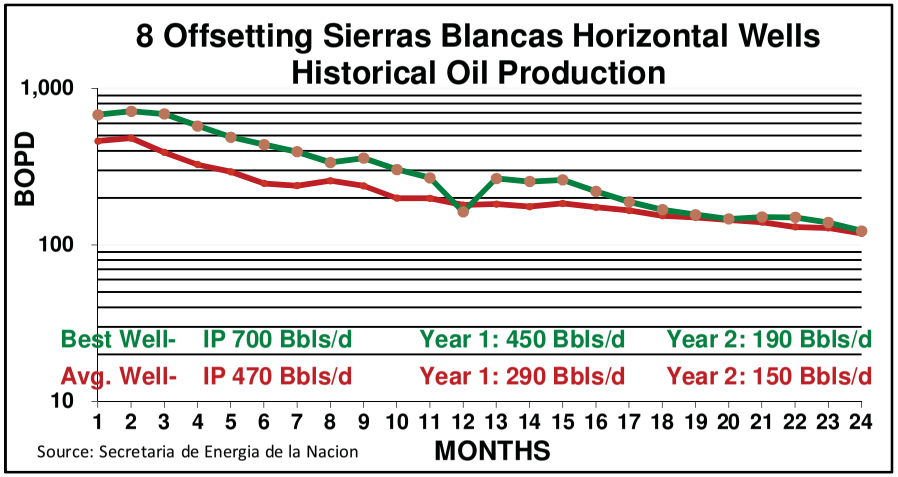
- Very strong results on CAN-15(h) test and initial three months of production from CAN.xr-2(h)
- Oil sourced from the Vaca Muerta shale
- CAN-15 recently placed on-stream
- Multiple additional wells planned in 2014
- Rig to commence drilling in Q2 on multi-well program
- **CAN-15(h) tested** at rates up to **~1,943 Boe/d (72% oil)** and **CAN.xr-2(h) averaged ~978 Boe/d (72% oil) over a three month period.** Solution gas was recently tied-in (see April 29, 2014 Press release)



Source: Madalena Energy Inc. mapping



Source: Madalena Energy Inc.

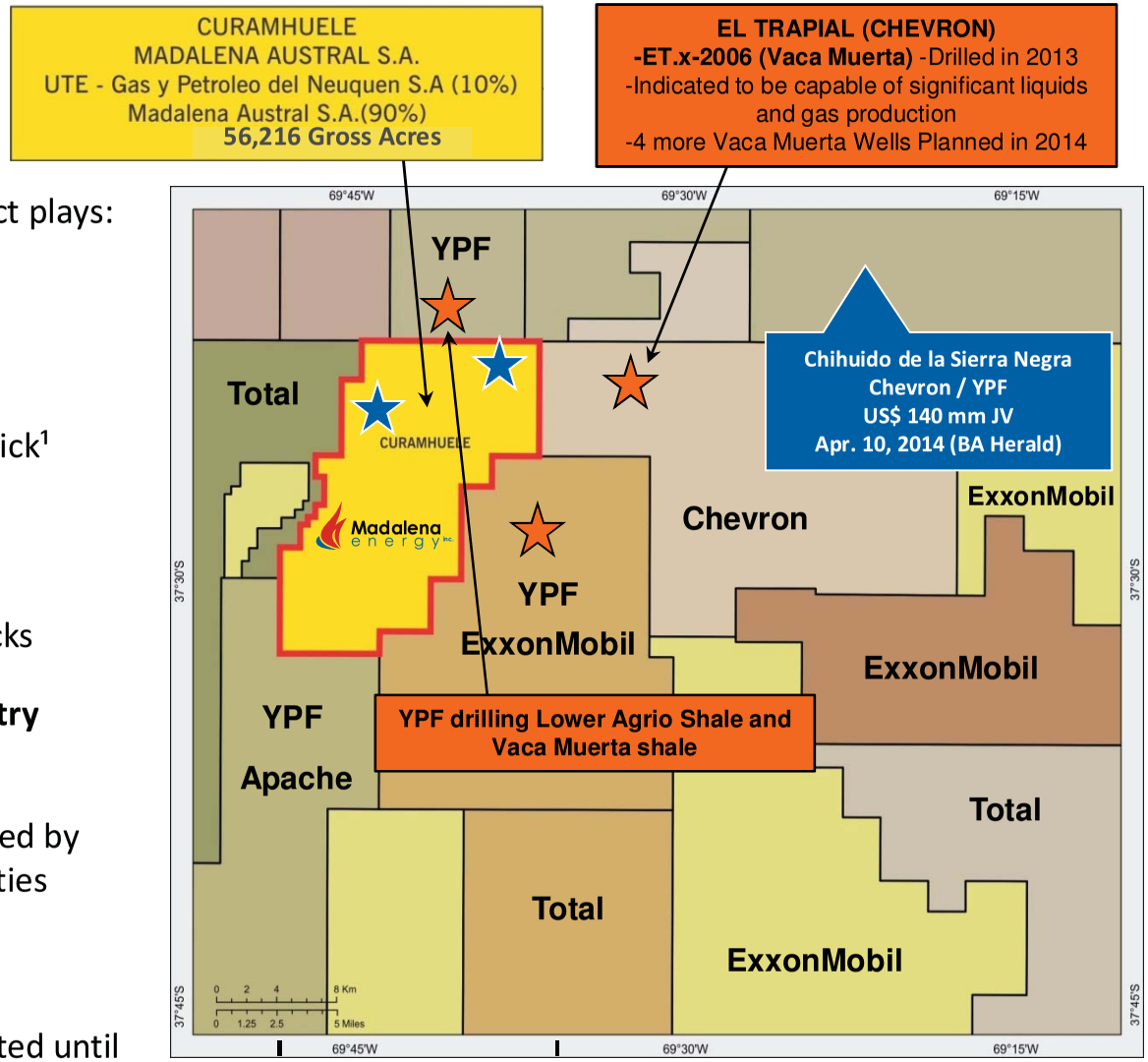


Source: Secretaria de Energia de la Nacion

*** See "Analogous Information" on Slide 6 of this presentation.

BLOCK #2: CURAMHUELE – Overview

- **Madalena Operated 90% W.I.** in 56,216 gross (50,595 net) acres
- Madalena expects oil and liquids-rich gas potential throughout block on high-impact plays:
  - ***Vaca Muerta shale***: +500m thick[1]
  - ***Lower Agrio shale:*** +225m thick[1]
  - ***Mulichinco tight sandstone***: +200m thick[1]
  - Additional exploration potential in conventional zones
- YPF and Chevron drilling on adjacent blocks
- Madalena preparing 2 **high-impact re-entry opportunities** ★
- Madalena believes development supported by significant legacy infrastructure and facilities associated with offsetting conventional operations
- Extension of first exploration period granted until Nov. 2014

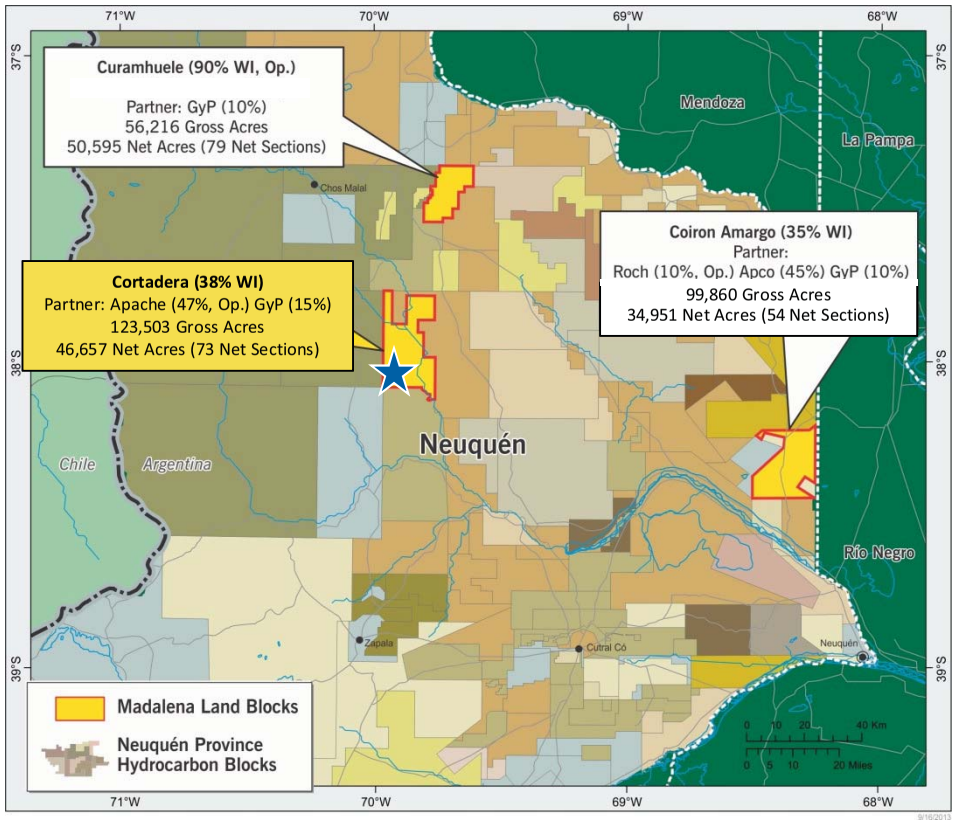


Source: Based on mapping by the Gobierno de la Provincia del Neuquén, modified by Madalena Energy Inc.
*** See "Analogous Information" on Slide 6 of this presentation.

Note: [1] Ryder Scott Company, Petroleum Consultants, May 2013 and Madalena Energy Inc. internal data; Please see the disclosure at the beginning of this presentation and Madalena's news release dated April 30, 2013 for details with respect to the risks and uncertainty associated with the recovery of Madalena's resources.

BLOCK #3: CORTADERA – Overview

- **Madalena 37.8% W.I. -Partnered with Apache/YPF** in 123,503 gross (46,657 net) acres
- Recent multi-year block extension executed
- ***CorS.X-1*** ★ deep, high pressure, test cased to 4,500m for unconventional shale and tight sandstone gas plays encountered:
  1. ***Quintuco + Vaca Muerta***: 1097m thick[1]
     - ***Vaca Muerta*** : 520m thick[1]
     - ***Quintuco*** : 577m thick[1]
  2. ***Mulichinco*** tight sandstone: 206m thick[1]
  3. ***Lower Agrio*** tight sand / shale potential
- **Discovered large-petroleum in-place *Vaca Muerta*** shale gas resource to date
- Upcoming 2014 re-entry operations to evaluate uphole zone(s) of interest (i.e. stacked on top of ***Vaca Muerta*** source rock) in the Mulichinco or Quintuco
- **Total S.A. / Wintershall drilling Mulichinco** liquids-rich tight sand play with **horizontal multi-stage frac's** to east



Source: Based on mapping by the Gobierno de la Provincia del Neuquén, modified by Madalena Energy Inc.

Note: [1] Ryder Scott Company, Petroleum Consultants, May 2013 and Madalena Energy Inc. internal data; Please see the disclosure at the beginning of this presentation and Madalena's news release dated April 30, 2013 for details with respect to the risks and uncertainty associated with the recovery of Madalena's resources.

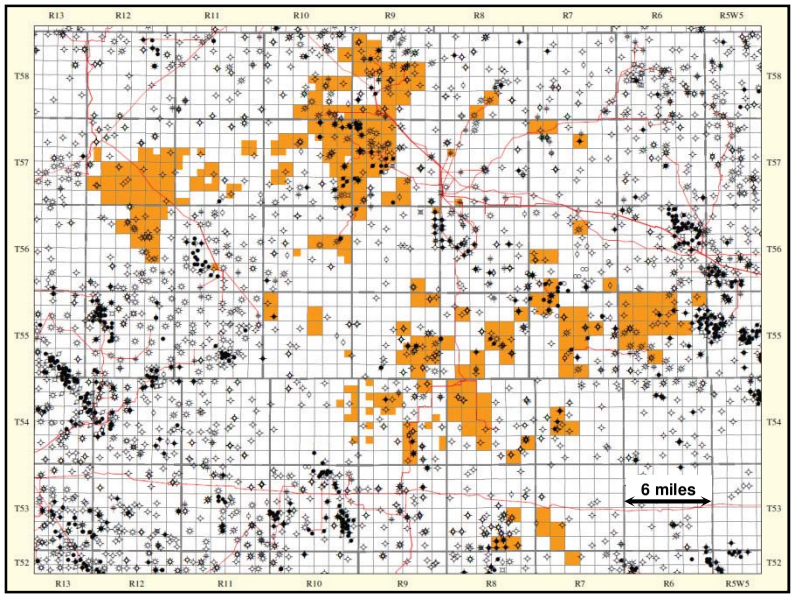
DOMESTIC ASSETS: Alberta, Canada





Greater Paddle River Core Area (>150 Net Sections of Land)

- Potential for **Strategic Joint Venture Partnerships**
- **3 Key Resource Plays** for horizontal multi-stage frac operations:
  - ***Ostracod*** -Development -**56 net sections**
    -Oil
  - ***Notikewin/Wilrich*** -Development -**133 net sections**
    -Liquids-rich gas
  - ***Nordegg*** -Emerging -**142 net sections**
    -Oil & liquids-rich gas
- Additional opportunities exist across acreage in:
  - **Duvernay shale (Approx. 100 net sections)**
  - **Viking oil, Rock Creek oil**
- Large inventory of unbooked horizontal drilling locations
- **Drill-Ready Program** for ongoing horizontal drilling / fracing



MADALENA (MVN TSX-V): Balanced Value Creation

- **Argentina Assets – 14 Blocks with Conventional & Unconventional Opportunities**
  - **PRODUCTION AND RESERVES GROWTH VIA CONVENTIONAL DEVELOPMENT**
    - ***Coiron Amargo*** -Drilling high-impact horizontal Sierras Blancas light oil wells: 2 recently drilled/tested; 2 to 3 more for 2014
    - ***Surubi*** -Drill sidetrack on Surubi structure (2 contingent wells), Upgrade to high-volume lift & exploit oil potential in lower Palmar Largo reservoir
    - ***Vaca Mahuida*** –Multi-well gas project involving tie-in of existing tested wells and additional development drilling
  - **DELINEATION & PROVE-UP OF UNCONVENTIONAL RESOURCES**
    - ***Coiron Amargo*** -Multiple Vaca Muerta wells and completions upcoming
    - ***Curamhuele*** -Lower Agrio shale and Mulichinco tight sand re-entries planned for 2014
    - ***Cortadera*** –Plan to conduct re-entry at CorS.x-1 location to evaluate uphole Mulichinco tight sands (Madalena largely carried by Apache/YPF)
    - ***Puesto Morales*** –Apply current horizontal technology to Loma Montosa oil reservoirs
  - **PURSUE IDENTIFIED EXPLORATION UPSIDE**
    - Valle Morado, Santa Victoria, El Chivil, El Vinalar & Rinconada Blocks
- **Canadian Assets – Greater Paddle River Core Area**
  - Potential in 2014 for **Joint Venture Partnerships** to accelerate development
  - 2014 program includes horizontal activity primarily focused on ***Ostracod oil*** development and progression of other emerging oil & liquids-rich resource plays

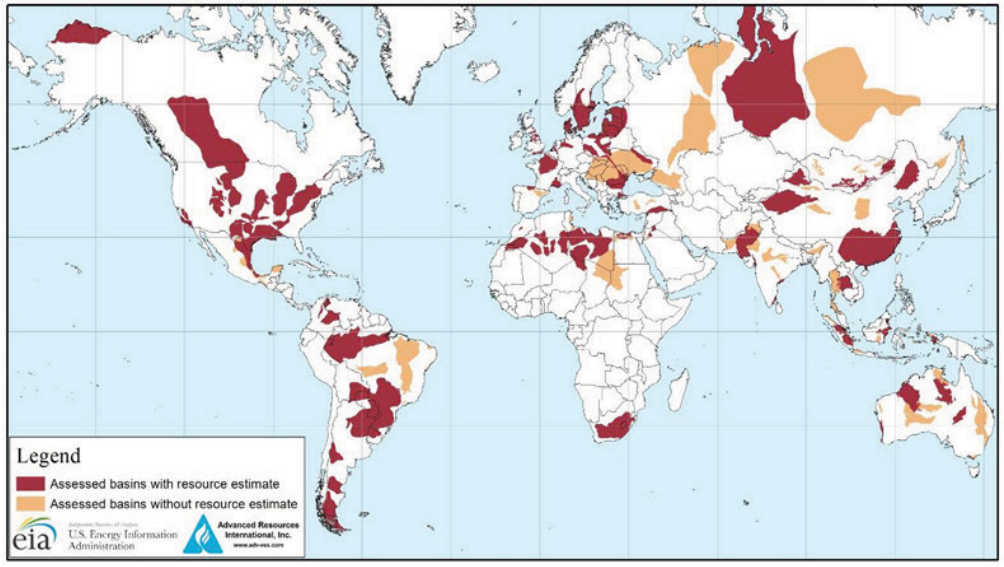
APPENDIX #1: EIA - Argentina's Shale Potential

June 2013 – EIA Released Updated World Shale Oil & Gas Assessment

- **Argentina has 4th largest technically recoverable shale oil resource in the world**
  - Behind only Russia, USA & China
  - 3X greater than Canada
- **Argentina has 2nd largest technically recoverable shale gas resource in the world**
  - Behind only China
  - 1.2X greater than USA
  - 1.4X greater than Canada
- Three Shale Plays in Argentina: ***Vaca Muerta, Agrio, Los Molles***
- ***Neuquén Basin*** is a the focus of Shale Resource development by Major E&Ps and NOCs

*** See "Analogous Information" on Slide 6 of this presentation.

Figure 1. Map of basins with assessed shale oil and shale gas formations, as of May 2013



Source: United States basins from U.S. Energy Information Administration and United States Geological Survey; other basins from ARI based on data from various published studies.

Table 5. Top 10 countries with technically recoverable shale oil resources

Rank	Country	Shale oil (billion barrels)	
1	Russia	75	
2	U.S.[1]	58	(48)
3	China	32	
4	Argentina	27	
5	Libya	26	
6	Australia	18	
7	Venezuela	13	
8	Mexico	13	
9	Pakistan	9	
10	Canada	9	
	World Total	345	(335)

[1] EIA estimates used for ranking order. ARI estimates in parentheses.

Table 6. Top 10 countries with technically recoverable shale gas resources

Rank	Country	Shale gas (trillion cubic feet)	
1	China	1,115	
2	Argentina	802	
3	Algeria	707	
4	U.S.[1]	665	(1,161)
5	Canada	573	
6	Mexico	545	
7	Australia	437	
8	South Africa	390	
9	Russia	285	
10	Brazil	245	
	World Total	7,299	(7,795)

[1] EIA estimates used for ranking order. ARI estimates in parentheses.