

Head Office:

MADALENA ENERGY INC.

Suite 200, 707- 7th Avenue SW

Calgary, Alberta, Canada T2P 3H6

Argentina Office:

MADALENA ENERGY S.A.

421 Lola Mora, 13th Floor

Buenos Aires, ARG C1011ABE

www.madalenaenergy.com

MVN (TSX-V)

MDLNF (OTCQX)



Madalena
energy inc.



Madalena's Yp.x-1001: Curamhuele Block in Neuquen, Argentina (SK)

ARGENTINA OIL & GAS EXPLORATION & PRODUCTION

June 2017

Forward-Looking Statements or Information

Certain statements contained in this presentation of Madalena Energy Inc. ("Madalena" or the "Company") 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 Company; expected operations to be undertaken by the Company in the future and the timing thereof; growth; the use of funds from production; the expected quality of the Company's assets and the probability of successful operations on such assets; matters pertaining to Madalena's reserves and resources; Madalena's corporate vision; matters pertaining to capital budget matters, including the source of funds for the budget; improving netbacks and operating costs; and matters pertaining to commodity prices and our operating environment.

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 Argentina, 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 Argentina, 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.

- Reorganization of the Company's administration in progress to reduce overhead by transferring functions to Buenos Aires while conserving presence required in Calgary for reporting purposes
 - Consolidated management in one office will allow for greater efficiency while maintaining reporting accuracy and public disclosure requirements for TSX-V
- CEO and permanent CFO to be based in Buenos Aires
 - New management has extensive experience in managing personnel in Buenos Aires which will allow new management to quickly identify cost control measures and streamline the office
 - Permanent CFO search ongoing and in advanced stage
- After careful evaluation new management will focus on optimizing field operations with the aim of reducing G&A and Opex
- We are carefully reviewing current off-taking contracts and analyzing alternatives to ensure the highest possible realized price and sale certainty

- Parallel to the cost reduction plan we are engaging with the relevant provincial authorities to conclude current discussions regarding investment commitments tied to the concessions' extension agreements with the objective to ensure future capital spend is directed to NPV positive projects on a risk-adjusted basis
- A comprehensive review of existing producing wells and workover inventory is underway to identify the most prospective wells and allocate capital to maintain and increase production
- Focus on acquiring additional prospective assets in Argentina that allow running room to drill accretive PUDs⁽¹⁾ and increase proved reserves
- New management has a strong pipeline of Latin American deals for Madalena to evaluate as well as good deal flow in Argentina

(1) Proved Undeveloped Reserves

- Prioritize creating a strong cash position to support existing upside
- Implementation of cost control measures is expected to create improved cash position at year end 2017, to ensure sufficient liquidity to fund cash calls in Coiron Amargo blocks and service/repayment of loan with PanAmerican in the event of the loan option being exercised
- New management has experience in the Delaware Basin in the Permian and understands the value proposition created through delineating a repeatable horizontal play and the corresponding booking of reserves
- Shale exploration and development is capital intensive, liquidity is necessary to protect the Company from dilution of its working interest in its non-operated positions
- Hispania has had an uninterrupted presence in Argentina since 1991 and intends to use its longstanding business and government relationships to create value for Madalena

- Hispania Petroleum, through its Argentine subsidiary Tripetrol Petroleum S.A. previously owned 50% of UTE Puesto Guardian (Puesto Guardian)
- UTE Puesto Guardian holds the rights to the area Puesto Guardian located in the Northwestern oil basin in Argentina
- The concession was acquired in 1991 and comprises 5 oil fields
- From 2003 onwards, Hispania Petroleum's subsidiary Petrolera San Jose s.r.l. was the operator of the concession
- Until 2010 Hispania Petroleum owned a 60% working interest in Puesto Guardian and its Canadian partner Antrim Energy Inc. owned the remaining 40%. In 2006 Puesto Guardian acquired 380 kilometers of 3D seismic
- In January 2010 Hispania Petroleum, through Petrolera San Jose s.r.l. purchased Antrim Energy's 40% interest in the concession. In July 2011 Hispania sold 50% of the concession to President Petroleum PLC
- In July 2014 Hispania sold the remaining 50% of the concession to President Petroleum PLC
- Total consideration received from farm-in and divestiture totaled approximately 40 million USD

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.

Information Regarding Disclosure on Reserves and Resources

Where discussed herein "NPV" represents the net present value (net of capital expenditures) of net income, with net income reflecting the indicated oil, liquids and natural gas prices and Initial production 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.

There is no certainty that it will be commercially viable to produce any portion of the prospective assets or PUDs referred to in this presentation. In the case of undiscovered resources, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources referred to in this presentation.