



3200, 500 – 4th Avenue SW,
Calgary, Alberta T2P 2V6
Telephone: (403) 262-1901
Facsimile (403) 262-1905
TSXV Trading Symbol: MVN
OTC Trading Symbol: MDLNF

MADALENA ANNOUNCES 860 BOE/D LOMA MONTOSA HORIZONTAL WELL TEST AT PUESTO MORALES AND 590 BOE/D SIERRAS BLANCAS WELL AT COIRON AMARGO

Madalena Energy Inc. ("**Madalena**" or the "**Company**") (TSXV: **MVN** and OTC: **MDLNF**) is pleased to announce it has recently completed the testing of an operated horizontal multi frac well (PMS-1135(h)) in the Loma Montosa formation on its 100% working interest property at Puesto Morales, one of Madalena's four strategic resource plays in Argentina. Madalena is also pleased to provide an update on its horizontal well development on its Coiron Amargo Block.

Loma Montosa Oil Resource Play– Horizontal Well Test

The PMS-1135(h) well on Madalena's Puesto Morales block, was successfully drilled and cased with a tapered mono-bore assembly to a total depth of 2,600 metres with a horizontal length of approximately 1,095 metres. The horizontal section had twelve open hole frac packers and ports while the main 5.5" casing string was cemented using a staged cement collar. Madalena then completed Argentina's first 12 stage ball drop frac operation. All 12 stages were completed using a hybrid slickwater/gel frac that pumped a total of 10,900 bbls of water and 360 tonnes of sand (approximately 30 tonnes per stage).

Testing operations commenced on March 30, 2015 and the well has been flowing up 5.5" casing without a production string run. Over the last 24 hours, the well flowed a total of 860 boe/d including 480 barrels of oil per day (bopd) plus 2,300 mcf/d of gas at a flowing pressure of 530 psi and a 47% water cut. Cumulative production over the last 5 days was 2,140 barrels of oil (428 bopd) plus gas volumes. To date the well has recovered 4,931 barrels of water which is approximately 45% of the total water based frac fluid pumped. Although Madalena is very encouraged by this production test, it cautions that these results are not necessarily indicative of the long-term performance or of the ultimate recovery of the well.

Madalena is currently proceeding to tie this well into its existing infrastructure and has a large inventory of horizontal development locations on the Puesto Morales block.

Sierras Blancas Light Oil Exploitation - Horizontal Development Update

At Coiron Amargo (35% Madalena working interest "WI"), drilling and completion operations recently finished on the Company's fourth Sierras Blancas horizontal well (CAN-16(h)). The CAN-16h well was drilled to a total depth of 4,214 metres with a horizontal lateral section of 1,011 metres. Testing operations began on March 15, 2015 and the well was tied into production facilities on March 27, 2015 at a total rate of 600 boe/d (210 boe/d WI) including 480 barrels of oil per day (170 bopd WI) and 730 mcf/d (255 mcf/d WI) of associated gas flowing at 1,400 psi wellhead pressure. The well has been on test or production for 20 days and continues to produce at a rate of 590 boe/d (206 boe/d WI) with a 15% water cut.

About the Loma Montosa Oil Resource Play at Puesto Morales (100% WI)

The Loma Montosa represents one of four key resource plays being pursued by Madalena in 2015. The Vaca Muerta shale, Agrio shale, both oil plays, and the Mulichinco liquids-rich gas play comprise the other three resource plays. The Loma Montosa play at Puesto Morales is at a vertical depth of approximately 1,350 metres. The Company has internal geological mapping based on approximately 60 historic vertical wells which have penetrated the Loma Montosa and there is cumulative oil production of approximately 2.3 million barrels. The Loma Montosa formation is characterized as a tight dolomite with average porosity of 9 to 12% and permeability of 2 to 5 millidarcies. The vertical wells offsetting the PMS-11-35(h) horizontal well have approximately 26 metres of gross pay and an estimated 15 metres of net pay. On the Puesto Morales block (31,254 net acres), Madalena operates and controls a 100% working interest facility and pipeline infrastructure in the area.

To unlock the Loma Montosa oil resource play, the Company is applying North American originated horizontal multi-frac technology to increase recoveries and improve overall play economics. This provides Madalena with a new area of scalable, full-cycle resource development. Madalena's team in Argentina executed the PMS-1135(h) milestone operation safely and efficiently and was in particular supported by Calfrac Well Services and Packers Plus Energy Services to achieve a number of technological firsts in Argentina.

About Madalena Energy

Madalena is an independent, Canadian-based Argentina focused, oil and gas company.

Madalena holds over 950,000 net acres across five provinces in Argentina where it is focused on the delineation of large shale and unconventional resources in the Vaca Muerta shale, Agrio shale, Loma Montosa oil resource play and liquids-rich Mulichinco. The Company is implementing horizontal drilling and completions technology to develop its high impact conventional and resource plays.

Madalena trades on the TSX Venture Exchange under the symbol MVN and on the OTC under the symbol MDLNF.

For further information please contact:

Kevin Shaw, P.Eng, MBA

President and Chief Executive Officer
Madalena Energy Inc.
Phone: (403) 262-1901 (Ext. 230)
kshaw@madalenaenergy.com

Thomas Love, CA

VP, Finance and Chief Financial Officer
Madalena Energy Inc.
Phone: (403) 262-1901 (Ext. 227)
tlove@madalenaenergy.com

Reader Advisories

Forward Looking Information

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance, in particular, but not limited to, with respect to the characteristics of the properties held by the Company, current and future test and production levels on recently drilled wells, the strategic value and opportunities available to Madalena and operational and business development plans and the ability of Madalena to execute on such plans. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions, of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. These statements are subject to certain

risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The forward-looking statements in this news release are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements. Investors are encouraged to review and consider the additional risk factors set forth in the Company's Annual Information Form, which is available on SEDAR at www.sedar.com.

Meaning of Boe

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, 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 ratio of 6:1 may be misleading as an indication of value.

Analogous Information

Certain information in this news release 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, assets, wells and/or operations that are in geographical proximity to or believed to be on-trend with lands held by Madalena. Such information has been obtained from public sources, government sources, regulatory agencies or other industry participants. Management of Madalena believes the information may be relevant to help define the reservoir characteristics within lands on which Madalena holds an interest and such information has been presented to help demonstrate the basis for Madalena's business plans and strategies. However, management cannot confirm whether such analogous information has 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 or the actual characteristics and quality Madalena's assets. 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 such information will prove to be analogous in the future. 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, 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, certain Madalena properties are unconventional resource plays 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.

Drilling Locations

This press release refers to unbooked drilling locations. Unbooked locations are internal estimates based on Madalena's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves. Unbooked locations have been identified by management as an estimation of our future drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Madalena will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, access restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, some of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves or production.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.