



MADALENA ENERGY INC. AND MAGLAN CAPITAL ANNOUNCE AGREEMENT AND BOARD CHANGES

Madalena Energy Inc. (TSX-V: MVN) and (OTC: MDLNF) (the "Corporation" or "Madalena") and Maglan Capital LP ("Maglan") are pleased to announce that, further to the recently announced initiatives and review undertaken by the special committee (the "Special Committee") of Madalena's Board of Directors (the "Board"), effective immediately Mr. Gus Halas has been appointed to the Board and Mr. Steven Sharpe has been elected Chairman of the Board.

Mr. Halas, an independent director, is currently a director of Triangle Petroleum Corporation (NYSE MKT:TPLM) and has significant experience in the energy industry and in public companies in both an executive and board role, including his roles as President, Chief Executive Officer, Director and/or Chairman of Central Garden & Pet Company, T-3 Energy Services, Inc., Ingersoll Dresser's Pump Services Group and Aquilex Corporation. Mr. Halas has also held a leadership position at Sulzer Industries, Inc. and is currently a Member of the Advisory Board of White Deer Energy, a Houston based private equity firm. Mr. Halas received a BS in both Physics and Economics from Virginia Tech. With Mr. Halas' background and skills, Madalena and Maglan believe that Mr. Halas will be an excellent contributor to the success of Madalena.

Mr. Sharpe, an independent Board member who recently joined the Board on September 23, 2014, has a wealth of experience in both an executive and board level with several public companies and has extensive skills in the areas of strategic planning, business development and mergers and acquisitions. Madalena and Maglan are confident that Mr. Sharpe has the skills, experience and education that will serve Madalena well and provide the excellent leadership at the Board level.

Over the past four months, three new independent directors, including a new independent Chairman, have been appointed to the Board, bringing extensive oil and gas, capital markets and governance experience to the Board. To accommodate this Board renewal process, Mr. Jay Reid has resigned as a director and Mr. Ray Smith has resigned as Chairman but will remain on the Board. Mr. Reid and Mr. Smith remain steadfast supporters of the Madalena story and it is expected that Mr. Reid will be nominated to the Board at Madalena's next Annual General and Special Meeting of shareholders, which will be held on May 26, 2015 (the "2015 AGM").

In connection with these changes, Madalena and Maglan have entered into a Settlement, Release and Standstill Agreement, pursuant to which, among other things, Maglan has agreed to certain standstill restrictions and to vote the shares it controls in support of Madalena's director nominees at the 2015 AGM.

Mr. Sharpe, the new Chairman of the Board, commented, "I would like to welcome Gus to the Board and look forward to his contributions, as we continue our focus on unlocking value for shareholders through our efforts to prove up and de-risk Madalena's unconventional assets while managing capital prudently in the context of the current weak market conditions. The Board and management strongly believe in the potential of Madalena and we are pleased to have reached this constructive outcome."

Steven Azarbad, Chief Investment Officer of Maglan, stated, "We are pleased to have worked constructively with Madalena's Board and management to add Gus to the Board. We believe adding Gus to the Board and Steven as Chair brings a fresh perspective and unique insight to Madalena and that these two gentlemen have the experience necessary to help the Board and management as they work toward unlocking and enhancing shareholder value. With a clean balance sheet, good production base and solid cash flow from fixed oil of \$77 per barrel in Argentina, we are confident that Madalena is well positioned to substantially grow its production and reserves in the future."

Madalena trades on the TSX Venture Exchange under the symbol MVN. Basic corporate information, recent news releases and corporate presentations are available on the Corporation's website at www.madalenaenergy.com.

Maglan is an event-driven investment fund with a core focus on all parts of the distressed cycle, investing in liquid instruments across the capital structure of companies approaching or experiencing financial distress, bankruptcy or restructuring.

Forward Looking Statements

This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. The forward-looking statements contained in this document are based on certain key expectations and assumptions.

Although Madalena and Maglan believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Madalena can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory and shareholder approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in Madalena's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com and Madalena's other public disclosure documents which have been filed on SEDAR and can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and neither Madalena nor Maglan undertakes any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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