



MADALENA ANNOUNCES ENTERING INTO OF AMENDED LOAN AGREEMENTS

(All dollar figures are expressed in United States Dollars, unless otherwise noted)

Buenos Aires, Argentina, April 9, 2019 (Newsfile) - Madalena Energy Inc. ("**Madalena**" or the "**Company**") (TSXV: MVN and OTCQX: MDLNF) is pleased to announce that the Company has entered into an amended and restated convertible loan agreement (the "**Amended and Restated Loan Agreement**") with KD Energy International Capital Limited ("**KD Energy**") and Hispania Petroleum S.A. ("**Hispania**") and has extended the term of the working capital loan agreement between the Company and Hispania (the "**Working Capital Loan Agreement**").

The Amended and Restated Loan Agreement replaces the convertible loan agreement entered into between Hispania and the Company on May 8, 2017, which was subsequently assigned by Hispania to KD Energy (the "**Capex Loan Agreement**"). Key amendments include an extension of the expiry date from May 8, 2020 to May 8, 2023, a change in the conversion price to CAD 0.225 (subject to adjustment), the right of KD Energy to designate Jose David Penafiel and one additional representative to the board of directors during the term of the Amended and Restated Loan Agreement, and an expansion to the purposes for which the Company can draw on the loan to include acquisitions of oil and gas assets, subject to consent of KD Energy. The expiry date of the Working Capital Loan Agreement which is in the aggregate amount of \$6.5 million and carries an interest rate of 7% per annum has also been extended to May 8, 2023.

The Amended and Restated Loan Agreement provides for the original multi-drawdown convertible loan of up to \$16.5 million, with interest accruing at 7% per annum, with each drawdown and accrued interest repayable thirty-six months after drawdown. The Amended and Restated Convertible Loan is convertible into units ("**Units**") with each Unit comprised of one common share of the Company ("**Common Share**") and 0.22 of a Common Share purchase warrant ("**Warrant**"), with each Warrant entitling the holder to purchase an additional Common Share with an exercise price of CAD 0.225 for a period of 18 months after the date of issuance.

"We are pleased with the new terms of the loan agreements" commented Gus Halas, the Company's Non-Executive Chairman. "These agreements send a strong message confirming the long term commitment to the Company by KD Energy, Hispania, and Jose David and Alejandro Augusto Penafiel. We are confident that under their expert leadership, the Company will continue to capitalize on strategic opportunities and create shareholder value."

The Amended and Restated Loan Agreement is subject to regulatory approvals, including approval of the TSX Venture Exchange, the Company's senior lenders and the Company's shareholders. Copies of the Amended and Restated Loan Agreement and extension agreement with respect to the Working Capital Loan Agreement will be available on the Company's SEDAR profile at www.sedar.com.

Related Party Transaction

As Alejandro Augusto Penafiel and Jose David Penafiel are principals of KD Energy, and Jose David Penafiel is a director of Hispania, the Amended and Restated Loan Agreement and the agreement to extend the term of the Working Capital Loan Agreement are deemed to be "related party transactions" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

The Amended and Restated Loan Agreement is not subject to the formal valuation requirements of MI 61-101. Approval from the shareholders of the Company will be required for the amendment of the conversion price under the Amended and Restated Loan Agreement.

The extension to the Working Capital Loan Agreement is not subject to the formal valuation requirements of MI 61-101, and is exempt from the shareholder approval requirements pursuant to section 5.7(f) of MI 61-101 as the Working Capital Loan Agreement is on reasonable commercial terms that are not less advantageous to Madalena than if the loan were obtained from a person dealing at arm's length with Madalena, and the loan is not (i) convertible, directly or indirectly, into equity or voting securities of Madalena or a subsidiary of Madalena, or otherwise participating in nature, or (ii) repayable as to principal or interest, directly or indirectly, in equity or voting securities of Madalena or a subsidiary of Madalena.

About Madalena Energy

Madalena is an independent upstream oil and gas company with both conventional and unconventional oil and gas operations in Argentina. The Company's shares trade on the TSX Venture Exchange under the symbol MVN and on the OTCQX under the symbol MDLNF.

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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, the Company's ability to obtain the required regulatory approvals for the loan amendments, including that of the TSX Venture Exchange and the Company's shareholders where applicable, and statements regarding the expectations as to the business operations of the Company going forward. 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 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.

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.