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 security holders as a result thereof; expected production levels; expected additional oil and gas plays that could provide opportunities to the Corporation; expected product types and price levels 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; growth; the use of funds from production; 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; the quality of infrastructure in the areas in which the Corporation operates; 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, environmental protection, exploration and 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 others: 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 security holders 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; unexpected 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 security holders; 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 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.
After many years of under-investment, the Argentine government has implemented key reforms to encourage energy investment, including the removal of regulated oil pricing for producers.

Argentina faces a large energy deficit and is a net importer of oil and gas. Moreover, the lack of power generation capacity is being addressed by thermal and renewable energy contracts, increasing demand for oil and gas.

The government resolved the lengthy dispute with hold-out creditors and regained access to the international debt markets; despite recent volatility in emerging market debt and currency markets, Argentina has retained the support of international debt markets.

Argentina removed capital controls, allowing Madalena to fully repatriate future dividends and import capital at market exchange rates.

The government improved inflation statistics, measurement and transparency, while targeting inflation with orthodox monetary policy and allowing the international markets to finance fiscal deficits.

The recent peso devaluation is expected to reduce operating and financing costs for Madalena since its revenues are linked to US$.

Key structural reforms have allowed stable growth while liberalizing Argentina’s trade and financial markets.
MADALENA ENERGY: Compelling Investment Opportunity

- Exposure to Argentina’s Vaca Muerta & Lower Agrio shale plays and scalable conventional and tight rock resource developments

- Cash flow positive conventional oil & gas assets in Argentina with Vaca Muerta upside exposure

- Madalena believes that Argentina’s Federal Government recognizes the necessity to attract foreign investment to reduce the energy deficit; now is the right time in the cycle to invest in Argentina

- Attractive fiscal terms (royalties 12% to 15%) allow assets that are efficiently operated to be profitable as the regulated oil price moves to Brent and WTI linked pricing

- Balanced Business Plan (Including Strategic Partnerships)
  - Cash Flow generation from conventional production
  - Horizontal Drilling at Coiron Amargo Sureste (CASE) for Vaca Muerta shale (oil)
  - Horizontal Drilling at Curamhuele for Vaca Muerta Shale (condensate and gas) and Lower Agrio shale (oil)

- The company intends to actively pursue the acquisition of producing assets with development upside both in Argentina and the wider Latam Region
Balanced Portfolio

- Madalena will execute a two pronged strategy targeting unconventional and conventional assets
- Exposure to two asset profiles to capture best risk/return weighted opportunity
  - Conventional Drilling and Workovers – on existing assets and potential acquisitions
  - Unconventional Drilling – Large upside through de-risking and proving up reserves in Coiron Amargo and Curamhuele
- Capture economic value through hands-on oversight and participation, driving down costs and enhancing operational efficiencies
- Maintain and operate assets with efficient capital investments while commodity prices remain low
- Key Themes: Patience, Prudence and Discipline
- Leverage our team’s extensive networks and existing long-term relationships to improve pricing and quality of service
2018 – Begin Delineation of Key Resource Plays – Acquisition of Additional Producing Assets

► Pursue additional farm-out opportunities to fund drilling in exploration inventory
► Begin pilot program of Vaca Muerta shale Hz multi-frac drilling at Coiron Amargo (funded with PAE loan)
► Implement development drilling investment on conventional gas play (Lotena Formation, Coiron Amargo Norte)
► Complete acquisition of additional production asset(s) that will provide development growth and additional cash flow to fund horizontal plays

2019 – Increase Production – Continue De-risking of Unconventional Assets

► Vaca Muerta Hz multi-frac delineation well at Curamhuele (potentially funded by JV partner)
► Implement development drilling investment on target conventional assets
► Continue to improve free cash flow position to fund further growth and investment

Note: 1) There is no certainty that the Company will be able to execute the above operations in the prescribed time-frame. Contingencies include but are not limited to access to financial resources, services and equipment and continued technical success.
Jose D. Penafiel
CEO - Mr. Penafiel previously managed Hispania Petroleum and its predecessor for 10 years. He has held positions as director of Permtotineft, Hispania’s joint venture with Lukoil, and CEO of the Hispania group. He also managed gasoline and diesel distribution operations in Ecuador and Guatemala for the Hispania group. He led the efforts to consolidate the group's Argentine and Russian upstream assets in Hispania. Mr. Penafiel headed Hispania’s Argentina operations out of Buenos Aires for 7 years as General Manager. Mr. Penafiel is a graduate of the University of Oxford where he studied Politics, Philosophy and Economics (PPE).

Ezequiel Martinez Ariet
CFO - An Accountancy graduate from Salvador University with post-graduate diplomas from the Professional Council of Economic Sciences CABA (IFRS and ISAs), the IAE Business School (Business Management) and the Catholic University of Argentina (Finance), Mr. Martinez combines vast proficiency in Accounting, Administration, Tax and Finance with abundant experience in the geographical region. After acting as Head of Accounting at Argentinian energy giant YPF, he moved on to the position of CFO at Petrolera San Jose before leading the financial team as Administrative and Financial Manager at AESA – a subsidiary of YPF – with some 5,000 employees and a net income of around $460 million (USD).

Gus Halas
Director and Chairman - Mr. Halas is currently a director of Triangle Petroleum Corporation, Optimize RX and School Speciality Inc. Previously, Mr. Halas was Chief Executive Officer and President of Central Garden & Pet Company from April 2011 through May 2013; prior thereto, Mr. Halas was the President and Chief Executive Officer of T-3 Energy Services Inc. from May 2003 until March 2009 and served as Chairman of the Board from 2004 until March 2009 and as a director from May 2003 until March 2009.

Ruben Etcheverry
Director - Mr. A. Ruben Etcheverry was the Chief Executive Officer and Chairman of the Board of Gas y Petróleo de Neuquén S.A. (GyP) from its foundation in 2008 to 2013. GyP is the oil & gas provincial company and the holder of all provincial petroleum and gas concessions. He is currently a recognized advisor on energy matters for various private companies and organizations. Mr. Etcheverry has more than 25 years experience in the energy sector.
MADALENA ENERGY: Management Team & Directors

Ralph Gillcrist
Director - Mr. Gillcrist has been the Chief Executive Officer, President and an Executive Director of Oronova Energy Inc. since April 2017. Mr. Gillcrist also served as Executive Director of Petroamerica Oil Corp. ("Petroamerica") from January 2015 to January 2016. Mr. Gillcrist previously served as the Chief Executive Officer and President of Petroamerica from January 2015 to January 2016. Prior thereto Mr. Gillcrist served as Chief Operating Officer of Petroamerica since December 2012 and served as its Executive Vice President of Exploration. Mr. Gillcrist has more than 28 years of international oil and gas experience.

Barry Larson
Director - Chief Executive Officer of Frontera Energy Inc. ("Frontera") since February 2017. Director of Frontera from October 2016 to February 2017. Previously, Vice President, Operations and Chief Operating Officer of Parex Resources Inc. from September, 2009 to December, 2015. Prior thereto, Vice President Operations and Chief Operating Officer of Petro Andina Resources Inc. from February, 2005 to September, 2009.

Leonardo Madcur
Director - Mr. Madcur is currently Director of Corporate Development at the Werthein Group. Prior to this, from January 2011 until December 2011, he was Chief Financial Officer at Uno Medios/Grupo America. From December 2008 until December 2010, Mr. Madcur was Managing Director at Integra Investment. From January 2007 until November 2008, Mr. Madcur was Investment Manager at Corporacion America. Previously, he was Secretary of Technical Coordination in Argentina’s Ministry of Economy, Former Regulator of Competition and Consumers, and Former Member of the Board of the Central Bank of Argentina.

Eric Mark
Director - Mr. Mark is currently a Managing Director at Batuta Capital Advisors ("Batuta"), a merchant bank targeting middle market and special situation opportunities in both the public and private markets. Prior to joining Batuta, Mr. Mark was a Senior Analyst/Junior Portfolio Manager at BTG Pactual, a Brazilian investment bank, co-managing a $2 billion portfolio of distressed, high yield and special situation equities. Mr. Mark has over 20 years of investment experience (credit and equity) in the energy, metals & mining, general industrials and telecommunications sectors across North America, South America and Europe.

Alejandro A. Penafiel
Director - Mr. Penafiel worked in U.S. political campaigns prior to entering the energy sector. He has also worked in European energy derivatives markets in sales and business development positions at Trayport Ltd then a subsidiary of GFI Inc. He previously headed Hispania Petroleum S.A. ("Hispania") corporate operations in Europe and led the day to day operations for the group’s U.S. investment vehicles focusing on the Permian basin. Mr. Penafiel holds a BA in Economics from The American University in Washington D.C. and is a CFA Level III candidate.
Company Overview

Financial and Assets Summary
MADALENA ENERGY: Company Snapshot

Trading Symbol: TSXV MVN
OTCQX MDLNF

Share Price¹ (CDN$/sh) $0.22
Shares Outstanding (MM) ~543.9
Market Capitalization (CDN$MM) ~$119.6
March 31, 2018 Long Term Debt (US$MM) $1.217
Average Q1 2018 Production Boe/d) 1,914

Diversified upstream portfolio with production, development and exploration

- Growth potential & strategic value from Vaca Muerta acreage
- Conventional production provides cash flow for reinvestment
- Exploration assets provide additional upside
- Company is positioned to take advantage of opportunistic acquisitions in Latin America

Notes: ¹) Share price as at 25 May 2018
**MADALENA ENERGY: Multiple Blocks in Two Basins**

### Block Summary

<table>
<thead>
<tr>
<th>Block</th>
<th>W.I.</th>
<th>Operator</th>
<th>Net Acres</th>
<th>Province/Basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valle Morado 1</td>
<td>97%</td>
<td>Madalena</td>
<td>47,425</td>
<td>Salta/Noroeste</td>
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<td>Santa Victoria 1</td>
<td>100%</td>
<td>Madalena</td>
<td>516,846</td>
<td>Salta/Noroeste</td>
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<td>El Vinalar</td>
<td>100%</td>
<td>Madalena</td>
<td>61,035</td>
<td>Salta/Noroeste</td>
</tr>
<tr>
<td>El Chivil</td>
<td>100%</td>
<td>Madalena</td>
<td>30,394</td>
<td>Formosa/Noroeste</td>
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<tr>
<td>Surubi</td>
<td>85%</td>
<td>Madalena</td>
<td>77,200</td>
<td>Formosa/Noroeste</td>
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<tr>
<td>Palmar Largo 3</td>
<td>14%</td>
<td>High Luck</td>
<td>42,244</td>
<td>Formosa/Noroeste</td>
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<tr>
<td>Balbuena Este 3</td>
<td>14%</td>
<td>High Luck</td>
<td>5,650</td>
<td>Formosa/Noroeste</td>
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<td>Curamhuelle 1</td>
<td>90%</td>
<td>Madalena</td>
<td>50,613</td>
<td>Neuquén/Neuquén</td>
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<td>Coiron Amargo</td>
<td>35%</td>
<td>Vista Oil</td>
<td>9,309</td>
<td>Neuquén/Neuquén</td>
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<tr>
<td>Coiron Amargo SE</td>
<td>35%</td>
<td>PAE</td>
<td>19,704</td>
<td>Neuquén/Neuquén</td>
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<tr>
<td>Puesto Morales 2</td>
<td>100%</td>
<td>Madalena</td>
<td>31,254</td>
<td>Rio Negro/Neuquén</td>
</tr>
<tr>
<td>Puesto Morales Este</td>
<td>100%</td>
<td>Madalena</td>
<td>1,532</td>
<td>Rio Negro/Neuquén</td>
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<tr>
<td>Rinconada Sur 2</td>
<td>100%</td>
<td>Madalena</td>
<td>28,417</td>
<td>Rio Negro/Neuquén</td>
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<tr>
<td><strong>Total Net Acres</strong></td>
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<td></td>
<td>921,543</td>
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<tr>
<td><strong>Total Gross Acres</strong></td>
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<td>1,290,058</td>
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</tbody>
</table>

*Note:¹ Currently non-producing properties with no reserves assigned ²Puesto Morales and Rinconada Sur combine to form 1 Block ³Palmar Largo and Balbuena Este combine to form 1 Block*
## Cost Reduction Focus (m$)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
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<tbody>
<tr>
<td>Maintenance, workovers and other</td>
<td>12</td>
<td>7</td>
<td>7</td>
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<tr>
<td>Transportation and processing</td>
<td>28</td>
<td>23</td>
<td>31</td>
<td>31</td>
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<tr>
<td>Employee benefits</td>
<td>15</td>
<td>9</td>
<td>10</td>
<td>9</td>
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<tr>
<td>Corporate G&amp;A</td>
<td>22</td>
<td>9</td>
<td>10</td>
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## Operating Netback March 2018 YTD ($/boe)

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Selling Expenses &amp; Royalties</th>
<th>Transportation</th>
<th>Opex</th>
<th>Operating Netback</th>
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<tbody>
<tr>
<td>El Surubí</td>
<td>55</td>
<td>16</td>
<td>28</td>
<td>7</td>
<td>564</td>
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<tr>
<td>Pal Largo</td>
<td>54</td>
<td>17</td>
<td>23</td>
<td>7</td>
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<td>CAN</td>
<td>62</td>
<td>22</td>
<td>31</td>
<td>10</td>
<td>227</td>
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<tr>
<td>Pto Morales</td>
<td>54</td>
<td>31</td>
<td>9</td>
<td>9</td>
<td>952</td>
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<td>CASE</td>
<td>57</td>
<td>44</td>
<td>31</td>
<td>9</td>
<td>78</td>
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<tr>
<td>Consol</td>
<td>56</td>
<td>30</td>
<td>9</td>
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<td>1,914</td>
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## Production boe/d

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<tr>
<td>Non-Operated</td>
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## Netback USD/Boe

- Q2 2017: 7.95
- Q3 2017: 8.62
- Q4 2017: 5.95
- Q1 2018: 15.42

Not included non-cash expenditures, depletion and depreciation.
Unconventional Assets

Concessions and Play Summary
VACA MUERTA: One of the Largest Shale Plays Outside North America

- Thickness generally ranging from 100 metres to 500+ metres
- Progressively deeper & thicker from east to west in the basin
- The Vaca Muerta is oil prone at Coiron Amargo
- Madalena expects the Vaca Muerta to be gas and condensate 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) U.S. Energy Information Agency: June 26, 2015 – World Shale Gas and Shale Oil Resource Assessment
2) Ryder Scott Company, Petroleum Consultants, Sept. 2015 and GLJ Petroleum Consultants Sept. 2015: Madalena owns a 38/90% working interest in the Vaca Muerta rights on the Coiron Amargo block, a 90% working interest in the Vaca Muerta rights on the Curamhuele block in the Neuquen basin of Argentina. Please see the disclosure at the beginning of this presentation and Madalena’s AIF dated April 21, 2016 for details with respect to the risks and uncertainty associated with Madalena and its business.
3) The Cortadera block outline shown is prior to the recent relinquishment of approximately 50% of the block and the Coiron Amargo block outline shown is prior to the recent relinquishment of the southwest portion of the block representing approximately 16% of the total area of the block.

*** See “Analogous Information” on slide 30 of this presentation.
VACA MUERTA: Recent Developments

**Chevron – Chiluido de la Sierra Negra:**
- Sept. 2015 (Chevron website)
- US$140MM JV with YPF
- 9 wells in 2 phases (2 horizontals)

**Dow Chemicals – El Orejano:**
- Dec. 15, 2015 (WSJ)
- 50% WI in US$500MM Investment in JV with YPF in 2016
- US$350MM already invested
- Current production ~25 MMcf/d

**Chevron – Chihuído de la Sierra Negra Este:**
- Sept. 1, 2015 (kallanishenergy.com)
- 42.5% WI in US$54MM JV
- Initial program of 4 wells

**AEP Proposal – Cerro Arena Sur:**
- Jan. 14, 2016 (YPF SEC Form 6K)
- US$60MM JV with YPF & Pluspetrol
- Exploration phase commitments

**AEP Proposal – Bajada de Anelo:**
- Jan. 14, 2016 (YPF SEC Form 6K)
- US$477MM JV with YPF
- Pilot program commitments

**ExxonMobil – Parva Negra Este:**
- Dec. 14, 2015 (Platts)
- 90% WI in US$229MM JV with GyP
- Initial program of 5 horizontal wells
- US$200MM already invested

**ExxonMobil – Bajo el Choique & La Invernada:**
- Dec. 14, 2015 (Platts)
- 90% WI in US$229MM JV with GyP
- Initial program of 5 horizontal wells
- US$200MM already invested

See details on next slide.
VACA MUERTA: “Oil Sweet Spot” Acreage Position

Wintershall - Aguada Federal; Dec. 23, 2015 (Wintershall website)
- Increases WI to 90% in JV with GyP
- 2 vertical VM wells drilled in 2015
- Contingency of 6 horizontal VM wells

Petronas - La Amarga Chica; Q3-2015 (YPF Presentation)
- US$550MM Pilot Drilling JV
- ~ 35 Vertical & horizontal wells

Chevron - Loma Campana; Jan. 3, 2015 (Petrolnews.net)
- 100 VM wells on production
- 2015 - 120 vertical VM wells + 40 horizontal VM wells
Q3-2015 (YPF Presentation)
- Focus shifting to more cost effective horizontal wells

Shell - Cruz de Lorena & Sierras Blancas; Aug 26, 2015 (Buenos Aires Herald)
- 35 yr Exploitation Contract Awarded
- Plan to invest US$250MM on the 2 blocks

Vista - Bajada Del Palo; May 2018 (Vista Presentation)
- Main area of unconventional focus

*** See "Analogous Information" on slide 30 of this presentation.
**COIRON AMARGO: Vaca Muerta Offset Activity & Well Results**

![Graph of Vaca Muerta Hz Production History (Wells on map)](image)

**Shell – Sierras Blancas:**
- 2015 Two Hz Wells: SB.x-1005(h) + SB.x-1006(h)
- IP(30) July 2015 average per well: 710 Boe/d, 320 Mcf/d, 7% wcut, 706 Boe/d

**YPF & Chevron – Loma Campana**
- 2015: YPF.LL-992(h) - 2000m Hz, 28 fracs; 2015 YPF.SOil-177(h) + YPF.SOil-178(h); 2016 YPF.LL-1249(h)

**Madalena (35% WI)**
- Coiron Amargo Norte (CAN)
- Coiron Amargo Sur Este (CASE)

**Note:** 1) 2P curve is as per the GLJ Resource effective Dec. 31, 2017. Wells shown are recently drilled offsets to Madalena’s Coiron Amargo Norte and Coiron Amargo Sur Este blocks and have horizontal trajectories of ~1500m or greater. No information regarding pressure and choke management history.
**CURAMHUELE: Exploration Block – Stacked Resource Pays**

- Operated 90% W.I. in 56,216 gross (50,595 net) acres
- Exploration concession
- Opportunities:
  - Lower Agrio shale – Light oil
  - Mulichinco tight sand – Gas and NGLs
  - Vaca Muerta shale – Gas and NGLs
- Well logs and tests on two key wells
  - Ch.x-1 – Lower Agrio oil test @ 3,000 – 3,200m
  - Yp.x-1 – Mulichinco gas and NGLs test @ 3,700m
  - Yp.x-1001 – Commingled Lower Agrio & Mulichinco test @ 3,800m

Note: 1) Work commitment: Magnetotelluric + 1 horizontal multi-frac re-entry in Ch.x-1 for $8.0MM
*** See “Analogous Information” and “Well Test Results” on slide 30 of this presentation.
¥p.x-1001 encountered ~270 metres of continuous oil and gas shows in the over-pressured Lower Agrio shale target zone

**Yp.x-1001**

- Successful vertical shale oil test
- Total depth of 3,802m with a completed interval of 425m
- Fraced 4 stages with aggregate 195 tons of sand and 13,700 barrels of water-based frac fluid
- Initially tested over an 8-day period where the well produced a cumulative 1,609 Bbls of oil and 5,444 Bbls of water
- Final 24 hours on a 9.5mm choke: 408 Boe/d; 350 Bopd, 350 mcf/d gas and 389 Bbls/d of water (53% water cut) at a flowing pressure of 1,050 psi (estimated 40° API oil gravity)
- Well has subsequently been flowed up 5” casing for 80 days on a long-term test recording volumes, pressures and PLTs
- Cumulative production over this period has been 6,160 Bbls oil (77 Bopd), 7,645 Bbls water (95 Bwpd) and 7.0 Mmcf gas (88 mcf/d)
- Data gathered will be used to engineer the first horizontal multi-frac Lower Agrio test well

Note: 1) GLJ Petroleum Consultants Sept. 2015; Madalena owns a 90% working interest in the Lower Agrio rights on the Curamhuele block in the Neuquen basin of Argentina. Please see the disclosure at the beginning of this presentation and Madalena’s AIF dated April 21, 2016 for details with respect to the risks and uncertainty associated with Madalena and its business.

*** See “Analogous Information” and “Well Test Results” on slide 30 of this presentation.
CURAMHUELE: Lower Agio – Vaca Muerta Comparison

**CURAMHUELE**

<table>
<thead>
<tr>
<th>SJ.Nq.Yp.x-1</th>
</tr>
</thead>
</table>

**LOMA CAMPANA**

| YPF.Nq.AnN.x-1 |

- This well is representative of the YPF successes in the Vaca Muerta at Loma Campana
- Log character of the L. Agrio at Curamhuele indicates it has potential similar to that of the Vaca Muerta at Loma Campana

<table>
<thead>
<tr>
<th>Thickness (m)</th>
<th>400 - 550</th>
<th>150 - 300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depth (m)</td>
<td>2800 - 3700</td>
<td>2800 - 3100</td>
</tr>
<tr>
<td>Total Porosity (%)</td>
<td>6 - 10</td>
<td>8 - 12</td>
</tr>
<tr>
<td>Permeability (nD)</td>
<td>80 - 175</td>
<td>20 - 600</td>
</tr>
<tr>
<td>TOC (weight %)</td>
<td>2 - 6</td>
<td>2 - 6</td>
</tr>
<tr>
<td>Thermal Maturity (Ro%)</td>
<td>0.7 – 1.0</td>
<td>0.8 – 1.0</td>
</tr>
<tr>
<td>Reservoir Pressure (psi)</td>
<td>7,000 – 7,500</td>
<td>8,500 – 9,100</td>
</tr>
<tr>
<td>Pressure Gradient (psi/ft)</td>
<td>0.60 – 0.80</td>
<td>0.85 – 0.92</td>
</tr>
</tbody>
</table>

Note: 1) GLJ Petroleum Consultants Sept. 2015 and Madalena Energy Inc. internal data prepared by a qualified reservoir engineer; Madalena owns a 90% working interest in the Lower Agrio shale rights on the Curamhuele block in the Neuquen basin of Argentina. Please see the disclosure at the beginning of this presentation and Madalena’s AIF dated April 21, 2016 for details with respect to the risks and uncertainty associated with Madalena and its business.

*** See “Analogous Information” on slide 30 of this presentation.
Rising Production
Non-conventional production
Oil Natural Gas
+25.2%  +39.8%
2017 vs 2016

Vaca Muerta Production

Vaca Muerta Production by Operator
2018 March - Oil 48,042 Bbd

Vaca Muerta Production by Operator
2018 March - Gas 418,388 Mcf/d
Coiron Amargo

Resource Report Summary
COIRON AMARGO: Resource Report Summary

- GLJ Resource Report effective Dec. 31, 2017
- 136 MMboe net unrisked recoverable contingent resources (93% Oil)
- 160 acres/well spacing unit
- 82.5% Development Efficiency
- $1,456 Million NPV10% Net Contingent Resources

**UNRISKED RECOVERABLE CONTINGENT RESOURCES**

<table>
<thead>
<tr>
<th>COIRON AMARGO</th>
<th>Acres Net</th>
<th>MMbbl Net</th>
<th>Bcf Net</th>
<th>Mmboe Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norte</td>
<td>9,309</td>
<td>43</td>
<td>18</td>
<td>46</td>
</tr>
<tr>
<td>Sur Este</td>
<td>19,704</td>
<td>84</td>
<td>36</td>
<td>90</td>
</tr>
<tr>
<td>Total</td>
<td>29,013</td>
<td>127</td>
<td>54</td>
<td>136</td>
</tr>
</tbody>
</table>

**Price Scenario**

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural Gas US$/MMbtu</th>
<th>Oil US$/bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$4.84</td>
<td>$62.01</td>
</tr>
<tr>
<td>2020</td>
<td>$4.94</td>
<td>$64.15</td>
</tr>
<tr>
<td>2021</td>
<td>$5.04</td>
<td>$68.26</td>
</tr>
<tr>
<td>2022</td>
<td>$5.14</td>
<td>$71.03</td>
</tr>
</tbody>
</table>

**Operating Cost Assumptions**

- Fixed Operating Cost $/w/mo $14,000
- Variable Gas Operating Costs $/Mcf $2.50
- Variable Liquids Operating Cost $/bbl $14.00

**Capital Costs**

- Drill & Complete $MM $7.5
- Tie In and Infrastructure $MM $1.2

**Argentina Royalty Inputs**

- Base Royalty Rate % 12%
- Turnover Tax % 3%

**Other**

- Well EUR (raw gas equivalency basis) MMcfe 340
- Well EUR (Oil) Mmbbl 800

Note: 1) Unrisked Recoverable Contingent Resources and type curve are as per the Best case of GLJ Resource Report effective December 31, 2017.
2) Price Scenario: prices increase 2% yearly after 2022.
COIRON AMARGO: Resource Report Summary

Cash Flow Summary

<table>
<thead>
<tr>
<th>Total Wells Drilled</th>
<th>427</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales Gas Production</td>
<td>41,682 MMcf</td>
</tr>
<tr>
<td>Total Liquids Production</td>
<td>119,602 Mbbl</td>
</tr>
<tr>
<td>Revenue</td>
<td>$11,071 MM</td>
</tr>
<tr>
<td>Royalties</td>
<td>$1,661 MM</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$2,843 MM</td>
</tr>
</tbody>
</table>

Operating Cash Flow

| Drill & Complete Costs | $1,121 MM |
| Tie-In & Infrastructure Costs | $179 MM |
| Capital Costs | $1,300 MM |

Free Cash Flow | $5,267 MM |

Main Economic Indicators

| NPV10 | $1,456 MM |
| IRR | 77% |
| Max Investment Exposure | $73 MM |

Note: 1) Unrisked Recoverable Contingent Resources and type curve are as per the Best case of GLJ Resource Report effective December 31, 2017.
Conventional Assets

Concessions Summary
COIRON AMARGO NORTE: Sierras Blancas Light Oil

Conventional Light Oil Production Asset

- Coiron Amargo Norte (108 km2) converted to 25-year exploitation license (MVN 35% W.I. -Non-Op)
- Seven horizontal oil wells on production (current gross production ~613 Boe/d / Net 227 Boe/d)
- GLJ 2P = ~10.7% Recovery Factor¹ (Opportunity for growth)


*** See “Analogous Information” on slide 30 of this presentation.
**NOROESTE BASIN: Conventional Production**

- **Surubi** (85% Operated – Oil Producing): Proa-2 well has produced > 1.5 MM Bbls in 5 years
- **El Chivil** (100% Operated – Oil Producing):
  - Geological features similar to Surubi field
- **Palmar Largo** (14% Non-Op - Oil Producing):
  - 17 wells have cumulative production of > 45 MMBbls
- **Santa Victoria** (100% Operated)
- **Valle Morado** (96.6% Operated): Significant structure with historical gas production

*** See "Analogous Information" on slide 30 of this presentation.
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

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

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Shale oil (billion barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Russia</td>
<td>75</td>
</tr>
<tr>
<td>2</td>
<td>U.S.</td>
<td>58 (48)</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
<td>32</td>
</tr>
<tr>
<td>4</td>
<td>Argentina</td>
<td>27</td>
</tr>
<tr>
<td>5</td>
<td>Libya</td>
<td>26</td>
</tr>
<tr>
<td>6</td>
<td>Australia</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Venezuela</td>
<td>13</td>
</tr>
<tr>
<td>8</td>
<td>Mexico</td>
<td>13</td>
</tr>
<tr>
<td>9</td>
<td>Pakistan</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Canada</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>World Total</td>
<td>345 (335)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Shale gas (trillion cubic feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>1.115</td>
</tr>
<tr>
<td>2</td>
<td>Argentina</td>
<td>0.602</td>
</tr>
<tr>
<td>3</td>
<td>Algeria</td>
<td>0.477</td>
</tr>
<tr>
<td>4</td>
<td>U.S.</td>
<td>0.665 (1.101)</td>
</tr>
<tr>
<td>5</td>
<td>Canada</td>
<td>0.573</td>
</tr>
<tr>
<td>6</td>
<td>Mexico</td>
<td>0.545</td>
</tr>
<tr>
<td>7</td>
<td>Australia</td>
<td>0.437</td>
</tr>
<tr>
<td>8</td>
<td>South Africa</td>
<td>0.360</td>
</tr>
<tr>
<td>9</td>
<td>Russia</td>
<td>0.285</td>
</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>0.245</td>
</tr>
<tr>
<td></td>
<td>World Total</td>
<td>7.299 (7.795)</td>
</tr>
</tbody>
</table>

1 EIA estimates used for ranking order. ARI estimates in parentheses.
Vaca Muerta shale compares favourably to leading US shale resource plays

<table>
<thead>
<tr>
<th>Shale Comparisons</th>
<th>Vaca Muerta Shale</th>
<th>Eagle Ford²</th>
<th>Bakken³</th>
<th>Barnett⁴</th>
<th>Haynesville⁴</th>
<th>Marcellus⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thickness (m)</td>
<td>70 - 140</td>
<td>15 - 100</td>
<td>10 - 40</td>
<td>45 - 75</td>
<td>70 - 90</td>
<td>20 - 45</td>
</tr>
<tr>
<td>Depth (m)</td>
<td>2800 - 3200</td>
<td>2200 - 3400</td>
<td>2700 - 3400</td>
<td>2300</td>
<td>3700</td>
<td>2100</td>
</tr>
<tr>
<td>Porosity (%)</td>
<td>4 - 8</td>
<td>4 - 11</td>
<td>5 - 8</td>
<td>4 - 8</td>
<td>7 - 9</td>
<td>7 - 9</td>
</tr>
<tr>
<td>Permeability (nD)</td>
<td>50 - 250</td>
<td>40 - 1300</td>
<td>50K - 500K</td>
<td>50 - 200</td>
<td>100 - 500</td>
<td>100 - 200</td>
</tr>
<tr>
<td>TOC (%)</td>
<td>7</td>
<td>1 - 7</td>
<td>2 - 18</td>
<td>4 - 5</td>
<td>3 - 4</td>
<td>4 - 7</td>
</tr>
<tr>
<td>Reservoir Pressure (psi)</td>
<td>6300 - 8000</td>
<td>4700 - 7800</td>
<td>3800 - 8400</td>
<td>3000 - 3800</td>
<td>7200 - 9100</td>
<td>3500 - 4200</td>
</tr>
<tr>
<td>Pressure Gradient (psi/ft)</td>
<td>0.65 – 0.75</td>
<td>0.65 – 0.70</td>
<td>0.43 – 0.75</td>
<td>0.4 – 0.5</td>
<td>0.6 – 0.75</td>
<td>0.5 – 0.6</td>
</tr>
</tbody>
</table>

Notes: 1) GLJ Petroleum Consultants, Sept. 2015 and Madalena Energy Inc. internal data prepared by a qualified reservoir engineer; Madalena owns a 38/90% working interest in the Vaca Muerta rights on the Coiron Amargo block, a 90% working interest in the Vaca Muerta rights on the Curamhuele block and a 38% 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, gas prone at Cortadera and gas & liquids prone at Curamhuele. Please see the disclosure at the beginning of this presentation and Madalena’s AIF dated April 21, 2016 for details with respect to the risks and uncertainty associated with Madalena and its business.
2) EOG Analyst Conference, April 2010
4) Schlumberger, World Shale Summit September 2013 -Gas y Petroleo del Neuquén and YPF
*** See “Analogous Information” on slide 30 of this presentation.
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 (6 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 Disclosures 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-hold 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, to Madalena's knowledge, 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 resource 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 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 "tuff" fluids used in well completion simulation. 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 29 August 2017. 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.

New Quarterly Reports

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 believes that these key performance indicators and benchmarks are key indicators 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.

Unbooked Drilling Locations

This document refers to unbooked drilling locations. Unbooked locations are estimated as described herein by the purposes of estimating Contingent Resources and have been identified based on evaluation of analogous geologic, seismic and engineering 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 the Company actually drills will ultimately depend upon the availability of capital, regulatory approvals, seasonal 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.

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. Volumes of reserves and resources have been presented based on a company interest basis which includes Madalena's royalty interests without deducting royalties payable by the Company. Certain volumes are arithmetic sums of multiple estimates of Contingent and 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. The estimates of reserves and resources for individual properties may not reflect the same confidence level as estimates of reserves and resources for all properties, due to the effects of aggregation. Where discussed herein "NPV 10%" represents the net present value (net of carrying costs) 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. There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources referred to in this presentation, in the case of undiscovered resource. “Prospective 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.

Well Test Results

Well test results should be considered as preliminary and not necessarily indicative of long-term performance or of ultimate recovery. Neither a pressure transient analysis nor a well test interpretation has been carried out on the well test data contained herein and therefore the data contained herein should be considered to be preliminary until such analysis or interpretation has been done.