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**MADALENA ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE  
 THREE MONTHS ENDED MARCH 31, 2013**

Madalena Ventures Inc. (TSXV: MVN) (the "Company" or "Madalena") is pleased to announce the filing on SEDAR of the unaudited interim consolidated financial statements and related Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2013. Selected financial and operational information is outlined below and should be read in conjunction with Madalena's unaudited interim consolidated financial statements and related MD&A which are available for review under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.madalena-ventures.com](http://www.madalena-ventures.com).

**Summary Financial and Operational Highlights**

\$CDN	Three months ended March 31	
	2013	2012
<b>Financial</b>		
Oil and gas revenue	3,609,743	396,773
Net loss	(2,319,727)	(1,167,365)
Per share – basic and diluted	(0.01)	-
Capital expenditures	16,974,882	6,691,664
Working capital	12,364,101	70,593,691
<b>Equity outstanding</b>		
Common shares	316,090,885	314,307,185
Stock options	20,696,663	13,690,366
<b>Operating</b>		
<i>Average Daily Production</i>		
Crude oil and condensate – Bbls/d	316	62
Natural gas – Mcf/d	2,677	-
NGLs – Bbls/d	109	-
Total - boe /d <sup>(1)</sup>	872	62
<b>Average Sales Prices</b>		
Crude oil and condensate - \$/Bbl	78.63	77.19
Natural gas - \$/Mcf	3.29	-
NGLs - \$/Bbl	58.79	-
Total - \$/boe <sup>(1)</sup>	45.99	77.19
<b>Operating Netbacks</b>		
\$/boe <sup>(1)</sup>	15.37	(0.62)

(1) Refer to - "Oil, Natural Gas Liquids and Natural Gas Conversions to boe" in Reader Advisories.

## **FIRST QUARTER 2013 HIGHLIGHTS AND 2013 CAPITAL BUDGET**

- Madalena continues to maintain a strong financial position with positive working capital, no bank debt and increasing production levels. The Company has established, and the Board of Directors has approved, a \$34 million capital budget for 2013 of which \$17 million was spent in the first quarter. This budget will be funded from existing working capital, cash flow from operations and the Company's bank lines of credit. For the remainder of 2013, Madalena anticipates drilling 6 to 7 additional gross wells, executing multiple re-entries and workovers, and conducting seismic operations. Operations for the balance of 2013 will be primarily focused on a combination of unconventional shale drilling internationally and horizontal development drilling domestically.

### **International Operations in First Quarter 2013 - Neuquen Basin, Argentina**

- Completed the CAN-8 well at Coiron Amargo Norte in the Sierras Blancas light oil formation with initial production from the well commencing in February 2013. The CAN-8 well was placed on production after perforating the Sierras Blancas without any fracture stimulation. The well is currently producing approximately 150 boe/d (53 boe/d net). This well may be stimulated in the Sierras Blancas in the future and also has approximately 340 foot (104 meter) thick section of oil in the unconventional Vaca Muerta shale.
- Work continued on construction of three surface facility components at Coiron Amargo Norte which are anticipated to reduce future operating costs, conserve all produced solution gas and provide the facility operating capacity to bring on additional volumes from planned drilling targeting the Vaca Muerta shale and Sierras Blancas formations in 2013 and beyond.
- At Coiron Amargo Sur, drilled and cased the CAS X-5 exploration well which confirmed the high quality of Vaca Muerta shale on the block. The CAS X-5 location encountered approximately 325 foot (100 meters) of Vaca Muerta shale on logs with an average total organic content of over 4% and an average of 7% porosity in the lower Vaca Muerta.
- In March 2013, Madalena and its partners commenced the first of multiple planned workovers through 2013 to optimize current field production. A successful cement squeeze, perforation and fracture stimulation was conducted on the CAN X-3 well to enhance oil recoveries in the Sierras Blancas light oil formation. After completing the workover, CAN X-3 was put back on stream in late March at over 115 bbls/d (40 bbls/d net) which represents a significant increase from the pre-workover level of 25 bbls/d (9 bbls/d net).

### **Domestic Operations in First Quarter 2013 – Greater Paddle River Area, Alberta, Canada**

Domestically, Madalena continued its planned horizontal development program focused on production growth from its light oil and liquids-rich resource plays. During the first quarter, execution work on four 100% working interest horizontal multi-stage fraced wells was carried out with progress made on three key resource plays as follows:

- At Niton, completed and tied-in a liquids-rich Notikewin horizontal gas well which was placed on production in early March averaging a pro-rated 345 boe/d (14% NGLs) for the month.
- At Paddle River, drilled and completed two additional Ostracod horizontal oil wells during the first quarter. In May 2013, both wells have subsequently been equipped with the solution gas tied-in to existing Madalena facilities and are producing at restricted rates pending completion of a pipeline twinning project and third party compression upgrades currently underway to accommodate increased volumes from these wells and future horizontal development in the area.
- At Wildwood, drilled and subsequently initiated completion and evaluation on a Nordegg horizontal well. With the onset of spring break-up the Company temporarily shut-down operations on this location with plans to recommence evaluation operations post break-up when road and lease conditions permit.
- In support of the Company's plan to recommence drilling operations in the greater Paddle River area subsequent to spring break-up, Madalena conducted upfront survey, permitting and in some cases road and lease preparation work associated with additional horizontal development locations on the Company's multiple resource plays.

## About Madalena – Domestic and International Assets

Madalena is an independent, Canadian-based, domestic and international upstream oil and gas company whose main business activities include exploration, development and production of crude oil, natural gas liquids and natural gas.

Domestically, Madalena's core area of operations is located in the Greater Paddle River area of west-central Alberta where the Company holds approximately 200 gross (>150 net) sections of land (78% average W.I.) encompassing light oil and liquids-rich gas resource plays. Madalena's domestic focus is to exploit its large inventory of horizontal development locations on its Ostracod oil, Notikewin/Wilrich liquids-rich gas, and emerging Nordegg oil & liquids-rich gas resource plays. Madalena also holds more than 100 net sections (100% W.I.) which are prospective for the Duvernay shale.

Internationally, Madalena holds three large blocks within the prolific Neuquén basin in Argentina where it is focused on the delineation of vast shale and unconventional resources in the Vaca Muerta and Lower Agrio shales, in addition to tight sand plays in the Mulichinco and Quintuco. The Company is also developing a conventional oil play in the Sierras Blancas formation. Madalena holds 135,000 net acres on the Coiron Amargo (35,027 net acres), Curamhuele (50,400 net acres) and Cortadera (49,600 net acres) blocks.

Madalena trades on the TSX Venture Exchange under the symbol MVN. Basic corporate information, recent news releases and regularly updated corporate presentations are available on the Company's website at [www.madalena-ventures.com](http://www.madalena-ventures.com).

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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 with respect to the Company's reserves and production from its properties. 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. In particular, this news release contains forward-looking statements pertaining to operational activities to be conducted by the Company. 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](http://www.sedar.com).

#### *Reserves and Other Oil and Gas Disclosure*

Any references in this news release to test rates, flow rates, initial and/or final raw test or production rates, early production, test volumes behind pipe 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, the Vaca Muerta shale is an unconventional resource play which may be subject to high initial decline rates.

All calculations converting natural gas to barrels of oil equivalent ("boe") have been made using a conversion ratio of six thousand cubic feet (six "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.

**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.**