



NEWS RELEASE

January 11, 2016

MADALENA ANNOUNCES GRANT OF OPTIONS

Madalena Energy Inc. ("**Madalena**" or the "**Company**") (TSXV: **MVN** and OTC: **MDLNF**) announces the grant of 8,650,000 options ("**Options**") to certain officers, employees and directors of the Company and its subsidiaries as part of its compensation procedures. Of the Options granted, a total of 8,175,000 Options were granted to directors and executive officers of the Company or its subsidiaries. Each Option has an exercise price of \$0.27 per common share of the Company ("**Common Share**") and is exercisable for a period of five years from the date of grant. The Options vest over a three year period, one-third per year, commencing on the first anniversary of the date of grant.

The Company's rolling stock option plan (the "**Plan**") was approved by the shareholders at the annual and special meeting of shareholders held on May 26, 2015. The Plan currently reserves up to 54.2 million Common Shares for issuance pursuant to Options, which is equal to 10% of the number of issued and outstanding Common Shares. Options to purchase 43.5 million Common Shares are now outstanding, which is equal to approximately 8% of the number of issued and outstanding Common Shares.

About Madalena Energy

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

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

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

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