



200, 707 – 7th Avenue S.W.
Calgary, Alberta T2P 3H6
Telephone: (403) 262-1901
Facsimile (403) 262-1905

Madalena Announces an Independent Evaluation of its Unconventional Shale Resources with an Estimated 34.8 Billion Barrels of Oil Equivalent (“boe”) of Petroleum Initially In Place

Madalena Ventures Inc. (TSXV: MVN) (the "Company" or "Madalena") is pleased to provide information on the Company's unconventional shale resources on its three land blocks within the Neuquen basin, Argentina.

These resources were evaluated by Ryder Scott Petroleum Consultants Ltd. ("Ryder Scott") in a report dated effective December 31, 2012 (the "Resource Report"). All of the Company's international properties, which are located within the Neuquen basin, Argentina, were reviewed in the Resource Report although not all of the potential resources and formations were evaluated. All values disclosed herein are net to Madalena's interest.

Highlights

- 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 within the Neuquen basin, respectively;
- The main zones of interest for the independent resource evaluation focused on the *Vaca Muerta shale*, *Lower Agrio shale* and *Basal Quintuco* with the evaluated resources based on data from 19 delineation and discovery wells on the blocks, 3D or 2D seismic coverage and core analysis.

The following are summary results of the independent evaluation completed by Ryder Scott for all three blocks held by Madalena. A further breakdown (by block) of the petroleum initially in place and potential recoverable resources are shown in a series of tables that follow.

- Best Case P50 total **petroleum initially in place** ("PIIP") of **34.8 billion** barrels of oil equivalent ("boe") (51 % crude oil and natural gas liquids ("NGLs")), comprised of:
 - Best Case P50 discovered PIIP ("DPIIP") of 257.4 million boe (95 % crude oil and NGLs); and
 - Best Case P50 undiscovered PIIP ("UPIIP") of 34.6 billion boe (50 % crude oil and NGLs);
- Best case P50 contingent plus prospective **recoverable resources** of **2.9 billion** boe (45 % crude oil and NGLs), comprised of:
 - Best case P50 contingent recoverable resources of 19.4 million boe (95 % crude oil and NGLs); and
 - Best case P50 prospective recoverable resources of 2.8 billion boe (45 % crude oil and NGLs).

Please see the tables (and notes thereto) and narrative that follow for a detailed break-down of the calculation of these amounts.

Disclosure of Resources

The Resource Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and National Instrument 51-101 – *Standards for Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators ("NI 51-101"). The Resource Report provides a summary of the oil, liquids & natural gas resources associated with Madalena's assets and properties in the Neuquen basin, Argentina as at December 31, 2012. Madalena engaged Ryder Scott to provide evaluations of its contingent and prospective recoverable resources over all three of its land blocks in the Neuquen basin with a focus on the Vaca Muerta shale, Lower Agrio shale and Quintuco formations.

The Resource Report is based on certain factual data supplied by the Company and Ryder Scott's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Corporation's petroleum properties and contracts (except for certain information residing in the public domain) were supplied by the Company to the Ryder Scott and accepted without any further investigation. Ryder Scott accepted this data as presented and neither title searches nor field inspections were conducted. The recovery and resources estimates for Madalena's assets and properties described herein are estimates only and there is no guarantee that the estimated resources will be recovered. The actual resources for Madalena's assets and properties may be greater or less than those calculated.

Ryder Scott has also identified certain contingencies in order to convert the contingent recoverable resources described herein and in the Resource Report into developed reserves. These contingencies are specific to each formation and are related to the maturity of these projects and commercialization contingencies. There are no commercially productive analog fields in this area of the basin to establish expected production rates and recovery efficiencies at this time. There may be risk that accumulations containing contingent resources may not achieve commercial production.

Summary Tables for Unconventional Shale Resources Across Three Blocks in the Neuquen Basin

The following tables provide a summary of the findings from the Resource Report. Please see Appendix "A" to this news release for some important definitions.

Total Petroleum Initially In Place⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012⁽²⁾

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Lower Agrio Shale	3,835.7	4,763.4	5,834.03.8	2.777	3.955	5.443	4,298.4	5,422.5	6,741.2
Basal Quintuco	46.8	108.8	184.8	16.234	22.706	29.003	2,752.4	3,893.1	5,018.6
Vaca Muerta Shale	10,868.0	12,722.8	14,940.3	40.610	76.610	116.238	17,636.4	25,491.2	34,313.3
Total	14,750.5	17,594.9	20,959.1	59.620	103.271	150.684	24,687.4	34,806.8	46,073.2

Note:

- (1) "Total Petroleum Initially In Place" means DPIIP + UPIIP. When calculating DPIIP, there is no material production or reserves associated with these properties. Contingent resources is the only category of DPIIP that has been categorized as recoverable. Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that it will be commercially viable to produce any portion of the contingent resources referred to in the table above. There is no certainty that any portion of the prospective resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.
- (2) These volumes are arithmetic sums of multiple estimates of contingent & 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. Details on the categories that comprise these calculations are in the tables that follow.

Contingent Recoverable Resources⁽¹⁾ Plus Prospective Recoverable Resources⁽²⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012⁽³⁾

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Lower Agrio Shale	86.2	328.7	596.2	0.070	0.267	0.524	97.9	373.1	683.5
Basal Quintuco	5.6	14.0	27.2	1.745	2.932	4.569	296.5	502.6	788.7
Vaca Muerta Shale	309.6	950.2	1,642.8	2.662	9.251	17.426	753.2	1,986.1	3,751.6
Total	401.4	1,293.0	2,266.2	4.477	12.449	22.519	1,147.5	2,861.9	5,223.8

Note:

- (1) There is no material production or reserves associated with these properties. Contingent resources is the only category of DPIIP that has been categorized as recoverable. There is no certainty that it will be commercially viable to produce any portion of the contingent resources referred to in the table above.
- (2) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the prospective resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.
- (3) These 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. Details on the categories that comprise this calculation are in the tables that follow.

Block by Block Breakdown of the Company's Unconventional Shale Resources at Coiron Amargo, Curamhuele and Cortadera

Block #1: Coiron Amargo

A significant amount of seismic and well data from the Coiron Amargo block was provided to Ryder Scott for their evaluation. This included 311 sq. km. of 3D seismic covering approximately 77% of the block and 2D seismic covering the remainder. Wellbore data provided was geological and petrophysical logs from a total of 15 wells, including logs from 11 recently drilled wells and a full core through the Vaca Muerta from one recent well. Geochemical analysis for total organic content and kerogen type was provided from samples taken from six wells. On the block, four wells have demonstrated oil production from the Vaca Muerta shale, of which two of these wells have booked reserves.

At Coiron Amargo, Madalena has an estimated **3.1 billion boe (95% oil)** of Best Case P50 TPIIP and best case contingent plus prospective recoverable resources of over **280 million boe (95% oil)**. The following tables provide a summary of the Company's net resources on its Coiron Amargo block:

Coiron Amargo
Discovered Petroleum Initially In Place ⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	242.6	244.4	246.2	0.077	0.077	0.078	255.4	257.4	259.2

Notes:

- (1) When calculating DPIIP, there is no material production or reserves associated with these properties. All DPIIP, other than contingent resources, has been categorized as unrecoverable. There is no certainty that it will be commercially viable to produce any portion of the resources referred to in the table above.
- (2) These volumes are arithmetic sums of multiple estimates, 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.

Coiron Amargo
Contingent Recoverable Resources ⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	5.8	18.3	30.6	0.002	0.006	0.01	6.1	19.3	32.2

Notes:

- (1) There is no certainty that it will be commercially viable to produce any portion of the resources referred to in the table above.

Coiron Amargo
Undiscovered Petroleum Initially In Place ⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	2,687.8	2,717.5	2,747.5	0.851	0.861	0.870	2,829.7	2,860.9	2,892.5

Notes:

- (1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.
- (2) These volumes are arithmetic sums of multiple estimates, 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.

Coiron Amargo
Prospective Recoverable Resources ⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Vaca Muerta Shale	122.7	249.7	377.2	0.039	0.079	0.119	129.2	262.9	397.1

Notes:

- (1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

Block #2: Curamhuele

A moderate amount of seismic and well data from the Curamhuele block was provided to Ryder Scott for their evaluation. This included 100 sq. km. of 3D seismic covering approximately 44% of the block and 2D seismic covering the remainder. Wellbore data provided was geological and petrophysical logs from two recent wells. Geochemical analysis for total organic content and kerogen type was provided from samples taken from two wells and outcrop samples from the Lower Agrio and Vaca Muerta formations. On the block, two wells have demonstrated oil production from the Lower Agrio shale.

At Curamhuele, Madalena has over **23.7 billion boe (61% oil)** of Best Case P50 TPIIP and best case contingent plus prospective recoverable resources of over **1.5 billion boe (65% oil)**. The following tables provide a summary of the Company's net resources on its Curamhuele block:

Curamhuele
Undiscovered Petroleum Initially In Place ⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Lower Agrio Shale	3,835.7	4,763.4	5,834.0	2.777	3.955	5.443	4,298.4	5,422.5	6,741.2
Vaca Muerta Shale	7,884.8	9,642.9	11,762.2	17.405	52.017	90.208	10,785.7	18,312.3	26,796.9
Total	11,720.5	14,406.2	17,596.2	20.182	55.971	95.651	15,084.2	23,734.8	33,538.1

Notes:

- (1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.
- (2) These volumes are arithmetic sums of multiple estimates, 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.

Curamhuele
Prospective Recoverable Resources ⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Lower Agrio Shale	86.1	328.6	596.2	0.070	0.266	0.524	97.8	373.0	683.5
Vaca Muerta Shale	174.7	667.4	1,207.4	0.663	2.942	8.096	285.2	1,157.6	2,556.7
Total	260.8	996.0	1,803.6	0.733	3.208	8.620	382.9	1,530.6	3,240.2

Notes:

- (1) There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

Block #3: Cortadera

A moderate amount of seismic and well data from the Cortadera block was provided to Ryder Scott for their evaluation. This included 118 sq. km. of 3D seismic covering approximately 24% of the block. Wellbore data provided was geological and petrophysical logs from two recent wells. Geochemical analysis for total organic content and kerogen type was provided from samples taken from one well. On the block, two wells have demonstrated natural gas production from tests in the Vaca Muerta shale.

At Cortadera, Madalena has over **7.9 billion boe (97% gas)** of Best Case P50 TPIIP and best case contingent plus prospective recoverable resources of over **1 billion boe (97% gas)**. The following table provides a summary of the Company's net resources on its Cortadera block:

Cortadera
Undiscovered Petroleum Initially In Place⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Basal Quintuco	46.8	108.8	184.8	16.234	22.706	29.003	2,752.4	3,893.1	5,018.6
Vaca Muerta Shale	52.8	118.0	184.4	22.277	23.656	25.082	3,765.6	4,060.6	4,364.7
Total	99.6	226.8	369.2	38.510	46.362	54.085	6,518.0	7,953.7	9,383.3

Notes:

- (1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.
- (2) These volumes are arithmetic sums of multiple estimates, 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.

Cortadera
Prospective Recoverable Resources⁽¹⁾
(net to Madalena)
Oil, NGLs and Natural Gas
at December 31, 2012

	Oil & NGLs (MMbbl)			Natural Gas (Tcf)			Oil & NGLs + Natural Gas (MMboe)		
	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10	Low Estimate P90	Best Estimate P50	High Estimate P10
Basal Quintuco	5.6	14.0	27.2	1.745	2.932	4.569	296.5	502.6	788.7
Vaca Muerta Shale	6.4	14.8	27.6	1.958	3.189	4.428	332.7	546.3	765.6
Total	12.0	28.8	54.8	3.703	6.121	8.997	629.2	1,048.9	1,554.3

Notes:

- (1) Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that any portion of the resources referred to in the table above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources.

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 multiple 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 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 petroleum in-place shale & unconventional resources in the Lower Agrio, Mulichinco, Quintuco and Vaca Muerta shales. The Company is also developing a conventional oil play in the Sierras Blancas formation.

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.

For further information please contact:

Kevin Shaw, P.Eng, MBA

President and Chief Executive Officer

Madalena Ventures Inc.

Phone: (403) 262-1901 (Ext. 230)

kdshaw@madalena-ventures.com

Reader Advisories

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. 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 resources of the Company and other oil and gas information. 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.

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.

Certain information in this document may constitute "analogous information" as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), including, but not limited to, information relating to the areas in geographical proximity to prospective lands held by Madalena and production information related to wells that are believed to be on trend with the Company's properties. Such information has been obtained from government sources, regulatory agencies or other industry participants. Management of Madalena believes the information is relevant as it helps to define the reservoir characteristics in which Madalena may hold an interest. Madalena is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. Such information is not an estimate of the

reserves or resources 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.

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.

APPENDIX "A" DEFINITIONS

In addition, the following sets out the applicable definition for each of the resource categories as set out in the COGE Handbook, which are used in this news release.

"Contingent resources" **Definition:** Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

"Discovered petroleum initially-in-place" or "discovered resources" or "DPIIP" **Definition:** That quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.

The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable.

"Prospective resources" **Definition:** Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

Prospective resources have both an associated chance of discovery and a chance of development.

"Total petroleum initially-in-place", "total resources" or "TPIIP" **Definition:** That quantity of petroleum that is estimated to exist originally in naturally occurring accumulations; equal to DPIIP plus UPIIP.

It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

"Undiscovered petroleum initially-in-place", "undiscovered resources" or "UPIIP" **Definition:** That quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered.

The recoverable portion of undiscovered petroleum initially-in-place is referred to as prospective resources; the remainder is unrecoverable.