



200, 707 – 7 Avenue SW
 Calgary, Alberta T2P 3H6
 Telephone: (403) 262-1901
 Facsimile (403) 262-1905
 TSXV Trading Symbol: MVN

MADALENA ANNOUNCES THIRD QUARTER 2013 FINANCIAL RESULTS AND OPERATIONS UPDATE

Madalena Energy 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 and nine months ended September 30, 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 and on the Company's website at www.madalena-energy.com.

SUMMARY FINANCIAL AND OPERATIONAL RESULTS

	Three months ended September 30		Nine months ended September 30	
	2013	2012	2013	2012
Financial - Canadian \$000s, except per share amounts				
Oil and gas revenue	4,840	1,762	12,327	2,533
Net loss	(118)	(916)	(2,758)	(3,932)
Per share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)
Capital expenditures	7,146	3,633	30,174	16,542
Working capital	8,924	58,752	8,924	58,752
Equity outstanding – 000s				
Common shares	338,698	314,307	338,698	314,307
Stock options	20,430	16,324	20,430	16,322
Operating				
<i>Average Daily Production</i>				
Crude oil and condensate – Bbls/d	401	250	338	121
Natural gas – Mcf/d	3,838	84	3,340	28
NGLs – Bbls/d	137	-	129	-
Total - boe /d ⁽¹⁾	1,177	264	1,024	125
<i>Average Sales Prices</i>				
Crude oil and condensate - \$/Bbl	89.51	75.11	83.01	75.66
Natural gas - \$/Mcf	2.43	4.37	3.05	4.37
NGLs - \$/Bbl	54.54	-	53.33	-
Total - \$/boe ⁽¹⁾	44.72	72.52	44.11	73.81
<i>Operating Netbacks⁽²⁾</i>				
\$/boe ⁽¹⁾	14.82	35.15	14.61	26.16

- (1) "boe/d" means barrels of oil equivalent ("boe") per day. Refer to - "Oil, Natural Gas Liquids and Natural Gas Conversions to boe" in Advisory.
- (2) Operating netbacks is considered a non-GAAP term. Operating netbacks are calculated by subtracting royalties, transportation, and operating costs from revenues before other income.

THIRD QUARTER 2013 HIGHLIGHTS AND OUTLOOK

- Q3 -2013 production averaged 1,177 boe/d (46% oil and liquids), an increase of 345% from Q3 – 2012;
- Subsequent to Q3 – 2013, the Company's latest Ostracod horizontal (100% W.I.) was brought on stream in early November, 2013. During its initial 24 operating days of production, the average rate of this horizontal well was approximately 606 boe/d (84% oil & NGLs);
- Closed a \$7.25 million equity financing in early July, 2013;
- Exited the third quarter with positive working capital of \$8.9 million and unutilized credit facilities of \$13 million;
- On November 14, 2013 announced an \$11 million financing through an \$8 million bought deal and concurrent \$3 million private placement. The private placement closed on November 21, 2013 and the bought deal is scheduled to close on or about December 3, 2013; and
- On November 28, 2013 Madalena increased its 2013 capital budget to \$42 million. The increased budget will be primarily allocated to the Company's Ostracod oil project.

International Operations - Neuquen Basin, Argentina

Coiron Amargo Block

- The exploration period for Coiron Amargo Sur (southern portion of the block) was extended until November 8, 2014 by way of an official decree signed by the Province of Neuquén in Argentina on November 12, 2013. Coiron Amargo Norte (northern portion of the block) is currently under a 25 year exploitation (development) concession;
- The CAS.x-14 vertical well in the southern portion of the Coiron Amargo block was drilled and cased encountering approximately 105 meters of Vaca Muerta shale on logs. Completion activities on this well are expected to commence as part of a two-well completion program after the CAS.x-15 well is drilled in the fourth quarter of 2013;
- The CAN.xr-2(h) well was re-entered and is currently being drilled and completed horizontally in the Sierras Blancas light oil reservoir. This well represents the first horizontal well drilled into one of the six Sierras Blancas conventional light oil pools discovered on the block to date; and
- Two 3D seismic programs were shot at Coiron Amargo Sur during the second quarter and were subsequently processed in the third quarter of 2013. The Coiron Amargo block (both north and south regions) is now almost entirely covered with 3D seismic.

Curamhuele Block

- The Company continues to examine opportunities in respect of a possible a joint venture or other transaction with respect to its 90% Curamhuele block in the Neuquén basin in Argentina. RBC Capital Markets ("RBC"), Madalena's exclusive advisor related to its Neuquen basin assets, is in communication with a broad spectrum of parties to solicit interest in a joint venture or other transaction with the Company. The Company cautions that there are no assurances that an acceptable joint venture arrangement or other transaction will be reached.
- Madalena is currently planning to shoot a 75 km² 3D seismic survey at Curamhuele during the first quarter of 2014. The Company plans to merge this newly acquired data with the existing 125 km² 3D survey on the block. This will provide 3D seismic coverage on the entire northern portion of the Curamhuele block.

Cortadera Block

- On the Cortadera Block in the Province of Neuquén, the joint venture signed an amended contract agreement on September 24, 2013 to formalize a multi-year agreement for the extension of the initial exploration period and inclusion of subsequent exploration periods.
- The Company plans to re-enter the CorS.x-1 well to conduct re-entry work to evaluate an uphole zone of interest in the wellbore. Re-entry operations at CorS.x-1 are planned to commence in late Q4, 2013 or during the first quarter of 2014.

Domestic Operations – Greater Paddle River Area, Alberta, Canada

- Drilled, completed and tied-in a 100% working interest ("W.I.") horizontal Ostracod oil well at 1-32-55-7W5M in the Paddle River area of west-central Alberta. This well commenced production in early November, 2013. During its initial 24 operating days of production the well flowed at an average rate of 476 bbls/d of 30° API oil and 838 mscf/d of raw natural gas for a total of 616 boe/d (77% oil). After accounting for shrinkage and NGLs recovery at the local production facility, the average rate over the initial 24 operating days would equate to approximately 606 boe/d (84% oil & NGLs). This well was drilled to a total depth of 3,250 metres with a horizontal length of 1,380 metres and was completed with a 16 stage multi-frac program.
- In support of the Company's plan to recommence drilling operations in the greater Paddle River area in Q4 2013, 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.

Internationally, Madalena holds three blocks within the Neuquén basin in Argentina comprised of approximately 135,000 net acres consisting of the Coiron Amargo block (approximately 35,000 net acres), the Curamhuele block (approximately 50,500 net acres) and the Cortadera block (approximately 49,500 net acres).

Domestically, Madalena's core area of operations is located in the Greater Paddle River area of west-central Alberta, where the Corporation holds approximately 200 gross (155 net) sections of land (78% average working interest).

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.madalenaenergy.com.

For further information please contact:

Kevin Shaw, P.Eng, MBA
President and Chief Executive Officer
Madalena Energy Inc.
Phone: (403) 262-1901 (Ext. 230)
kdshaw@madalenaenergy.com

Thomas Love, CA
VP, Finance and Chief Financial Officer
Madalena Energy Inc.
Phone: (403) 262-1901 (Ext. 227)
tlove@madalenaenergy.com

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, including, without limitation, with respect to the expected timing of closing for certain financings, expected operational activities, including drilling, completion, re-entry, evaluation and seismic activities, and the timing thereof and matters pertaining to Madalena's efforts to seek a joint venture partner for certain assets. 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 planned operational activities to be conducted by the Company. 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 and resources described exist in the quantities predicted or estimated and can be profitably produced in the future. 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

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.