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TSXV Trading Symbol: MVN

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MADALENA ANNOUNCES GRANT OF OPTIONS

Madalena Energy Inc. ("Madalena" or the "Corporation") announces the grant of options ("Options") to certain officers, employees, consultants and directors of the Corporation and its subsidiaries as part of its annual compensation procedures. Of the 6,000,000 Options granted, a total of 5,320,000 Options were granted to directors and executive officers of the Corporation or its subsidiaries. Each Option has an exercise price of \$0.35 per share and is exercisable for a period of five years from the date of grant.

The Corporation's rolling stock option plan was approved by the shareholders at the Annual and Special Meeting of shareholders held on July 30, 2013. The Corporation's stock option plan currently reserves up to 33,852,265 Common Shares for issuance pursuant to Options, which is equal to 10% of the number of issued and outstanding Common Shares. Options to purchase 21,071,665 Common Shares are now outstanding, which is equal to approximately 6.2% of the number of issued and outstanding Common Shares.

About Madalena – Domestic and International Assets

Madalena is an independent, Canadian-based, international and domestic 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 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, Lower Agrio and Los Molles 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, Curamhuele and Cortadera blocks.

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 (>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.

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 Corporation's website at www.madalenaenergy.com.

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This news release does not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. The Common Shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption therefrom."