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TSXV Trading Symbol: MVN  
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**Madalena Announces Closing in Full of Over-Allotment Option**

Calgary, July 7, 2014: Madalena Energy Inc. ("**Madalena**" or the "**Company**") (TSXV: MVN and OTC: MDLNF) is pleased to announce that it has closed the over-allotment option (the "**Over-Allotment Option**") in full for its previously announced bought deal, short form prospectus offering (the "**Offering**"). Pursuant to the Over-Allotment Option, Madalena issued 14,715,000 common shares of the Company ("**Common Shares**") at a price of \$0.51 per Common Share for gross proceeds of \$7,504,650. The total gross proceeds under the Offering were \$57,535,650.

The syndicate of underwriters for the Offering was led by Dundee Securities Ltd. and included RBC Capital Markets, Haywood Securities Inc., Beacon Securities Limited, National Bank Financial Inc., FirstEnergy Capital Corp., Mackie Research Capital Corporation, TD Securities Inc., Canaccord Genuity Corp., Jennings Capital Inc. and Raymond James Ltd.

As previously announced, the Company used the net proceeds from the Offering to fund the remaining cash component for the acquisition of the Argentinean business unit of Gran Tierra Energy Inc. and for general corporate and working capital purposes.

**About Madalena – International and Domestic Assets (Pre-Acquisition)**

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 Neuquén basin in Argentina where it is focused on the delineation of large petroleum in-place shale and unconventional resources in the Vaca Muerta and Lower Agrio shales, in addition to multiple tight sand plays. The Company is also implementing horizontal drilling and completions technology to high impact international plays and is currently focused on a conventional oil play in the Sierras Blancas formation. Madalena holds approximately 132,200 net acres on the Coiron Amargo (34,950 net acres), Curamhuele (50,600 net acres) and Cortadera (46,650 net acres) blocks.

Domestically, Madalena's core area of operations is located in the Greater Paddle River area of west-central Alberta where the Company holds approximately 195 gross (153 net) sections of land (approximately 78% average W.I.) encompassing light oil and liquids-rich gas resource plays. Madalena's primary domestic focus is to exploit its large inventory of horizontal drilling locations on its Ostracod oil and emerging oil & liquids-rich gas resource plays.

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](http://www.madalenaenergy.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, but not limited to the Company's use of proceeds from the Offering. Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. 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).*

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