



MADALENA ANNOUNCES AWARDING OF 35-YEAR UNCONVENTIONAL EXPLOITATION CONCESSION OVER COIRON AMARGO SUR ESTE (CASE) BLOCK

Buenos Aires, Argentina, September 18, 2018 (Globe Newswire) - Madalena Energy Inc. ("**Madalena**" or the "**Company**") (TSXV: MVN and OTCQX: MDLNF) is pleased to announce that the Coiron Amargo Sur Este ("**CASE**") block in Neuquen, Argentina, is now an unconventional exploitation concession with a 35-year term. The concession was awarded after the CASE block successfully completed the evaluation phase.

The operating partner of the CASE block, Pan American Energy LLC ("**PAE**"), holds a 55% stake. Madalena and Gas y Petroleo del Neuquen S.A. (GyP) hold stakes of 35% and 10% respectively.

As part of the terms and conditions for the award of an Unconventional Exploitation Concession, the Company has agreed, together with its partners, to invest: USD 74 million (USD 25.9 million net to Madalena) to carry out a pilot plan over a two-year period (the "**Pilot Plan**").

The Pilot Plan includes two phases. Phase I includes the drilling of five horizontal multifrac wells targeting the Vaca Muerta, the construction of early production facilities, investment for infrastructure improvement and social responsibility commitments.

Contingent on Phase I results, three additional wells will be drilled over the following two-year period (Phase II) for an estimated amount of USD 50 million (USD 17.5 million net to Madalena).

Madalena's portion of the Pilot Plan investment will be funded by drawing on its existing credit facilities.

Jose David Penafiel, President and CEO of Madalena Energy commented:

"Madalena's JV with Pan American Energy in the CASE block now has a 35 year term which will allow the JV to focus on deploying additional capital expenditure to incorporate reserves and increase production at greater speed and scale. We look forward to continuing to work with PAE on the upcoming 2019 drilling program."

About Madalena Energy

Madalena is an independent, Canadian upstream oil and gas company with operations in four provinces of Argentina where it is primarily focused on the delineation of unconventional oil and gas resources. 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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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, with respect to the characteristics of the CASE properties held by the Company, the strategic value and opportunities available to Madalena through the CASE JV through the Pilot Plan and going forward, the Company's ability to meet its obligations under its existing credit facilities if such facilities are drawn on in connection with the Pilot Plan commitments, the opportunities and the ability of Madalena to execute on such plans and opportunities, and the Company's ability to meet and finance its commitments and continue as a going concern. 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. 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; incorrect assessments of the value of the benefits to be derived by the Company from its interest in the CASE block; 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. There is specific risk that the drilling operations and Pilot Plan will not be successful or that the Company's oil and gas interests in the CASE block will not produce at rates anticipated or at all. 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.

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.