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TSXV Trading Symbol: MVN

Madalena International Operations Update: Cases CAN-8 for Completion / Testing and Moving Rig to CAS X-5 Location to Drill Ahead

Madalena Ventures Inc. and its wholly owned subsidiary Madalena Austral SA ("Madalena" or the "Company"), is pleased to provide an update on its drilling operations in the Neuquén basin, Argentina.

On the Coiron Amargo Block (35% working interest), the CAN-8 development well located 800 meters south east of the existing CAN 7 oil producer on the northern portion of the block (i.e. Coiron Amargo Norte), has been cased to a total depth ("TD") of 10,433 feet. Following the successful drilling of the CAN-8 location and a review of the well data gathered (including electric logs), oil and gas has been encountered in both the unconventional Vaca Muerta shale and the conventional Sierras Blancas zones of interest. The Vaca Muerta formation interval encountered by the well was approximately 340 feet (or 104 meters) thick and in the Sierras Blancas formation the well encountered an approximate gross hydrocarbon column of 98 feet (or 30 meters). Completion and testing in the Sierras Blancas formation is expected to commence in early 2013. Upon a successful test, the CAN-8 location is expected to be tied-in and placed on production in Q1 2013.

The drilling rig is now moving to the southern portion of the block (i.e. Coiron Amargo Sur) to drill the CAS X-5 exploration well which is located on the west side of the block approximately 10km west of the CAS X-2 location. The CAS X-5 location is also near an older well on the block which reported recovery of an estimated 6 m³ (or 38 bbls) of 38 degree API crude oil during a 6 hour drill stem test within the Vaca Muerta shale formation. This vertical well is scheduled to be drilled to 11,150 feet in depth and has objectives to both, further delineate the unconventional Vaca Muerta shale in the south-west portion of the block and target the conventional Sierras Blancas horizon. The CAS X-5 well is expected to reach total depth in January 2013.

About Madalena – International and Domestic 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 large blocks within the prolific Neuquén basin in Argentina and is focused on the delineation of its large in-place oil & gas unconventional resources, with shale positions in the *Vaca Muerta*, *Agrio* and *Los Molles* shales, while pursuing conventional development and exploration opportunities originating from these unconventional source rocks. Madalena holds 135,000 net acres across the Coiron Amargo (35,027 net acres), Curamhuele (50,400 net acres) and Cortadera (49,600 net acres) blocks.

Domestically, Madalena holds a significant acreage position in Western Canada, with a core area of operations located in the *Greater Paddle River Area*, where the company holds 197 gross (153 net) sections of land (78% average W.I.) across multiple light oil and liquids-rich gas resource plays. Madalena's focus domestically is to exploit its large inventory of horizontal development locations in its *Ostracod* oil, *Notikewin / Falher / Wilrich liquids-rich* regionally stacked Mannville channel trend, and *Nordegg oil & liquids-rich* resource plays. Madalena also holds an estimated 103 net sections (100% W.I.) which are prospective for the *Duvernay shale*.

Madalena is publicly traded on the TSXV under the symbol "MVN".

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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 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.

Any references in this news release to test rates, flow rates, initial and/or final raw test or production rates, early production 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.