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TSXV Trading Symbol: MVN

**MADALENA VENTURES INC. ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE THREE
MONTHS ENDED MARCH 31, 2011**

Madalena Ventures Inc. ("Madalena" or the "Company") (TSX Venture: MVN) today announced that it has filed its unaudited financial statements and related management's discussion and analysis ("MD&A") for the three months ended March 31, 2011 on www.sedar.com and on its website www.madalena-ventures.com. All amounts are in Canadian dollars (\$) unless otherwise stated.

HIGHLIGHTS

Highlights in the three months ended March 31, 2011 include:

- Successful drilling of the CAS X-1 well and CAN X-4 well (second quarter) on the Coiron Amargo Block;
- Fracture stimulation of the Sierras Blancas formation in the CAS X-1 well with initial production increasing to 200 barrels per day; perforation and pressure tests of Vaca Muerta formation to be completed next;
- Completed drilling the Yapai X-1001 exploration well (second quarter) on the Curamhuele Block with 23 feet of potential gross hydrocarbon column in the shallow Lower Troncoso formation and 7 stacked Avile formation intervals ranging in thickness from 50 to 260 feet;
- Receipt of formal approval of farm-out of Cortadera Block to Apache Energia Argentina S.R.L.; and
- Commenced drilling with Apache the first deep gas exploration well on the Cortadera Block (second quarter) targeting multiple zones including the Mulichinco tight gas and thick Vaca Muerta shale gas formations.

OVERVIEW

Madalena is an independent, Canadian-based, international upstream oil and gas company whose main business activities include exploration, development and production of crude oil, natural gas liquids and natural gas. The Company currently has production and exploration operations in Argentina and is focused on international oil and gas opportunities in South America.

Coiron Amargo Block

In March 2011, the Company drilled and cased the CAS X-1 exploration well in the southern portion of the block. Both oil and gas shows were evident during the drilling of the Vaca Muerta and Sierras Blancas formations. Based on electric logs, the Vaca Muerta formation was similar to the Vaca Muerta formation encountered approximately 16 km away in the wells drilled in the northern portion of the block. Nine sidewall cores were taken at various intervals over the entire 425 foot formation which the joint venture will use to create an initial testing program specifically for the Vaca Muerta formation.

After the completion of several remedial cement jobs, the well initially tested oil up to 150 barrels per day from the Sierras Blancas formation unstimulated. A fracture stimulation treatment of the formation has now been performed with initial production increasing to 200 barrels per day under improved flow conditions. Testing operations will now move up-hole to include perforation and pressure tests of the Vaca Muerta formation which will provide the Company with information needed to complete a larger fracture stimulation of the formation in the third quarter of 2011.

In May 2011, the Company drilled and cased the CAN X-4 exploratory well as a potential oil discovery. The CAN X-4 exploration well was drilled to total depth ("TD") of 11,027 feet on a defined 3D anomaly between the CAN X-1 and CAN X-2 wells. Both oil and gas shows were evident during the drilling of the Vaca Muerta and Sierras Blancas formations. The entire Vaca Muerta formation interval encountered was 456 feet and in the Sierras Blancas formation, the well encountered a potential gross hydrocarbon column of 92 feet. Testing of the CAN X-4 well is expected to begin immediately after testing operations at CAS X-1 are complete.

Production from the three producing wells in the northern portion of the block is currently being restricted until a central facility can be developed to include gas sales. Once testing of the CAN X-4 well is complete, the Company anticipates drilling up to four additional wells on the block in the second half of the year as well as construction of the central gathering facility. Due to the successful fracture stimulation of the CAN X-1 and CAS X-1 wells, further fracture stimulation treatment on the other Sierras Blancas production wells is contemplated.

Further testing of the Vaca Muerta formation in the block is also being evaluated. Reported test results from other vertical wells on adjacent blocks have demonstrated the potential for production and development of non-conventional resources in the area.

Curamhuele Block

In April 2011, the Company completed drilling the Curamhuele X-1001 exploration well (truncation play) to a total depth of 8,430 feet without encountering commercial quantities of hydrocarbons and subsequently abandoned the well.

In June 2011, the Company completed drilling the Yapai X-1001 well to a total measured depth ("MD") of 10,743 feet (10,478 true vertical depth or "TVD") penetrating the Lower Troncoso and Avile formations. Based on electric logs, the well encountered a potential gross hydrocarbon column of 23 feet in the Lower Troncoso formation at 4,640 feet MD (4,394 feet TVD) and as programmed the well also encountered multiple stacked Avile formations with potential gross intervals varying from 50 to 260 feet from 6,800 feet MD (6,530 feet TVD) to 10,620 feet MD (10,360 feet TVD). The Company is in the process of casing the well to total depth with 7" casing and plans to test the well in several of the Avile sands and the Lower Troncoso formation in the third quarter of 2011. Two previous wells drilled on the block, Curamhuele X-1 and Yapai X-1, have been drilled into the Mulichinco formation and will be reviewed for potential re-entry to test the third play on the block, the Vaca Muerta shale formation.

Cortadera Block

In March 2011, the Company received final government approval of a farm-out agreement for the Cortadera Block with Apache Energia Argentina S.R.L. ("Apache"). The terms of the farm-out provide for Apache to carry Madalena's exploration commitments on the block including the drilling of at least one exploration well on the block to earn a 50% working interest in the block. Madalena will retain a 40% working interest in the block. The capital commitment under the farm-out is US\$6 million. In May 2011, Apache commenced drilling the CorS x-1 earning well targeting the Quintuco, Mulichinco, Vaca Muerta shale and Tordillo formations. The Company anticipates that the well will reach TD in late July, early August 2011.

FINANCIAL AND OPERATING INFORMATION

Certain selected financial and operating information for the three months ended March 31, 2011 and 2010 are set out below and should be read in conjunction with Madalena's unaudited financial statements and related MD&A.

Financial Information	Three Months Ended March 31,	
	2011	2010
	\$	\$
Revenue	562,488	-
Funds used in operations ⁽¹⁾	(920,062)	(761,868)
Funds used in operations per share ⁽¹⁾	-	-
Cash flow used in operating activities	(599,039)	(709,015)
Cash flow used in operating activities per share	-	-
Cash flow from (used in) discontinued operations	-	3,532,096
Cash flow from (used in) discontinued operations per share	-	-
Net loss from continuing operations	(1,744,505)	(847,843)
Net loss from continuing operations per share	(0.01)	-
Net loss and other comprehensive loss	(1,744,505)	(784,240)
Net loss and other comprehensive loss per share	(0.01)	-
Total assets	58,296,849	23,432,730
Working capital	33,032,487	11,955,361
Capital expenditures	4,559,609	239,871
Debt	-	-
Production		
Oil production (barrels per day)	138	-

1) Funds used in operations and funds used in operations per common share are Non-GAAP measurements – see the discussion under Non-GAAP Measurements contained in the Company's MD&A.

RESULTS OF OPERATIONS

Oil and gas revenue in the quarter ended March 31, 2011 was \$562,488 compared to \$nil for the corresponding period in 2010. The increase in oil and gas revenue in 2011 is due to the classification in the fourth quarter of 2010 of the Coiron Amargo Block as a development and production asset. The Company's share of oil production from the Coiron Amargo Block in the quarter ended March 31, 2011 was 12,710 barrels or 138 barrels per day. The Company's share of oil sales in the quarter ended March 31, 2011 was 10,435 barrels or 113 barrels per day. Oil production from the block is currently stored and periodically sold once a sufficient quantity is reached.

The Company realized a net loss of \$1,744,505 for the quarter ended March 31, 2011, compared to a net loss of \$784,240 for the corresponding period in 2010. Net loss increased primarily due to higher general and administrative expenses and share based payments expense partially offset by oil revenue in 2011 from the Coiron Amargo Block and higher interest income.

At March 31, 2011 Madalena had working capital of \$33,032,487 compared to \$37,005,522 at December 31, 2010. Working capital decreased as a result of drilling the Curamhuele X-1001 exploration well in the period and general and administrative costs partially offset by oil revenue in 2011 from the Coiron Amargo Block and higher interest income on cash balances.

The Company had negative funds from operations in the quarter ended March 31, 2011 of \$920,062 compared to negative funds from operations of \$761,868 for the corresponding period in 2010. Funds used in operations increased as a result of higher general and administrative expenses partially offset by oil revenue from the Coiron Amargo Block and higher interest income on cash balances.

About Madalena

Madalena is a publicly traded international junior Canadian oil and gas exploration company trading on the TSXV under the symbol "MVN".

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Forward Looking Statements and BOE equivalents

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. 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 that 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 Company's forward-looking statements 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 determinative of the rates at which such wells will commence production and decline thereafter. Additionally, 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 the Company.

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.

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.