

**MADALENA VENTURES INC.  
200, 441 – 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2V1**

**Telephone: (403) 233-8010 / Facsimile (403) 233-8013**

**MADALENA VENTURES INC. UPDATES OPERATIONS**

**January 23, 2007.** Madalena Ventures Inc. ("Madalena" or the "Company") (CNQ: MAVI) is pleased to provide an update on its operational activities.

Madalena announced the closing of a private placement offering on November 2, 2006 for gross proceeds of approximately \$20.1 million which will be used primarily to fund the Company's ongoing international oil and gas acquisition, exploration and development ventures.

The Company's previously announced domestic exploration drilling programs in the Edson and Brazeau areas of Alberta have been completed.

There is currently one well producing at Edson. The completion and tie-in program for the remaining three wells at Edson is currently underway and will be completed by the end of February. Madalena participated for 12.5% in a well at Edson in January and based on results will not be participating in the completion of the well. The Company is participating for 16.33% in an additional well to be drilled at Edson in February 2007. The results of the two wells will be evaluated to determine the extent of additional development drilling in the Edson area during 2007.

Madalena received a reserve report for the Edson area effective April 30, 2006 indicating proved developed non producing reserves of 95,000 BOE, and 161,000 proved plus probable BOE. Since coming on stream in April, 2006, our working interest share of sales production from the Edson 4-20 well was 1,604 boe to end October, 2006. The remaining three wells drilled in Q1/2006 will be completed and tested and if determined to be of economic quantities, tied in during Q1/2007. To date \$1.7 million has been expended in the drilling, completion and tie-in operations in the Edson area with an estimated \$400,000 remaining to be expended during the first quarter 2007 to bring the remaining three wells into production.

At Brazeau, Madalena has spent \$7 million in drilling completion and tie in operations, to the end of October, with an estimated additional \$400,000 required to complete the remaining tie ins. To date, there are four wells which have been tied-in and came on production between August and November, and two wells waiting on tie-in. The tie-in of the Brazeau 9-32 well has been delayed due to commingling applications for multi-zone potential in the well. The well tested at high rates for gas and condensates and we anticipate that commingling approval will be received and the well will be tied in by the end of February. High rates from production tests can be misleading and the rates are expected to be reduced under normal production conditions as dictated by gas plant inlet pressure and reservoir conditions. Production to the end of October from the Brazeau wells has averaged 34 BOE per day. The costs for the Brazeau/Edson drilling program came in approximately 30% over AFE resulting primarily from increased costs for services during 2006, increased drilling and completion costs for the Brazeau 9-32 well, and a shift in plans from drilling a vertical well at Brazeau 8-19 to drilling a horizontal well.

Madalena's primary focus is on international oil and gas exploration and development opportunities in South America and Tunisia. The Company is a majority interest partner in two extensive offers placed on large multi-zone potential concessions which are currently under review by the Province of Santa Cruz in Argentina. Several additional opportunities for exploration and acquisition in South America are currently under evaluation by the Company with offers anticipated to be forwarded in February and March of 2007.

Madalena has received encouraging results from ongoing seismic and geological evaluations on the two Tunisian farmin opportunities secured by Madalena in 2006. Several prospective locations and leads have been identified on both the onshore and offshore properties. The new 2D and 3D seismic programs have been designed to further delineate the optimal drilling locations. It is anticipated the seismic program for the onshore Remada South Prospect will commence during the first quarter of 2007 and at least one well will be drilled prior to year end. The extensive 3D program for the offshore Hammamet Prospect will commence during the third or fourth quarter of 2007. Madalena and its partner are also evaluating the reactivation/redevelopment potential of the Tazerka field located on the Hammamet Prospect which produced 21 million barrels prior to its deactivation. Lundin Petroleum announced in December 2006 that their Oudna Block located offshore Tunisia has exceeded production rates of 20,000 boepd. The Oudna Block is located within the geographical boundary of the Hammamet Block and is surrounded on three sides by the Hammamet acreage.

Madalena is also pleased to announce that it has made application to the TSX Venture Exchange to list the common shares of the Company for trading on the Exchange. The review process is in its final stages.

For further information, please contact: Ken Broadhurst, President and Chief Executive Officer, or Greg Ford, Vice President Finance and Chief Financial Officer at (403) 233-8010.

### **Forward Looking Statements**

Certain information set forth in this press release, including a discussion of future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources, as well as risks inherent in operating in foreign jurisdictions, including varying judicial or administrative guidance on interpreting rules and regulations and a higher degree of discretion on the part of governmental authorities. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements.

Per barrel oil equivalent amounts have been calculated using a conversion of 6,000 cubic feet of natural gas to one barrel of oil equivalent (6:1). (Barrel of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead).

***The TSX Venture Exchange, Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.***

***Not for distribution to US newswire services or for dissemination in the United States of America.***