

NEWS RELEASE

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**MADALENA VENTURES INC.**

**200 – 441 - 5th Ave SW  
Calgary, Alberta T2P 2V1**

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

**TSXV Trading Symbol: MVN**

**MADALENA ANNOUNCES \$15 MILLION EQUITY FINANCING  
AND PROVIDES UPDATES ON CORTADERA AND CURAMHUELE BLOCKS**

**Madalena Ventures Inc.** (“Madalena” or the “Corporation”) is pleased to announce that it has entered into a bought deal financing agreement with a syndicate of underwriters led by Wellington West Capital Markets Inc. (the “Underwriters”) to issue 23,100,000 common shares (the “Common Shares”) at a price of \$0.65 per Common Share (the “Offering Price”) for gross proceeds of \$15,015,000 (the “Offering”). The Corporation has granted the Underwriters an option, exercisable in whole or in part, for a period commencing on the closing of the Offering and ending 30 days following the closing date, to purchase up to an additional 2,310,000 Common Shares at the Offering Price for additional gross proceeds of up to \$1,501,500.

The Common Shares are being offered in the provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia by way of a short form prospectus, and in other jurisdictions pursuant to applicable exemptions from registration and prospectus requirements. The Offering is scheduled to close on or about November 10, 2010 and is subject to the completion of formal documentation and regulatory approval, including the approval of the TSX Venture Exchange.

The net proceeds of the Offering will be used to fund the Corporation’s ongoing capital program in the Neuquén Basin of Argentina and for general corporate purposes.

**Cortadera Block**

Madalena is also pleased to announce on behalf of its wholly owned subsidiary, Madalena Austral SA, that it has agreed to a farmout of the Cortadera Block in the Neuquén Province of Argentina to Apache Energia Argentina S.R.L. (“Farmee”).

The terms of the farmout provide for the Farmee 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. The Farmee’s capital commitment under the farmout is US\$6 million. Madalena will retain a significant 40% working interest in the block. The farmout will become effective once the parties receive final government approval of the transaction.

Madalena has conducted extensive field work over the block including the acquisition of new 3D seismic. Several multiple zone exploration targets have been identified and a well location is currently being selected which, upon final approval of the farmout, will be drilled by the Farmee to a depth of approximately 13,800 feet to evaluate multiple targets. The farmout of the block partners Madalena with an established international operator that has significant experience in the drilling and development of conventional and unconventional resource plays throughout the world.

In May 2010, the Corporation received a second three year exploration period for the block commencing October 26, 2010. The new three year exploration period requires an additional work commitment of US\$2 million which may be fulfilled through conducting additional seismic or the drilling of a well. The drilling of the well as contemplated by the farmout is expected to satisfy 100% of the work commitments for the block.

#### Curamhuele Block

On the Curamhuele Block, Madalena has agreed to acquire, subject to government approval, an additional 20% working interest in the block from its partner in the block. Upon completion of the transaction, Madalena will hold a 90% working interest in the block and will become the operator of the block following completion of the Curamhuele X-1001 drilling program currently underway.

The Curamhuele X-1001 exploration well is currently drilling ahead at a depth of 1,650 feet. The well is planned to be drilled to a drilling depth of approximately 8,850 feet in order to penetrate the Lower Troncoso and Avile formations.

Madalena is a publicly traded international junior Canadian oil and gas exploration company trading on the TSX Venture Exchange under the symbol "MVN". The Corporation is actively evaluating international oil and gas opportunities with a primary focus on South America.

***This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to or for the account or benefit of a U.S. Person absent registration or an applicable exemption from the registrations requirements of such Act or laws.***

#### For further information please contact:

**Dwayne H. Warkentin**  
President and Chief Executive Officer  
Madalena Ventures Inc.  
Phone: (403) 233-8010 ext 229

**Anthony J. Potter**  
Vice President Finance and Chief Financial Officer  
Madalena Ventures Inc.  
Phone: (403) 233-8010 ext 233

#### Forward Looking Statements

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance including completion of the Offering and the associated use of proceeds. 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 Corporation'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 Corporation'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 Corporation 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 Corporation's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Corporation 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 Corporation's Annual Information Form which is available on SEDAR at [www.sedar.com](http://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.