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MADALENA VENTURES INC. ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010.

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 and six months ended June 30, 2010 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 six months ended June 30, 2010 include:

- Sale of Tunisian assets to focus on core, high interest projects in Argentina;
- Finalization of environmental impact assessments at Coiron Amargo and commencement of drilling in August 2010;
- Identification of a second prospect (Truncation play) on the Curamhuele Block expected to be drilled during the third quarter of 2010;
- Extension of exploration period on all three exploration blocks in Argentina; and
- The Company remains debt free with a net working capital position of $11.4 million, and cash of $11.4 million at the end of Q2 2010.

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 has exploration operations in South America.

In March 2010, the Company sold its Tunisian assets. The Company is moving forward with ongoing exploration and development of the Company's core high working interest projects in the Neuquén Basin of Argentina.

Argentina

In November 2009, the Company entered into a two stage, multi-well drilling program ("Farmout") on its Coiron Amargo Block with a company that has extensive experience operating in the Neuquén basin. The terms of the Farmout provide for the Farmee to drill a minimum of two exploration wells on the block to earn 25% (net 17.5%) of Madalena's current 70% net working interest in the block (excluding the Norte 2 structure in which the CAN X-2 well was drilled) with the option to drill two additional earning wells to earn an additional 25% (net 17.5%) of Madalena's current 70% net working interest in the block, including 50% (net 35%) of the Norte 2 structure. Madalena will continue to own a net 52.5% working interest in the block after the first two wells have been drilled, and a net 35% working interest in the block in the event the two option wells are drilled. Should cumulative investments under the Farmout exceed US$18.4 million (including VAT), the Farmee will automatically earn 50% (net 35%) of Madalena's current 70% net working interest in the block (including the Norte 2 structure) and each working interest owner would be responsible for subsequent costs based on their participating interest. Madalena estimates the potential for approximately 38 additional wells to be drilled on the block based on the Company's 3D seismic interpretation over the block and the results of the successful CAN X-2 discovery well drilled on the block in 2009.

In the second quarter, three sites on separate features were surveyed and received approved environmental impact assessments. In August 2010, the Company commenced drilling the CAN X-3 exploratory well. The well is situated on a separately defined 3D drilling anomaly located approximately 8 kilometres east of the CAN X-2 discovery well. Drilling operations are expected to be completed in the first week of September 2010 and if successful, a completion of the well will be performed.

Immediately following the drilling of CAN X-3, the drilling rig will be mobilized to drill the CAN X-1 location, another separately defined 3D anomaly midway between the CAN X-2 producing well and the CAN X-3 location. Both wells are scheduled to be drilled to approximately 3,300 metre depth and will penetrate not only the primary objective horizon in the Sierras Blancas formation, but will also allow examination of the prospective Quintuco and Vaca Muerta horizons above, and the Lotena formation below.

At Curamhuele, the Company has completed processing and interpretation of 3D seismic data from its earlier seismic exploration programs and has identified a second prospect (Truncation play) east of the previously identified foothills thrust fault play. The Company has obtained approval of the environmental impact assessment for two well locations associated with the Truncation play. The location for the Company's first exploration well on the block has been selected based on 3D seismic acquired during the last half of 2008 and is situated up-structure and approximately 2.4 kilometres south west of the existing cased well, Curamhuele X-1. The well is planned to be drilled to a drilling depth of approximately 2,700 metres in order to penetrate the Lower Troncoso and Avile formations.

Work on location and future drilling of the foothills thrust fault play is also ongoing. Interpretation of the 3D seismic data for this play indicates structures in the Avile, Troncoso, and Mulichinco formations which are similar in nature to structures which have been successfully drilled and developed on the Filo Morado and El Porton fields to the north.

At Cortadera, seismic interpretation is currently being high graded to select optimal drilling targets on the block. The Company has also identified a tight gas play on the block and may consider conducting additional seismic to further evaluate its potential.

On May 25, 2010, the Company announced that it had received extensions on all three of its exploration blocks in Argentina. On the Coiron Amargo and Curamhuele blocks, the Company has received extension periods totaling three years on each block commencing from the end of their initial three year exploration periods on November 9, 2010. The first extension period is a one year continuation to the existing exploration period to be followed by a new two year exploration period. There will be no requirement to relinquish non-commercial or non-prospective acreage on either block until the end of the one year continuation. The subsequent new two year exploration periods for Coiron Amargo and Curamhuele will require additional work commitments the equivalent of US$3.1 million (Madalena share pre Farmout – US$2.4 million) and US$2.0 million (Madalena share – US$1.6 million), respectively, which will include the drilling of at least one well on each block. These drilling commitments will be fulfilled by Madalena's drilling programs commencing this summer. The expenditures for the drilling programs will be credited towards the new work commitments by virtue of Madalena having already satisfied the majority of its outstanding work commitments for the first exploration period on each block.

At Cortadera the Company has received a second three year exploration period commencing on October 26, 2010. The new three year exploration period will require an additional work commitment the equivalent of US$2.0 million (Madalena share – US$2.0 million) which may be fulfilled through conducting additional seismic or the drilling of a well. The Company is scheduled to relinquish a portion of the non-prospective acreage at the end of the first exploration period.

All three exploration blocks qualify for an additional one year extension period at the end of their second exploration periods in the fourth quarter of 2013.

Financial information

Certain selected financial and operational information for the three and six months ended June 30, 2010 and the comparative three and six months ended June 30, 2009 are set out below and should be read in conjunction with Madalena's unaudited financial statements and related MD&A.

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
Financial information	$	$	$	$
Interest income	17,492	1,350	45,865	8,515
Funds used in operations(1)	(680,398)	(481,892)	(1,511,041)	(1,223,032)
Funds used in operations per share (1)	-	-	(0.01)	(0.01)
Cash flow used in operating activities	(825,274)	(483,721)	(1,541,007)	(1,258,839)
Cash flow used in operating activities per share	(0.01)	-	(0.01)	(0.01)
Cash flow from discontinued operations	(8,426)	(11,713)	3,523,670	31,852
Cash flow from discontinued operations per share	-	-	0.02	-
Net loss from continuing operations	(762,563)	(641,103)	(1,681,554)	(1,486,596)
Net loss from continuing operations per share	-	(0.01)	(0.01)	(0.01)
Net loss and other comprehensive loss	(733,878)	(2,075,920)	(1,620,837)	(2,948,781)
Net loss and other comprehensive loss per share	-	(0.02)	(0.01)	(0.03)
Total assets at the period ended	25,522,340	21,259,811	25,522,340	21,259,811
Working capital	11,408,141	918,434	11,408,141	918,434
Capital expenditures	76,065	1,806,650	255,074	4,711,363
Debt	-	-	-	-

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

The Company realized a net loss from continuing operations of $762,563 for the three months ended June 30, 2010, compared to a net loss from continuing operations of $641,103 in the second quarter of 2009. Net loss from continuing operations increased to $1,681,554 in the first half of 2010 compared to $1,486,596 in the first half of 2009. Net loss from continuing operations increased due to higher general and administrative expenses in the first and second quarter of 2010 partially offset by lower foreign exchange losses.

Including discontinued operations, the Company realized a net loss of $733,878 for the three months ended June 30, 2010, compared to a net loss of $2,075,920 in the second quarter of 2009. Net loss decreased to $1,620,837 in the first half of 2010 compared to $2,948,781 in the first half of 2009. Higher general and administrative expenses in both the first and second quarter of 2010 compared to the corresponding periods in 2009 were offset by lower foreign exchange losses and higher income from discontinued operations in the periods.

The Company recorded income from discontinued operations of $28,685 for the three month period ended June 30, 2010 compared to a loss from discontinued operations of $1,434,817 for the second quarter of 2009. The increase in income from discontinued operations is due to the write down of the Company's Canadian oil and gas properties in the second quarter of 2009.

On August 27, 2009, the Company completed the sale of all of its Canadian petroleum and natural gas properties for cash proceeds of $554,000 prior to closing adjustments. The Company has reclassified its comparative figures to record the net loss from discontinued operations as a separate item on the income statement.

In March 2010, the Company sold its interest in the Remada Sud Permit in Tunisia for cash consideration of US$4 million. As a result of the sale and disposal of the Company's Tunisia cost center, the Company has reclassified the property and equipment and asset retirement obligations associated with the Tunisia property as at December 31, 2009 as separate assets and liabilities on the balance sheet. The Company recorded a write-down and reduced the carrying value of the Tunisia cost center at December 31, 2009 by $2,110,666.

At June 30, 2010 Madalena had working capital of $11,408,141 compared to $8,871,993 at December 31, 2009. Working capital increased as a result of the sale in March 2010 of the Company's interest in the Remada Sud Permit in Tunisia.

The Company had negative funds from operations in the three and six month periods ended June 30, 2010 totaling $680,398 (2009 – $481,892) and $1,511,041 (2009 – $1,223,032), respectively. Negative funds from operations increased in 2010 as a result of higher general and administrative expenses partially offset by lower foreign exchange losses.

OUTLOOK

The Company has experienced a high level of success in its international exploration and development projects. Following the sale of the Company's Tunisia assets in March 2010, the Company's focus in 2010 will be on its high impact, high working interest core areas in the Neuquén Basin of Argentina.

Recent extensions to the exploration period of all three exploration blocks in Argentina allow the Company to confidently move forward with its exploration and development plans. If the drilling program currently underway on the Coiron Amargo Block is successful and commercial hydrocarbons are found, the Company anticipates a development plan will be prepared in 2011 to convert the exploration block to an exploitation concession with a 25 year term.

About Madalena

Madalena is a publicly traded international junior Canadian oil and gas exploration company trading on the Toronto Venture Stock Exchange under the symbol "MVN". The Company has exploration operations in Argentina and is actively evaluating international oil and gas opportunities with a primary focus on South America.

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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 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.

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.

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