

NEWS RELEASE

DECEMBER 21, 2010

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**MADALENA VENTURES INC.**

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**TSXV Trading Symbol: MVN**

**MADALENA ANNOUNCES GRANT OF OPTIONS**

The Board of Directors of Madalena Ventures Inc. ("Madalena" or the "Corporation") announces the grant of options ("Options") to certain directors, officers and employees of the Corporation to purchase an aggregate of 5,860,000 common shares ("Common Shares"). Each Option has an exercise price of \$0.79 per share and is exercisable for a period of five years from the date of grant.

The Corporation's rolling stock option plan was approved by the shareholders at the Annual and Special Meeting of shareholders held on June 22, 2010. The Corporation's stock option plan currently reserves up to 25,265,889 Common Shares for issuance pursuant to Options, which is equal to 10% of the number of issued and outstanding Common Shares. Options to purchase 16,565,000 Common Shares are now outstanding, which is equal to 6.6% of the number of issued and outstanding Common Shares.

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

MADALENA VENTURES INC.

On behalf of the Board

*"Dwayne Warkentin"*

Dwayne Warkentin,

President and Chief Executive Officer

Forward Looking Statements

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](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.

This news release does not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. The Common Shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption therefrom."