

NEWS RELEASE

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TSXV Trading Symbol: MVN

MADALENA OPERATIONS UPDATE

Madalena Ventures Inc. and its wholly owned subsidiary Madalena Austral SA ("Madalena" or the "Company"), is pleased to provide an update on its drilling and testing operations in Argentina.

On the Coiron Amargo Block, the CAN X-4 exploration well was drilled in May 2011 to a total depth ("TD") of 11,027 feet and cased as a potential oil discovery. Both oil and gas shows were evident during the drilling of the Vaca Muerta and Sierras Blancas formations. During testing of the Sierras Blancas formation under choke sizes between 4 and 8 mm, the well tested over a 34 hour period at flow rates up to 650 bopd of 39 degree API light crude oil and 780 mcf/d of gas at flow pressures between 700 – 900 psi wellhead pressure. The Company intends to complete testing operations over the next several days and place the well on production.

The Vaca Muerta formation interval encountered by the CAN X-4 well was 456 feet thick. In the northern and southern portion of the block, the Company has now drilled into the Vaca Muerta formation 5 vertical wells each of which appears similar on electric logs and have had indications of hydrocarbons. At the CAS X-1 well location in the southern portion of the block, flow and pressure data have now been collected from the lower portion of the formation with the well flowing at approximately 40 bopd of 32 degree API crude oil without any fracture stimulation treatment. Further testing of the well including a large hydraulic fracture stimulation program is expected to be completed in the third quarter. If successful, the Company could seek to accelerate testing of its other wells on the block using additional fracture stimulation capacity being brought into the Neuquen Basin as well as proceed with preparations for a large, multi-well drilling program in 2011/2012 specifically for Vaca Muerta shale oil.

Dwayne Warkentin, President and Chief Executive Officer commented "the flow of oil from the Vaca Muerta shale in the CAS X-1 well prior to any fracture stimulation combined with the fracture stimulated results from the Vaca Muerta shale formation in the near-by Loma La Lata Block provide the Company with an excellent resource base in combination with the conventional Sierras Blancas oil play on the Coiron Amargo Block".

On the Cortadera Block, the CorS x-1 exploration well is currently drilling ahead at approximately 9,760 feet. The well is scheduled to be drilled to approximately 14,100 feet depth targeting the Quintuco, Mulichinco, Vaca Muerta shale and Tordillo formations. The Company anticipates that the well will reach TD in early August 2011.

On the Curamhuele Block, the Company is currently finalizing plans to test several of the Avile sands and the Lower Troncoso formation encountered by the Yapai X-1001 drilled in June 2011. 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 from 6,800 feet MD (6,530 feet TVD) to 10,620 feet MD (10,360 feet TVD). Testing operations are expected to begin in August 2011.

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

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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 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.

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