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MADALENA ANNOUNCES RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2011

Madalena Ventures Inc. ("Madalena" or the "Company") today announces its operating and financial results for the three months and year ended December 31, 2011. Copies of the Company's consolidated financial statements for the year ended December 31, 2011, the related Management's Discussion and Analysis (MD&A), and the Annual Information Form (AIF) have been filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.madalena-ventures.com. All amounts are in Canadian $'s unless otherwise stated.

HIGHLIGHTS

Highlights in the year ended December 31, 2011 include:

- Successful drilling in the north, central and southern portions of the Coiron Amargo Block confirming the Company's regional geological model of the Vaca Muerta shale formation and at CAS X-1, completion and testing of the Company's first large scale hydraulic fracture stimulation treatment of the formation;
- Extension of the Company's large acreage position in the Neuquen Basin and conversion of the northern 108 km^2 of the 404 km^2 Coiron Amargo Block to a 25 year exploitation concession;
- Successfully drilling the CorS X-1 deep gas exploration well on the Cortadera Block encountering thick Mulichinco, Quintuco and Vaca Muerta formations. A two stage hydraulic fracture stimulation of the Vaca Muerta formation and related testing commenced in the first quarter of 2012;
- Drilling the Yapai X-1001 exploration well on the Curamhuele Block recovering light gravity crude oil as well as natural gas without any measurable formation water from the Avile and Agrio formations;
- Preparations for the Company and regions first fracture stimulation of the Lower Agrio shale which has been identified as another potentially significant shale resource in the Neuquen Basin in addition to the Vaca Muerta shale; and
- Completed public offering in the first quarter of 2012 for gross proceeds of $67,500,000 further strengthening the Company's balance sheet to continue exploration and appraisal of one of the leading unconventional resource plays outside of North America.

OVERVIEW

Coiron Amargo Block (35% working interest)

In March 2011, the Company drilled and cased the CAS X-1 exploration well in the southern portion of the block and in May 2011 drilled the CAN X-4 well approximately 16 km away in the northern portion of the block. Oil and gas shows were evident in both wells during the drilling of the Sierras Blancas formation and the non-conventional Vaca Muerta formation.

In June and July 2011 the Company tested the CAS X-1 and CAN X-4 wells, respectively in the Sierras Blancas formation and placed them on production. Both the CAS X-1 and CAN X-4 wells were drilled at no cost to the Company as part of an earlier farm-out agreement. Following the completion and initial testing of the wells, under the earning provisions of the farm-out agreement, Madalena's working interest in the block decreased at the end of July 2011 from 52.5% to 35%.

Each of the initial four wells in the northern portion of the block was drilled into separate anomalies identified on 3D seismic. In March 2012 the Company commenced drilling the CAN 5 development well located within the CAN X-1 Sierras Blancas structure discovered in the second half of 2010. Once completed, the drilling rig is expected to move 5 km to the south-east to the CAN 7 development well location within the CAN X-3 Sierras Blancas structure. In the fourth quarter of 2011 and first quarter of 2012, a pipeline was constructed from the northern development area to the Loma Jarillosa Este gas processing facility on an adjacent block. Final tie-in to the facility was completed by the facility operator the week of April 15, 2012. Other new infrastructure including pumping and separator equipment along with a water disposal well is expected to improve operating netbacks from the area.

In the non-conventional Vaca Muerta formation, the Company has now drilled a total of seven vertical wells in the northern, central and southern portions of the block each of which appears similar on electric logs and has had indications of hydrocarbons. The total thickness of the Vaca Muerta formation has ranged from 350 to 475 feet thick. Of the seven wells, only the CAS X-1 well has been hydraulically fractured while the joint venture group completes its core and other technical analysis of the formation and monitors the performance of the CAS X-1 well.

In the first quarter of 2012, a large three stage hydraulic fracture stimulation of the Vaca Muerta formation was completed as programmed utilizing over 1 million pounds of high strength sintered bauxite. Flow testing of the Vaca Muerta continues and a survey has been completed indicating the production contribution from each frac stage interval. The fracture stimulation is the first independent frac of the Vaca Muerta shale to be undertaken on land adjacent to the Loma La Lata field.

In February 2012 the Company cased to total depth ("TD") the CAS X-4 exploration well as a potential oil discovery. Located approximately nine kilometers south east of the CAS X-1 discovery well, a full diameter core was taken through most of the interval which will be used to optimize future wells in the Vaca Muerta formation. A hydraulic fracture stimulation program for the formation will be prepared after extensive laboratory analysis of the core is completed. In March 2012, the CAS X-2 vertical exploration well in the center of the block was also cased to TD. In April 2012, the Sierra Blancas formation, located below the Vaca Muerta formation, was flow tested with rates between 100 and 200 bopd over a five day period. The well has been equipped for artificial lift and will be placed on pump. The CAS X-2 well confirms the existence of hydrocarbons in the Sierras Blancas formation in the central portion of the block in addition to previous discoveries in the north and south.

Future hydraulic fracture stimulation treatments of the Vaca Muerta formation are planned for 2012 following the completion of the extensive special core work now in progress on the core retrieved from the CAS X-4 well. In combination with electric log information from 12 wells on the block and information gathered from the Vaca Muerta fracture treatment and testing at CAS X-1, the Company, in conjunction with its joint venture partners, looks forward to an active and rapid delineation of the Vaca Muerta potential over the entire 100,000 acres of the block. Of the wells drilled to date, they represent only one well per 13 square miles and are not evenly spaced over the block. While it has not yet been established if vertical or horizontal development drilling is the most economic method of development, Madalena anticipates a move towards horizontal drilling as more horizontal wells are tested in the basin. With this in mind, Madalena is assessing among other things the most favorable direction, depths, lengths and stages in order to test a horizontal well on the block.

In March 2012 an application by the Coiron Amargo joint venture to convert the northern 108 km^2 of the 404 km^2 block to a 25 year exploitation concession was approved by the Province of Neuquén. In addition, the exploration period for the remainder of the block was extended to November 8, 2013. The extension of the block will require additional work commitments of US$ 33.5 million (Madalena share – US$ 11.7 million). The exploration block qualifies for an additional one year extension period at the end of the exploration period in the fourth quarter of 2013.

A total of 8 – 10 wells are expected to be drilled in 2012 targeting both conventional and unconventional resources. In addition, a 150 km2 3D seismic program is planned for the southwest corner of the block.

Cortadera Block (40% working interest)

In September 2011, the CorS X-1 exploration well was drilled with joint venture partner and operator Apache Energia Argentina S.R.L., (Apache), to a total depth ("TD") of 14,760 feet. The CorS X-1 well is a potential high impact exploration well targeting several thick tight sand and shale gas formations in an emerging potential shale gas corridor along the western edge of the basin. Based on electric logs in conjunction with select full diameter and side wall cores, the well encountered a gross thickness of 2,323 feet in the Vaca Muerta shale formation, 2,024 feet in the Quintuco formation overlying the Vaca Muerta formation and 676 feet in the Mulichinco formation. Additional rotary sidewall cores were obtained for analysis in the Agrio formation overlying the Mulichinco formation.

In March 2012 Apache completed a two stage hydraulic fracture stimulation of the Vaca Muerta formation in the CorS X-1 vertical exploration well drilled on the block in September 2011. A total of 610,000 pounds of high strength sintered bauxite was utilized in the stimulation treatment and testing of the Vaca Muerta formation is now underway. Further work to assess additional uphole formations (Quintuco, Mulichinco, and Agrio zones) is expected to be carried out following the Vaca Muerta test. Also in March 2012, a resolution was passed approving Apache's application to qualify the Cortadera exploration block for Gas Plus pricing. The Gas Plus program was launched at the end of 2008 to stimulate investments in and production of natural gas and oil through providing incentives for new production of natural gas or oil.

The Company has agreed a work program with provincial authorities to extend the initial exploration period of the Cortadera Block beyond the initial expiry date of October 26, 2011 and is optimistic that formal approval of the extension is forthcoming. A 3D seismic program is planned for later in the year following testing of the CorS X-1 well.

Curamhuele Block (90% working interest)

In April 2011, the Company completed drilling the Curamhuele X-1001 exploration well (truncation play) to a total depth of 8,430 feet without encountering commercial quantities of hydrocarbons and subsequently abandoned the well.

In June 2011, the Company completed drilling the Yapai X-1001 well to a total measured depth ("MD") of 10,743 feet (10,478 true vertical depth or "TVD") penetrating the Lower Troncoso, Avile and Agrio formations. The Avile and Agrio formations were perforated and swab tested in three stages between 7,782 feet MD and 10,620 feet MD. Light gravity crude oil was recovered from each test as well as natural gas without any measurable formation water indicating a trapped hydrocarbon system.

The Yapai X-1001 well was cased to TD with 7" casing and could be re-entered at a later date and deepened to the Mulichinco and Vaca Muerta shale formation. In addition, two previous wells drilled on the block, Curamhuele X-1 and Yapai X-1, have been drilled into the Mulichinco formation and will be reviewed for tie-in and or potential re-entry to test the prospective Vaca Muerta shale formation. Information gathered from the drilling and testing of the CorS X-1 well is also expected to assist the Company in developing plans for future exploration and potential development of the Vaca Muerta formation in the block.

The Company is also continuing preparations to complete a hydraulic fracture stimulation in the over pressured Lower Agrio shale formation. The thick Lower Agrio shales on the block are believed to be prospective for oil based on tests of light oil from three existing wells in the Agrio formation and on outcrop work. Various well equipment required to perform the fracture stimulation has been ordered and purchased. The planned operation is expected to commence in June 2012 and would be the first hydraulic fracture stimulation of the Lower Agrio shale in the Neuquén Basin.

In March 2012 the exploration period for the block was extended to November 8, 2013. The extension of the block will require additional work commitments of US$ 17.6 million (Madalena share – US$ 17.6 million). The exploration block qualifies for an additional one year extension period at the end of the exploration period in the fourth quarter of 2013.

Corporate

In March 2012, the Company issued 54,000,000 common shares at an issue price of $1.25 per share for gross proceeds to Madalena of $67,500,000. The Company is in a strong financial position to move forward with its 2012 drilling program and meet the commitments associated with its recent block extensions.

Madalena is also pleased to announce the promotion of Mr. Ruy Riavitz to Country Manager of Madalena's wholly owned subsidiary, Madalena Austral SA. Previously Operations Manager – Neuquen, Mr. Riavitz is a Chemical Engineer with 16 years of diversified experience in the oil and gas industry. Mr. Riavitz has extensive field operations and management experience having previously served as a reservoir engineer and operations supervisor with YPF as well as exploration and production manager with Hidensa, the state owned oil and gas company of Neuquén province – Argentina. Mr. Riavitz will be based in Madalena's new office in the City of Neuquén.

FINANCIAL AND OPERATING INFORMATION

	Three Months Ended December 31,		**Year Ended December 31,**	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Financial Information[1]				
Revenue	609,340	244,235	2,598,503	244,235
Funds used in operations[2]	(678,060)	(610,024)	(2,908,418)	(2,576,406)
Funds used in operations per share[2]	-	-	(0.01)	(0.01)
Cash flow used in operating activities	(386,095)	(920,330)	(2,493,206)	(2,944,562)
Cash flow used in operating activities per share	-	-	(0.01)	(0.02)
Cash flow from discontinued operations	-	168,581	-	3,703,100
Cash flow from discontinued operations per share	-	-	-	0.02
Net loss from continuing operations	(1,585,520)	(2,027,510)	(16,136,543)	(4,298,063)
Net loss from continuing operations per share	(0.01)	(0.01)	(0.06)	(0.02)
Net loss	(1,585,520)	(1,719,762)	(16,136,543)	(3,886,065)
Net loss per share	(0.01)	(0.01)	(0.06)	(0.02)
Total assets	42,097,787	59,754,228	42,097,787	59,754,228
Working capital	14,442,910	37,005,522	14,442,910	37,005,522
Capital expenditures	4,082,646	6,668,193	20,034,093	7,245,335
Debt	-	-	-	-
Production				
Oil production (barrels per day) [3]	84	105	108	105

1) All amounts per common share are basic and fully diluted amounts per share
2) 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.
3) 2010 production is the average daily oil production since October 1, 2010

RESULTS OF OPERATIONS

Oil and gas revenue for the year ended December 31, 2011 was $2,598,503 compared to $244,235 in 2010. Oil and gas revenue increased to $609,340 for the quarter ended December 31, 2011 compared to $244,235 for the corresponding period in 2010. The increase in oil and gas revenue in 2011 is due to the classification in the fourth quarter of 2010 of the northern portion of the Coiron Amargo Block as a development and production asset. The Company's share of oil production from the Coiron Amargo Block in the quarter and year ended December 31, 2011 was 7,770 barrels (84 barrels per day) and 39,511 barrels (108 barrels per day), respectively. The Company's share of oil production in the quarter and year ended December 31, 2010 was

9,625 barrels or 105 barrels per day when calculated over the entire fourth quarter. Oil production from the block is stored and periodically sold once a sufficient quantity is reached.

The Company realized a net loss of $16,136,543 for the year ended December 31, 2011 compared to $3,886,065 in 2010. Net loss decreased to $1,585,520 for the quarter ended December 31, 2011 compared to $1,719,762 for the corresponding period in 2010. Net loss increased primarily due to an impairment loss of $11,006,637 on exploration and evaluation assets in the second quarter of 2011, higher general and administrative expenses and share-based payments expense partially offset by oil revenue in 2011 from the Coiron Amargo Block and higher interest income.

At December 31, 2011 Madalena had working capital of $14,442,910 compared to $37,005,522 at December 31, 2010. In March 2012 the Company completed an equity offering for gross proceeds of $67,500,000. Following the equity offering, the Company is in a strong financial position to move forward with its 2012 drilling program and meet the commitments associated with its recent block extensions. On the Coiron Amago Block, Madalena anticipates drilling a number of Sierras Blancas development wells on existing discovered anomalies while continuing its technical work to identify the optimal appraisal and development program for the Vaca Muerta shale formation.

Further capital expenditures are also planned for the Company's two large exploration blocks in the western part of the Neuquen Basin to determine the potential associated with several thick shale and tight sand formations on the blocks.

RESERVES

The Company's total proved reserves decreased to 874 Mboe at December 31, 2011 from 1,011 Mboe at December 31, 2010 primarily as a result of the decrease in the Company's working interest in the Coiron Amargo Block partially offset by successful drilling in the year of the CAN X-4 and CAS X-1 wells. Proved plus probable reserves decreased to 1,565 Mboe at December 31, 2011 from 1,793 Mboe at December 31, 2010, and proved plus probable plus possible reserves decreased to 1,901 Mboe at December 31, 2011 from 2,208 Mboe the year before. At December 31, 2011, no reserves have been attributed to the Cortadera or Curamhuele Blocks.

SHAREHOLDER RIGHTS PLAN

On April 24, 2012 the Company's Board of Directors (the "**Board**") adopted a Shareholder Rights Plan (the "**Rights Plan**") for which shareholder approval will be sought at the Company's annual general and special meeting of shareholders to be held June 14, 2012.

The Rights Plan is designed to provide shareholders and the Board with adequate time to consider and evaluate any unsolicited bid made for the Company, to provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid, to encourage the fair treatment of shareholders in connection with any take-over bid for the Company and to ensure that any proposed transaction is in the best interests of the shareholders of the Company.

The Rights Plan was not proposed in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid. The Board did not adopt the Rights Plan to prevent a take-over of the Company, to secure the continuance of management, the directors of the Board in their respective offices or to defer offers for the shares of the Company. The issuance of the rights will not change the manner in which shareholders trade their shares.

The Rights Plan is similar to other rights plans adopted by many Canadian corporations. The Rights Plan is not triggered if an offer to acquire Company shares is made as a "permitted bid" and thereby allows sufficient time for the Board and shareholders to consider and react to the offer. The plan will be available for viewing at www.SEDAR.com.

The Rights Plan has been conditionally accepted by the TSX Venture Exchange and is effective immediately. The Rights Plan must be confirmed by shareholders at a meeting to be held within six months.

ABOUT MADALENA

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 currently has production and exploration operations in Argentina and is focused on international oil and gas opportunities in South America. Madalena is publicly traded on the TSXV under the symbol "MVN".

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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 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 necessarily indicative of long-term performance or of ultimate recovery. 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. In addition, the Vaca Muerta shale is an unconventional resource play which may be subject to high initial decline rates.

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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.