

NEWS RELEASE

March 7, 2012

**NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR DISSEMINATION IN
THE UNITED STATES**

MADALENA VENTURES INC.

**200, 441 – 5th Avenue S.W.
Calgary, Alberta T2P 2V1**

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

TSXV Trading Symbol: MVN

**MADALENA CLOSSES SHORT FORM PROSPECTUS OFFERING
FOR AGGREGATE GROSS PROCEEDS OF \$67.5 MILLION**

Madalena Ventures Inc. ("Madalena" or the "Corporation") is pleased to announce that it has completed its previously announced bought deal short form prospectus offering (the "Offering") through a syndicate of underwriters led by Casimir Capital Ltd. and including Cormark Securities Inc., Canaccord Genuity Corp., Byron Capital Markets Ltd., Fraser Mackenzie Limited and Mackie Research Capital Corporation (collectively, the "Underwriters"). Pursuant to the Offering, Madalena issued an aggregate of 54,000,000 common shares of the Corporation ("Common Shares") at an issue price of \$1.25 per Common Share, including 6,000,000 Common Shares pursuant to the exercise in full of the over-allotment option by the Underwriters, for aggregate gross proceeds of \$67.5 million.

The net proceeds of the Offering will be used to fund the Corporation's capital expenditure program and for general corporate purposes.

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 Corporation 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".

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

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. More particularly, this press release contains forward-looking statements related to the intended use of the net proceeds raised pursuant to the Offering.

The forward-looking statements are based on Madalena's current beliefs as well as assumptions made by, and information currently available to, Madalena concerning, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, future commodity prices, future production levels, the ability to obtain equipment in a timely manner to carry out exploration and development activities, the ability to market oil and natural gas successfully to current and new customers, the impact of increasing competition, the ability to obtain financing on acceptable terms, and the ability to add production and reserves through development and exploration activities.

Although Madalena believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on such forward-looking statements because Madalena can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with oil and gas exploration, financial risks, substantial capital requirements, bank financing, government regulation, environmental matters, prices, markets and marketing, dependence on key personnel, availability of drilling equipment and access, uninsurable risks, management of growth, expiration of licenses and leases, reserves estimates, seasonality, competition, conflicts of interest, issuance of debt, title to properties, variations in exchange rates and hedging and uncertainty in global financial markets.

Additionally, due to the nature of the oil and natural gas industry, budgets are regularly reviewed in light of the success of expenditures and other opportunities which may become available to Madalena. Notwithstanding the Corporation's current intentions regarding the use of the net proceeds described above, there may be circumstances where a reallocation of funds may be necessary. While the Corporation anticipates that it will spend the funds available to it as set forth above, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary.

The forward-looking statements contained in this press release are made as of the date hereof and Madalena undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.