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MADALENA PROVIDES OPERATIONS UPDATE

Madalena Ventures Inc. (the “Company” or “Madalena” (TSX VENTURE: MVN) is pleased to provide an update of its operations in both Western Canada and Internationally.

Western Canada Operations Update – Greater Paddle River Core Area

Horizontal Resource Play #1 – *Ostracod light oil*

On October 15, 2012 the Company placed its most recent Ostracod horizontal oil well (Madalena 100% W.I.) on production in the Paddle River area. The IP30 rate was 307 boe/d (65% oil & ngl). The well continues to flow without the assistance of pumping equipment at rates of approximately 270 boe/d after 3 months. Madalena plans to spud a 100% working interest offsetting horizontal well within the next 2 weeks and may subsequently drill an additional 100% working interest horizontal location prior to spring break-up.

Horizontal Resource Play #2 – *Stacked Mannville Channel Trend*

In December 2012, the Company drilled a 3038 meter horizontal Notikewin well (Madalena 100% W.I.) in the Niton area. The well has a horizontal trajectory of approximately 1100 meters which was multi-stage fraced in 13 stages. The well was flowed to clean-up and initially tested over a 9 day period. During this time, gas rates increased steadily to 5.5 mmcf/d with an expected 28 bbls/mmcf of liquids once tied-in and on production. Throughout the clean-up test, 100% of the 689 m³ of load fluid was recovered. Average production rates over the final 24 hours of the test were 5.5 mmcf/d and flowing pressures remained relatively stable at approximately 3000 kPa. The plan is for this horizontal to be tied-in and on production around mid-February. The flow-back information disclosed above should be considered preliminary and is not necessarily indicative of the long-term performance of the well.

Horizontal Resource Play #3 – *Nordegg oil & liquids-rich gas*

In December 2012 Madalena also spudded a horizontal Nordegg well (Madalena 100% W.I.) in the Wildwood area. The well has been drilled to a total depth of approximately 3000 meters with approximately 1100 meters of horizontal trajectory. The Company is currently planning a multi-stage frac operation to be undertaken later in January. With success, it is expected that the well will be tied-in and equipped such that gas and liquids (estimated at over 100 bbls/mmcf) production would commence in early March.

With the focus on production growth from its three key resource plays in the Greater Paddle River Area, Madalena continues to move forward on its plan to drill, multi-stage frac and tie-in four to five horizontal wells prior to spring break-up.

International Operations Update – Neuquén Basin

In Argentina, exploration and delineation activity continues along with progress on plans for continuation of the blocks beyond the end of their initial exploration periods in the fourth quarter of 2013. Currently, Madalena and its partners are drilling the CAS X-5 exploration well in the southern portion of the Coiron Amargo block (Madalena 35% W.I.) to continue to delineate the Vaca Muerta shale on the block. This vertical well is expected to reach total depth over the next week. At the CAN 8 location (previously drilled in December 2012 on the northern portion of the Coiron Amargo block), a cement bond log was run in the cased wellbore and a remedial cement job is required across the Sierras Blancas light oil zone prior to completion execution. The plan is to move onto the CAN-8 location before the end of January to conduct this remedial work, and upon success, move forward with a completion in the Sierras Blancas. The CAN-8 well has hydrocarbon on logs in both the Sierras Blancas and Vaca Muerta shale.

About Madalena – Domestic and International Assets

Madalena is an independent, Canadian-based, domestic and international upstream oil and gas company whose main business activities include exploration, development and production of crude oil, natural gas liquids and natural gas.

Domestically, Madalena holds a significant acreage position in Western Canada, with a core area of operations located in the Greater Paddle River Area, where the company holds 197 gross (153 net) sections of land (78% average W.I.) across multiple light oil and liquids-rich gas resource plays. Madalena's focus domestically is to exploit its large inventory of horizontal development locations in its Ostracod oil, Notikewin/Wilrich liquids-rich gas, and Nordegg oil & liquids-rich resource plays. Madalena also holds 102 net sections (100% W.I.) which are prospective for the Duvernay shale.

Internationally, Madalena holds three large blocks within the prolific Neuquén basin in Argentina and is focused on the delineation / prove-up of its large in-place shale & unconventional resources in the Vaca Muerta and Agrio shales, alongside high impact plays in the Quintuco and Mulichinco formations. Madalena holds 135,000 net acres across the Coiron Amargo (35,027 net acres), Curamhuele (50,400 net acres) and Cortadera (49,600 net acres) blocks.

Madalena trades on the TSX Venture Exchange under the symbol MVN. Basic corporate information, recent news releases and periodically updated corporate presentations are available on the Company's website at www.madalena-ventures.com.

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Reader Advisories

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. In particular, this news release contains forward-looking statements pertaining to operational activities to be conducted by the Company. 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 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 forward-looking statements in this news release 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 Madalena. In addition, the Notikewin and Vaca Muerta shales are unconventional and/or horizontal resource plays 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.

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.