

NEWS RELEASE

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MADALENA CASES THE CAN X-3 EXPLORATION WELL AS POTENTIAL OIL DISCOVERY

Madalena Ventures Inc. and its wholly owned subsidiary Madalena Austral SA ("Madalena" or the "Corporation"), is pleased to announce that the Corporation's CAN X-3 exploratory well on the Coiron Amargo Block has been cased as a potential oil discovery. The well is situated on a separately defined 3D drilling anomaly located approximately 8 kilometers east of the CAN X-2 discovery well drilled on the block in 2009.

The CAN X-3 well targeted the Sierras Blancas formation, which is a prolific oil producer in this part of the Neuquén Basin of Argentina. The CAN X-3 exploration well was drilled to total depth ("TD") of 10,590 feet and has been cased to TD.

The well encountered two zones with hydrocarbon potential. In the deeper of the two formations, the Sierras Blancas formation, the well had good oil shows and based on electric logs encountered a gross hydrocarbon column of approximately 75 feet. The second potential zone in the wellbore, the Vaca Muerta formation, had 110 feet of hydrocarbon shows during the drilling phase. A special electric logging suite was run over this section in order to gather information previously not available on this shale formation.

The drilling rig is currently being mobilized to drill the CAN X-1 location, another defined 3D anomaly midway between the CAN X-2 producing well and the CAN X-3 location. Drilling is expected to commence in 4 – 5 days and is expected to take approximately 30 days to drill.

The Corporation plans to test the Sierras Blancas formation encountered by the CAN X-3 well and will report the results when available. A completion rig is expected to be mobilized to the CAN X-3 well in approximately 3 weeks in order to test the CAN X-3 well followed immediately by the CAN X-1 well. The Corporation and its partners are not expecting to test the Vaca Muerta formation until such time as all of the information gathered from the current drilling program is assimilated and evaluated to determine its potential as an oil producing zone. Based on the initial results of the CAN X-3 and CAN X-2 well drilled in 2009, Madalena believes there remains significant potential on the block for future Vaca Muerta exploration and development.

The CAN X-3 exploration well is the first well of a two stage, multi-well drilling program ("Farmout") of the Coiron Amargo Block with a company that has extensive experience operating in the Neuquén basin. The terms of the Farmout provide for the Farmee to drill a minimum of two exploration wells on the block to earn 25% (net 17.5%) of Madalena's current 70% net working interest in the block (excluding the Norte 2 structure in which the CAN X-2 well was drilled) with the option to drill two additional earning wells to earn an additional 25% (net 17.5%) of Madalena's current 70% net working interest in the block, including 50% (net 35%) of the Norte 2 structure. The CAN X-1 exploration well will be the second well to be drilled under the Farmout.

Madalena will continue to own a net 52.5% working interest in the block after the first two wells have been drilled, and a net 35% working interest in the block in the event the two option wells are drilled. Should cumulative investments under the Farmout exceed US\$18.4 million (including VAT), the Farmee will automatically earn 50% (net 35%) of Madalena's current 70% net working interest in the block (including the Norte 2 structure) and each working interest owner would be responsible for subsequent costs based on their participating interest.

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 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.

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