

NEWS RELEASE

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MADALENA PLAN OF ARRANGEMENT RECEIVES COURT APPROVAL

July 19, 2006. Madalena Ventures Inc. ("Madalena" or the "Company") (CNQ: MAVI) is pleased to announce that the Supreme Court of British Columbia has granted an Order for final approval of the statutory plan of arrangement announced on May 3, 2006 and approved by the shareholders of the Company at their June 2, 2006 annual and special general meeting.

The Arrangement involves the transfer of certain assets of the Company to 638523 B.C. Ltd. ("Newco"), a wholly-owned subsidiary of the Company, under the provisions of Section 288 of the BCBCA. The purpose of the Arrangement is to separate and preserve certain existing assets of the Company which are related to its mineral exploration business and certain other historical business of the Company in Newco for the benefit of the Company's current shareholders, with the intent that Newco will carry on the mineral exploration business previously carried on by the Company while the Company focuses on its oil and gas exploration and development business, which has become the Company's principal business.

The results of the Arrangement are summarized as follows:

- (a) each shareholder of the Company will receive one-fifteenth of a common share of Newco (or such greater number as the directors of Newco may determine) (to the nearest whole share) for each common share of the Company owned by such shareholder on the Arrangement Effective Date;
- (b) each shareholder of the Company will continue to own one common share of the Company for each common share of the Company owned by such shareholder on the Arrangement Effective Date;
- (c) each of the Company and Newco will be a "reporting issuer" under the B.C. Securities Act;
- (d) the Company will retain all of its cash and oil and gas assets, and will continue to carry on the business of exploration and development of oil and gas properties;
- (e) Newco will acquire all mineral property interests currently held by the Company, as well as all shares of Planet Exploration Ltd. ("Planet") and Medi-Hut Company, Inc. currently held by the Company (collectively the "Assets"), and will assume the Company's obligations (the "Obligations") in respect of the dividend in specie (the "Dividend") declared by the Company on November 15, 2004 to be payable in the form of Planet shares.

It is anticipated that the Arrangement will be completed within the next few weeks. Following completion of the Arrangement, the Company will continue under the Business Corporations Act (Alberta), as its business will be operated principally out of Calgary, Alberta. Newco will remain a British Columbia company.

Following completion of the Arrangement, the Company will be managed by current management of the Company and Newco will be managed by the Company's former President, Donald Gee, together with Patrick McCandless, a former director of the Company, and Conrad Lacker. Mr. Lacker is currently a director of Yankee Hat Minerals Inc. It is intended that Newco will arrange equity financing and acquire interests in additional mineral properties as those opportunities are presented.

Newco is currently a "private issuer", as that term is defined in the Securities Act (B.C.). Upon completion of the Arrangement, Newco will be a "reporting issuer", as that term is defined in the Securities Act (B.C.), but will not be listed on any stock exchange. By virtue of the definition of "reporting issuer" in the Securities Act (B.C.), Newco will be deemed to have been a reporting issuer as at the Arrangement Effective Date. Accordingly, Newco common shares acquired by shareholders of the Company will be subject to restrictions on resale set out in National Instrument 45-102 such that they may not be traded in B.C. without registration of the seller and qualification of the shares by prospectus unless and until certain conditions are met. Shareholders are advised to consult their legal advisors respecting such resale restrictions.

It is management's intention that Newco will ultimately apply to have its common shares quoted on The Canadian Trading and Quotation System Inc. ("CNQ"), subject to acceptance by CNQ. However, no such application has been made. There is currently no market through which securities of Newco can be sold, either before or after the Arrangement Effective Date, and there can be no assurance that any such market will ever develop. There can be no assurance that the Company or Newco will ever become listed on any stock exchange or become eligible for trading through CNQ or "over-the-counter" on any automated quotation service.

MADALENA VENTURES INC.

On behalf of the Board

"Ken Broadhurst"

Ken Broadhurst, President

Forward Looking Statements

Certain information set forth in this press release, including a discussion of future plans and operations, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources, as well as risks inherent in operating in foreign jurisdictions, including varying judicial or administrative guidance on interpreting rules and regulations and a higher degree of discretion on the part of governmental authorities. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements.