

MOONCOR

Oil & Gas

MOO: TSX Venture Exchange

June 22, 2011

MOONCOR ANOUNCES AGREEMENT TO SELL TWO LEASES

Calgary, Alberta – Mooncor Oil & Gas Corp. (TSXV:MOO) is pleased to announce that it has, along with its wholly owned subsidiary, Mooncor Energy Inc. (collectively, “**Mooncor**”), entered into a non binding letter of intent (“**LOI**”) dated June 8, 2011 with Madeira Minerals Ltd. (“**Madeira**”) (NEX:MDE.H) for the acquisition by Madeira of all of Mooncor’s right, title and interest in two oil leases spanning 80 acres (collectively the “**Leases**”) located at Lloydminster, Alberta. Madeira is a capital pool company and the transaction is intended to constitute Madeira’s “qualifying transaction” (the “**Transaction**”) under Policy 2.4 of the TSX Venture Exchange (the “**Exchange**”).

The Leases

The Lloydminster asset is comprised of two leases on an 80 acre property located approximately 8 miles west of the City of Lloydminster in Alberta. There are two standing oil wells on the acreage, one on each 40 acre lease. The two wells are completed in the Sparky AAA oil pool (120 API crude) and are equipped for production. The property is accessible year round.

Both the 4-28 and 3-28 wells are subject to a 4% GORR with production royalties payable to the Crown. Both wells are currently being reworked with well 4-28 having resumed production in late February 2011. The 3-28 well is anticipated to undergo a work over before September 1, 2011 in order to reactivate it.

Upon the completion of the work on the wells and recovery of the payout accounts, the interest in the wells Madeira is seeking to acquire will be a 36% Working Interest (WI) after payout (APO) of the work-over programs. Madeira will also acquire the payout account on well 4-28 which currently stands at \$485,000 and will be paid to Madeira from production. The work over costs are budgeted at \$65,000 per well and are to be paid out from production to the Working Interest (WI) partner conducting the service program, at which point the APO WI’s payout to the holders. In the case of well 4-28, the \$485,000 is first paid out to Madeira and then the WI revenue share comes into effect.

The two leases have a further infill drilling potential for one additional well per lease at a working interest participation to Madeira of 60%.

Terms of the Transaction

If the Transaction is completed pursuant to the terms of the LOI, Madeira will acquire the Leases by issuing an aggregate of 6,000,000 common shares of its capital stock to Mooncor at a deemed price per share of \$0.20. The Transaction is subject to a number of conditions precedent which include completion of due diligence reviews by the parties, successful negotiation of a definitive purchase agreement, completion by Madeira of a concurrent private placement for aggregate gross proceeds of \$1,200,000, receipt of all required shareholder, regulatory and Exchange approvals. Upon closing of the Transaction and concurrent private placement Mooncor will become an insider of Madeira. The Transaction is an arm’s length transaction.

Lease Renewal and Operation

The Leases to be acquired in the Transaction are scheduled to expire on September 11, 2011 and must therefore be renewed by the Department of Energy of the Government of Alberta as a condition precedent of the Transaction. Pursuant to the LOI, Mooncor must seek advance approval for continuance of the Leases and an advance ruling is currently anticipated within 30 days. According to the LOI and subject to the approval of the Exchange, in the event the only one of the Leases is continued, the purchase price of the acquisition will be reduced by 50%.

Mooncor will further provide any waivers and assurance necessary to ensure that there are no undisclosed over-riding options or farm-in arrangements attached to the Leases that could reduce Madeira’s working interest in the Leases. Mooncor will remain the operator (licensee) of the Leases prior to Exchange approval of the Transaction.

Following approval of the Transaction, Mooncor shall continue to act as operator at Madeira's expense until such time as Madeira assumes operatorship.

Business of Mooncor Oil & Gas Corp.

Mooncor Oil & Gas Corp. is a junior oil and gas exploration company. Mooncor's current emphasis is on securing a joint venture partner for its proven Muskwa/Duvernay liquids rich shale gas project at Hamburg, Alberta. Mooncor also holds interests in lands in southwest Ontario where the focus has been on conventional oil and gas opportunities. Mooncor is pursuing opportunities to realize near-term value from its southwest Ontario assets.

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although Mooncor believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, Mooncor disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

Neither 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.