



ABN 63 123 821 929

Quarterly Activities Report Quarter ended 30 June 2009

Bullseye Prospect (15% before casing point working interest, prior to back in rights of vendor; 9% after casing point working interest)

The Bullseye prospect is located in the Iberville Parish, Louisiana, USA

As reported by the Operator, Golden Gate Petroleum Ltd:

Highlights

- Successfully completed and placed on production Jumonville #2.
- Two wells on production now from the Bullseye Project generating significant cashflow.
- Successful conversion of Acosta into a salt water disposal well, providing significant operating cost reductions.
- Commencement of Reserve calculation for Bullseye.
- Project facilities fully operational.
- Further potential in untested hydrocarbon zones.

Jumonville #2 Bullseye Prospect, Iberville Parish, Louisiana



As announced on 30 June 2009, Jumonville #2 successfully perforated and commenced production from the Miogyp sandstone with an initial production rate of 750 barrels of oil per day and 250,000 cubic feet of gas. The well is currently producing at 600 bbl oil per day and 350 mcf gas per day.

The Jumonville #2 well was brought into immediate commercial production providing a substantial increase to cash flow. Jumonville oil is high quality 40 gravity oil which under the current sales contract yields a \$2 per barrel premium to West Texas Intermediate (WTI).

All of the objective formations were penetrated and the Jumonville #2 well has delivered an excellent commercial result in its prime objective. In addition, the Jumonville #2 well still has another oil zone yet to be tested in the Camerina section which provides further upside across the Bullseye prospect along with the Marg Vag, a new interval which is a highly productive oil zone north of the Bullseye Prospect and has been penetrated in the Jumonville #1 and #2 wells.





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Jumonville #1 Bullseye Prospect, Iberville Parish, Louisiana

The well produced 28,895 bbl of oil and 19,657 mcf of gas for the quarter ending 30 June 2009 and total overall production since initial production has been 110,533 bbl of oil and 41,080 mcf of gas.

Acosta #1 Well, Bullseye Prospect, Iberville Parish, Louisiana

With the normal increase in water production from the water drive Miogyp interval, the Joint Venture elected to convert the Acosta well into a salt water disposal well at a low cost while still retaining the well bore to eventually drill a side track in order to develop one of the new Miogyp locations and or test the Camerina. The financial benefit of injecting produced water is material as current costs of disposing of water is over \$4 per barrel. This disposal well is presently saving the joint venture over US\$200,000 per month in water disposal costs and has substantially reduced operating costs.

Given the current economic benefit of using the Acosta well for water disposal, testing of the Camerina in this well will most likely occur after testing of the Camerina in the Jumonville #1 well. However, there are opportunities in the present market to drill a new very low cost disposal well which may change current plans.

Bullseye Prospect Reserve Study

Following the drilling and completion of Jumonville #2 the Operator Golden Gate Petroleum has commissioned a Reserve Study to quantify the proven and probable reserves of the Miogyp discovery at the Bullseye prospect. It is anticipated that the study results will be announced in September 2009.

Bullseye Prospect Facilities



Tank Battery and Flow lines

Following the commencement of oil being produced from Jumonville #1 in late September 2008 the Company commenced construction of production facilities to cater for production of both oil and gas.

The tank battery and surface production facilities consists of four 1,500 bbl tanks, water injection tanks, separators, heater treater, dehydration units along with various flow lines capable of handling the Miogyp development.

The construction of these facilities over a very small period represents a significant achievement and has enabled the Company to continue producing and selling both oil and gas in order to assist with funding the drilling of Jumonville #2.

The current capacity is adequate to cater for 3,000 barrels of oil and 5 million cubic of gas per day.



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Dunn McCampbell 11A

Dunn McCampbell 11A continued to produce with just over 91,000 mcf during the quarter.

Corporate

During the quarter, the company allotted and issued a total of 1,626,791 fully paid ordinary shares ("Shares") at 7 cents per Share pursuant to the non-renounceable entitlement issue offer date 3 April 2009.

Subsequent to the end of the quarter, the company:

- placed 10,000,000 Shares of the shortfall from the non-renounceable entitlement offer raising an additional \$700,000; and
- announced that it had signed a non-binding agreement with Crosby Asset Management (Hong Kong) Limited (in its capacity as the Investment Manager of Crosby Active Opportunities Master Fund Limited) and Crosby Special Situations Fund Limited to acquire a 14.17% interest in privately held ESK Limited ("ESK"), which owns production, development, and exploration assets in California.

ESK's indirect wholly owned subsidiary, Orchard Petroleum, Inc. ("Orchard"), has a portfolio of low risk, high quality production, development, appraisal and exploration projects in the prolific San Joaquin Basin in California. Orchard has a 100% working interest in and operates its two main projects, South Belridge and Southeast Lost Hills, which cover approximately 4,100 leased acres. As of 31 December 2008, Orchard had estimated proved and probable reserves of 24 million barrels of oil equivalent and in May 2009 achieved an average production rate of over 1,200 barrels of oil equivalent per day. Current daily production is estimated to be approximately 1,500 barrels of oil equivalent per day.

Orchard Highlights

- Proved and probable reserves (2P) of 24 million barrels of oil equivalent as of 31 December 2008 of which 9 million barrels of oil equivalent are in the proved reserves (1P) category based on a reserve study of Orchard's assets by Netherland, Sewell & Associates, Inc.;
- In May 2009, Orchard achieved an average production rate of over 1,200 barrels of oil equivalent per day (gross) and obtained positive results from a new well stimulation method which could result in a substantial increase in production rates and lower completion costs;
- Ongoing appraisal program targeting proven reservoirs; and
- Experienced senior management team with a strong track record of developing assets and managing operations in California.

Acquisition Terms

The non-binding agreement contemplates the Company acquiring a 14.17% interest in ESK Limited for 24,400,000 million fully paid new ordinary shares of the Company at



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an issue price A\$0.15 per share. Additionally, the parties have agreed on a deferred consideration equivalent to a value of US\$11.5 million, less the value at the completion date of the shares initially issued, payable in cash or new shares of the Company by December 2010, at Modena's election.

Modena will also seek to acquire up to an additional 5.83% shareholding in ESK on the same terms and conditions as above, potentially taking Modena's total shareholding to 20.00% in ESK. This acquisition is from other shareholders of ESK and is currently under negotiation.

The acquisition will be subject to, among other conditions, satisfactory completion of confirmatory due diligence by Modena on ESK and its assets, formal documentation, exercise or waiver of pre-emption rights of other ESK shareholders, and Modena shareholder approval.

Corporate

Modena is currently in the process of conducting due diligence. If the due diligence review is satisfactory, Modena will proceed to negotiate formal documentation with Orchard and post to its shareholders a notice convening a shareholders' meeting, setting out full details of the proposed acquisition and seeking the necessary approvals to complete the acquisition.

Craig Willis
Director
Modena Resources Limited