26 August 2010

Companies Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

POTENTIAL 2.6 BCF WELL TARGET

Modena Resources Limited (ASX: **MDA**, the Company) is pleased to announce that further to the company's announcement on 20 July 2010, the first significant target for development has been identified by the company.

The Company's technical team has identified the state track 1008-S # 1(st) well which was drilled and completed in February 2008 and designed to test the deeper mid-frio sands between 10,000' and 12,000'depth. The well flowed **4949 MCFPD** and **23 BOPD**, but the well ceased production after 18 days.

The well currently carries wellhead pressure of approximately 1800 psig of SITP, but bleeds to zero. Following further investigations it has been determined that the initial development had encountered significant problems when drilling which led to well control issues. Control of these problems necessitated heavy drilling fluids which likely contributed to significant near- wellbore completion damage.

The company believes there is a significant gas zone within this well bore, conservatively; the 88 acres and 20 net feet of pay would indicate a potential 2.6BCF of gas reserve.

The company is currently completing detailed diagnostics with the objective to assess the current down hole conditions as well as tubing and packer integrity. Once this has been ascertained the company will proceed to clean out, re-perforate the well and stimulate the pay zone as necessary to get this well back into full production.

The Company's objective is to restore production in three stages on the following schedule and remains on target:

- 1,900 MCFPD within 90 Days of Completion
- 6,900 MCFPD within 180 days of completion
- 14,900 MCFPD within 12 months from continuous operations

STATE TRACK 1008-S #1(st) WELL HEAD

The company believes that longer term following reinstatement of the State track 1008 #1(st) production that Modena has up to 40 exploration targets to review while continuing to focus on the current 24 well production and development program.

Yours sincerely

A R HAMILTON
Chairman

The information in this announcement has been reviewed and signed off by Mr David Gibbs, a consultant to Modena Resources Ltd. Mr Gibbs received a Bachelor of Mechanical Engineering from the Georgia Institute of Technology in 1975 and an Offshore Operators Certification from the University of South Western Louisiana in 1979 and has more than 35 years relevant petroleum experience within the oil and gas sector Internationally.

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