28 October 2010

QUARTERLY REPORT - 30 SEPTEMBER 2010

SOUTH TEXAS OPERATIONS

Modena Resources Limited (ASX: **MDA**, the Company) has, during the quarter, worked on assuming full operational control of the recently purchased Oil and Gas production assets in South Texas via its wholly owned US subsidiary Modena Petroleum LLC.

The Company's technical team has completed a first pass review of the 24 production wells acquired in South Texas at its Padre Island operations. Modena continues to work towards its objective and restore production towards a targeted 14,900 MCFPD over the next twelve months.

The operational records indicate production had previously peaked at 28,000 MCFPD. The Company has secured and renewed a package of leases for an additional 5 year period and is having continuing discussions with potential working interest and/or joint venture partners for a number of the Company's targeted prospects.

The Company also announced two significant prospects, The Manzano Deep Prospect with a gross P50 reserve potential estimated to be around **337 Billion cubic feet of gas "BCF"** and an upside P10 potential of **816 BCF** within the Company's project exploration portfolio currently held production.

The second target at the Dunn Deep Prospect has a significant target Modena's preliminary assessment is based on historical data and evidence from a previous unsuccessful attempt to access an identified large P50 reserve estimated to be **293 BCF** and an upside P10 potential of **952 BCF**.

South Sprint Production Well

The Company's primary focus is production and the task ahead is significant. It is pleasing to note that priority wells currently being re-worked have responded with production being re-established following preliminary work. The Company is currently trialing a sand separator at the Mid Frio #1 following a well clean out with coil tubing and trial production at South Sprint was tested at 190 to 200 MCFPD. Further work will be required to stabilise production at South Sprint.

The company has also established that a number of wells previously considered doubtful have presented development opportunities, which, subject to technical and operational developments, may well provide additional production beyond the Company's original expectations. These wells will require work-over programs which are currently being developed following further investigations.

The Company has appointed a specialist independent expert to review and provide a detailed report to the company on the resource potential and classification at each of its production platforms. This report should be available to the Company by 30 December 2010.

FUNDING

The Company expects to complete a private placement in the December quarter to raise $2.5 million for the purposes of completing the production development program, subject to shareholder and regulatory approval and is currently in discussions with various parties for a funding facility to further develop its shallow well program and selected drilling targets. Additionally, the Company executed a facility with Truestone Capital of London to provide up to $10,000,000 in working capital.

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.