

MODENA RESOURCES LIMITED

ACN 119 749 647

PROSPECTUS

For a non-renounceable entitlement offer of one (1) Option for every one (1) Share held by Shareholders on the Record Date at an issue price of 1 cent per Option.

The Offer is not underwritten

IMPORTANT NOTICE

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to other documents containing information which is deemed to be incorporated in this Prospectus.

This document (and those documents incorporated by reference) should be read in its entirety. If you are in any doubt as to the contents of this document (and those documents incorporated by reference) you should consult your stockbroker or other professional adviser without delay.

Options offered by this Prospectus are considered speculative in nature.

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Important Notice

This Prospectus is dated 4 June 2008.

A copy of this Prospectus was lodged with the ASIC on 4 June 2008. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Options offered by this Prospectus to be listed for Quotation.

Applicants should read this document (and those documents incorporated by reference) in their entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Options. There are risks associated with an investment in the Company and the Options offered under this Prospectus must be regarded as a speculative investment. The Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Options.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used in this Prospectus are set out in Section 7 of this Prospectus.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, the Prospectus incorporates all other necessary information by reference to information contained in the September 2007 Prospectus lodged with ASIC on 24 September 2007 and certain announcements made by the Company to ASX under its continuous disclosure obligations (collectively referred to as the “**Specified Documents**”) in this Prospectus.

In referring to the Specified Documents, the Company:

- (a) identifies the Specified Documents as being relevant to the offer of Options under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to:
 - (a) the Options; and
 - (b) the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers investors and their professional advisers to Section 4 of this Prospectus which summarises the information in the Specified Documents deemed to be incorporated in this Prospectus;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the Specified Documents by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Specified Documents will be primarily of interest to investors and their professional advisers or analysts.

1. CORPORATE DIRECTORY & IMPORTANT DATES

CORPORATE DIRECTORY

Directors

Peter Hampshire Non-Executive Chairman
Neville Bassett Non-Executive Director
Craig Willis Executive Director

Auditors

BDO Kendalls Audit and Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

Company Secretary

Linton Scott

Telephone: +61 8 9360 4200
Facsimile: +61 8 9481 2524

Registered Office

Suite B / 150 Hay Street
Subiaco WA 6008

Telephone: +61 8 9388 8439
Facsimile: +61 8 9388 8450
Email: info@modenaresources.com.au
Website: www.modenaresources.com

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

IMPORTANT DATES*

Announcement of Offer	2 June 2008
Lodgement of Prospectus and Appendix 3B	4 June 2008
Notice sent to Shareholders containing information required by Appendix 3B	5 June 2008
Shares commence trading ex Entitlement	18 June 2008
Record Date for determining Entitlements	24 June 2008
Prospectus dispatch date and Opening Date	30 June 2008
Closing Date of the Offer	14 July 2008
Deferred settlement trading commences	15 July 2008
Notification to ASX of under subscriptions	16 July 2008
Issue of Options & dispatch of holding statements	22 July 2008

* These dates are indicative only and are subject to change without notice, subject to the provisions of the Corporations Act and the Listing Rules. The Directors may extend the period of the Offer at their discretion.

2. CHAIRMAN'S LETTER

Dear Shareholder

As indicated in the September 2007 Prospectus lodged by the Company on 24 September 2007, your Directors committed to an offer of Options to Shareholders of the Company within three to six months after the commencement of trading of the Company's shares on ASX. This Prospectus contains that offer and I urge all Shareholders to consider this opportunity carefully.

All Shareholders registered as at 5pm WST on 24 June 2008 will be entitled to participate in this non-renounceable entitlement offer of Options on the basis of one (1) Option for every one (1) Share held.

The closing date for acceptance of the Offer is 14 July 2008. The Board recommends all Shareholders take up their Entitlement.

The Directors takes this opportunity to thank all Shareholders for their support since the Company's listing on ASX and look forward to your continued support in the future.

Please feel free to contact me if you have any queries.

Yours faithfully,

Peter Hampshire
Chairman

3. DETAILS OF THE OFFER

3.1 Details of the Offer

This Prospectus is for a pro-rata non-renounceable entitlement offer of Options at an issue price of one cent (\$0.01) each to Shareholders on the basis of one (1) Option for every one (1) Share held at the Record Date. The principal purpose of the Offer is to provide a benefit to Shareholders who have retained their Shares through to the Record Date by enabling them to acquire Options to subscribe for additional Shares in the Company at an exercise price of 20 cents each and an expiry date of 30 June 2010.

The Company has on issue at the date of this Prospectus 64,334,090 Shares and convertible notes convertible into Shares as outlined in Section 5.3(e). Based on the 5 day weighted average market price of the Company's Share immediately prior to the date of this Prospectus the convertible notes, if all converted, would result in the issue of a further 7,439,266 Shares.

On the basis that no convertible notes are converted prior to the ex entitlement date and assuming all shareholders accept their full entitlements the Company will raise approximately \$643,340 from the Offer (before costs of the Offer). These funds will be applied initially towards the costs of the Offer with the balance to be applied towards working capital.

Based on the conversion price of convertible notes calculated at the date of this Prospectus, up to 71,773,356 Options could be issued under this Offer. The exact number of Options to be issued will be dependant on the number of convertible notes converted and the issue price at date of conversion, between the date of this Prospectus and the ex entitlement date.

If no funds are raised as a result of this Offer, the Company has sufficient working capital to meet its obligations as set out in the September 2007 Prospectus.

3.2 Acting on your Entitlement

The number of Options to which you are entitled is calculated at the Record Date and is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

As a Shareholder, you may accept your Entitlement in whole or in part only or do nothing (in which case you will receive no benefit from your Entitlement).

If you wish to take up all or part of your Entitlement, you will need to complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form.

Cheques should be made payable to "Modena Resources Limited Share Issue Account" and crossed "Not Negotiable".

Your acceptance cannot exceed your Entitlement as shown on the Entitlement and Acceptance Form. If it does, your acceptance will be deemed to be for the maximum Entitlement and any surplus application monies will be returned.

This Offer is non-renounceable and accordingly, Shareholders may not sell or transfer their Entitlements.

Your completed Entitlement and Acceptance Form together with the application monies must be received no later than 5pm WST on the Closing Date, subject to the right of the Company to extend the Offer Period (in accordance with the Corporations Act and Listing Rules).

No interest will be payable to Applicants on application monies and any interest earned thereon will be retained by the Company irrespective of whether any Options are issued pursuant to the Offer.

If the Offer does not proceed, application monies will be refunded as soon as practicable after the Closing Date and in any event, no later than 14 days after the Closing Date.

3.3 Minimum subscription and over-subscriptions

There is no minimum subscription and over-subscriptions will not be accepted.

3.4 Stock Exchange quotation

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Options offered under this Prospectus.

If ASX does not grant permission for Official Quotation of the Options within three (3) months after the date of this Prospectus, or such longer period as may be allowed by ASIC, none of the Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies received (without interest).

The fact that ASX may grant Official Quotation of the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

3.5 Closing Date of the Offer

The Closing Date for receipt of acceptances is 5pm WST on 14 July 2008. The Directors reserve the right, in their absolute discretion, to extend the Closing Date, subject to compliance with the Listing Rules.

3.6 Allotment and Issue of Options

Allotment and issue of Options will take place on or around 22 July 2008. Application monies will be held in a subscription account until the issue of Options has been made. This account has been established and will be kept by the Company in trust for each Applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether the issue of Options takes place.

If no issue of Options is made, all application monies will be refunded, without interest, as soon as practicable.

No options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

3.7 Underwriting

This Offer is not underwritten.

3.8 Placement of Shortfall

In the event that there is a shortfall in the take up of Entitlements under the Offer, the Directors reserve the right, as allowed within the Listing Rules, to place the shortfall at their absolute discretion within three months of the Closing Date to maximise the amount of funds raised from the Offer. The shortfall, if any, will not be placed to Directors or any of their associates.

3.9 Overseas Shareholders

Shareholders resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their entitlements. No action has been taken to register or qualify the Options or otherwise permit a public offering of the Options the subject of this Prospectus in any jurisdiction outside Australia.

This Prospectus does not constitute an offer in any place in which or to any person whom it would not be lawful to make such an offer.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of Options pursuant to this Prospectus. The return of a completed Entitlement and Acceptance Form by Applicants outside Australia will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained and that the Company may lawfully issue the Options applied for to the Applicant.

3.10 Enquiries

If you have any queries regarding your Entitlement, or how to apply for Options, please contact the Company on 08 9388 8439.

4. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

4.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in the September 2007 Prospectus and the ASX Releases that have been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is the September 2007 Prospectus and the ASX Releases summarised below in sub-section 4.2 and will primarily be of interest to investors and their professional advisers or analysts.

Investors and their professional advisers are able to obtain a copy of the September 2007 Prospectus and the ASX Releases free of charge by contacting the Company at its registered office during normal business hours during the Offer Period. These documents are also available by searching ASIC's records in relation to the Company, or by visiting the Company's website at www.modenaresources.com.

4.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the September 2007 Prospectus and the ASX Releases that are deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether they need to obtain a copy of the September 2007 Prospectus and the ASX Releases for the purposes of making an informed investment decision in relation to the Options offered pursuant to this Prospectus.

4.2.1 The September 2007 Prospectus

The Sections referred to in this Section 4.2.1 are a reference to sections in the September 2007 Prospectus.

Sections 3 and 4 - Investment Overview / Details of the Offer

Sections 3 and 4 contain an overview of the investment opportunity, details of the number of Shares offered, use of funds, proforma capital structure of the Company and other matters of an administrative nature.

Section 6 – Directors and Governance

Section 6 contains information relating to each of the Directors of the Company as at the date of the September 2007 Prospectus. It also notes that the Company has formally adopted a corporate governance policy and sets out the key features.

Section 7 – Modena Resources and its Projects

Section 7 contains a brief history of the Company, the corporate objectives and strategies of the Company and summary information about the Company's interest in the South Lost Hills Properties and the Wilson Prospect.

Sections 8 and 9 - Independent Geological Reports

Sections 8 and 9 consists of:

- an independent geological evaluation report on the Company's interest in the South Lost Hills Properties prepared by Rigel Petroleum Consulting; and

- an independent technical evaluation report on the Company's interest in the Wilson Prospect, prepared by Carrera Geophysics, LLC.

These reports provide detail in respect to prospect description, project location and access, infrastructure, the geologic structure of the project areas, project and exploration history, and prospect evaluation.

Section 10 - Independent Accountant's Report

Section 10 comprises of a report prepared by HLB Mann Judd ("Independent Accountant's Report"). The Independent Accountant's Report was included in the September 2007 Prospectus to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The Independent Accountant's Report contains the unaudited balance sheet of the Company as at 30 June 2007 and pro-forma balance sheet as at that date reflecting the position of the Company on the basis that various transactions, including the issue of the Shares offered under the September 2007 Prospectus, have been completed.

Section 11 - Risk Factors

Section 11 notes that an investment in Modena has risks reasonably expected of an investment in an oil and gas exploration business. It details a number of factors that may impact on the success and future profitability of Modena. The factors referred to include, amongst others, general economic risk and business climate, including market conditions; and risks specific to the Company, including exploration and development risk, drilling and operating risk, environmental risk, title and title opinion, resource and reserve estimates, regulation in the USA, additional requirement for capital, the ability to exploit successful discoveries; and the speculative nature of the investment.

Section 12 - Additional Information

Section 12 sets out additional information required to be disclosed in the September 2007 Prospectus including:

- Company details;
- Disclosure of Directors' shareholdings;
- Remuneration of Directors;
- Fees and benefits of Directors;
- Interests of Persons Named in the September 2007 Prospectus;
- Consents of persons named in the September 2007 Prospectus;
- A summary of material contracts entered into by the Company;
- Rights attaching to the Shares offered by the September 2007 Prospectus;
- Expenses of the Offer;
- A statement that the Company is not involved in any legal proceedings, nor are any proceedings pending or threatened against the Company; and
- A statement that the September 2007 Prospectus is also for the issue of Shares to the Vendors pursuant to the Murviel Share Sale Agreement.

Section 14 - Directors' Authorisation

Section 14 contains the Directors' responsibility statement and consent.

4.2.2 The ASX Releases

Results of Meeting

On 30 November 2007, the Company announced the result of resolutions considered by shareholders at the Company's annual general meeting.

Farm-in Bullseye Prospect

On 13 December 2007, the Company announced that it had entered into a farm-in for a 15% working interest in the Bullseye Prospect, an oil and natural gas exploration venture in Iberia Parish, South Louisiana, USA. Refer to Section 5.3(a) for further details of the terms and conditions of the farm-in.

Participation Agreement / Convertible Note

On 9 January 2008, the Company announced that it had:

- (a) entered into a Participation Agreement with BNP Petroleum Corporation of Houston, Texas, to acquire an undivided 25% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and lease located in Kenedy County, Texas, USA ("the Lease"). Refer to Section 5.3(b) for further details of the terms and conditions of the Participation Agreement; and
- (b) reached agreement for the issue of unsecured convertible notes ("Notes") with a face value of \$1,200,000, for the purpose of providing funds for participation in the Tobin Armstrong #2 well and for additional working capital. Refer to Section 5.3(e) for further details of the principle terms of the Notes.

Drilling Update

On 16 January 2008, the Company announced the progress of drilling on the Tobin Armstrong #2 well.

Quarterly Cashflow and Activities Reports

On 31 January 2008, the Company lodged with ASX its exploration activity report and cashflow report for the quarter ended 31 December 2007, including information and updates (where applicable) on the Company's consolidated statement of cash flows, payments to Directors and Directors' associates, payments to entities related to the Company and associates of those related entities, estimated cash outflows for the next quarter, reconciliation of cash and issued and quoted securities at the end of the quarter.

Armstrong Drilling Update

On 13 February 2008, the Company announced that drilling of the Tobin Armstrong #2 well had reached total depth and provided preliminary analysis of the well.

Participation Agreement / Convertible Note

On 15 February 2008, the Company announced that it had:

- (a) entered into a Participation Agreement with BNP Petroleum Corporation to acquire an undivided 12.5% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and lease located in Kleberg County, Texas, USA ("the Lease"), known as the "Manzano Prospect". Refer to Section 5.3(c) for further details of the terms and conditions of the Participation Agreement; and
- (b) reached agreement for the issue of unsecured convertible notes ("Notes") with a face value of \$1,500,000, for the purpose of providing funds for participation in the Manzano ST 991#1 well and for additional working capital. Refer to Section 5.3(e) for further details of the principle terms of the Notes.

Participation Agreement

On 11 March 2008, the Company announced that it had entered into a Participation Agreement to acquire an undivided sixty percent (60%) of 87.5% of Seisgen Exploration Inc's leasehold estate and working interest in and to the lands and leases covering three shallow gas prospects located in Jackson County, Texas, with Seisgen retaining a 7.5% carried working interest. Refer to Section 5.3(d) for further details of the terms and conditions of the Participation Agreement.

Manzano Drilling Update

On 12 March 2008, the Company announced that drilling of the Manzano prospect had been completed, with electric logs indicating two zones that are likely to be productive.

Half Year Report

On 14 March 2008, the Company lodged with ASX its Half-Year Report for the six months ended 31 December 2007.

Manzano Well – Strong Gas Flow

On 7 April 2008, the Company announced that the Manzano Shallow well, which spudded on 2 February 2008, has successfully flowed gas and has been brought into immediate production.

Following the success of Manzano Shallow a follow-up development well is to be spudded immediately in order to reduce mobilisation and demobilisation costs significantly.

Manzano Well Update

On 23 April 2008, the Company announced that the second Manzano Well (Dunn McCampbell 11A) had reached a depth of 10,755 ft MD (9,503 ft TVD). Electric logs were run and results within the primary objective indicate net pay of 10ft – 12ft within the Marg Tex reservoir. Work would recommence on Manzano #1.

Bullseye Prospect – Jumonville No 1 Spudded

On 29 April 2008, the company announced that the Jumonville # 1 well had spudded with a planned total depth of 14,200 ft. The Jumonville #1 well targets three objectives (Camerina, Miogyp and Cib Haz), with independent traps, defined by new, proprietary 3D seismic data.

Quarterly Cashflow and Activities Reports

On 30 April 2008, the Company lodged with ASX its exploration activity report and cashflow report for the quarter ended 31 March 2008, including information and updates (where applicable) on the Company's consolidated statement of cash flows, payments to Directors and Directors' associates, payments to entities related to the Company and associates of those related entities, estimated cash outflows for the next quarter, reconciliation of cash and issued and quoted securities at the end of the quarter.

Drilling Update at Bullseye Prospect

On 16 May 2008, the Company announced that drilling of the Jumonville #1 well was drilling below 10,200ft measured depth and ahead of planned drilling schedule.

Drilling Update at Bullseye Prospect

On 26 May 2008, the Company announced that prior to running an intermediate casing string to approximately 10,900ft measured depth on the Jumonville #1 well, an over pressured interval was encountered. At this point, natural gas and saltwater inflows resulted in the drill becoming differentially stuck. A decision was taken to sidetrack the well.

5. ADDITIONAL INFORMATION

5.1 Listing on ASX and Capital Structure

Modena was admitted to the Official List on 19 November 2007 with Official Quotation of its Shares commencing on 21 November 2007 following the issue of 30 million Shares to raise \$6 million.

Capital Structure

The capital structure of the Company following completion of the Offer is summarised as follows:

	Shares	Options
Securities on issue at present	64,334,090	-
Options offered by this Prospectus	-	64,334,090
Total at completion of Offer (assuming all entitlements are taken up and no conversion of convertible securities)	64,334,090	64,334,090

Notes:

1. Pursuant to chapter 9 of the ASX Listing Rules a number of the Shares issued prior to ASX listing are subject to ASX escrow requirements.

20,000,000 Shares are restricted securities and will not be released from escrow until 14 November 2008 and a further 47,500 Shares are restricted securities and will not be released from escrow until 21 November 2009.
2. The balance of Shares on issue, being 44,286,590 Shares, are quoted and freely tradeable on ASX.
3. Options are exercisable at 20 cents each on or before 30 June 2010. Full terms and conditions of the Options are provided elsewhere in this Prospectus.

5.2 Activities since issue of September 2007 Prospectus

Since the issue of the September 2007 Prospectus, the Company has:

- Closed the offer and issued a total of 30,000,000 Shares at 20 cents each for a total of \$6 million pursuant to the September 2007 Prospectus;
- Issued 8,334,090 Shares on conversion of convertible notes with a face value of \$1,666,818 as contemplated in the September 2007 Prospectus;
- Completed the acquisition of Murviel Trading SA by the issue of 20,000,000 Shares as contemplated in the September 2007 Prospectus;
- entered into a farm-in for a 15% working interest in the Bullseye Prospect, an oil and natural gas exploration venture in Iberia Parish, South Louisiana, USA;
- entered into a Participation Agreement to acquire an undivided 25% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and lease located in Kenedy County, Texas, USA, known as the "Armstrong Farm lease";
- reached agreement for the issue of unsecured convertible notes with a face value of \$1,200,000;
- entered into a Participation Agreement to acquire an undivided 12.5% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and lease located in Kleberg County, Texas, USA, known as the "Manzano Prospect";

- reached agreement for the issue of unsecured convertible notes with a face value of \$1,500,000;
- entered into a Participation Agreement to acquire an undivided sixty percent (60%) of 87.5% of leasehold estate and working interest in and to the lands and leases covering three shallow gas prospects located in Jackson County, Texas; and
- completed the drilling of initial wells on Tobin Farm lease and the Manzano Prospect.

Other than as stated in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the contents of the September 2007 Prospectus or the activities and prospects of the Company and be relevant to assist investors or their professional advisers in making an informed assessment of relevant matters.

5.3 Material Contracts

The Company has entered into the following material contracts in addition to those summarised in the September 2007 Prospectus.

(a) Participation Agreement – Bullseye Prospect

On 13 December 2007, the Company entered into a Participation Agreement to acquire an initial undivided 15% of Long Flat Ltd's working interest in and to certain oil, gas and mineral leases in Ascension and Iberville Parishes, Louisiana, USA named the Bullseye prospect, such interest subject to after casing point back-ins by Hawkeye Stratigraphic Inc of 25% and Long Flat Ltd of 20%. The after casing point working interest of Modena will be proportionately reduced to 9%.

Pursuant to the Participation Agreement the Company has agreed to pay its working interest share of all land and drilling costs. It is estimated that the cost to Modena to drill the initial test well to casing point will be US\$810,000.

The assignment of interest will be made expressly subject to all terms and provisions of the leases, to all royalties and overriding royalties burdening the leases and to all other matters appearing on record in the offices of the regulatory authorities of the relevant Parishes in Louisiana.

(b) Participation Agreement – Armstrong Farm Lease

On 9 January 2008, the Company entered into a Participation Agreement with BNP Petroleum Corporation of Houston, Texas, to acquire an undivided 25% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and lease located in Kenedy County, Texas, USA ("the Lease").

Pursuant to the Participation Agreement the Company agreed to participation in the drilling of a test well within the Lease area, Tobin Armstrong #2 well.

The principle terms of the Participation Agreement are:

- (i) the payment of the sum of US\$351,000 as acquisition cost for the interest in the Lease;
- (ii) payment of an undivided 50% of all of the well costs attributable or allocable to the leasehold and working interest in the Tobin Armstrong #2 well, including those well costs incurred prior to completion under the Participation Agreement. Modena's share of drilling and testing the first well to casing point will be approximately US\$675,000; and
- (iii) other than with regard to the Tobin Armstrong #2 well, any other operations on the Lease and any other wells drilled on the Lease, Modena is not obligated to bear more than its 25% proportionate ownership (working interest) share of the costs relating thereto.

The assignment of interest will be made expressly subject to all terms and provisions of the leases, to all royalties and overriding royalties burdening the leases and to all other matters appearing on record in the offices of the County Clerks of the relevant Counties in Texas.

(c) Participation Agreement – Manzano Prospect

On 14 February 2008, the Company entered into a Participation Agreement with BNP Petroleum Corporation to acquire an undivided 12.5% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and lease located in Kleberg County, Texas, USA (“the Lease”), known as the “Manzano Prospect”.

Pursuant to the Participation Agreement the Company agreed to participation in an initial test well (ST 991#1) to logging point.

The principle terms of the Participation Agreement, to acquire an undivided 12.5% leasehold estate and working interest, are:

- (i) the payment of the sum of US\$100,000 in respect to lease, geologic and seismic costs;
- (ii) payment of an undivided 16.63% of all costs associated with the initial well (ST 991#1) to logging point, including those well costs incurred prior to completion under the Participation Agreement. Modena’s share of drilling the initial well will be approximately US\$914,650; and
- (iii) after logging point in the initial well and for all future operations conducted on the Manzano Prospect with respect to same, and as to all operations conducted with respect to wells other than the initial well, Modena shall bear 12.5% of such costs.

The assignment of interest will be made expressly subject to all terms and provisions of the leases, to all royalties and overriding royalties burdening the leases and to all other matters appearing on record in the offices of the County Clerks of the relevant Counties in Texas.

(d) Participation Agreement – Shallow Gas Prospects

On 11 March 2008, the Company entered into a Participation Agreement to acquire an undivided sixty percent (60%) of 87.5% of Seisgen Exploration Inc’s leasehold estate and working interest in and to the lands and leases covering three shallow gas prospects located in Jackson County, Texas, with Seisgen retaining a 7.5% carried working interest.

Pursuant to the Participation Agreement the Company has agreed to participation in three shallow gas prospects, namely the Sandy Prospect, Slazenger Prospect and Wagner Prospect.

Modena will pay 60% of US\$327,839 to Seisgen which constitutes Seisgen’s proportion of the cost of seismic, geophysical, acreage, lease, legal and administrative overhead costs associated with the properties which were incurred prior to the date of the agreement.

Modena will also pay 60% of all cost associated with the drilling (as defined) of all three test wells. Thereafter, Modena is responsible for 52.5% of all costs.

The assignment of interest will be made expressly subject to all terms and provisions of the leases, to all royalties and overriding royalties burdening the leases and to all other matters appearing on record in the offices of the County Clerks of the relevant Counties in Texas.

(e) Convertible Note Agreements

The Company has entered into agreements for the issue of unsecured convertible notes (“Notes”) with a total face value of A\$2,700,000.

The principle terms of the Notes are as follows:

Face Value:	\$1,200,000	\$1,500,000
Redemption Date:	31/01/2010	28/02/2010
Conversion Price:	The lesser of 35 cents or 85% of the 5 day weighted average market price before the date of conversion	The lesser of 45 cents or 85% of the 5 day weighted average market price before the date of conversion
Interest Rate:	10.5%	12.5%
Rights:	The Notes are unsecured and confer rights on the Noteholder as a creditor of the Company.	The Notes are unsecured and confer rights on the Noteholder as a creditor of the Company.
Repayment:	Unless converted or redeemed during the term, the Notes will be redeemed at the Redemption Date at the face value of the Notes then outstanding.	Unless converted or redeemed during the term, the Notes will be redeemed at the Redemption Date at the face value of the Notes then outstanding.

5.4 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX. The Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from or inspected at, an office of the ASIC. This includes the September 2007 Prospectus referred to in Section 4 of this Prospectus.

The Company will provide a copy of all documents used to notify the ASX of information relating to the Company under the provisions of the Listing Rules since official quotation on 21 November 2007. As at the time of lodging this Prospectus the only such documents were:

Date	Details
02/06/2008	Announcement of Option Entitlement Offer
26/05/2008	Drilling Update at Bullseye Prospect
16/05/2008	Drilling Update at Bullseye Prospect
30/04/2008	Quarterly Activities Report
30/04/2008	Quarterly Cashflow Report
29/04/2008	Bullseye Prospect – Jumonville No. 1 Spudded
23/04/2008	Manzano Well Update
07/04/2008	Manzano Well – Strong Gas Flow
14/03/2008	Half Year Report
12/03/2008	Manzano Drilling Update
11/03/2008	Participation Agreement
15/02/2008	Participation Agreement / Convertible Note
13/02/2008	Armstrong Drilling Update
31/01/2008	Quarterly Activities Report
31/01/2008	Quarterly Cashflow Report
16/01/2008	Drilling Update
09/01/2008	Participation Agreement / Convertible Note
13/12/2007	Farm-in Bullseye Prospect
03/12/2007	Results of Meeting

5.5 Trading history

Official quotation of the Company's Shares commenced on 21 November 2007. The highest and lowest recorded market sale prices of the Shares quoted on ASX during the period from commencement of Official Quotation to the date of this Prospectus were \$0.48 on 23 April 2008 and \$0.235 on 22 November 2007 respectively. The Company has no options (to subscribe for Shares) that are currently quoted on ASX.

The last market sale price of the Shares on ASX on the last day that trading took place in these Shares prior to the date of this Prospectus was \$0.46 on 3 June 2008.

5.6 Pro-Forma Balance Sheet

Set out below is an audit reviewed consolidated Balance Sheet of the Company as at 31 December 2007 and a pro-forma Balance Sheet illustrating the effect the issue of Options offered by this Prospectus would have on that Balance Sheet if the issue was completed and had the funds (net of expenses) been received as at 31 December 2007.

	Consolidated	
	Audit Reviewed 31 December 2007 \$	Pro-forma 31 December 2007 \$
ASSETS		
Current Assets		
Cash and cash equivalents	3,825,147	6,918,487
Trade and other receivables	580,942	580,942
Total Current Assets	4,406,089	7,499,429
Non-Current Assets		
Available for sale financial assets	352,026	352,026
Plant and equipment	41,381	41,381
Deferred exploration and evaluation expenditure	7,270,704	7,270,704
Total Non-Current Assets	7,664,111	7,664,111
Total Assets	12,070,200	15,163,540
LIABILITIES		
Current Liabilities		
Trade and other payables	233,458	233,458
Borrowings	200,000	-
Total Current Liabilities	433,458	233,458
Non-Current Liabilities		
Borrowings	-	2,700,000
Total Non-Current Liabilities	-	2,700,000
Total Liabilities	433,458	2,933,458
Net Assets	11,636,742	12,230,082
EQUITY		
Issued capital	11,858,888	11,858,888
Reserves	71,100	664,440
Accumulated losses	(293,246)	(293,246)
Total Equity	11,636,742	12,230,082

The un-audited pro-forma consolidated balance sheet of the Company and its subsidiary has been included for illustrative purposes only. The pro-forma balance sheet has been prepared by adjusting the audit reviewed balance sheet at 31 December 2007 to reflect the financial effects of the following transactions as if they had occurred at 31 December 2007:

- the effect of the maximum subscription amount of \$643,340 being raised under this Offer, with \$50,000 cash being expended on expenses of the issue.
- the issue of \$2,500,000 in convertible notes subsequent to 31 December 2007.

The accounting policies adopted in preparation of the pro-forma balance sheet are consistent with the policies adopted in the preparation of the 30 June 2007 annual report and 31 December 2007 half-year report.

The cash and cash equivalents of the Company and its subsidiaries at 31 March 2008 is approximately \$3.1 million. The difference between that cash and cash equivalents at 31 March 2008 and the cash and cash equivalents at 31 December 2007 in the Pro-forma Balance Sheet above is approximately \$3.8 million. This amount has been expended during January to March 2008 on acquisition costs of new prospects, drilling undertaken on existing and new projects and general administration expenses of the Company.

Events subsequent to 31 December 2007

Other than as has been disclosed above or elsewhere in this Prospectus, the Directors are not aware of any material items, transactions or events outside the ordinary course of business of the Company that would require comment on, or adjustment to the balance sheet as at 31 December 2007 or that would cause the information in the balance sheet to be misleading or deceptive.

5.7 Terms and Conditions of Options

The options offered pursuant to this Prospectus will be issued on the following terms:

- (i) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the company;
- (ii) The exercise price of each Option is 20 cents;
- (iii) The Options will expire at 5.00 pm WST on 30 June 2010 (“the Expiry Date”);
- (iv) The Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the company accompanied by payment of the exercise price;
- (v) Shares issued upon exercise of any Options will rank equally in all respects with the company’s then existing ordinary fully paid shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three business days after the date of allotment of those Shares;
- (vi) The options are freely transferable in whole or part at any time prior to the Expiry Date;
- (vii) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) business days before the record date referable to that issue. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue;
- (viii) If from time to time on or prior to the Expiry Date the company makes an issue of shares to the holders of ordinary fully paid shares in the company by way of capitalisation of profits or reserves (a **bonus issue**), then upon exercise of their Options, Optionholders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to them upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**bonus shares**) if on the record date for the bonus issue they had been registered as the holder of the number of shares of which they would have been registered as holder if,

immediately prior to that date, they had duly exercised their Options and the shares the subject of such exercise had been duly allotted and issued to them. The bonus shares will be paid up by the company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options;

- (ix) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options; and
- (x) in the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of the issued capital of the company on or prior to the Expiry Dates, the rights of Optionholders will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

5.8 Rights attaching to Shares upon Conversion of Options

(a) General

The rights attaching to the Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Company's constitution is available for inspection during business hours at its registered office.

A summary of the more significant rights is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's shareholders. To obtain such a statement, persons should seek independent legal advice.

(b) General Meetings and Notice

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules. Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

(c) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have a fraction of a vote to the proportion which the amount paid is of the total amounts paid and payable.

(d) Dividend Rights

The Directors may from time to time declare such dividends as appear to the Directors to be justified by the profits of the Company.

Subject to the rights of persons entitled to Shares with special rights as to dividends (at present there are none), all dividends are paid in the proportion that the amounts paid on those Shares bear to the issue price of the Shares.

(e) Winding-Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

(f) Transfer of Shares

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

(g) Variation of Rights

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of shareholders in the affected class, vary or abrogate the rights attaching to Shares.

5.9 Interests of Directors, Experts and Advisors

A full disclosure of the interests of Directors, experts and promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the September 2007 Prospectus are set out in section 12 of the September 2007 Prospectus and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

Interests of Directors

The interest of the Directors in the securities of the Company at the date of this Prospectus is as follows:

Director	No. of Shares
Peter Hampshire	60,000
Neville Bassett	Nil
Craig Willis	Nil

Interests of Experts and Advisors

BDO Kendalls Audit and Assurance (WA) Pty Ltd have provided professional audit services to the Company during the last two years totaling approximately \$8,000.

5.10 Consents

Persons who make statements in this Prospectus or who made statements in the September 2007 Prospectus, which are incorporated by reference into this Prospectus, need to provide their written consent for such use.

Each of the parties referred to in this Section 5.10:

- (a) does not make or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this or the September 2007 Prospectus with the consent of that party as specified in this Section.

Carrera Geophysics, LLC has given its written consent to the inclusion by reference in this Prospectus of its Independent Geologist's Report set out in Section 9 of the September 2007 Prospectus, and to all statements referring to the Independent Geologist's Report, in the form and context in which they are included in the September 2007 Prospectus. Carrera Geophysics, LLC has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Rigel Petroleum Consulting has given its consent to the inclusion by reference in this Prospectus of its Independent Geologist's Report set out in Section 8 of the September 2007 Prospectus, and to all statements referring to the Independent Geologist's Report, in the form and context in which they are included in the September 2007 Prospectus. Rigel Petroleum Consulting has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Kindee Oil & Gas Texas, LLC has given its consent to the inclusion by reference in this Prospectus of all statements made by it or attributed to or derived from those statements, in the form and context in which they are included in the September 2007 Prospectus. Kindee Oil & Gas Texas, LLC has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

HLB Mann Judd has given its written consent to the inclusion by reference in this Prospectus of its Independent Accountant's Report set out in Section 10 of the September 2007 Prospectus, and to all statements referring to the Independent Accountant's Report, in the form and context in which they are included in the September 2007 Prospectus. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Computershare Investor Services Pty Ltd as share registry for the Company; and
- (b) BDO Kendalls Audit and Assurance (WA) Pty Ltd as auditor to the Company.

5.11 Legal Proceedings

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.12 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Options. Taxation consequences will depend on particular circumstances. Neither Modena nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus or any other taxation consequences connected with an investment in the Options or dealing with any Entitlement in this Offer.

5.13 Expenses of the Issue

The total expenses of the issue are estimated to be \$50,000 comprising legal and due diligence costs, printing and other administrative expenses, including ASX quotation fees.

6. AUTHORITY OF DIRECTORS

Each of the Directors of Modena Resources Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Dated the 4th day of June 2008.

Craig Willis
For and on behalf of MODENA RESOURCES LIMITED

7. DEFINITIONS

\$ means Australian dollars unless otherwise stated.

ACH Clearing Rules means the operating rules of Australian Clearing House Pty Limited.

Applicant means a person who submits an Entitlement and Acceptance Form.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the settlement rules of ASTC (formerly the SCH Business Rules).

ASX means ASX Limited (ACN 008 624 691).

ASX Releases means the ASX releases made by the Company as detailed in Section 4.2.2 of this Prospectus.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means 5.00 pm WST on 14 July 2008.

Company or Modena means Modena Resources Limited (ACN 119 749 647).

Corporations Act means the Corporations Act 2001 (Cth).

Constitution means the constitution of the Company as amended from time to time.

Directors mean the directors of the Company from time to time.

Entitlement means the non-renounceable entitlement of a Shareholder to subscribe for a particular number of Options calculated on a one (1) for one (1) basis and on the terms and conditions of this Prospectus.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form for the Offer attached to or accompanying this Prospectus.

Listing Rules or ASX Listing Rules means the official Listing Rules of ASX.

September 2007 Prospectus means the prospectus lodged by the Company with the ASIC on 24 September 2007 for the offer of 30,000,000 Shares at an issue price of 20 cents each to raise \$6,000,000.

Offer mean the offer of Options pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means 30 June 2008.

Option means an option to acquire a Share on the terms set out in Section 5.7 of this Prospectus.

Prospectus means this prospectus dated 4 June 2008.

Quotation and Official Quotation means official quotation on ASX.

Record Date means 5.00 pm WST on 24 June 2008.

Section means a section of this Prospectus or a section of the September 2007 Prospectus, as appropriate and as the case may be.

Share means one fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the Options (if any) not taken up under the Offer.

WST means Western Standard Time, Perth, Western Australia.