



ABN 63 123 821 929

Quarterly Activities Report Quarter Ended 30 June 2008

Manzano Prospect (12.5% working interest)

An undivided 12.5% leasehold and working interest in and to a defined oil and gas lease, covering certain lands and leases located in Kleberg County, Texas, USA known as the "Manzano Prospect".

During the quarter, Modena Resources Limited (MDA) announced a successful test of two wells, ST Tract 991 # 1 and Dunn McCampbell 11A.

ST Tract 991#1)

ST991#1 which was spudded in February 2008 successfully flowed gas in early April 2008 and was brought into immediate production. The well was tied directly into the sales grid and initially produced at a rate of 3.1 million cubic feet per day of gas as well as some condensate from a perforated 6 ft interval. However due to excess water production of around 190 bbls per day, believed to be from a deeper zone and due to a fault in the casing cement, production ceased.

Production recommenced in June 2008 with an initial production rate of 1 million cubic feet per day of gas from two 4 foot intervals perforated in the Marg Frio formation. The Manzano well had originally tested a deeper Marg Tex interval. Further examination of the deeper interval determined that it would not be productive beyond its very short initial production.

Production has now ceased and the well is currently being reviewed.

Dunn McCampbell 11A

Dunn McCampbell 11A was spudded on 5 April 2008 and successfully flowed gas in June 2008 and was brought into immediate commercial production. The well initially commenced production at rate of 1.5 mcf/d and is presently producing at 900 mcf/d from a perforated 8 foot interval.

Bullseye Prospect (15% working Interest)

The Bullseye Prospect is located in Iberville Parish, Louisiana, USA.

The Jumonville # 1 well commenced drilling on 28 April 2008 and is presently at 12,050ft and awaiting the arrival of a workover rig to drill the final 500ft to test the primary objective in the Miogyp (~12,400ft) also penetrating the secondary Camerina sands (~12,100ft) reservoirs above.

Activity is scheduled to recommence in early August 2008. Drill time is anticipated to be 3 days followed by a testing program of approximately 7 days. Numerous minor gas shows had been observed during the drilling of the last ~1,000ft, prior to the halt in operations awaiting the workover rig. These shows provide encouragement that the primary Miogyp

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objective is contained in a working hydrocarbon trap. The Company's primary objective remains the Miogyp interval. The drilling and testing the Cib Haz interval (~12,900) will be examined once the Miogyp is tested.

Armstrong Farm Lease (25% working interest)

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 covers an area of approximately 1,477 acres. The lease block has the potential for a number of prospective targets.

Drilling of the Tobin Armstrong #2 well to its target depth of 10 500' was completed in mid February 2008. The Tobin Armstrong #2 well was logged and based on initial analysis by the operator, BNP Petroleum Corporation ("BNP"), logs show in excess of 100 feet of productive sands. BNP proceeded to casing and completion of a program to test and bring this well on production. However, a problem was encountered with the casing pipe requiring the piping to be replaced. This has now been completed and a workover rig is currently on site.

BNP has submitted a claim to the pipe broker who has in turn submitted such claim to its insurance carrier for the amount of US\$835 000. The claim represents the amount of cost incurred on the well associated with dealing with the defective surface casing.

Jackson Shallow Gas Prospects (52.5% working interest)

Three shallow gas prospects located in the Jackson County of Texas, USA. The three prospects are named the "Sandy Prospect", "Slazenger Prospect" and "Wagner Prospect".

The contract depths are for shallow wells between 3300 feet and 4400 feet. For the Sandy Prospect 3300 feet to test the Miocene Catahoula formation. The Slazenger prospect will test the Frio Miocene formation seismic amplitude anomaly and the Wagner prospect will target 4400 feet to test the Frio formation seismic amplitude anomaly.

It had initially been anticipated to commence drilling during the June quarter. The operator is currently securing a rig with commencement expected during the September quarter.

Wilson Prospect (10% working interest)

The Wilson Prospect is located in Padre Island, Texas, USA on the Gulf of Mexico.

The first well, Kindee ST949#1 spudded on the 7 February 2007 and production commenced on the 10th September 2007

Production for the quarter was 95.782 million cubic feet of gas and 178 barrels of oil

South Lost Hills Properties (10% working interest)

Modena holds a 10% working interest in two lease blocks each with an area of approximately 640 acres in Kern Country, California, USA. This acreage is situated just south and adjacent to the southern limit of a major oil and gas producing area known as the South Lost Hills field. No work was carried out on these properties during the quarter.

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Corporate

Option Issue

As foreshadowed in the Initial Public Offer Prospectus, on 4 June 2008 the Company lodged a prospectus for a non-renounceable entitlement offer of options to shareholders on the basis of one (1) option for every one (1) share held, at an issue price of one (1) cent per option ("the Offer"). The options have an exercise price of twenty (20) cents each and will expire on 30 June 2010.

The Offer, which closed on 14 July 2008, raised approximately \$655,000.

Note Conversion

During the quarter, unsecured convertible notes with a face value of \$809,670 were converted to 2,156,966 ordinary fully paid shares.

Craig Willis
Director
Modena Resources Limited

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