



MODENA RESOURCES ACQUIRES INTEREST IN ORCHARD PETROLEUM, INC.

29 July 2009

Modena Resources Limited (“Modena” or the “Company”) refers to the announcement on 27 July 2009 and confirms that it has signed a non-binding agreement 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;

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- 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 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.

Commenting on the proposed transaction, Modena's Chairman, Wayne Bellman, said:

"We believe the acquisition is a very significant, high-quality opportunity for Modena; one that will add considerable production and proven reserves and has the ability to deliver substantial value to our shareholders."

“Orchard has a low-risk, high quality portfolio of oil & gas assets in California, a geography that we like because it is a large energy market with a long production history and under-utilized infrastructure. To date, Orchard’s development has been focused on the Diatomite formation at the South Belridge Project, and we see tremendous upside in continuing to develop this, particularly in light of recently revised well stimulation methods that have yielded very encouraging production rates, as well as the deeper Monterey formation at both the South Belridge Project and the Southeast Lost Hills Project.”

General disclaimer

This report contains certain forward-looking statements. These statements are subject to risks and uncertainties beyond the Company’s ability to control or predict that could cause actual events or results to be materially different from those anticipated by the forward-looking statements. No assurance can be given by the Company that its expectations, estimates and forecast outcomes will be achieved.

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