
MODENA RESOURCES LIMITED

ACN 119 749 647

NOTICE OF GENERAL MEETING

TIME: 11:00 am (WST)

DATE: Friday, 19 March 2010

PLACE: The Esplanade River Suite Hotel, 112 Melville Parade, Como

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 8439.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00 am (WST) on Friday, 19 March 2010 at:

The Esplanade River Suite Hotel, 112 Melville Parade, Como

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Modena Resources Limited, Suite B, 150 Hay Street, Subiaco WA 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9388 8450,

so that it is received not later than 11 am (WST) on Wednesday 17 March 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 11:00 am (WST) on Friday, 19 March 2010 at The Esplanade River Suite Hotel, 112 Melville Parade, Como.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at [Insert Time] am (WST) on [Insert Eligibility Date] 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ACQUISITION OF BLACKGATE RESOURCES LLC AND DEBT ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to a total of 411,840,977 Shares to the members of Blackgate Resources LLC and certain creditors of BNP Petroleum LLC in consideration for the acquisition of all of the issued shares in Blackgate Resources LLC on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PLACEMENT – SHARES AND TRANCHE 1 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue:

(a) up to 250,000,000 Shares; together with

(b) up to 125,000,000 Tranche 1 Options as free attaching Options on the basis of one (1) Tranche 1 Option for every two (2) Shares issued under the placement referred to in paragraph (a) above),

on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit,

except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – PLACEMENT – TRANCHE 2 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 200,000,000 Tranche 2 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 5,855,352 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 9,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PLACEMENT – TRANCHE 3 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 4,500,000 Tranche 3 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – APPROVAL FOR CHANGE IN SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the scale of its activities as described in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

DATED: 12 FEBRUARY 2010

BY ORDER OF THE BOARD

**MODENA RESOURCES LIMITED
ANTHONY HAMILTON
CHAIRMAN**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11:00 am (WST) on Friday, 19 March 2010 at The Esplanade River Suite Hotel, 112 Melville Parade, Como.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – ACQUISITION OF BLACKGATE RESOURCES LLC

1.1 General

As announced on 5 January 2010, the Company, through its wholly owned subsidiary, Modena Petroleum LLC, has entered into an agreement with the shareholders of Blackgate Resources LLC (**Blackgate**) pursuant to which the Company has agreed to acquire all of the shares and options in Blackgate (**Blackgate Acquisition**) and to separately acquire the Debtor in Possession position under section 1107 of the Chapter 11 bankruptcy proceedings of BNP Petroleum LLC (**Debt Acquisition**).

The Debt Acquisition originally formed part of the Blackgate Acquisition agreement but for the purposes of expediency of the transaction as a whole, the Company and Blackgate have agreed that the Debt Acquisition will be undertaken separately and prior to settlement of the Blackgate Acquisition and have agreed to modify the terms of the Blackgate Acquisition agreement to reflect this.

Blackgate is a company incorporated in Texas, USA and its primary asset is a priority secured and unsecured debt owed to it by BNP Petroleum LLC (**BNP Petroleum**) a company that is also incorporated in Texas, USA. BNP Petroleum is currently the subject of Chapter 11 (bankruptcy) proceedings in the USA. BNP Petroleum is an oil and gas producer located in Texas with production potential including significant upside potential to upside production. By undertaking the Blackgate Acquisition and Debt Acquisition it is the Company's intention to secure its position in the bankruptcy proceedings of BNP Petroleum as the only significant and secured debtor, and subsequently acquire the assets and undertaking of BNP Petroleum.

Blackgate has also entered into an agreement to acquire the interests of Arturus Capital Limited (an investment company listed on ASX) in:

- (a) the income stream from certain producing shallow gas projects located in the lands known as Sandy, Slazenger and Wagner Prospects in Texas; and
- (b) a participation agreement relating to the Walkoviak No. 1 Well located in Texas (**Arturus Agreement**).

A summary of the terms of the Debt Acquisition is set out below.

- (a) Completion of the Debt Acquisition is subject to inter alia, the following conditions precedent:
 - (i) All necessary Shareholder and regulatory approvals required for the Debt Acquisition; and

- (ii) the Company completing a placement to raise \$10,000,000 (for which Shareholder approval is sought pursuant to Resolution 2); and
- (b) the consideration for the Debt Acquisition is US\$5,867,055 which will be satisfied by way of either cash, Shares or a combination of both and which will be paid to certain creditors of BNP Petroleum (in discharge of the debts owed by Blackgate the subject of the Debt Acquisition).

A summary of the terms of the Blackgate Acquisition is set out below.

- (a) Completion of the Blackgate Acquisition is subject to inter alia, the following conditions precedent:
- (i) Shareholders of the Company resolving to issue the Shares the subject of Resolution 1 for the purposes of the Blackgate Acquisition;
 - (ii) all other approvals, consents or waivers (if any) as are required under applicable law and which are reasonably necessary to implement the Blackgate Acquisition;
 - (iii) Completion of the Arturus Agreement;
 - (iv) The shareholders of Blackgate (being the vendors) having procured the written consent of all parties to the Blackgate Acquisition agreement to the extent that, such consent is required; and
 - (v) Blackgate not having suffered an insolvency event;
- (b) settlement of the Blackgate Acquisition will occur on that date which is 7 days following satisfaction of all of the conditions precedent set out above;
- (c) the consideration for the Blackgate Acquisition is US\$18,121,003 which will be satisfied by way of Shares or a combination of cash and Shares (the subject of Resolution 1);
- (d) the consideration for the Blackgate Acquisition will be apportioned between the shareholders of Blackgate and certain creditors (in discharge of debts owed by Blackgate) on the terms and conditions of the Blackgate Acquisition agreement;
- (e) the Company must pay a break fee of US\$200,000 in cash (or, at the election of Blackgate's shareholders, 4,000,000 Shares at a deemed issue price of \$0.05 each) if:
- (i) the majority of the Company's directors withdraw or adversely modify their recommendation that the Blackgate Acquisition or the Debt Acquisition are in the best interests of Shareholders and that Shareholders should vote in favour of the Resolutions);
 - (ii) any of the Resolutions are not approved by the requisite majority of Shareholders; or
 - (iii) the Company is in material breach of any of the provisions of the Blackgate Acquisition agreement; or

- (iv) the Blackgate shareholders terminate the Blackgate Acquisition agreement; and
- (f) the agreement contains standard warranties relating to Blackgate and specific warranties relating to Blackgate's liabilities including those pertaining to BNP Petroleum.

1.2 INFORMATION ON BLACKGATE AND BNP PETROLUEM

Blackgate was formed specifically to hold the debt secured and unsecured of various parties in the BNP Petroleum chapter 11 proceedings.

Blackgate's purpose is to amalgamate the parties into one entity to transact the purchase of BNP Petroleum and its subsidiaries.

BNP Petroleum is a company duly incorporated in the state of Texas, USA and was incorporated in 1990. BNP Petroleum's primary assets are 20 producing Oil and Gas wells on shore and with extensive exploration assets.

The production assets both oil and gas onshore in the USA are shallow well operations and the company has 14 employees both direct and subcontracted.

1.3 CAPITAL RAISING

To fund the cash component of the Blackgate Acquisition and Debt Acquisition, the Company is proposing to undertake a placement of Shares and placement of Tranche 1 Options. The Blackgate Acquisition and Debt Acquisition are conditional on the Company completing the placement the subject of Resolution 2 to raise \$10,000,000.

The capital structure of the Company assuming all of the Shares and Options are issued under the Blackgate Acquisition and all of the Resolutions set out in this Notice are issued is set out below.

Shares	
Shares currently on issue	114,950,600
Shares issued for Blackgate Acquisition (Resolution 1)	411,840,977, ¹
Shares issued under placement (Resolution 2)	250,000,000
Total Shares on issue	776,791,577

¹ This assumes the consideration for the Blackgate Acquisition is fully satisfied by the issue of Shares. In the event that the Company pays cash for all or part of the consideration, the proposed number of Shares on issue will be correspondingly reduced.

Options	
Options currently on issue exercisable at \$0.20 on or before 30 June 2010	68,428,622
Tranche 1 Options issued under Shares and Tranche 1 Options Placement (Resolution 2) exercisable at \$0.06 on or before 31 December 2013	125,000,000

Tranche 2 Options issued under Tranche 2 Options Placement (Resolution 3) exercisable at \$0.06 on or before 31 December 2013	200,000,000
Tranche 3 Options issued under Tranche 3 Options Placement (Resolution 6) exercisable at \$0.06 on or before 31 December 2013	4,500,000
Total Options on issue	397,928,622

Convertible Note	
Convertible at the lesser of \$0.35 or 85% of 5 day average market price on or before 31 January 2011	1,306,014
Convertible at the lesser of \$0.45 or 85% of 5 day average market price on or before 28 February 2010	1,244,444
Convertible at the lesser of \$0.35 or 85% of 5 day average market price on or before 30 September 2010	3,085,714
Convertible at the lesser of \$0.25 or 80% of 30 day weighted average market price on or before 29 January 2011	10,000,000
Total Convertible Notes	15,636,172

1.4 PRO FORMA BALANCE SHEET

An unaudited pro-forma Balance Sheet for the Company prepared on the basis of the accounts of the Company as at 31 December 2009, incorporating the effect of the Blackgate Acquisition and Debt Acquisition is set out in Schedule 2.

1.5 ADVANTAGES OF THE ACQUISITION

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) by undertaking the Blackgate Acquisition and the Debt Acquisition the Company will secure its position in the bankruptcy proceedings as the only significant secured debtor and therefore be well placed to proceed with the intended acquisition of BNP Petroleum;
- (b) if the Company proceeds with the acquisition of BNP Petroleum it will acquire an interest in producing onshore oil and gas assets; and
- (c) the acquisition of a company with producing assets has such advantages as:
 - (i) securing production operations, being operations at a mature stage of development;
 - (ii) diminishing risks associated with the exploration stage of oil and gas mining; and

- (iii) reducing the exploration and production time line allowing for the development of other assets.

1.6 DISADVANTAGES OF THE ACQUISITION

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of Shareholders;
- (b) the Blackgate Acquisition and Debt Acquisition will result in the issue of Shares and Options to new Shareholders which will have a dilutionary effect on the current holdings of Shareholders;
- (c) there is no guarantee that the Company will successfully complete the proposed acquisition of BNP Petroleum even in the event that the Blackgate Acquisition completes; and
- (d) Chapter 11 bankruptcy proceedings in the United States can be a lengthy and costly process.

1.7 DIRECTORS' RECOMMENDATION

The directors of the Company recommend the Blackgate Acquisition and Debt Acquisition. It is the view of the Company's directors that the Blackgate Acquisition and Debt Acquisition will give the Company's Shareholders the opportunity to participate in a potentially significant exploration and development programme in respect of a highly prospective oil and gas project.

1.8 RESOLUTION 1 – APPROVALS REQUIRED

Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Shares to the vendors of Blackgate and certain creditors of BNP Petroleum.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Blackgate Acquisition during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

The effect of Resolution 1 will be to allow the Directors to issue the Shares to the shareholders of Blackgate and certain creditors of BNP Petroleum in consideration for the Blackgate Acquisition, without using the Company's 15% placement capacity.

1.9 Technical Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to the shareholders of Blackgate:

- (a) the maximum number of Shares to be issued is 411,840,977 Shares. The number of Shares issued may change depending on how much the

Company elects to pay of the consideration for the Blackgate Acquisition in cash;

- (b) the Shares shall be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Shares are being issued for nil cash consideration as they are being issued in consideration for the acquisition of all of the shares and options in Blackgate and accordingly, no funds will be raised from their issue;
- (d) the Shares will be allotted and issued to the shareholders of Blackgate in consideration for their shares and options in Blackgate, and certain creditors of BNP Petroleum in connection with the Blackgate Acquisition, none of whom are a related party of the Company and none of whom will acquire a relevant interest of greater than 20% in the Company; and
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

2. RESOLUTION 2 – APPROVAL OF PLACEMENT – SHARES AND TRANCHE 1 OPTIONS

2.1 General

As announced to ASX on 3 February 2010, the Company has entered into an agreement with Taylor Collison Limited (**Taylor Collison**) and CPS Securities Pty Ltd (**CPS Securities**) (**Mandate**) to place shares in the Company on a best endeavours basis, to raise \$10,000,000 (**Capital Raising**).

If the Capital Raising is successful it will enable the Company to fund the cash component, if any of the Blackgate Acquisition and Debt Acquisition.

The Capital Raising is subject to shareholder and regulatory approval sought which will allow the Company to issue 250,000,000 Shares with one (1) free attaching option exercisable at \$0.06 cents each on or before 31 December 2013 (**Tranche 1 Option**) for every two (2) Shares subscribed for and issued.

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Shares and Tranche 1 Options (**Securities**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Securities pursuant to the Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

2.2 Technical Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Securities that will be allotted and issued under the Capital Raising is:
- (i) 250,000,000 Shares; and
 - (ii) 125,000,000 Tranche 1 Options;
- (b) the Shares will be issued at \$0.04 per Share. The Tranche 1 Options will be issued for nil consideration on the basis of one Tranche 1 Option for every two Shares issued;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 1 Options issued will be on the terms and conditions set out in Schedule 3;
- (e) the Securities will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (f) the Securities will be allotted and issued to parties determined by the Directors in conjunction with Taylor Collison and CPS Securities and in accordance with Section 708 of the Corporations Act, none of whom are related parties of the Company; and
- (g) the funds raised from this issue will be used to satisfy the cash consideration component for the Blackgate Acquisition and Debt Acquisition and provide working capital and funding for new projects.

3. RESOLUTION 3 – TRANCHE 2 OPTIONS PLACEMENT

3.1 General

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Tranche 2 Options (**Tranche 2 Options Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.8 of this Explanatory Statement.

The effect of Resolution 3 will be to allow the Directors to issue the Tranche 2 Options pursuant to the Tranche 2 Options Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

3.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Options Placement:

- (a) the maximum number of Tranche 2 Options that will be allotted and issued under the Options Placement is 200,000,000;
- (b) the Tranche 2 Options will be issued at \$0.001 per Tranche 2 Option;

- (c) the Tranche 2 Options issued will be on the terms and conditions set out in Schedule 3;
- (d) the Tranche 2 Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (e) the Tranche 2 Options will be allotted and issued to parties determined by the Directors, none of whom will be related parties of the Company; and
- (f) the funds raised from this issue will be used to provide working capital and funding for new projects.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

4.1 General

As announced on 6 January 2010, the Company executed an agreement to roll over the existing convertible note and loan facility held by Arturus Capital Limited (**Arturus**), until 29 January 2011.

In connection with the agreement, on 6 January 2010 the Company issued 5,855,352 Shares to Arturus in satisfaction of the accrued interest up to 31 December 2009 on the convertible note and loan facilities.

Arturus is not a related party of the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.8 of this Explanatory Statement.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 5,855,352 Shares were allotted;
- (b) the Shares were issued to Arturus in satisfaction of the accrued interest up to 31 December 2009 on the convertible note and loan facilities, and therefore no cash consideration was paid and no funds were raised;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (d) the Shares were allotted and issued to Arturus Capital Limited in accordance with Section 708 of the Corporations Act.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

5.1 General

On 8 February 2010 the Company issued 9,000,000 Shares as a placement pursuant to with Section 708 of the Corporations Act. The Shares were issued each with one (1) free attaching Tranche 3 Option for every two (2) Shares issued under the placement. The issue of the Tranche 3 Options is subject to and conditional upon shareholder approval being obtained. Approval for the issue of the Tranche 3 Options is sought under Resolution 6.

The subscribers pursuant to this issue were not related parties of the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.8 of this Explanatory Statement.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 9,000,000 Shares were allotted;
- (b) the issue price was \$0.04 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to professional and sophisticated investors in accordance with Section 708 of the Corporations Act; and
- (e) the funds raised from this issue were used for working capital purposes.

6. RESOLUTION 6 – TRANCHE 3 OPTIONS PLACEMENT

6.1 General

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Tranche 3 Options to be issued in connection with the placement of Shares for which approval is sought under Resolution 5 (**Tranche 3 Option Placement**).

The Company proposes to issue one (1) Tranche 3 Option for every two (2) Shares issued under the placement which was undertaken on 5 February 2010 and for which approval is sought under Resolution 5.

A summary of ASX Listing Rule 7.1 is set out in Section 1.8 of this Explanatory Statement.

The effect of Resolution 6 will be to allow the Directors to issue the Tranche 3 Options pursuant to the Tranche 3 Options Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

6.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 3 Options Placement:

- (a) the maximum number of Tranche 3 Options that will be allotted and issued under the Tranche 3 Options Placement is 4,500,000;
- (b) the Tranche 3 Options are being issued free on the basis of one Tranche 3 Option for every two Shares issued to subscribers to the placement of Shares undertaken on 8 February 2010 and which is more particularly described in Section 5 above;
- (c) the Tranche 3 Options issued will be on the terms and conditions set out in Schedule 3;
- (d) the Tranche 3 Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (e) the Tranche 3 Options will be allotted and issued to Shareholders who received Shares under the placement for which approval is sought under Resolution 5.

7. RESOLUTION 7 – CHANGE IN NATURE AND SCALE

7.1 General

Resolution 7 seeks approval from Shareholders for a change in the scale of the activities of the Company. The Blackgate Acquisition and the Debt Acquisition by the Company constitutes a significant change in the scale of the Company's activities, and consequently requires approval pursuant to ASX Listing Rule 11.1.

7.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has indicated to the Company that given the significant change in the scale of the activities of the Company upon completion of the Blackgate Acquisition and the Debt Acquisition it requires the Company to obtain the approval of its Shareholders.

For this reason, the Company is seeking Shareholder approval for the Company to change the scale of its activities under ASX Listing Rule 11.1

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9388 8439 if they have any queries in respect of the matters set out in these documents.

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GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share in the Company.

Optionholder means a holder of an Option.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Tranche 1 Option means an Option granted pursuant to Resolution 2 and with the terms and conditions set out in Schedule 3.

Tranche 2 Option means an Option granted pursuant to Resolution 3 and with the terms and conditions set out in Schedule 3.

Tranche 3 Option means an Option granted pursuant to Resolution 6 and with the terms and conditions set out in Schedule 3.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – BNP PETROLEUM – WELLS

Slazenger Frio Unit #1

Wagner Frio #1

Walkoviak #1

Dunn McCampbell #4

Dunn Peach 11A

Dunn Peach #4 Sidetrack #2

Dunn Peach #6

Rivera #1

Dunn Peach #7 Tubing

Lay Playa # T 938

Lemon # 1

Mazano State Tract 991#1

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SCHEDULE 2 – UNAUDITED PRO FORMA BALANCE SHEET

An unaudited pro-forma Balance Sheet for the Company prepared on the basis of the accounts of the Company as at 31 December 2009, incorporating the effect of the Blackgate Acquisition and Debt Acquisition is set out below:

	Unaudited 31 December 2009 \$	Pro-Forma Balance Sheet \$
CURRENT ASSETS		
Cash and cash equivalents	39,022	2,971,914
Trade and other receivables	339,137	339,137
Financial assets at fair value through profit and loss	593,608	593,608
Total Current Assets	<u>971,767</u>	<u>3,904,659</u>
NON-CURRENT ASSETS		
Trade and other receivables	-	6,667,108
Plant & equipment	33,206	33,206
Deferred exploration and evaluation	398,587	398,587
Oil and gas production properties	386,112	20,978,161
Total Non-Current Assets	<u>817,905</u>	<u>28,077,062</u>
Total Assets	<u>1,789,672</u>	<u>31,981,721</u>
CURRENT LIABILITIES		
Trade and other payables	1,548,048	1,548,048
Borrowings	1,640,000	1,640,000
Total Current Liabilities	<u>3,188,048</u>	<u>3,188,048</u>
NON-CURRENT LIABILITIES		
Borrowings	3,957,105	3,957,105
Total Non-Current Liabilities	<u>3,957,105</u>	<u>3,957,105</u>
Total Liabilities	<u>7,145,153</u>	<u>7,145,153</u>
Net Assets	<u>(5,355,481)</u>	<u>24,836,568</u>
EQUITY		
Issued capital	16,467,184	46,459,233
Reserves	664,910	864,910
Accumulated losses	(22,487,575)	(22,487,575)
Total Equity	<u>(5,355,481)</u>	<u>24,836,568</u>

The above pro forma Balance Sheet has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2009 and the completion of the transactions contemplated by the Notice of Meeting, except:

- (a) completion of the Blackgate Acquisition by the issue of 411,840,977 Shares at an issue price of \$0.05 each;
- (b) completion of the Debt Acquisition by the payment of \$6,667,108;
- (c) the issue of 250,000,000 Shares and 125,000,000 Tranche 1 Options pursuant to Resolution 2 to raise \$10,000,000 (before expenses of the Issue);
- (d) the issue of 200,000,000 Tranche 2 Options pursuant to Resolution 3 to raise \$200,000 (before expenses of the issue); and

- (e) expenses of the above issue of approximately \$600,000 which have been offset against proceeds of the issue.

No account is taken of any transactions between 31 December 2009 and the date of this Notice, however it should be noted that:

- (a) on 6 January 2010 the Company issued 5,855,352 Shares in satisfaction of accrued interest of \$292,767 on convertible note and loan facilities; and
- (b) on 8 February 2010 the Company issued 9,000,000 Shares (Resolution 5), together with 4,500,000 Tranche 3 Options (Resolution 6), to raise \$360,000 (before costs).

The pro-forma consolidated balance sheet reflects only the transactions the subject of this Notice of Meeting.

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SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 31 December 2013 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are freely transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

**APPOINTMENT OF PROXY
MODENA RESOURCES LIMITED
ACN**

GENERAL MEETING

I/We
of

being a member of Modena Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11:00 am (WST), on Friday, 19 March 2010 at The Esplanade River Suite Hotel, 112 Melville Parade, Como, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 7** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 7 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 7 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 7 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 7.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Acquisition of Blackgate Resources LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement – Shares and Tranche 1 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Placement – Tranche 2 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Placement – Tranche 3 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval for Change in Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

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MODENA RESOURCES LIMITED
ACN 119 749 647

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
- **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
- (a) post to Modena Resources Limited, Suite B, 150 Hay Street, Subiaco WA 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 9388 8450;

so that it is received not later than 11.00 am (WST) on Wednesday 17 March 2010.

Proxy forms received later than this time will be invalid.