

31 October 2013

Quarterly Activities Report

Jacka Resources Limited ("Jacka" or the "Company") is pleased to provide the following quarterly report for the period ending 30 September 2013.

Key highlights in the quarter included:

- The drilling and testing of the Hammamet West-3 well in Tunisia confirmed the presence of open permeable, fractures within the Abiod Formation. The well flows demonstrated the potential for economic production rates. The joint venture plans to return to drill sidetrack 2 and test sidetrack 2 in 1H 2014
- A third party transaction in the Odewayne Block, Somaliland underlines the value of this highly prospective block
- the company successfully completed in July a \$3.27 million capital placement to institutional investors and in September a short term loan facility of up to \$2.0 million.

Significant activities over the Company's portfolio expected in the next quarter include:

- Plug and suspend Hammamet West-3 and commence planning for the HW-3 Sidetrack-2 drilling and testing, anticipated H1 2014
- Hammamet West resources review by the Operator expected before year end
- Completion of the Field Development Plan (FDP) for the initial phase of the Aje oil development
- planning and preparation for an airborne geophysical survey and other G&G studies across the Ruhuhu license in Tanzania

Bargou Block, Tunisia

Hammamet West-3, located offshore Tunisia (Jacka 15%; operator Cooper Energy ASX:COE) spudded on 4 April, with the objective of confirming oil productivity from the naturally fractured Abiod Formation, through the drilling and testing of a highly deviated wellbore. During the quarter a 432m horizontal sidetrack section (ST-1) was drilled through the Abiod Formation to a total measured depth of 3,443m. Major gas and oil influxes and very large drilling mud losses were experienced during the drilling of the near horizontal well section, indicating that the well had penetrated open hydrocarbon bearing fractures within the Abiod Formation.

Testing of the well commenced in August and confirmed the presence of open hydrocarbon bearing fractures. Flow rates averaging 1,290 barrels of fluid per day for 1.5 hours were recorded during the clean-up flow and oil was recovered to surface but the tests could not be completed because of recurring blockages and obstructions caused by lost circulation material (LCM). The LCM was originally used to control the major mud losses while drilling the sidetrack.

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Information gathered from ST-1 demonstrated that the reservoir should be capable of significant flow rates on a clean, unobstructed test. The joint venture therefore decided to pursue this objective through drilling ST-2, using information gained from ST-1 to mitigate the risk of blockages caused by LCM. However, as the current rig, the “GSP Jupiter”, could not be secured on acceptable terms for the duration required for a production test the joint venture subsequently decided to release this rig and will contract an alternative rig to drill and test Sidetrack-2. The Operator, Cooper Energy expects ST-2 to be drilled and tested in the first half of 2014, subject to rig availability.

Jacka is greatly encouraged by the results of the Hammamet West-3 well. Hammamet West-3 was drilled on one of the largest structures in the Gulf of Hammamet and successfully intersected significant open fractures with oil shows and recovered oil to surface. While the production test was compromised by LCM blockages, the well flowed at 1,290 barrels per day during clean up and without any acid stimulation. In Jacka’s view, this is a very strong indication that with alternative drilling and completion practices the Abiod Formation should be capable of economic flow rates. These results have confirmed the pre-drill fracture model and the resource potential at Hammamet West.

The Operator, Cooper Energy has advised that they are currently reviewing the impact of the well on the resources assessment and expect to make an announcement before the end of 2013.

Aje field / OML113, Nigeria

During the quarter the Aje partners initiated work on a Field Development Plan (FDP) for the Cenomanian oil reservoirs to be delivered by the end of December 2013. The FDP is for the initial development phase and will include:

- Aje-5 well location
- drilling and completion of Aje-5 and re-entry and completion of the previously drilled Aje-4
- complete review of the resources and potential production profiles;
- integration and update of earlier production facilities studies including subsea production studies and inspection and review of available floating production, storage and offloading (FPSO) vessels.

The joint venture has also acquired an option to purchase three new but unused subsea production trees which represent a significant saving in both cost and timing relative to new-builds. These trees are currently being tested to ensure they are suitable for use as part of the initial FDP. The joint venture is also in discussion with rig contractors to identify options for drilling in 2014.

The FDP represents the initial stage of a multiphase development concept with the initial focus on the Cenomanian oil reservoirs while later phases will target development of the significant shallower, Turonian, gas/condensate resource to meet the needs of the evolving Nigerian and West African energy market.

Odewayne Block, Somaliland

In the first half of 2013 interpretation of the high resolution airborne gravity and magnetics survey acquired over the entire 22,000 km² Odewayne Block (Jacka 30%) was successfully completed. The interpretation confirmed the main play elements and is being used to refine the design for a minimum 1,500km 2D seismic acquisition program.

During the last quarter Jacka was advised by Genel Energy Plc, the Operator of both the Odewayne block and the adjacent SL10B/SL13B exploration block (in which Jacka is not a participant), that Genel had temporarily withdrawn its expatriate employees and contractors from Somaliland because of security concerns. Genel is liaising closely with the Somaliland Government to ensure the satisfactory management of the security situation. Genel had been preparing to acquire a seismic survey on block SL10B/SL13B which would be followed in H1 2014 by seismic survey acquisition in the Odewayne block.

Under the terms of the farmout agreement with Genel, Jacka will be fully carried for all exploration expenses incurred through to the end of Exploration Period 4 (May 2016). This includes but is not limited to the minimum work commitments of 1,500 km of seismic acquisition and a well.

Subsequent to the quarter Sterling Energy Plc (<http://www.sterlingenergyuk.com>) announced that they had joined the Joint Venture after acquiring a 10% equity interest in the project from Petrosoma for staged consideration of US\$10 million.

Ruhuhu Basin, Tanzania

Jacka was awarded the 10,343 km² Ruhuhu Block at a ceremony in Dar es Salaam on 20th March 2013. Jacka has 100% of the block and is Operator of the project.

The Ruhuhu licence is located in south-west Tanzania. It provides Jacka with the petroleum exploration rights to the entire Ruhuhu Karoo rift basin and to a portion of the Lake Nyasa rift basin, part of the East African rift system which holds significant oil discoveries in Uganda and Kenya.

In the September quarter, activities continued to be focussed on collecting geological and geophysical data then the analysis and integration of that data into a geo-referenced database for the two petroleum systems.

The discovery during the quarter of medium-resolution airborne magnetics data, acquired in the 1970s under a World Bank funded project, will allow Jacka to cost-effectively focus the next phase of the Ruhuhu forward work program.

The vintage magnetics data will be processed and interpreted during Q4 2013 to provide a better definition of the internal structure and sub-basins of the Ruhuhu basin. This can then be used to design and locate high-resolution airborne Full Tensor Gravity (FTG) and magnetics surveys targeting individual sub-basins within the Ruhuhu. As a result of the effort to find and work with all the existing data Jacka can achieve an enhanced, basin-wide subsurface structural imaging with a considerable saving in time and cost.

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The Ruhuhu Basin is known to contain significant thicknesses of Permian coals as well as carbon-rich black shales. The coals are currently being mined on the shallower basin flanks for electricity generation within Tanzania but may also represent an “unconventional” or coal seam gas (CSG) target. During the quarter, Jacka commissioned a report on the Ruhuhu CSG and shale gas resource potential using recognised experts with expertise in Australian CSG projects. The report is due for completion in Q4 2013.

Corporate

In the period the Company spent approximately \$5.8 million furthering appraisal and exploration projects predominantly in Tunisia, Nigeria and Tanzania.

At the end of the period the Company had approximately \$2.5 million in cash, investments and in JV bank accounts for various work programs (this amount includes \$1.75 million of short term loans drawn by the company).

During the quarter the company announced that it had completed a s.708 institutional placement of 38.5 million fully ordinary shares to raise \$3.27 million. In addition the company also issued 19.25 million options exercisable at \$0.14.

Subsequent to the quarter, the company announced that it had entered an agreement with its largest shareholder for an initial \$3.5 million convertible loan facility.

For more information please contact:

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Persons compiling information about Hydrocarbons

Pursuant to the requirements of the ASX Listing Rules 5.11, 5.11.1, 5.12 and 5.13, the technical information provided in this announcement has been compiled by Justyn Wood, Technical Director of Jacka Resources Limited. Mr Wood is a qualified geophysicist with over 18 years technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr Wood has reviewed the results, procedures and data contained in this announcement. Mr Wood consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Jacka Resources Limited

ABN

79 140 110 130

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(5,762)	(5,762)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(329)	(329)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(6,085)	(6,085)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	16	16
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		16	16
1.13	Total operating and investing cash flows (carried forward)	(6,069)	(6,069)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(6,069)	(6,069)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,273	3,273
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,750	1,750
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(269)	(269)
	Net financing cash flows	4,754	4,754
	Net increase (decrease) in cash held	(1,315)	(1,315)
1.20	Cash at beginning of quarter/year to date	3,645	3,645
1.21	Exchange rate adjustments to item 1.20	(30)	(30)
1.22	Cash at end of quarter*	2,300	2,300

* The cash position excludes unallocated cash in the joint venture account and does not include proceeds from capital raise of \$3.27 million completed on 18 July 2013

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	221
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	1.23 includes salaries and superannuation contributions for all directors	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	3,250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,871	2,947
5.2 Deposits at call	429	687
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,300*	3,645*

* The cash position excludes unallocated cash in the joint venture account.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	336,013,503	336,013,503		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	38,500,000	38,500,000	\$0.085	\$0.085
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	5,000,000 1,250,000 11,700,000 500,000 50,000,000 19,250,000	- - - - 50,000,000 -	Exercise price \$0.35 \$0.20 \$0.50 \$0.20 \$0.35 \$0.14	Expiry date 31-Dec-13 03-May-17 31-Jul-14 11-Oct-15 01-Feb-15 01-Feb-15
7.8 Issued during quarter	19,250,000	-	\$0.14	01-Feb-15
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



(Non- Executive Director)

Date: 31 October 2013

Print name:

Stephen Brockhurst

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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