



ABN: 79 140 110 130

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

**For the Half Year Ended
31 December 2012**

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CORPORATE DIRECTORY

DIRECTORS

Scott Spencer
Richard Aden
Brett Smith
Stephen Brockhurst
Justyn Wood

SECRETARY

Amanda Wilton-Heald

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AUDITORS

Bentleys
Level 1, 12 Kings Park Road
West Perth WA 6005

DIRECTORS REPORT

Your directors submit the financial report of the Group for the half year ended 31 December 2012.

DIRECTORS

The names of Directors who held office during or since the end of the half year:

Brett Smith
Richard Aden
Scott Spencer
Stephen Brockhurst
Justyn Wood

RESULTS

The loss after tax for the half year ended 31 December 2012 was \$412,949 (2011: \$434,371).

REVIEW OF OPERATIONS

Overview

In the second half of the year the Company has been very active in all its project areas as it prepares for a number of significant activities over the coming months including an appraisal well at Bargou Block in Tunisia and pre-development well at the Aje field in Nigeria, and a large 2D seismic survey over the Odewayne block in Somaliland.

The Company is now fully funded for its 2013 work program following the underwriting of \$10 million of JKAO class of options that expired on 31 December 2012 and its free carried position in the Odewayne block following the farmout to Genel Energy Limited in November 2012.

Australia – WA-399-P (JKA 15%)

The government has approved a variation of the drilling commitment by 12 months, into the year commencing September 2013. This allows the joint venture to better co-ordinate drilling activity with other programs that the operator, Apache, will conduct across the region. A number of prospects and leads have been identified in WA-399-P with total gross prospective resources in excess of 30 million barrels. Further technical and commercial work will be undertaken as these prospects have potential as both standalone and joint developments with nearby discoveries.

Tunisia – Bargou Block (JKA 15%)

Preparation for the drilling of the Hammamet West-3 appraisal well continued including the site surveys required for the jackup rig “GSP Jupiter”. The rig is anticipated to complete its extended Black Sea drilling program at the end of January 2013 and will then commence the move to Tunisia. The mobilisation program requires the partial removal and replacement of the jack-up legs so that it can pass through the Bosphorus and into the Mediterranean. The anticipated spud date is now scheduled for March 2013.

The Hammamet West-3 well will be drilled as a horizontal well through the naturally fractured Abiod formation to test the potential productivity. The Hammamet West-2 well demonstrated a 192m oil column in the Abiod formation. The joint venture has conducted a number of subsurface studies using the 3D seismic to identify regions of best fracture development within the Abiod formation. These studies, by a number of global experts, have been integrated by the Joint Venture to select optimum well paths for the pilot hole and horizontal sidetrack which should allow the venture to penetrate and test a representative section of the fractured reservoir.

Nigeria – Aje oil and gas field (JKA 5%)

The Aje Joint Venture continued to progress a range of technical studies including 3D seismic reprocessing and remapping and drilling planning and oil development studies working towards the Aje-5 well. This well will form part of the early production system (EPS) which would also include the previously drilled & suspended Aje-4 well. This is the initial stage of a multiphase development concept that would lead to full development of the Cenomanian oil followed by development of the significant gas/condensate resource to meet the needs of the evolving Nigerian and West African energy market. The progress on these studies and broader development plans was presented by the Joint Venture to the Nigerian Department of Petroleum Resources in mid-September.

The joint venture has received approval for the Scope of Work and Terms of Reference for the Environmental Baseline Survey and the Environmental Impact Assessment for the Aje Field development and as a result the initial baseline survey will be undertaken in February. This is one of the requirements for both the drilling of Aje-5 and the subsequent EPS. The timing of the well drilling and completion activities and the subsequent extended production test is dependent on identifying a suitable floating production, storage and offtake vessel (FPSO), acquiring the subsea equipment and an appropriate drilling rig. The joint venture has commissioned engineering studies which have identified a number of options which could result in drilling in Q3 2013 and an EPS thereafter.

Somaliland – Odewayne Block (JKA 30%)

In the period the Company announced that it had farmed out a 50% equity interest in the Odewayne block in Somaliland to Genel Energy plc (“Genel”) and that the transaction had been approved by the government of Somaliland on 26 November 2012.

The transaction required formal approval from the Somaliland government for the change in participating interests and for Genel to become Operator for the joint venture. These approvals have been granted and, as they were the only conditions, the transaction was completed and is now in full force and effect.

As announced, Genel will earn a 50% interest in the Block by:

1. carrying Jacka and Petrosoma through at least the minimum work program in phases III and IV of the PSA, including 1,500 kms 2D seismic and the drilling of an exploration well
2. paying for all PSA related expenditure in exploration phases III and IV
3. paying approximately US\$0.7 million to Jacka as a pro rata share of back costs.

Under Jacka’s original farmin agreement with Petrosoma (as announced on 2nd April 2012), the Company had the opportunity to acquire an 80% participating interest on the Odewayne block by funding the minimum work program in exploration phases III and IV. Jacka and Petrosoma will now both be free carried through the exploration program for phases III and IV (combined into a 36 month period), including a minimum program of 1,500 kms of 2D seismic, the drilling of 1 exploration well and the airborne gravity and magnetic survey currently underway. The cost of the work program over exploration phases III and IV is anticipated to be around US\$50 million.

The participating interests post-farmin will be Genel 50% (Operator), Jacka 30% and Petrosoma 20%.

New Ventures

Ruhuhu Basin, Tanzania

As previously reported the Ruhuhu PSA has been fully agreed with the Tanzania Petroleum Development Corporation (TPDC) and is with the Tanzania Minister of Energy for approval.

Following the globally significant gas discoveries offshore Tanzania in recent years, the Tanzanian Ministry embarked on a review of their PSA terms and the Ministry recently released revised PSA terms for offshore gas exploration and production. While this revision process has not directly affected Jacka's PSA, Jacka believes the conclusion of this process may assist in the final award of the Ruhuhu basin PSA to Jacka.

Upon ministerial approval Jacka will have a 100% interest and will be the Operator of the block.

EVENTS SUBSEQUENT TO REPORTING DATE

On 4 January 2013 the Company announced option conversions resulting in 5,718,178 shares at \$0.20 each, to raise \$1,143,636.

On 4 January 2013 the Company announced the completion of option conversions resulting in 43,916,476 shares at \$0.20 each, to raise \$8,783,295.

Apart from the above there are no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half year ended 31 December 2012 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.



Richard Aden
Executive Director
Perth, 4 February 2013

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(WA) Pty Ltd**

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Jacka Resources Limited.

As lead audit director for the review of the financial statements of Jacka Resources Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 4th day of February 2012

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

| | Note | Consolidated 31 December 2012 | Consolidated 31 December 2011 |
|---|------|-------------------------------------|-------------------------------------|
| | | \$ | \$ |
| Interest revenue | | 1,769 | 50,183 |
| Accounting and audit fees | | (55,413) | (96,031) |
| Compliance fees | | (53,328) | (24,956) |
| Consultancy fees | | (42,586) | (38,000) |
| Depreciation | | (2,433) | (306) |
| Directors' remuneration | | (195,042) | (261,104) |
| Foreign exchange | | (47,310) | 254,258 |
| Insurance | | (18,970) | (12,932) |
| Legal fees | | (27,192) | (54,529) |
| Profit/(loss) on sale of investments | | 1,000 | (17,875) |
| Occupancy | | (22,212) | (15,893) |
| Travel expenses | | (53,779) | (164,420) |
| Other (expenses)/reimbursement of costs | | 102,547 | (52,766) |
| Loss before income tax benefit | | (412,949) | (434,371) |
| Income tax benefit | | - | - |
| Loss for the period | | (412,949) | (434,371) |
| Other comprehensive income | | | |
| (a) Items that may be reclassified subsequently to profit or loss | | | |
| Gain on revaluation of financial assets | | 63,568 | 3,500 |
| (b) Items that will not be reclassified subsequently to profit or loss | | | |
| | | - | - |
| Other comprehensive income (net of income tax) for the period | | 63,568 | 3,500 |
| Total comprehensive income for the period | | (349,381) | (430,871) |
| Basic loss per share (cents) | | (0.17) | (0.41) |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

| | Note | Consolidated 31 December 2012 | Consolidated 30 June 2012 |
|---|------|-------------------------------------|---------------------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 3,221,100 | 5,789,384 |
| Trade and other receivables | | 168,485 | 200,419 |
| Total Current Assets | | 3,389,585 | 5,989,803 |
| Non-Current Assets | | | |
| Plant and equipment | | 16,369 | 18,802 |
| Financial assets | | 185,409 | 79,000 |
| Deferred exploration expenditure | 2 | 22,337,811 | 19,775,798 |
| Total Non-Current Assets | | 22,539,589 | 19,873,600 |
| Total Assets | | 25,929,174 | 25,863,403 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 144,538 | 716,063 |
| Provisions | | 70,796 | 53,267 |
| Total Current Liabilities | | 215,334 | 769,330 |
| Total Liabilities | | 215,334 | 769,330 |
| Net Assets | | 25,713,840 | 25,094,073 |
| EQUITY | | | |
| Issued capital | 3 | 31,154,470 | 31,081,401 |
| Funds raised in advance of issuing equity | 3 | 864,038 | - |
| Reserves | | (190,111) | (285,720) |
| Accumulated losses | | (6,114,557) | (5,701,608) |
| Total Equity | | 25,713,840 | 25,094,073 |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

| Consolidated Entity | Issued Capital \$ | Option Reserve \$ | Revaluation Reserve \$ | Forex Reserve \$ | Accumulated Losses \$ | Total \$ |
|--|----------------------------------|----------------------------------|---------------------------------------|---------------------------------|--------------------------------------|---------------------|
| Balance at 1 July 2012 | 31,081,401 | 189,087 | (27,203) | (447,604) | (5,701,608) | 25,094,073 |
| Shares issued during the period | 937,107 | - | - | - | - | 937,107 |
| Grant of options | - | 32,040 | - | - | - | 32,040 |
| Revaluation of financial assets | - | - | 63,569 | - | - | 63,569 |
| Loss for the period | - | - | - | - | (412,949) | (412,949) |
| Other comprehensive income (net of income tax) | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (412,949) | (412,949) |
| Balance at 31 December 2012 | 32,018,508 | 221,127 | 36,366 | (447,604) | (6,114,557) | 25,713,840 |
| Balance at 1 July 2011 | 10,855,915 | 131,687 | 34,046 | - | (4,577,125) | 6,444,523 |
| Shares issued during the period | 7,475,625 | - | - | - | - | 7,475,625 |
| Share issue expenses | (428,553) | - | - | - | - | (428,553) |
| Revaluation of financial assets | - | - | 3,500 | - | - | 3,500 |
| Foreign currency translation | - | - | - | (447,604) | - | (447,603) |
| Loss for the period | - | - | - | - | (434,371) | (434,371) |
| Other comprehensive income (net of income tax) | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (434,371) | (434,371) |
| Balance at 31 December 2011 | 17,902,987 | 131,687 | 37,546 | (447,604) | (5,011,496) | 12,613,121 |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

| | Note | Consolidated 31 December 2012 | Consolidated 31 December 2011 |
|--|------|-------------------------------------|-------------------------------------|
| | | \$ Inflows/ (Outflows) | \$ Inflows/ (Outflows) |
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (619,349) | (403,996) |
| Interest received | | 1,769 | 50,183 |
| Payment for deferred exploration expenditure | | (2,845,971) | (472,204) |
| | | | |
| Net cash (used in) operating activities | | (3,463,551) | (826,017) |
| Cash flows from investing activities | | | |
| Proceeds from sale of financial assets | | 10,000 | 91,125 |
| Payment for financial assets | | (51,841) | (2,250) |
| Payment for acquisition of subsidiary | | - | (9,976,966) |
| | | | |
| Net cash (used in) investing activities | | (41,841) | (9,888,091) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 937,108 | 7,475,626 |
| Payment of share issue costs | | - | (451,718) |
| | | | |
| Net cash provided by financing activities | | 937,108 | 7,023,908 |
| | | | |
| Net increase (decrease) in cash held | | (2,568,284) | (3,690,200) |
| | | | |
| Cash at beginning of the financial period | | 5,789,384 | 4,428,859 |
| | | | |
| Cash and cash equivalents at period end | | 3,221,100 | 738,659 |

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

1. Basis of Preparation of Half Year Financial Report

a) Reporting entity

Jacka Resources Limited (the “Company”) is a Company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the half year ended 31 December 2012 comprise the Company and its controlled entities (together referred to as the “Group”).

The consolidated financial statements of the Group as at and for the year ended 30 June 2012 are available upon request from the Company’s registered office at Suite 33, Level 3, 22 Railway Road, Subiaco WA 6008 or at jackaresources.com.au.

b) Statement of compliance

These consolidated interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with IAS134: Interim Financial Reports. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2012.

These consolidated interim financial statements were approved by the Board of Directors on 4 February 2013.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s last annual financial statements for the year ended 30 June 2012, except for the adoption of *Improvements to AASBs 2010* (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 ‘Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income’

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group’s presentation of, or disclosure in, its half-year financial statements.

Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments also require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments have been applied retrospectively and the application of the amendments to AASB 101 do not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

1. Basis of Preparation of Half Year Financial Report (Continued)

c) Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss from ordinary activities of \$412,949 for the half-year ended 31 December 2012 (2011: \$434,371).

The net working capital position of the Group at 31 December 2012 was \$3,174,251 (30 June 2012: \$5,220,473) and the net decrease in cash held during the half-year was \$2,568,284 (2011: decrease \$3,690,200).

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Directors have raised additional funds, as disclosed in the events subsequent to the period end found at note 7. In light of the Group's current exploration projects, the Directors believe that the capital raised is sufficient to meet its working capital requirement and exploration commitments for at least the next 12 months from the date of signing of this report; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if and when required.

d) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

| | Consolidated 31 December 2012 \$ | Consolidated 30 June 2012 \$ |
|--|---|---------------------------------------|
| 2. Exploration expenditure | | |
| Costs carried forward in respect of deferred exploration expenditure: | | |
| Exploration at cost | | |
| Balance at beginning of period | 19,775,798 | 1,964,550 |
| Exploration expenditure incurred | 2,562,013 | 2,747,902 |
| Fair value of tenement acquired from Providence Resources (Nigeria Holdings) Limited | - | 15,752,306 |
| Forex adjustment on translation | - | (447,675) |
| Exploration expenditure written off | - | (241,285) |
| | <u>22,337,811</u> | <u>19,775,798</u> |
| Balance at end of period | <u>22,337,811</u> | <u>19,775,798</u> |

The ultimate recoupment of the exploration expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

3. Issued capital

(a) Issued and paid up capital

| | | |
|--|-------------------|-------------------|
| Ordinary shares fully paid of no par value | <u>32,018,508</u> | <u>31,081,401</u> |
| | <u>32,018,508</u> | <u>31,081,401</u> |

Consolidated Entity
2011
Number **\$**

(b) Movement in ordinary shares on issue

| | | |
|--|--------------------|-------------------|
| Balance at 30 June 2011 | 92,675,002 | 10,855,915 |
| Option conversion on 26 October 2011 at \$0.15 each | 1,817,445 | 272,617 |
| Option conversion on 11 November 2011 at \$0.15 each | 44,520,056 | 6,678,008 |
| Placement on 17 November 2011 at \$0.15 each | 3,500,000 | 525,000 |
| Transaction costs relating to share issues | - | (428,553) |
| | <u>142,512,503</u> | <u>17,902,987</u> |
| Balance at 31 December 2011 | <u>142,512,503</u> | <u>17,902,987</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

| | Consolidated Entity | |
|--|----------------------------|-------------------|
| | 2012 | 2012 |
| | Number | \$ |
| 3. Issued capital (Continued) | | |
| Balance at 30 June 2012 | 247,513,503 | 31,081,401 |
| Option conversion on 11 October 2012 at \$0.20 each | 6 | 1 |
| Option conversion on 13 December 2012 at \$0.20 each | 311,311 | 62,262 |
| Option conversion on 20 December 2012 at \$0.20 each | 54,029 | 10,806 |
| Transaction costs relating to share issues | - | - |
| | 247,878,849 | 31,154,470 |

(c) Funds received in advance of issuing equity

| | | |
|--|---|---------|
| Options awaiting conversion on 4 January 2013 at \$0.20 each | - | 864,038 |
|--|---|---------|

(d) Share options

At the end of the period, the following options over unissued ordinary shares were outstanding:

- 5,000,000 options expiring 31 December 2013 at an exercise price of \$0.35 each.
- 11,700,000 options expiring 31 July 2014 at an exercise price of \$0.50 each.
- 500,000 options expiring 11 October 2015 at an exercise price of \$0.20 each.
- 1,250,000 options expiring 3 May 2017 at an exercise price of \$0.20 each.

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 31 December | 30 June |
| | 2012 | 2012 |
| | \$ | \$ |

4. Commitments

Expenditure commitments

There are office rental, compliance and financial advisory contracts in place. The committed expenditure is:

| | | |
|-------------------|----------------|----------------|
| Within one year | 175,752 | 120,000 |
| One to five years | - | 120,000 |
| | 175,752 | 240,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

| Consolidated 31 December 2012 \$ | Consolidated 30 June 2012 \$ |
|---|---------------------------------------|
|---|---------------------------------------|

4. Commitments (Continued)

Exploration commitments

Note that the work commitments on licence WA-399-P are split into primary years (1-3) and secondary years (4-6). The joint venture has discretion to enter each secondary year and its subsequent work program or to exit the licence.

In Tunisia on the Bargou block the company has entered into a farmin agreement with Cooper Energy to acquire 15% equity of the entire block by funding 30% of the drilling of both Menzel Horr-1 and Hammamet West-3 wells. The work commitments on Bargou will be satisfied with drilling of Hammamet West-3. The Bargou licence is due to expire April 2014.

In Nigeria there are no minimum spend or work program requirements for the block, but the JV intends to drill a further well this year called Aje-5.

In Somaliland all obligations through exploration phases III and IV will be paid for by Genel Energy as part of the farmin agreement signed in November 2013.

The committed exploration expenditure is:

| | | |
|-------------------|-------------------|------------|
| Within one year | 10,400,000 | 8,950,000 |
| One to five years | 200,000 | 2,000,000 |
| | 10,600,000 | 10,950,000 |

5. Contingent liabilities

There are no contingent liabilities as at the date of this report.

6. Financial reporting by segments

The Consolidated Entity has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on exploration in the three principal locations of its projects – Australia, Tunisia and Nigeria

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

6. Financial reporting by segments (Continued)

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- administration and other operating expenses not directly related to a specific segment.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Exploration

The exploration segment explores for oil and gas. Segment assets including cash paid to joint venture partners for the costs associated with the exploration and are reported in this segment.

| | Australian Exploration \$ | Tunisia Exploration \$ | African Exploration \$ | Total \$ |
|--|--|---------------------------------------|---------------------------------------|---------------------|
| 31 December 2012 | | | | |
| Segment revenue | - | - | - | - |
| Segment results | - | (11,113) | (58,710) | (69,823) |
| Amounts not included in segment results but reviewed by Board: | | | | |
| Interest revenue | | | | 1,769 |
| Compliance fees | | | | (53,328) |
| Consultancy fees | | | | (42,586) |
| Depreciation | | | | (2,433) |
| Directors' remuneration | | | | (195,042) |
| Foreign exchange losses | | | | (47,310) |
| Share based payments | | | | (32,040) |
| Reimbursement of costs | | | | 27,844 |
| Loss before income tax | | | | (412,949) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

| | Australian Exploration \$ | Tunisia Exploration \$ | African Exploration \$ | Total \$ |
|---|--|---------------------------------------|---------------------------------------|---------------------|
| 6. Financial reporting by segments (Continued) | | | | |
| 31 December 2012 | | | | |
| Segment assets | 635,697 | 4,015,642 | 17,686,472 | 22,337,811 |
| Segment asset increases for the period: | | | | |
| Capital expenditure | 64,356 | 1,633,479 | 864,178 | 2,562,013 |
| Unallocated assets: | | | | |
| Cash and cash equivalents | | | | 3,221,100 |
| Trade and other receivables | | | | 168,485 |
| Plant and equipment | | | | 16,369 |
| Financial assets | | | | 185,409 |
| Total assets | | | | 25,929,174 |
| Segment liabilities | - | 12,449 | 32,578 | 45,027 |
| Unallocated liabilities: | | | | |
| Trade and other payables | | | | 99,511 |
| Provisions | | | | 70,796 |
| Total liabilities | | | | 215,334 |
| | Australian Exploration \$ | Tunisia Exploration \$ | Nigeria Exploration \$ | Total \$ |
| 31 December 2011 | | | | |
| Segment revenue | - | - | - | - |
| Segment results | - | (52,459) | - | (52,459) |
| Amounts not included in segment results but reviewed by Board: | | | | |
| Interest revenue | | | | 50,183 |
| Compliance fees | | | | (24,956) |
| Depreciation | | | | (306) |
| Directors' remuneration | | | | (261,104) |
| Other expenses | | | | (145,729) |
| Loss before income tax | | | | (434,371) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

| | Australian Exploration \$ | Tunisia Exploration \$ | Nigeria Exploration \$ | Total \$ |
|---|--|---------------------------------------|---------------------------------------|---------------------|
| 6. Financial reporting by segments (Continued) | | | | |
| 30 June 2012 | | | | |
| Segment assets | 571,341 | 2,382,163 | 16,822,296 | 19,775,800 |
| Segment asset increases for the period: | | | | |
| Capital expenditure | 56,603 | 1,021,461 | 2,029,668 | 3,107,732 |
| Unallocated assets: | | | | |
| Cash and cash equivalents | | | | 5,789,382 |
| Trade and other receivables | | | | 200,419 |
| Plant and equipment | | | | 18,802 |
| Other non-current assets | | | | 79,000 |
| Total assets | | | | 25,863,403 |
| Segment liabilities | - | 136,394 | 432,052 | 568,446 |
| Unallocated liabilities: | | | | |
| Trade and other payables | | | | 147,617 |
| Provisions | | | | 53,267 |
| Total liabilities | | | | 769,330 |

7. Events subsequent to period end

On 4 January 2013 the Company announced option conversions resulting in 5,718,178 shares at \$0.20 each, to raise \$1,143,636.

On 4 January 2013 the Company announced the completion of option conversions resulting in 43,916,476 shares at \$0.20 each, to raise \$8,783,295.

Apart from the above there are no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

8. *Interests in controlled entities*

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiary in accordance with the accounting policy described in note 1:

| Name | Country of incorporation | Class of share | Equity holding | | Investment |
|--|--------------------------|----------------|------------------|--------------|------------|
| | | | 31 December 2012 | 30 June 2012 | |
| Exmouth Energy Pty Ltd | Australia | Ordinary | 100% | 100% | 1 |
| Jacka Tunisia Pty Ltd | Australia | Ordinary | 100% | 100% | 1 |
| Jacka Resources Nigeria Holdings Limited BVI | British Virgin Islands | Ordinary | 100% | 100% | 15,752,307 |
| PR Oil & Gas Ltd | Nigeria | Ordinary | 100% | 100% | 2,546 |
| Jacka Resources Africa Limited BVI | British Virgin Islands | Ordinary | 100% | 0% | 1 |
| Jacka Resources Somaliland Limited BVI | British Virgin Islands | Ordinary | 100% | 0% | 1 |

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 6 to 18 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standard AASB 134: Interim Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Richard Aden
Executive Director

Perth, 4 February 2013

Independent Auditor's Review Report

To the Members of Jacka Resources Limited

We have reviewed the accompanying half-year financial report of Jacka Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Jacka Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Jacka Resources Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jacka Resources Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

CHRIS WATTS CA
Director

DATED at PERTH this 4th day of February 2012