



ABN: 79 140 110 130

Jacka Resources Limited - Quarterly Activities Report – March 2013

The quarter has seen the Company achieve a number of significant project milestones underpinning activity which will continue throughout 2013. Key highlights in the quarter included:

- award of the Ruhuhu exploration licence in Tanzania following Ministerial approval of the Ruhuhu Basin Production Sharing Agreement ("PSA")
- mobilisation of the GSP Jupiter rig to drill the appraisal well HW-3. The well was spudded on 4th April
- completion of an airborne survey over the entire Odewayne block in Somaliland
- receipt of funds from the option underwriting of A\$10 million confirming funding for 2013 committed work programs
- expenditure of approximately A\$2.7 million advancing the Company's exploration and appraisal efforts, primarily in Tunisia and Nigeria

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

- mobilisation of equipment ahead of acquisition of a minimum 1,500km 2D seismic data over the Odewayne block in Somaliland
- drilling and testing of the Hammamet West-3 appraisal well, at time of writing the report the well was at a depth of 1551 mRTD
- the Company and its partners progressing plans to drill Aje-5 as part of a planned early production scheme (EPS)
- planning and preparation for an airborne geophysical survey and other G&G studies across the newly awarded Ruhuhu license

Bargou Block, Tunisia

Mobilisation of the jackup rig "GSP Jupiter" was completed during the quarter with the rig on location by the end of March and the well spudded on 4th April. The Company's net expenditure on the well to the end of March is around US\$4.2 million, with a current forecast of approximately US\$5 million additional net expenditure during the June quarter.

The Hammamet West-3 well will drill an approximately 570m near horizontal wellbore through the naturally fractured Abiod formation and conduct a test to confirm oil productivity. The Hammamet West-2 vertical well recovered oil from the Abiod and demonstrated a 192m oil column. The Hammamet West-3 well will initially penetrate the Abiod Formation with a pilot hole drilled at approximately 30 degrees from the vertical. The pilot hole will confirm the depth to the top of the reservoir section (expected at approximately 3,000m), determine the reservoir thickness and gather



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more information about the length of the oil column. The well will then be sidetracked from above the top of the Abiod Formation and the near horizontal wellbore will be drilled into and through the upper part of the reservoir. Reservoir fractures are generally vertical and therefore a horizontal or near-horizontal well bore has a much greater likelihood of penetrating productive fractures than a vertical well (such as the Hammamet West-1 and -2 wells).

The joint venture conducted a number of subsurface studies using recently acquired 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.

Aje field / OML113, Nigeria

During the quarter the Aje partners continued to progress a range of technical studies as part of the planning for the Aje-5 well which, along with the previously drilled and suspended Aje-4 well, will be part of an early production system (EPS), the initial phase of the Aje field development. The studies have included reprocessing and remapping of the 3D seismic data and reservoir model building; facility engineering studies for the oil development; sourcing of drilling rigs and other critical equipment; and the identification and inspection of appropriate floating production, storage and offtake vessels (FPSOs) which could be used for the EPS. The initial, dry season phase of an Environmental Baseline Survey was also acquired with the second and final, wet season, phase to be undertaken in mid-2013.

This initial stage of the multiphase development concept will 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.

The joint venture participants are currently reviewing the study results which identified options for drilling rigs, critical subsea equipment and FPSOs which could result in drilling later in 2013 and an EPS thereafter.

Odewayne Block, Somaliland

During the quarter the Company completed acquisition of high resolution airborne gravity and magnetics over the entire 22,000 km² Odewayne block. The survey data has been used to define a 2D seismic exploration program for which mobilisation has commenced. The Operator intends to establish a dedicated processing centre in Somaliland to enable fast-track interpretation of an initial regional grid, allowing infill lines to be acquired for prospect grids.



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The Operator, Genel Energy, is currently planning a 4-well program from mid-2014 over both Odewayne and the neighbouring SL10B/13 block, where Genel is also the Operator.

Ruhuhu Basin, Tanzania

Jacka announced late in the quarter that the Minister for Energy and Minerals Tanzania, Hon Prof. Sospeter Muhongo had signed the Ruhuhu PSA at a ceremony attended by Jacka Chairman, Scott Spencer and Technical Director, Justyn Wood. Jacka will hold 100% equity and be Operator of the project.

The 10,343 km² Ruhuhu Block is located in south-west Tanzania and provides Jacka with the petroleum exploration rights to the entire Ruhuhu Karoo rift basin. An in-country presence is currently being established and preparations are underway for work to commence on the exploration licence. Plans include an airborne geophysical survey mid-year and a number of geological and geophysical studies to enhance the understanding of the multiple petroleum systems and plays within the Ruhuhu basin.

WA-399-P, Australia

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 on these prospects with a view to their potential as both standalone and joint developments with nearby discoveries.

Corporate

In the quarter the Company received all funds from the Option Underwriting transactions it had entered in November. Overall \$10 million (less transaction costs) was received from option conversions and the underwriting transaction which allows the Company to move forward funded for its committed work programs in 2013. With the options conversion a further 50 million fully paid ordinary shares in the Company have been issued and a total of 297.5 million fully paid ordinary shares are on issue.



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In the period the Company spent approximately \$2.7 million furthering appraisal and exploration projects predominantly in Tunisia and Nigeria. At the end of the period the Company had approximately \$9.3 million in cash, investments and in JV bank accounts for various work programs.

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 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

Name of entity

Jacka Resources Limited

ABN

79 140 110 130

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(2,682)	(5,782)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(266)	(632)
1.3	Dividends received		-
1.4	Interest and other items of a similar nature received	33	34
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(2,915)	(6,380)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	(52)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	10
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – acquisition of subsidiary	-	-
Net investing cash flows		-	(42)
1.13	Total operating and investing cash flows (carried forward)	(2,915)	(6,422)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,915)	(6,422)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9,063	10,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(625)	(625)
	Net financing cash flows	8,438	9,375
	Net increase (decrease) in cash held	5,523	2,953
1.20	Cash at beginning of quarter/year to date	3,221	5,791
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter*	8,744	8,744

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

Payments to directors of the entity and associates of the directors
Payments to 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	254
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.

Appendix 5B
Mining exploration entity quarterly report

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	5,000
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	5,250

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	3,910	3,221
5.2 Deposits at call	4,834	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	8,744*	3,221*

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

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

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 <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	297,513,503	297,513,503		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	49,634,654	49,634,654	\$0.20	\$0.20
7.5	*Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	5,000,000 1,250,000 11,700,000 500,000 50,000,000	- - - - 50,000,000	<i>Exercise price</i> \$0.35 \$0.20 \$0.50 \$0.20 \$0.35	<i>Expiry date</i> 31-Dec-13 03-May-17 31-Jul-14 11-Oct-15 01-Feb-15
7.8	Issued during quarter	50,000,000	50,000,000	\$0.35	01-Feb-15
7.9	Exercised during quarter	49,634,654	49,634,654	\$0.20	31-Dec-12
7.10	Expired during quarter	21,337,437	21,337,437		

+ See chapter 19 for defined terms.

7.11	Debentures (totals only)		
7.12	Unsecured notes (totals only)		

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 give a true and fair view of the matters disclosed.

Sign here: Stephen Brockhurst
(Non-Executive Director)

Date: 30 April 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 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, 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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