



ABN: 79 140 110 130

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

**For the Half Year Ended
31 December 2010**

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CORPORATE DIRECTORY

DIRECTORS

Brett Smith
Richard Aden
Scott Spencer
Stephen Brockhurst

SECRETARY

Amanda Wilton-Heald

REGISTERED OFFICE

Suite 33, 22 Railway Road
Subiaco WA 6008

PRINCIPAL OFFICE

Suite 33, 22 Railway Road
Subiaco WA 6008
Telephone: (08) 9388 8041
Facsimile: (08) 9388 8042

SHARE REGISTRY

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

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 2010.

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

RESULTS

The loss after tax for the half year ended 31 December 2010 was \$289,318.

REVIEW OF OPERATIONS

Overview

Jacka Resources Limited (the “Company”) closed its Initial Public Offering (IPO) and gained full listing on the Australian Securities Exchange on 9 July 2010, having raised \$3.1 million (before listing costs) and with 15% equity in the Exmouth Basin block WA-399-P.

On 11 August 2010 the Company announced an entitlement options issue of 13.17 million options on the basis of 1 share option for every 2 ordinary shares held at a price of \$0.01 per option with an exercise price of \$0.20 before 31 December 2012. The entitlement offer received subscriptions for 9.34 million options, the remaining 3.83 million options subsequently placed as shortfall by the Directors.

The Company announced on 17 September 2010 that it had entered into a farmin Agreement with Cooper Energy Limited (“Cooper Energy”) to earn 15% equity in the Bargou Block in the Gulf of Hammamet Tunisia. To fund this acquisition Jacka Resources Limited immediately placed 3.95 million shares at \$0.20 to raise \$0.79 million. With a second tranche of funding, being 16.05 million shares at \$0.20 to raise \$3.21 million approved at the Company’s annual general meeting held on 20 October 2010.

Corporate

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At the end of the period the Company had \$1,605,517 in cash, 46,337,501 shares on issue, 5,000,000 options exercisable at \$0.35 on or before 31 December 2013 granted and 13,168,751 options exercisable at \$0.20 on or before 31 December 2012 options granted. In addition, the Company, under the terms of the farmin agreement had deposited in full to the operator’s account funds to drill and test the Menzel Horr-1 well. At the end of the period A\$2,030,563 net to Jacka remained in the operator’s account for the drilling and testing of Menzel Horr-1 well.

Australia - WA-399-P

On WA-399-P block the Company reduced its holding from 20% as detailed in the prospectus, to 15% with the introduction into the Joint Venture of Apache Energy Limited ("Apache Energy"). Apache Energy will be the Operator of the block and holds a 60% working interest. Apache Energy, at its sole cost will acquire 3D seismic over the entire block with an expectation to further de-risk existing prospects identified on existing 2D seismic data.

The 3D seismic data acquisition exceeds the existing minimum exploration commitment obligation under the exploration permit terms. The exact date of the seismic acquisition is subject to seismic vessel availability and is currently forecast for February 2011.

Tunisia – Bargou Block

On 17 September 2010 the Company announced that it has entered into a Farm Out Agreement ("FOA") through its wholly owned subsidiary Jacka Tunisia Bargou Pty Ltd with Cooper Energy (ASX:COE) to earn 15% of the Bargou block, located in the Gulf of Hammamet, Tunisia (Figure 1).

The Bargou block is located within the Pelagian Basin and covers an area of 4,616km² with predominantly offshore prospects and leads. The Pelagian basin is a prolific producing basin spanning Tunisia and Libya and contains some of Tunisia's most prolific oil and gas fields.

The work program will see two wells drilled within 12 months, an onshore exploration well and an offshore appraisal well. The first well to be drilled in the permit will be the onshore Menzel Horr-1 well, which spud in January 2011, targeting 24 million barrels prospective resources (P50). The well will test 3 independent formations - Ain Grab, Bou Dabbous and Abiod.

The second well that is expected to be drilled in the permit will be the offshore appraisal well Hammamet West-3 (HW3) in Q3, 2011 and will target contingent resources of 49 million barrels oil (P50). The well will test the Birsia and Abiod formations following early discoveries at Hammamet West and Hammamet West-2. Hammamet West was drilled in 1967 and had moveable oil shows in core, not tested. Hammamet West-2 was drilled in 1990 and recovered 33 API oil under test.

The Operator has completed a conceptual development plan for Hammamet West and, should the appraisal be successful, it is expected that the oil field will be developed by an unmanned platform and onshore processing and export facility. Tunisia's oil and gas infrastructure is well developed and established, with a refinery at Bizerte in the north and the "transmed" gas pipeline into mainland Europe.

The block has multiple independent structures as follow up exploration opportunities, including Ras Marsa and Kuriate Est, which are expected to be matured into prospects by further technical work. Overall the block has in excess of 600 million barrels of unrisks mean prospective resources.

Under the terms of the Farmin Jacka Resources will earn its 15% equity by funding approximately US\$12 million, as follows:

1. Paying a proportion of back costs on the block to Cooper Energy.
2. Paying a promote on the drilling and testing of both Menzel Horr and Hammamet West-3.
3. Contributing a working interest equity on all expenditure thereafter.

Menzel Horr-1

The Company's first well in Tunisia was spud on 3 January 2011.

The Menzel Horr Prospect lies within the Bargou Exploration Permit, Tunisia and is the first of two wells planned on the block, with the appraisal well Hammamet West-3 scheduled for mid-2011.

Geologically the Menzel Horr Prospect is a thrust related dip-closed structure that has the potential for hydrocarbons at multiple reservoir horizons. While the recoverable oil estimates are 24 million barrels (P50), potential exists for significant upside should the bounding faults be proven to seal at all reservoir horizons. However, with the Menzel Horr Prospect lying onshore at this location, recoverable resources of around 1-2 million barrels of oil would be the minimum field size that could be economically developed.

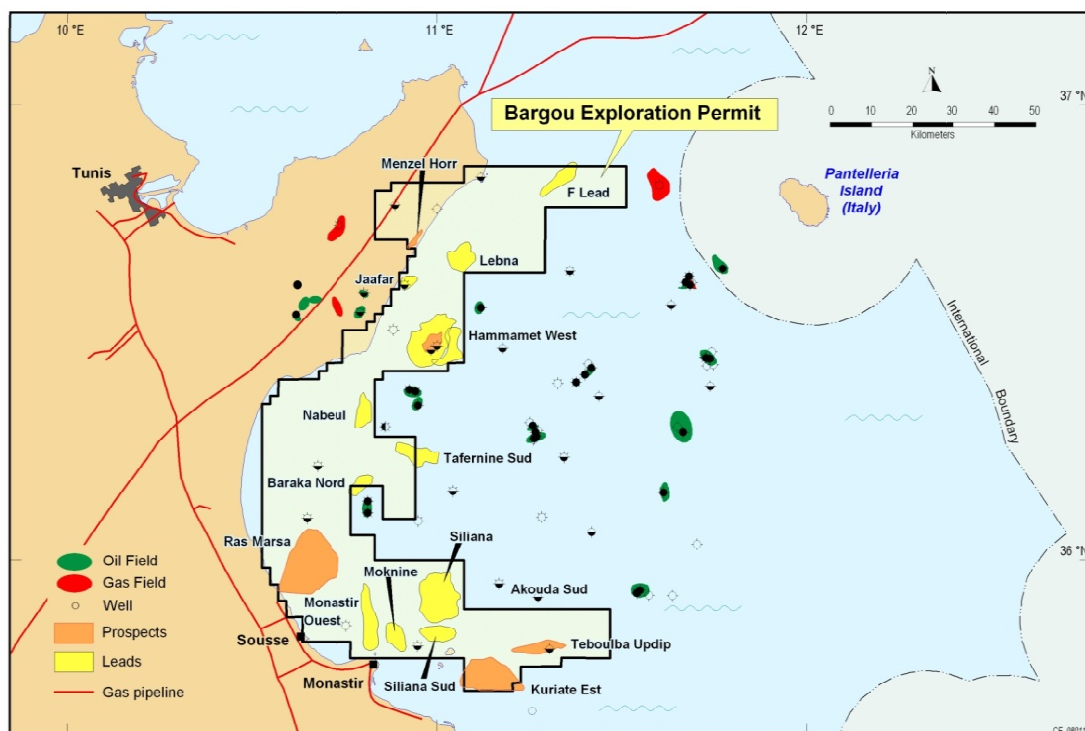


Figure 1

EVENTS SUBSEQUENT TO REPORTING DATE

On 14 January 2011 after several days of civil unrest Tunisia declared a state of emergency and placed the country under martial law. The President of Tunisia for the previous 23 years, Ben Ali, had fled the country and an interim government is the process of being formed. A curfew is in place and there are restricted movements of people and goods within the country.

On 17 January 2011 the company announced that operations at Menzel Horr-1 had been suspended as a result of civil unrest. On 3 February 2011 the Company announced that the operations had recommenced at the Menzel Horr-1 well.

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 2010 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 2011

To The Board of Directors

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

This declaration is made in connection with our review of the financial report of Jacka Resources Limited and Controlled Entities for the half year ended 31 December 2010 and in accordance with the provisions of the Corporations Act 2001.


We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 4th day of February 2011

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	Consolidated 31 December 2010	Consolidated 20 October 2009 to 31 December 2009
		\$	\$
Interest revenue		35,823	-
Accounting and audit fees		(47,244)	-
Directors fees		(141,250)	-
Consulting fees		(14,500)	-
Forex loss		(37,345)	-
Incorporation fees		(631)	-
Insurance		(11,694)	-
Printing and stationery		(1,238)	-
Travel expenses		(25,683)	-
Website		(1,710)	-
Other expenses	2	(43,846)	-
Loss before income tax benefit		(289,318)	-
Income tax benefit		-	-
Loss for the period		(289,318)	-
Other comprehensive income			
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		(289,318)	-
Basic loss per share (cents)		(0.85)	-

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	Consolidated 31 December 2010	Consolidated 30 June 2010
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		1,605,517	3,083,506
Trade and other receivables		2,073,870	250,129
Total Current Assets		3,679,387	3,333,635
Non-Current Assets			
Plant and equipment		2,742	-
Other financial assets		42,000	-
Deferred exploration expenditure	3	2,743,026	132,000
Total Non-Current Assets		2,787,768	132,000
Total Assets		6,467,155	3,465,635
LIABILITIES			
Current Liabilities			
Trade and other payables		35,741	315,590
Liability for application monies		-	3,067,500
Total Current Liabilities		35,741	3,383,090
Total Liabilities		35,741	3,383,090
Net Assets		6,431,414	82,545
EQUITY			
Issued capital	4	6,577,389	85,889
Reserves		146,687	-
Accumulated losses		(292,662)	(3,344)
Total Equity		6,431,414	82,545

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

Consolidated Entity	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2010	85,889	-	(3,344)	82,545
Shares issued during the period	7,067,501	-	-	7,067,501
Options issued during the period	-	131,687	-	131,687
Share issue expenses	(576,001)	-	-	(576,001)
Revaluation of financial assets	-	15,000	-	15,000
Other comprehensive income:				
Other comprehensive income net of income tax	-	-	(289,318)	(289,318)
Total comprehensive income for the period	-	-	(289,318)	(289,318)
Balance at 31 December 2010	6,577,389	146,687	(292,662)	6,431,414
Balance at 20 October 2009	-	-	-	-
Shares issued during the period	1	-	-	1
Share issue expenses	-	-	-	-
Other comprehensive income:				
Other comprehensive income net of income tax	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Balance at 31 December 2009	1	-	-	1

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	Consolidated 31 December 2010	Consolidated 20 October 2009 to 31 December 2009
		\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		(345,859)	-
Interest received		35,823	-
Payment for deferred exploration expenditure		(2,663,027)	-
Payment for exploration related asset		(2,030,563)	-
Net cash (used in) operating activities		(5,003,626)	-
Cash flows from investing activities			
Payment for plant and equipment		(3,050)	-
Payment for investments		(27,000)	-
Net cash (used in) investing activities		(30,050)	-
Cash flows from financing activities			
Proceeds from issue of shares		4,131,688	1
Application monies received		-	-
Payment of share issue costs		(576,001)	-
Net cash provided by financing activities		3,555,687	1
Net increase (decrease) in cash held		(1,477,989)	1
Cash at beginning of the financial period		3,083,506	-
Cash and cash equivalents at period end		1,605,517	1

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

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 2010 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 2010 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 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. 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 2010.

These consolidated interim financial statements were approved by the Board of Directors on 4 February 2011.

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 \$289,318 for the half-year ended 31 December 2010 (2009: \$Nil).

The net working capital position of the Group at 31 December 2010 was \$3,643,646 (30 June 2010: deficit \$49,455) and the net decrease in cash held during the half-year was \$1,477,989 (2009: increase \$1).

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. The well contemplated is in year 4 of the permit. 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. This work program exceeds the minimum agreed with the Tunisian authorities. Future work programs on the block will depend on the success or otherwise of these wells. The exploration commitments are \$7,546,619 within one year and \$480,000 within one to five years.

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing one of its oil and gas hydrocarbons.

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

- the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group’s current exploration projects, the Directors believe that the additional capital required can be raised in the market; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

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

Should the Company not be successful in its planned capital raisings, it may be necessary to sell some of its assets, farm out exploration projects, reduce exploration expenditure by various methods including surrendering less prospective tenements. Although the Directors believe that they will be successful in these measures, if they are not, the Company and the Group may be unable to continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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. This is the first half year report for the company so the comparative figures for the corresponding interim period are from 20 October 2009 to 31 December 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Consolidated 31 December 2010 \$	Consolidated 31 December 2009 \$
2. Other expenses		
ASIC fees	2,891	-
Entertainment	5,862	-
Legal fees	4,830	-
Other employer expenses	4,613	-
Rent	11,100	-
Share registry fees	6,723	-
Other expenses	7,827	-
	<u>43,846</u>	<u>-</u>

	Consolidated 31 December 2010 \$	Consolidated 30 June 2010 \$
3. Exploration expenditure		
Costs carried forward in respect of deferred exploration expenditure:		
Exploration at cost		
Balance at beginning of period	132,000	-
Exploration expenditure incurred	2,611,026	132,000
Exploration expenditure written off	-	-
	<u>2,743,026</u>	<u>132,000</u>
Balance at end of period		

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.

The Company, at the end of the period, has US\$2,063,661 held in escrow in the JV account for the Tunisia Bargou project which has not yet been spent on the project. This has been included as a receivable in the statement of financial position.

4. Issued capital

(a) Issued and paid up capital

Ordinary shares fully paid of no par value	<u>6,577,388</u>	<u>85,889</u>
	<u>6,577,389</u>	<u>85,889</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Consolidated Entity 2010 Number	2010 \$
4. Issued capital (Continued)		
(b) Movement in ordinary shares on issue		
Balance at 20 October 2009	-	-
Issued for cash on 20 October 2009(i)	1	1
Issued for cash on 10 November 2009 (ii)	9,250,000	925
Issued for cash on 9 March 2010 (iii)	1,750,000	175,000
Transaction costs relating to share issues	-	(90,037)
	<hr/>	<hr/>
Balance at 30 June 2010	11,000,001	85,889
	<hr/>	<hr/>
Issued for cash on 7 July 2010 (iv)	15,337,500	3,067,500
Issued for cash on 20 September 2010 (v)	3,950,000	790,000
Issued for cash on 22 October 2010 (vi)	6,392,500	1,278,500
Issued for cash on 26 October 2010 (vii)	9,222,500	1,844,500
Issued for cash on 28 October 2010 (viii)	435,000	87,000
Transaction costs relating to share issues	-	(576,001)
	<hr/>	<hr/>
Balance at 31 December 2010	46,337,501	6,577,388

- (i) On 20 October 2009 the Consolidated Entity issued 1 incorporation share for \$1.00 per share.
- (ii) On 10 November 2009 the Consolidated Entity issued 9,250,000 promoter shares for \$0.0001 per share.
- (iii) On 9 March 2010 the Consolidated Entity issued 1,750,000 seed shares for \$0.10 per share.
- (iv) On 7 July 2010 the Consolidated Entity issued 15,337,500 IPO shares for \$0.20 per share.
- (v) On 20 September 2010 the Consolidated Entity issued 3,950,000 shares for \$0.20 per share.
- (vi) On 22 October 2010 the Consolidated Entity issued 6,392,500 shares for \$0.20 per share.
- (vii) On 26 October 2010 the Consolidated Entity issued 9,222,500 shares for \$0.20 per share.
- (viii) On 28 October 2010 the Consolidated Entity issued 435,000 shares for \$0.20 per share.

(c) 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.
- 13,168,751 options expiring 31 December 2012 at an exercise price of \$0.20 each.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

Consolidated 31 December 2010 \$	Consolidated 30 June 2010 \$
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5. Commitments

Expenditure commitments

There is a rental, compliance and financial advisory contract in place. The contract commences upon ASX listing and has no set period. The fee is \$8,000 per month being \$2,000 per month for office rental and \$6,000 per month for corporate and statutory compliance and financial advisory services provided by Mining Corporate Pty Ltd. The committed expenditure is:

Within one year	96,000	90,000
One to five years	480,000	-
	576,000	90,000

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. The well contemplated is in year 4 of the permit. 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. This work program exceeds the minimum agreed with the Tunisian authorities. Future work programs on the block will depend on the success or otherwise of these wells. The committed exploration expenditure is:

Within one year	7,546,619	365,000
One to five years	900,000	900,000
	8,446,619	1,265,000

6. Contingent liabilities

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

7. Financial reporting by segments

During the financial period, the Consolidated Entity operated principally in one business segment (for primary reporting) being exploration.

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 the two principal locations of its projects – Australia, and Tunisia.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

7. Financial reporting by segments (Continued)

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.

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 \$	Total \$
31 December 2010			
Segment revenue	-	-	-
Segment results	-	-	-
Amounts not included in segment results but reviewed by Board:			
Corporate charges			63,518
Exploration impairment			-
Depreciation			308
Share based payment expense			-
Other expenses			225,492
Loss before income tax			289,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Australian Exploration \$	Tunisia Exploration \$	Total \$
7. Financial reporting by segments (Continued)			
31 December 2010			
Segment assets	502,621	4,270,969	4,773,590
Segment asset increases for the period:			
Capital expenditure	370,621	4,270,969	4,641,590
Unallocated assets:			
Cash and cash equivalents			1,605,517
Trade and other receivables			43,306
Plant and equipment			2,742
Other non-current assets			42,000
Total assets			6,467,155
Segment liabilities			
Unallocated liabilities:			
Trade and other payables			35,741
Total liabilities			35,741
30 June 2010			
Segment assets	132,000	-	132,000
Segment asset increases for the period:			
Capital expenditure	132,000	-	132,000
Unallocated assets:			
Cash and cash equivalents			3,083,506
Trade and other receivables			250,129
Plant and equipment			-
Other non-current assets			-
Total assets			3,465,635
Segment liabilities	-	-	-
Unallocated liabilities:			
Trade and other payables			315,590
Liability for application monies			3,067,500
Total liabilities			3,383,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

8. *Events subsequent to period end*

On 14 January 2011 after several days of civil unrest Tunisia declared a state of emergency and placed the country under martial law. The President of Tunisia for the previous 23 years, Ben Ali, had fled the country and an interim government is the process of being formed. A curfew is in place and there are restricted movements of people and goods within the country.

On 17 January 2011 the company announced that operations at Menzel Horr-1 had been suspended as a result of civil unrest. On 3 February 2011 the Company announced that the operations had recommenced at the Menzel Horr-1 well.

Apart from the above there are no matters or circumstances that have arisen since 31 December 2010 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 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 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 2011

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 statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, statement of changes in equity and 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 2010 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Jacka Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Independent Auditor's Review Report

To the Members of Jacka Resources Limited (Continued)

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 2010 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.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which indicate the net working capital position of the Consolidated Entity at 31 December 2010 was \$3,643,646. The Consolidated Entity has expenditure commitments relating to work programme obligations of their assets of \$7,546,619, which are due within one year. It is further noted that the Consolidated Entity's ability to continue as a going concern is dependent upon the successful raising of additional share capital and ultimately developing one of its oil and gas hydrocarbon fields.

In our opinion, we cannot form a view as to the Consolidated Entity's ability to successfully raise additional share capital or develop one of its oil and gas hydrocarbon fields that will raise additional cash for the Consolidated Entity. As a result, there exists material uncertainty which may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. As a consequence, the Consolidated Entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the probability, recoverability and classification of recorded assets amounts nor to the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

Our opinion is not qualified in respect of this matter.



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 4th day of February 2011