ASX Release **3 July 2013**

Hammamet West-3 – Drilling Update 14

Jacka Resources Limited ("Jacka" or the "Company", ASX: JKA) is pleased to provide the following operational update on the Hammamet West-3 ("HW-3") well in the Bargou Block, offshore Tunisia.

More details are provided in the operational update below and in the comments that follow.

Current activity: At 1:00 pm WST (06:00 am Tunisia) on Tuesday July 2 the rig was testing the blow out preventers (BOPs) prior to running back in hole to continue drilling operations on the horizontal sidetrack.

Progress since last report: Since the last report issued on 26 June the 7" liner scraper run was completed and a whipstock* was successfully set. The sidetrack was initiated by milling out of the 7" liner from 2,960 m to 2,967 mRT and was subsequently drilled to the current depth of 3,020 mRT where the bit and motor were pulled out of hole.

A scheduled test of the blowout preventers (BOPs) was performed and as a result some repairs were required and have been successfully completed.

Planned Activities: Complete the BOP tests. Make up 6" PowerDrive assembly, run in hole and continue to drill the near-horizontal 6" wellbore through the upper part of the Abiod Formation, targeting near vertical fractures (Figure 1). (Note: as of Wednesday morning WST the rig was running in hole and drilling is expected to recommence shortly) The horizontal sidetrack is the primary objective of the Hammamet West-3 well.

Well location: Hammamet West-3 is located in the Bargou Permit, offshore Tunisia. The well is located approximately 15 km offshore in 54m water depth. The well is 80 km SE of Tunis and 77 km NE of the port of Sousse. (Figure 2)

Offset wells: The well is located 1.6 km E of Hammamet West-2, which recovered oil from the Abiod Formation (the target in HW-3), and 1.9KM SSE of Hammamet West-1 which encountered oil in the shallow Birsa Formation. The nearest producing field is Maamoura, 12 km SW of HW-3.

Participating interests:

Jacka	15%
Cooper (Operator)	30%
Dragon Oil	55%

*mRT: Depth, in the wellbore, in metres below the rig rotary table or drilling floor.
TVD – "True Vertical Depth" – depth when corrected for the deviation of the wellbore.
Whipstock – a long steel casing that uses an inclined plane to cause the bit to deflect from the original borehole at a slight angle

Comments on well progress and outlook

The primary objective of the Hammamet West-3 is to drill a near-horizontal wellbore through the naturally fractured Abiod Formation and conduct a test to confirm oil productivity. The initial pilot hole allowed the operator to calibrate the seismic data and the seismically derived fracture models to the correct depth and redesign the sidetrack trajectory.

The near-horizontal sidetrack was successfully initiated and the bit and motor was being replaced as planned prior to drilling the main horizontal hole section. This was a convenient time to undertake the scheduled testing of the blowout preventers, which is required to ensure that they are functioning properly and capable of controlling the well in the event of an emergency.

Upon completion of repairs and testing of the BOPs, the sidetrack will be drilled through the upper part of the Abiod targeting the predicted fractures. A decision on testing will be taken once the horizontal wellbore is complete.

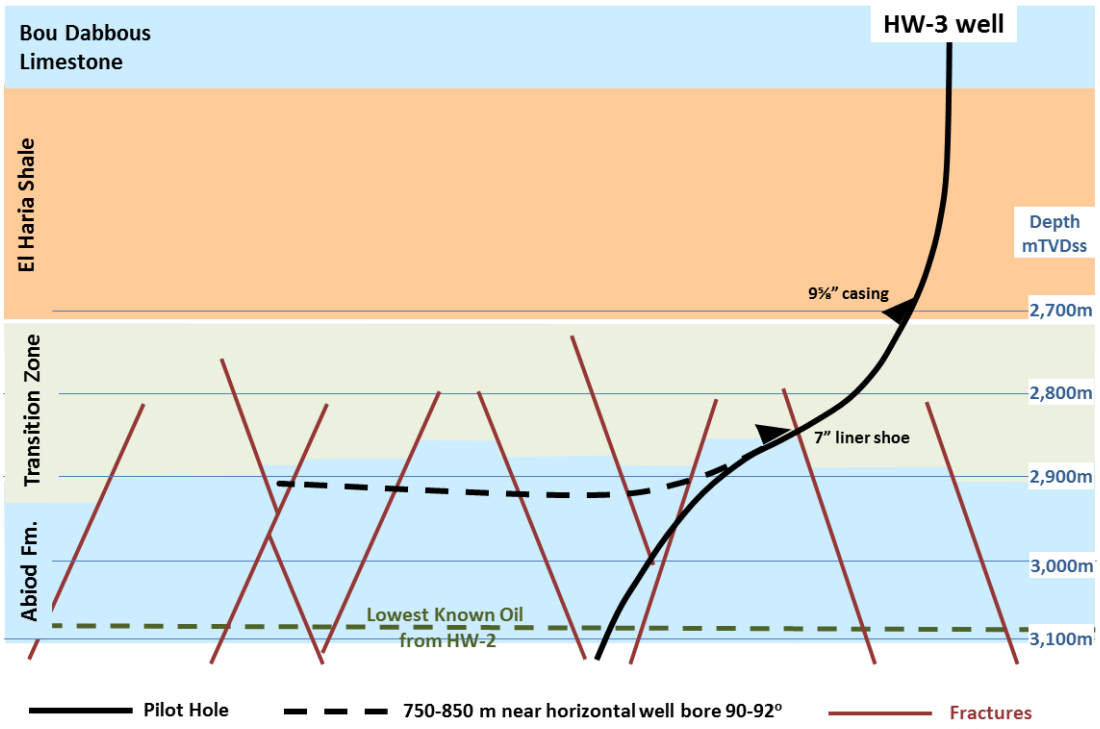

Figure 1: Hammamet West-3 wellbore schematic

The Abiod reservoir has proven productive in fields adjacent to the Bargou Permit, including the Maamoura field operated by ENI. The Hammamet West-2 vertical well recovered oil from the Abiod Formation, demonstrating the presence of an oil column in the target formation. During 2012 the joint venture conducted a series of studies using recently acquired 3D seismic data to identify areas of best fracture development and to select an optimum well path to penetrate and test a representative section of the reservoir

Under the terms of a farmin agreement with the operator of the well, Cooper Energy (ASX: COE), Jacka has contributed 30% of the well cost up to a gross well cost of US$27.2 million after which Jacka will contribute at its participating interest of 15%. The cost to complete the drilling program is estimated to be $44.8 million, exclusive of testing. The Company currently has ample cash reserves sufficient to fund its proportion of the estimated well costs.

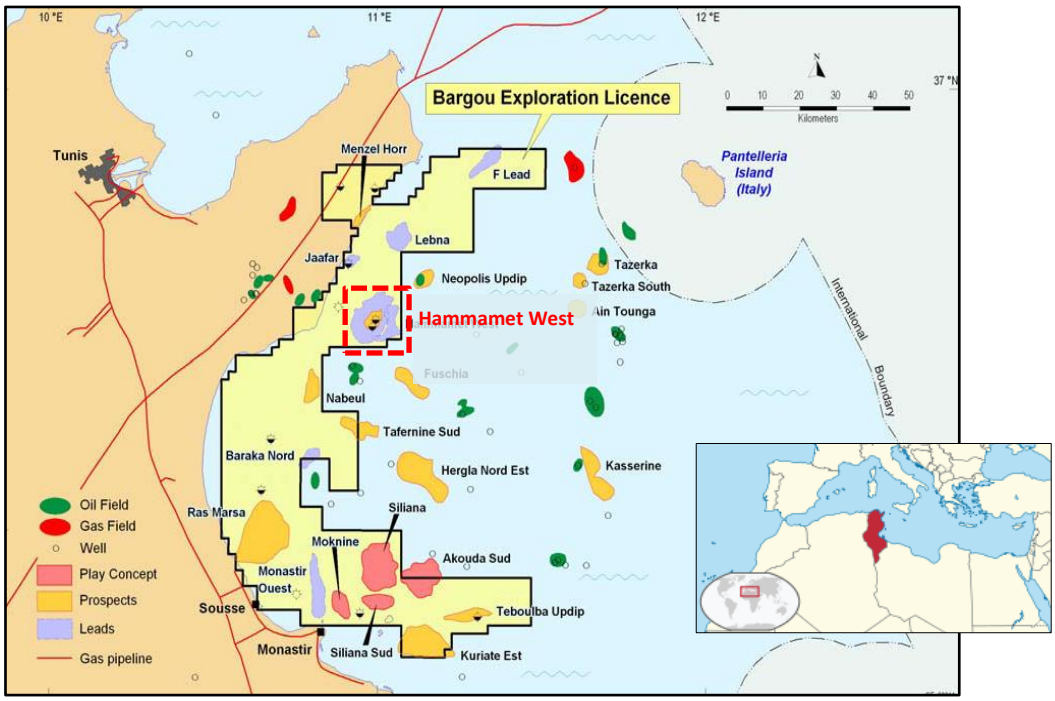

Figure 2: Hammamet West location

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