

Hammamet West-3 – Drilling Update 15

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. Cooper Energy Limited (ASX:COE, "Cooper") is the Operator of the Joint Venture and the well.

During the week the horizontal sidetrack was drilled from 3,011 to 3,253 mMDRT through the primary target, the fractured Abiod Formation limestones. Encouraging shows were encountered which are indicative of oil and support the pre-drill reservoir model. The most significant of the predicted fractures are expected to be penetrated by the sidetrack during the coming week. More details are provided in the operational update below.

Current activity: At 1:00 pm WST (06:00 am Tunisia) on Tuesday July 9 the rig was running in hole after a bit change prior to resuming drilling of the horizontal sidetrack from 3,253 mMDRT¹.

Progress since last report: Since the last weekly progress report issued on Wednesday July 3 the sidetrack was drilled through the primary target, the Abiod Formation limestones, from 3,011 to 3,253 mMDRT (-2,849 to -2,945 mTVDS²) while building angle to near-horizontal.

High gas readings, up to 37%, were encountered while drilling the interval from 3,070 to 3,167 mMDRT (see "Shows" below and the ASX release of 8 July). Drilling was suspended at 3,095 mMDRT while the mud weight was increased to limit the gas influx to levels that are acceptable for safe drilling before drilling ahead. The bit was pulled out of the hole at 3,253 mMDRT because of slow drilling rates.

Planned Activities: Continue drilling the near-horizontal 6" wellbore another 500 – 600 metres through the upper part of the Abiod Formation, targeting near vertical fractures (Figure 1). After reaching total depth, run formation evaluation logs conveyed on drill pipe to evaluate the sidetrack ahead of a potential joint venture decision to conduct a production test.

Shows As reported on 8 July, high gas readings were observed while drilling the interval from 3,070 to 3,167 mMDRT. The maximum total gas level recorded was 37%³, and onsite compositional analysis of the gas indicates the likely presence of oil. In addition, ultraviolet fluorescence, which is indicative of the presence of oil, was observed on the drill cuttings over the interval 3,060 to 3,105 mMDRT. These gas and oil shows coincide with features on the Logging While Drilling (LWD) image logs, obtained while drilling, which indicate a probable fracture zone from 3075 to 3080 mMDRT.

At the time of the gas influx into the wellbore, the drilling mud weight was 10.6 ppg⁴ and it has subsequently been raised to 11.8 ppg. The increase of the drilling mud weight was necessary to limit gas influx to levels that are acceptable for safe drilling but it was expected this will suppress hydrocarbon shows, particularly gas shows, while the remainder of the horizontal well section is drilled.

Although increasing the mud weight has very significantly reduced the gas levels the well has subsequently encountered a moderate increase in total gas over the interval from 3,233 to 3,252 mMDRT (up by 2-3 times over background). Gas

composition analysis indicating the likely presence of oil was noted over this interval, similar to the earlier show interval described above.

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%

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%.

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 (Figure 1). 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. We expect the most significant of the predicted fracture zones to be penetrated by the sidetrack over the coming week.

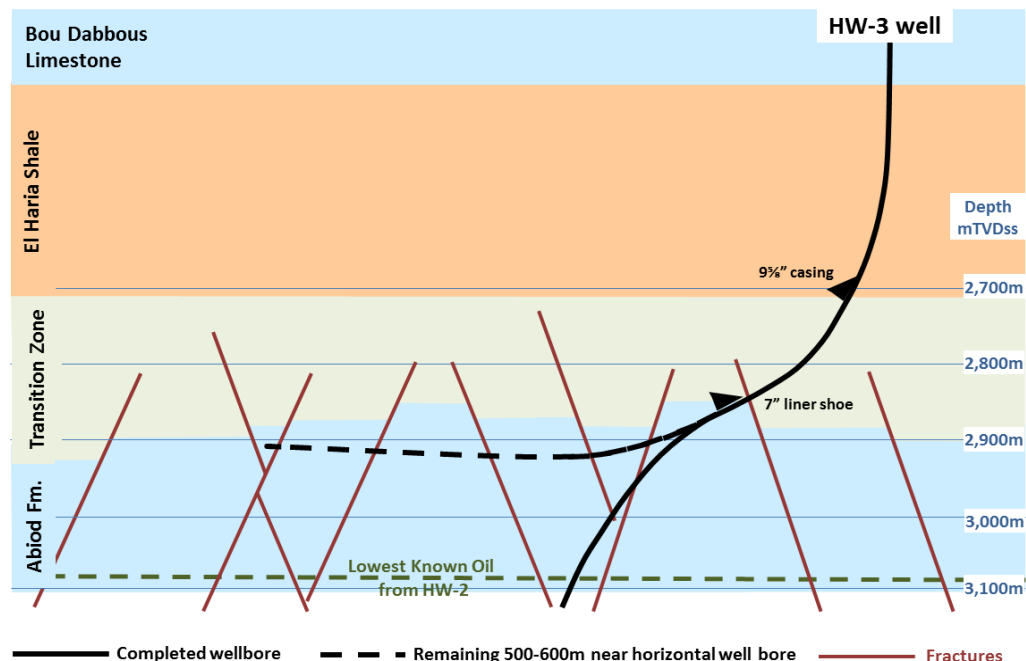


Figure 1: Hammamet West-3 wellbore schematic

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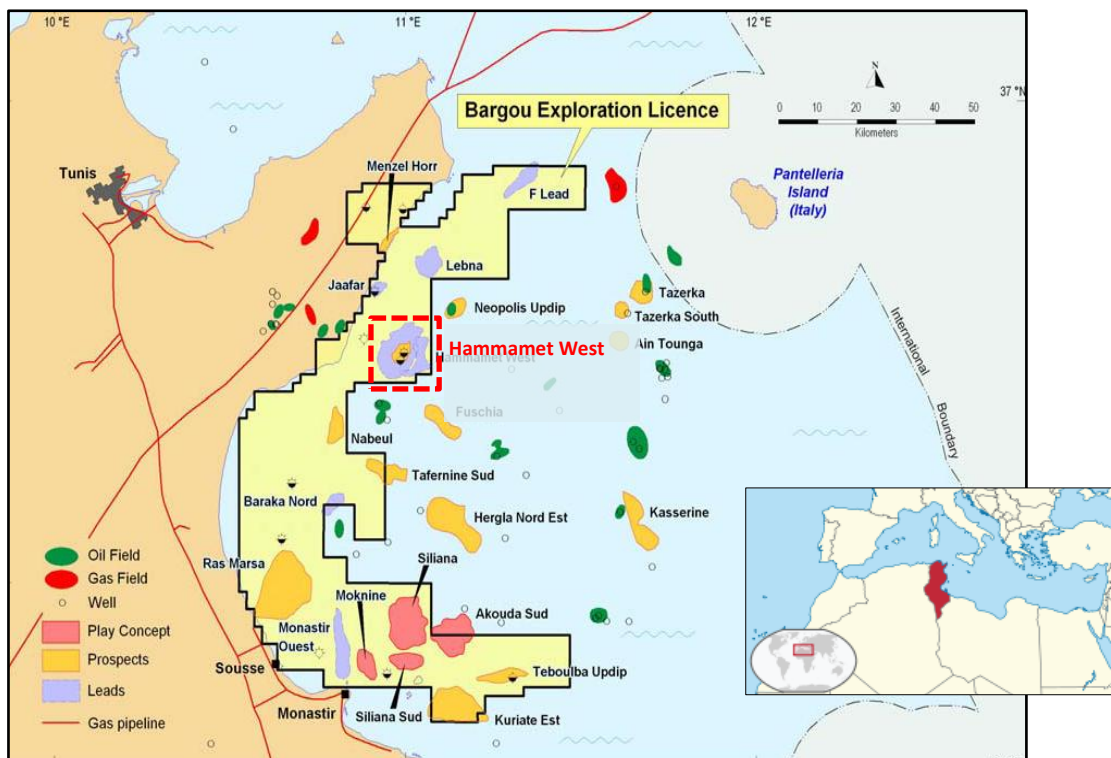


Figure 2: Hammamet West location

Footnotes

1. mMDRT – measured depth in metres below the rotary table or drilling floor
2. mTVDss – metres true vertical depth corrected for the deviation of the well bore and referenced to a mean sea level datum
3. Total hydrocarbon gas measured as a percentage of the air/gas mixture extracted from the drilling fluid. The main components of the hydrocarbon gas are also measured and an increase in the ratios of the heavier gases (propane, butane, pentane – components of LPG) to methane (“natural gas”) is indicative of the presence of oil.
4. ppg – pounds per gallon

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