



12 November 2012

ASX Release

Genel Energy to farmin to Odewayne Block, Somaliland

Key Highlights:

- Odewayne Farmout Agreement signed with Genel Energy
- Jacka to be free carried by Genel on a substantial exploration program including a minimum 1,500 kms of 2D seismic and the drilling of an exploration well
- Jacka to retain 30% working interest with Genel earning 50% equity and to be Operator of the block
- Airborne gravity and magnetics survey by Fugro already commenced

Australian oil and gas explorer Jacka Resources Limited ("Jacka" or "The Company") is pleased to announce that it has entered into an agreement with Genel Energy plc ("Genel"), whereby Jacka will farm out 50% equity to Genel and Genel will become the Operator of the Odewayne Block, Somaliland.

Under the key terms of the transaction, which is subject to government approval, Genel will earn a 50% interest in the Block by:

1. carrying Jacka and Petrosoma through 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 a pro-rata share of back costs of ~ US\$0. 7 million to Jacka

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

The farmin remains subject to the normal governmental approvals. The equity interests post farmin will be Genel 50% (Operator), Jacka 30% and Petrosoma 20%.

The Company's Chairman Scott Spencer commented "Jacka is delighted to see Genel join the Odewayne Block joint venture, and considers this farmin to be a significant endorsement of the petroleum potential of the region. Genel is building a very exciting portfolio of producing and exploration assets in the Middle East and North Africa and has the resources and expertise to accelerate exploration in Somaliland for the benefit of all stakeholders. We look forward to forging a close relationship with Genel and Petrosoma in furthering the Odewayne block and exploration in general in Somaliland."



By ensuring the implementation of an accelerated exploration programme, this farmout fits very well with Jacka's planned schedule of activities over the next 12 months. With appraisal / pre-production drilling in Tunisia and Nigeria, the Company has the prospect of moving to a new level, with bookable reserves and near-term revenue to support its more frontier exploration efforts."

About Genel

Genel Energy plc is a London-listed company with a market capitalisation in excess of A\$3.7 billion. It is the largest oil producer (45,000 bopd) in the Kurdistan Region of Iraq, and has the stated intention of building a major E & P business in the Middle East/Africa region in the next 3-5 years. Genel has also farmed in to the SL10B/SL13 block in Somaliland directly to the east of the Odewayne Block (see figure-1 below).

Odewayne Block Background

The Odewayne block lies in the south west of Somaliland and covers an area of some 22,000 km² enclosing a Jurassic/Cretaceous rift basin. The rift basins of Somaliland are attracting E&P majors of the ilk of Genel Energy and Ophir Energy with substantial exploration work programs expected to commence in early 2013. The Odewayne basin is an estimated 120km long and 50km wide. Based on existing gravity and magnetics data, these are typical rift segment dimensions, amply demonstrated in the modern East African Rift including the Albertine graben in Uganda.

The Odewayne and other rift basins within the block are genetically related to and a continuation of the prolific Jurassic rift basins of Yemen.

The geology of the Odewayne basin is expected to be very similar to the prolific producing basins of Yemen where 9.8 billion barrels of oil equivalent have been discovered or are to be discovered (per USGS 2002). An active petroleum system is demonstrated within the Odewayne basin by numerous identified individual oil seeps to date. Geochemical analysis points to an original light oil or condensate, consistent with the oils produced in Yemen. The 20km - 40km migration distance implied by the location of some of the seeps suggests potential for a prolific source kitchen and a regional seal.

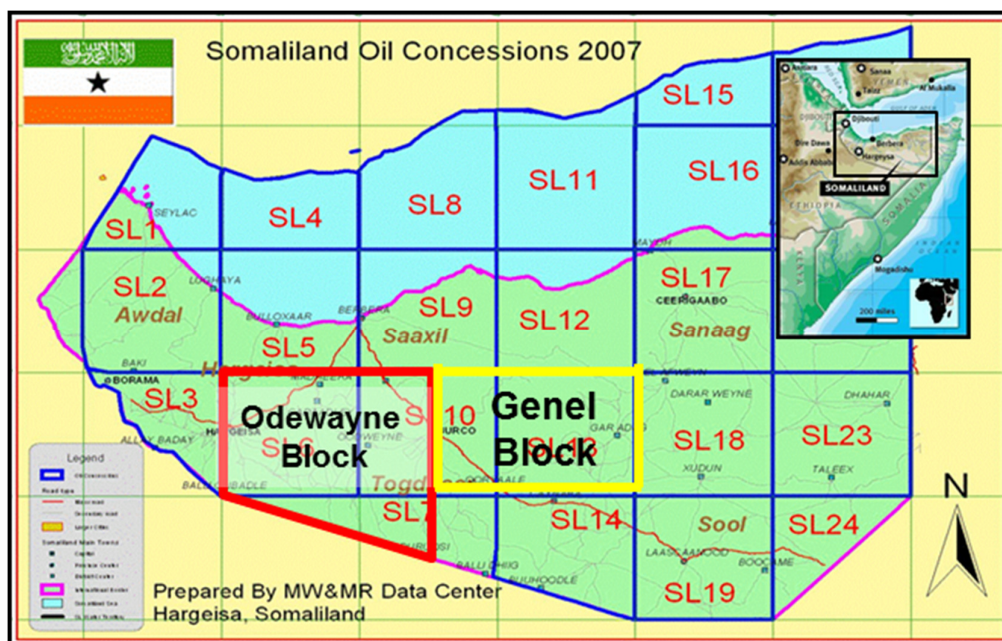


Figure 1 – Odewayne Block where Jacka 30% working interest and Genel Block to the East.

For more information please contact:

Richard Aden, Executive Director or Stephen Brockhurst, Director	Jacka Resources Limited	Tel: +61 8 9480 0111 info@jackaresources.com.au
David Tasker	Professional Public Relations	Tel: +618 9388 0944 Tel: +61 433 112 936 David.tasker@ppr.com.au

This document has been prepared by Jacka Resources Limited for the purpose of providing an update to interested analysts/investors and shareholders. Any statements, opinions, projections, forecasts or other material contained in this document do not constitute any commitments, representations or warranties by Jacka Resources Limited or its directors, agents and employees. Except as required by law, and only to the extent so required, directors, agents and employees of Jacka Resources Limited shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of, or in connection with, the information contained in this document. This document includes certain statements, opinions, projections, forecasts and other material, which reflect various assumptions. The assumptions may or may not prove to be correct. Jacka Resources Limited recommends that potential investors consult their professional advisor/s as an investment in the company is considered to be speculative in nature.

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 the 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.



Odewayne Block Somaliland
Farmout to Genel
November 2012

Disclaimer



This document has been prepared by Jacka Resources Limited for the purpose of providing a company and technical overview. It does not constitute an offer to subscribe for or purchase securities in Jacka Resources Limited, or a recommendation of such securities. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Any statements, opinions, projections, forecasts or other material contained in this document do not constitute any commitments, representations or warranties by Jacka Resources Limited or its directors, agents and employees. Except as required by law, and only to the extent so required, directors, agents and employees of Jacka Resources Limited shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of, or in connection with, the information contained in this document.

This document includes certain statements, opinions, projections, forecasts and other material, which reflect various assumptions. The assumptions may or may not prove to be correct.

Jacka Resources Limited recommends that potential investors consult their professional advisor/s as an investment in the company is considered to be speculative in nature.

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 company update 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.

Not for release or distribution in the United States.

The Transaction

- Jacka to farm out a 50% equity interest in the Odewayne block in Somaliland to Genel Energy
- Jacka and partner Petrosoma to be free carried by Genel on at least the minimum work program through exploration phases III and IV
- Work program commitments include a minimum 1,500 kms 2D seismic, the drilling of a well and all operational and PSA costs on the block. The work program is expected to cost around US\$50 million.
- Genel to be operator with 50%, Jacka 30% and Petrosoma 20%
- Jacka to receive a proportion of back costs from Genel of US\$0.7 million
- The transaction is subject to government approval

Transaction Rationale



-
- The transaction will see Jacka move from carrying Petrosoma to earn an 80% interest to being free carried for a 30% interest.
 - Accelerated and increased work program on the block with a firm well commitment
 - Aero magnetic and gravity survey in Q4, 2012 to design 2D seismic acquisition program in early 2013
 - Synergies from Genel as operator in an adjacent block with a similar work program. Genel are planning a well in 2014 in the adjacent block
 - Jacka benefits from a well funded partner with proven E & P credentials
 - Jacka's resources at both a financial and technical level will be freed up to focus on other areas including new ventures and business development
 - The transaction re-enforces Jacka's stated strategy to open up new exploration fairways while reducing shareholder risk through technical and commercial means
 - Jacka now has a 'free look' at an underexplored East Africa rift basin with significant potential

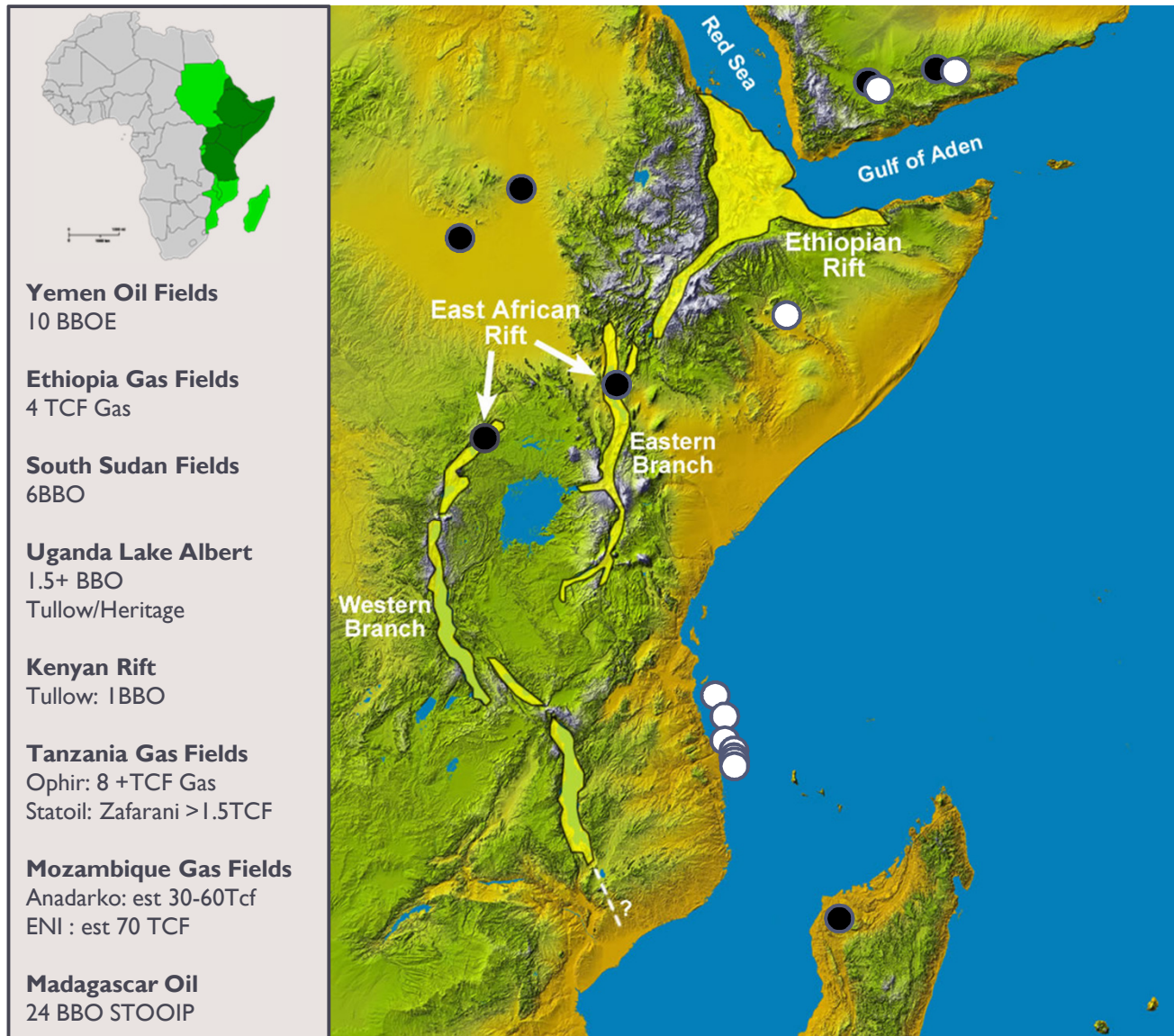
About Genel Energy Plc



- Genel are a public listed company on the London Exchange with a market capitalization of ~ GBP2.4 billion (A\$3.7 billion)
- Genel have production of around 45,000 bbls per day in the Kurdistan region of Iraq, expected to increase significantly in the next two years
- Genel have a cash balance of around US\$1 billion
- Genel have recently completed a number of acquisitions including assets in Morocco, Cote D'Ivoire, Malta and Somaliland
- Board and Management includes Tony Hayward (ex BP CEO) as CEO of the company

For more information on Genel, visit their website: www.genelenergy.com

Jacka – why East Africa



Jacka team has unique first hand experience in East Africa with Hardman Resources

- Pioneers and discoverers of the first oil in the East African Rift, 1997 – 2007

Technical and political understanding of the region

- Jacka is using its network of government and industry contacts to leverage positions in the region

Underexplored but is already an oil and gas hotspot with mid caps, super majors and NOCs entering the region.

- offshore gas / LNG: Ophir, British Gas, Statoil, Total, Petrobras, and Exxon, Anadarko
- onshore/lake: Beach, Total, Tullow, Heritage, CNOOC
- competitive fiscal terms
- small discoveries are likely to be commercially viable
- pro-development governments and significant downstream investments being made (pipelines / power / mining)

Somaliland

- Somaliland was known as British Somaliland from 1884 until 1960
- Somaliland reasserted its independence and sovereignty in 1991 following years of civil war within greater Somalia
- internationally monitored referendum on the constitution confirmed the people's wish to re-gain independence
- multiple democratic and transparent elections since 1991
- Somaliland while not yet recognised as an independent state functions as one separately from Somalia
- multiple visits by Jacka Resources and its risk, security and HSE representatives assess operating environment as safe and stable.



Somaliland Political History

Somaliland was a British protectorate (British Somaliland) from 1884 until 1960. Somaliland gained its independence from Britain in June 1960, then joined Italian Somalia in July 1960 to form the Somali Republic. The union between the Somalia & Somaliland deteriorated into a civil war between 1980 and 1991.

After the collapse of the Somali regime, Somaliland withdrew from the union with Somalia and reinstated its sovereignty. An internationally monitored referendum on the constitution confirmed the people's wish to re-gain independence.

For reasons beyond its control, Somaliland is not yet recognised as an independent state by any country or international organization. However, Somaliland is widely acknowledged as having established a stable and democratic government over the last 21 years, in effective control of its territory.

Odewayne Basin



Contiguous NW-SE Jurassic-Cretaceous rift basins, split by the Tertiary rift:

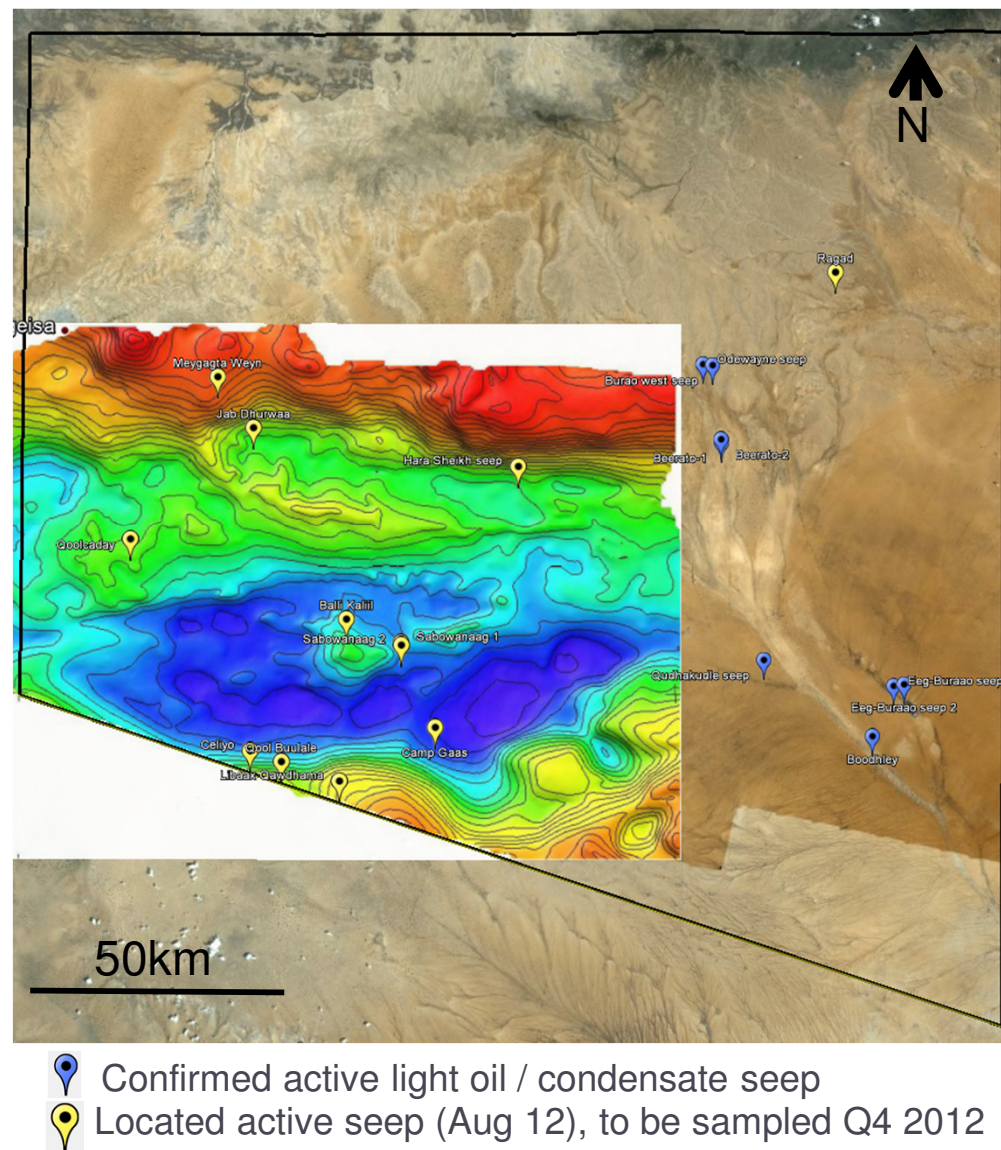
Sab'atayn and Masila Basins (Yemen)

- 4.3 billion barrels of oil equivalent in reserves (per USGS, 2002)
- 9.8 billion BOE discovered or to be discovered (per USGS, 2002)
- **2.8 billion barrels of oil produced 1987-2011** (CIA Fact Book, 2011)

- Nogal and Dharoor seismic data demonstrates multiple structural closures, with total prospective resources in multi-billion barrel range
- consistent with the Yemeni producing basins
- no seismic yet in Odewayne, but a similar high level of prospectivity is demonstrated:
 - ✓ common structural history
 - ✓ active petroleum system demonstrated by numerous active seeps of light oil / condensate
 - ✓ stratigraphy similar to Sab'atayn expected
 - ✓ Odewayne uniquely contains intersection of two rift trends, with potential for multiple play types and enhanced charge retention

Odewayne Exploration Potential

- Up to 5,000m of sediment in the basin is demonstrated by gravity and magnetic surveys
- Structures and typical rift geometry shown on 2012 reprocessing of grav/mag
- Multiple seeps support an active charge system :
 - 9 analysed seeps in block confirm an active light oil/condensate system
 - 10 additional seeps identified during scouting for new grav/mag & seismic surveys – will be sampled and analysed
- Multiple plays with potential for stacked targets
 - Reservoir & seal known from older wells
- Same basin system as Yemen



Odewayne Block

- PSA covers Somaliland Blocks SL6, SL7(partial) and SL10(partial) – known as “Odewayne Block”:
- PSA signed 2005 - 22,000 km² concession
- no previous tenure (pre-1989 Force Majeure)
- minimum work program (next two terms of 18 months)
 - studies
 - Gravity/mag acquisition program (Q4 2012)
 - 1,500km 2D seismic survey (Q1/2 2013)
 - 1 well
- Genel Operator, with 50% equity, Jacka 30% and Petrosoma 20%
- Genel establishing a regional presence

Commercially attractive location

- centre of Odewayne block 120km from Berbera – significant deepwater port built by the British, with direct access to major global oil supply route
- No piracy in Somaliland waters

