



ABN: 79 140 110 130

Jacka Resources Limited - Quarterly Activities Report – December 2012

During the quarter the Company announced transactions that will see it fully funded for the 2013 work program and continued work in preparation for a number of significant project activities over the coming months. The Company spent approximately A\$1.5 million advancing its exploration and appraisal efforts, predominantly in Tunisia, Nigeria and Somaliland. The Company concluded a transaction that sees the Company free carried on its work programs in Somaliland and in addition the Company announced an underwriting agreement that guaranteed \$10 million of funding for future activities.

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

1. Review of the recently acquired airborne gravity and magnetic survey over the Odewayne Block, Somaliland leading to the design of a 2D seismic program scheduled to commence in the quarter.
2. Drilling and testing of the Hammamet West-3 appraisal well to commence in the quarter.
3. Continuing progress on development studies for the Aje Field and an expected commitment in early 2013 to drill Aje-5 as part of a planned early production scheme (EPS).

Bargou Block, Tunisia

Preparation for the drilling of the Hammamet West-3 appraisal well continued during the last quarter including the site surveys required for the jackup rig "GSP Jupiter". The rig is nearing completion of its extended Black Sea drilling program and will then commence the move to Tunisia. The mobilisation program requires the partial removal and replacement of the jack-up legs so that it can pass through the Bosphorus and into the Mediterranean. The company will provide market updates on the rig's progress and the anticipated spud date, which is now scheduled for March 2013.

The Hammamet West-3 well will be a 570m horizontal test of the productivity of the naturally fractured Abiod formation, in which Hammamet West-2 demonstrated a 192m oil column. The joint venture conducted a number of subsurface studies using the 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

The Aje Joint Venture continued to progress a range of technical studies, including 3D seismic reprocessing and remapping; drilling planning and oil development studies working towards the Aje-5 well. This well will form part of the early production system (EPS) which would also include the previously drilled & suspended Aje-4 well. This is the initial stage of a multiphase development concept that would lead to full development of the Cenomanian oil followed by development of the significant gas/condensate resource to meet the needs of the evolving Nigerian and West African



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energy market. The progress on these studies and broader development plans was reviewed by the Joint Venture to the Nigerian Department of Petroleum Resources in mid-September.

The joint venture has received approval for the Scope of Work and Terms of Reference for the Environmental Baseline Survey and the Environmental Impact Assessment for the Aje Field development and as a result the initial baseline survey will be undertaken in February. This is one of the requirements for both the drilling of Aje-5 and the subsequent EPS. The timing of the well drilling and completion activities and the subsequent extended production test is dependent on identifying a suitable floating production, storage and offtake vessel (FPSO), acquiring the subsea equipment and an appropriate drilling rig. The joint venture has commissioned engineering studies which have identified a number of options which could result in drilling in Q3 2013 and an EPS thereafter.

Somaliland

During the quarter the Company announced that it had farmed out a 50% equity interest in the Odewayne block in Somaliland to Genel Energy plc ("Genel") and that the transaction had been approved by the government of Somaliland on 26 November 2012.

The transaction, which was announced by Jacka on 12 November 2012, required formal approval from the Somaliland government for the change in participating interests and for Genel to become Operator for the joint venture. These approvals have been granted and, as they were the only conditions, the transaction was completed and is now in full force and effect.

As announced, Genel will earn a 50% interest in the Block by:

1. carrying Jacka and Petrosoma through at least 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 approximately US\$0.7 million to Jacka as a pro rata share of back costs.

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

The participating interests post-farmin will be Genel 50% (Operator), Jacka 30% and Petrosoma 20%.

During the quarter the Company commenced acquisition of high resolution airborne gravity and magnetics over the entire block. This survey was taken over by Genel, as the new Operator for the block, and is nearing completion at the date of this report. The survey data will be used to define a 2D seismic exploration program which is planned to commence in Q1 2013.



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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 as these prospects have potential as both standalone and joint developments with nearby discoveries.

Ruhuhu Basin, Tanzania

Following the globally significant gas discoveries offshore Tanzania in recent years, the Tanzanian Ministry embarked on a review of their PSA terms and the Ministry recently released revised PSA terms for offshore gas exploration and production. While this revision process has not directly included Jacka's PSA, Jacka believes the conclusion of this process may assist in the final assignment of the Ruhuhu basin PSA to Jacka.

Corporate

In November the Company entered into an agreement to underwrite \$10 million of JKAO class of options that were due to expire on 31 December 2012. The net funds from this was received in January 2013 and combined with the Company's current cash position will see the Company fully funded for its forthcoming work program in 2013.

In the period the company spent approximately \$1.5 million furthering appraisal and exploration projects predominantly in Nigeria, Tunisia and Somaliland. At the end of the period the Company had approximately \$3.7 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 December 2012

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'ooo | Year to date (6 months) \$A'ooo |
|---|--|----------------------------|---------------------------------------|
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (1,436) | (3,112) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (112) | (354) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | - | 1 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other | - | - |
| Net Operating Cash Flows | | (1,548) | (3,465) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: | | |
| | (a) prospects | - | - |
| | (b) equity investments | (5) | (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 | | (5) | (42) |
| 1.13 | Total operating and investing cash flows (carried forward) | (1,553) | (3,507) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,553) | (3,507) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 937 | 937 |
| 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 | - | - |
| | Net financing cash flows | 937 | 937 |
| | Net increase (decrease) in cash held | (616) | (2,570) |
| 1.20 | Cash at beginning of quarter/year to date | 3,837 | 5,791 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter* | 3,221 | 3,221 |

* 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 | 238 |
| 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.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'ooo | Amount used \$A'ooo |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'ooo |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 2,000 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 200 |
| Total | 2,200 |

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'ooo | Previous quarter \$A'ooo |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 3,221 | 3,837 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other | - | - |
| Total: cash at end of quarter (item 1.22) | 3,221* | 3,837* |

* 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.

Appendix 5B
Mining exploration entity quarterly report

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 | 247,878,849 | 247,878,849 | | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 365,346 | 365,346 | \$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 | - - - - | <i>Exercise price</i> \$0.35 \$0.20 \$0.50 \$0.20 | <i>Expiry date</i> 31 Dec 13 03-May-17 31-Jul-14 11-Oct-15 |
| 7.8 | Issued during quarter | 500,000 | - | \$0.20 | 11-Oct-15 |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | 21,337,437 | 21,337,437 | \$0.20 | 31 Dec 12 |
| 7.11 | Debentures <i>(totals only)</i> | | | | |

+ See chapter 19 for defined terms.

| | | | |
|------|---|--|--|
| 7.12 | Unsecured notes (<i>totals only</i>) | | |
|------|---|--|--|

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: 25 January 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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+ See chapter 19 for defined terms.