



ABN: 79 140 110 130

Jacka Resources Limited - Quarterly Activities Report – December 2011

Key Events:

- Jacka acquired a 5% net revenue interest in the Aje Oil and Gas field in the West African Transform Margin offshore Nigeria
- Company's total 2C Contingent Resources increased from 16.6 to 26.6 million boe
- \$7.5 Million raised via a fully underwritten option conversation and small placement
- Contract terms agreed with Tanzania authorities for exploration rights over the prospective Ruhuhu exploration ground.

Aje Oil and Gas Field - OML113, Nigeria

The company announced on 12 December 2011 that it had executed a formal Sale & Purchase Agreement with Providence Resources Plc ("Providence") whereby Jacka agreed to acquire a direct equity interest in the Aje Oil and Gas field located in the petroleum licence OML 113 in the West African Transform Margin in Nigeria. The transaction closed with the payment of US\$9 million at the end of the quarter.

The region has become an industry hot spot in recent years, following the discovery of the billion-barrel-plus Jubilee field and other oil fields in Ghana and neighbouring countries. The West African Transform Margin (WATM) is now attracting some of the biggest players in the oil industry, including ExxonMobil, BP, Anadarko, CNOOC, Vitol, Tullow Oil, Chevron, ENI, Repsol, and many others.

Historically four wells have been drilled on the Aje field, all of which encountered hydrocarbons, with logging and testing demonstrating significant net hydrocarbon-bearing sections in three of the wells. Following the successful drilling and flow testing of Aje-4, the partners deemed the Aje field commercial. Jacka's technical review estimates that the acquisition could deliver net 2C contingent resources of circa 10 million barrels of oil equivalent to the Company.

Jacka has a net 5% revenue earning interest in the Aje oil & gas field and looks forward to working with the Joint Venture partners and progressing the Aje Field to development in the near term.

Bargou Block, Tunisia

The Operator of the block Cooper Energy announced on 10 October that it has entered into a farmin agreement with Dragon Oil ("Dragon") whereby Dragon would farmin to 55% of the Bargou block. The equity interests once all farmin agreements are complete will be Dragon 55%, Cooper 30% and Jacka 15%.

Dragon's proven reservoir expertise, coupled with vast development experience, will facilitate the progress of Hammamet West to commerciality and development in a short time period.



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The Joint Venture will now look to drill the appraisal well Hammamet West-3 in the second half of this year with 2C contingent resources of 111 million barrels. Well planning work is ongoing by the joint venture and the JV expects to begin the tender and award process for services and equipment early in Q1 2012.

With a total of 600MMbbl of unrisks mean prospective resources estimated within the Bargou licence, the Joint Venture will also mature the prospects and lead portfolio in 2012.

WA-399-P, Australia

Acquisition of the Gazelle 3D seismic on block WA-399-P in the Exmouth Basin of the North West Shelf was completed in the March 2011 quarter. The Operator (Apache Northwest Pty Ltd) of WA-399-P has advised that processing of this seismic is continuing and is approximately 70% complete and is scheduled to be concluded in the first quarter of 2012, after which the Joint venturers will interpret the seismic and decide whether to proceed with an exploration well.

New Ventures – East Africa

Jacka announced on 1 July 2011 that it was in exclusive negotiations for the award of oil and gas exploration and production rights over the entire Ruhuhu Basin, an onshore area of some 10,340km², following an offer by the Tanzania Petroleum and Development Corporation ("TPDC"). The offer was subject to a Production Sharing Agreement ("PSA") which has now been agreed with the TPDC. The final step prior to award is a number of government approvals. Jacka will hold 100% equity and will be the operator of the licence.

Tanzania is underexplored but is fast becoming an international oil and gas exploration hot spot. The country has grabbed petroleum industry headlines over the past 12 months following the announcement of three sizeable, offshore gas discoveries by an Ophir Energy-led Joint Venture. It is now attracting the attention of industry leaders, with companies such as Shell, Statoil, Total, Petrobras, Exxon and Tullow entering the country. Tanzania is considered to have significant exploration potential within the offshore deep water blocks and within the onshore East African Rift basins, located in the central and western parts of the country.

Corporate

At the end of the quarter the company had 142.5 million shares on issue and cash and investments to the value of approximately \$0.8 million; the next major expenditure item for Jacka will be at the end of April 2012.

The company also completed the underwriting of JKAOB class of options and a small placement. There were 46,337,508 options at \$0.15 underwritten to raise \$6,950,626 before costs. The company also placed 3,500,000 shares at \$0.15 to raise \$525,000 before costs. The options were underwritten and placing completed by Patersons Securities Limited.



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For more information please contact:

Richard Aden, Executive Director or Stephen Brockhurst, Director	Jacka Resources Limited	Tel: +61 8 9388 8041 admin@jackaresources.com.au
David Tasker	Professional Public Relations	Tel: +618 9388 0944 Tel: +61 433 112 936 David.tasker@ppr.com.au

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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.

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 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors		-
1.2	Payments for (a) exploration & evaluation	(135)	(472)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(227)	(405)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	19	50
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(343)	(827)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(2)	(2)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	58	91
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – acquisition of subsidiary	(9,012)	(9,977)
Net investing cash flows		(8,956)	(9,888)
1.13	Total operating and investing cash flows (carried forward)	(9,299)	(10,715)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(9,299)	(10,715)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7,476	7,476
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	(428)	(451)
	Net financing cash flows	7,048	7,025
	Net increase (decrease) in cash held	(2,251)	(3,690)
1.20	Cash at beginning of quarter/year to date	2,990	4,429
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	739	739

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	87
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'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	125
4.2 Development	-
4.3 Production	-
4.4 Administration	225
Total	350

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	721	652
5.2 Deposits at call	18	2,338
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	739	2,990

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	OML 113 Aje Field	5% Net Revenue interest	0%	5.001%

+ See chapter 19 for defined terms.

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	142,512,503	142,512,503		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	49,837,501	49,837,501	\$0.15	\$0.15
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 36,337,501	- 36,337,501	<i>Exercise price</i> \$0.35 \$0.20	<i>Expiry date</i> 31 Dec 13 31 Dec 12
7.8	Issued during quarter				
7.9	Exercised during quarter	46,337,501	46,337,501	\$0.15	31 Oct 11
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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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: 31 January 2012

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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