



ABN: 79 140 110 130

Jacka Resources Limited - Quarterly Activities Report – September 2012

During the last quarter the Company has been very active in all its project areas as it prepares for a number of significant activities over the coming months. The company spent approximately A\$1.6 million advancing its exploration and appraisal efforts, predominantly in Tunisia, Nigeria and Somaliland.

Key activities for the development of the Company's portfolio are expected over the next quarter and in early 2012.

1. Acquisition of an airborne gravity and magnetic survey over the Jacka operated Odewayne Block, Somaliland, during the next quarter.
2. Drilling and testing of the Hammamet West-3 appraisal well during Q1 2013
3. Continuing progress on development studies for the Aje Field is expected to lead to a commitment in early 2013 to drill Aje-5 as part of a planned extended production test.
4. Execution of the Ruhuhu PSA with the Energy Minister of Tanzania

Bargou Block, Tunisia

Preparation for the drilling of the Hammamet West-3 appraisal well continued during the last quarter culminating in the award of a drilling contract to the jackup rig "GSP Jupiter". The rig is currently drilling in the Black Sea, offshore Romania and will make its way to Tunisia for use by the Bargou JV upon completion of that contract. The operator is progressing all other service contracts and equipment in preparation to spud the well in early 2013.

The Hammamet West-3 well is designed to test the productivity of the naturally fractured Abiod formation. 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 has 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 is expected to form part of an extended well test project which would also include the previously drilled & suspended Aje-4 well. This is the initial stage of a multiphase development concept that would see 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 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.

Current planning is for the drilling of Aje-5 in the middle of 2013 and work is continuing within the JV on the sourcing of a drilling rig. The timing of an extended production test is particularly dependent



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on identifying a suitable FPSO and acquiring subsea equipment but a number of existing options have been identified that will accelerate the process over the usual development timeframe.

Somaliland

Jacka has a 50% equity interest in the 22,000 km² Odewayne block in Somaliland, Eastern Africa. During the quarter Jacka continued with its plans for early stage exploration as per its obligations under the production sharing and farmout agreements. The Company has executed an agreement with Fugro for high resolution airborne gravity and magnetics survey which will be undertaken in Q4 2012. This data will be used to define a 2D seismic exploration program planned for Q1 2013. The tender process for seismic acquisition is underway to meet that schedule.

Somaliland continues to receive attention from international oil companies. Genel Energy from the UK is the latest Company to enter the country by acquiring a 75% interest in the block immediately east of the Odewayne block and Ophir are already in the block to the north east.

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.

Corporate

The Company has a tranche of options that expire at the end of December 2012 that if fully converted or underwritten would generate funds of \$14.2 million and would see Jacka funded for its 2013 minimum work program. In the period the company spent approximately \$1.6 million furthering appraisal and exploration projects predominantly in Nigeria, Tunisia and Somaliland. At the end of the period the Company had approximately \$4.2 million in cash, investments and in JV bank accounts for various work programs.



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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")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,610)	(1,610)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(308)	(308)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(1,917)	(1,917)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(47)	(47)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	10	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		(37)	(37)
1.13	Total operating and investing cash flows (carried forward)	(1,954)	(1,954)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,954)	(1,954)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net increase (decrease) in cash held	(1,954)	(1,954)
1.20	Cash at beginning of quarter/year to date	5,791	5,791
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter*	3,837	3,837

* 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	273
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.

Appendix 5B
Mining exploration entity quarterly report

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	1,250
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	1,500

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	3,837	5,791
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	3,837*	5,791

* 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.

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	247,513,503	247,513,503		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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 71,337,436 1,250,000 11,700,000	- 71,337,436 - -	<i>Exercise price</i> \$0.35 \$0.20 \$0.20 \$0.50	<i>Expiry date</i> 31 Dec 13 31 Dec 12 03-May-17 31-Jul-14
7.8	Issued during quarter				
7.9	Exercised during quarter				
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 October 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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