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ASX Release

## **Jacka farms in to Somaliland block**

### **Key Highlights:**

- Jacka to acquire initial 50% interest and be Operator
- The Block encloses some 22,000km<sup>2</sup> with natural oil seeps within the block
- A working petroleum system demonstrated by nine independently verified oil seeps
- On trend with the prolific producing basins of Yemen estimated to contain up to 9.8 billion barrels of oil equivalent
- Jacka increases East African oil footprint

Jacka Resources Limited ("Jacka" or "the Company") is pleased to announce that it has entered into an agreement with Petrosoma Limited ("Petrosoma") to become Operator and a 50% equity holder in Blocks 6,7 (partial) and 10 (partial), located onshore Somaliland (see Figure 1 & 2) which are the subject of a Production Sharing Agreement ("PSA") with the Government of the Republic of Somaliland. The PSA area, which was formerly known as 'block 26', is informally referred to hereafter as the "Habra Garhajis block".

### **Block Overview**

The Habra Garhajis block lies in the south west of Somaliland and covers an area of some 22,000 km<sup>2</sup>. The Block completely encloses what became known during British colonial times as the Habra-Garhajis basin. This is one of three genetically-related, en-echelon Jurassic rift basins in the Horn of Africa that are the continuations of the prolific Jurassic rift basins of Yemen (Figure 3). Yemen and the Horn of Africa have been separating since the Oligocene due to the ongoing East African Rift and opening of the Gulf of Aden.

The Habra-Garhajis basin is an estimated 220km 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 geology of the Habra-Garhajis 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<sup>1</sup>.

A working source kitchen is demonstrated within the Garhajis basin by nine already 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.

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<sup>1</sup> Per US Geological Survey 2002



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## **Operations**

Jacka's joint venture partner in the block, Petrosoma, has an established in-country office and team which will provide immediate operational capability to the Joint Venture. An aggressive work program is scheduled, starting with acquisition of a comprehensive gravity and magnetics dataset in the second quarter of 2012.

The entire East African region is the subject of an increasingly strong and competitive industry focus with companies such as BG, Ophir, ENI, Africa Oil, Anadarko, Total, CNOOC and others taking positions, along with wells being drilled or planned in the neighbouring basins of the Dharoor and Nugaal.

## **Somaliland Overview**

Somaliland was a British protectorate from 1883 until 1960 when it gained independence. Shortly thereafter the country merged with former Italian Somalia and formed the Somali Republic. In 1991, following years of civil war Somaliland withdrew from the union with Somalia and reinstated Somaliland's sovereignty. Somaliland is acknowledged as having established a stable, democratic political system over its territory.

## **Transaction Overview**

The key terms of the transaction are as follows:

- Jacka to earn 50% equity (subject to government approval) by paying a contribution toward past costs on the licence and 100% of the PSA third period minimum work program, consisting of studies, gravity survey and a minimum 500 kms of 2D seismic.
- Petrosoma to provide in-country logistics, security and government relations to the joint venture
- If Jacka elects to enter the PSA fourth period it has the option to earn additional equity in the licence area (subject to performance and government approval); otherwise if Jacka elects not to complete the farm-in it will re-assign its participating interest to Petrosoma with no further obligation
- Jacka and Petrosoma have agreed the Republic of Somaliland is an area of mutual interest, with any further projects in the region to be pursued on a 50/50 basis

*Jacka's Chairman Scott Spencer commented "Jacka's management have held the belief for a long time that Somaliland holds great potential. This is a quality underexplored basin with enormous potential that reinforces the company's new venture strategy both in East Africa and rift systems".*

*We are delighted to be partnering Petrosoma and entering this block in Somaliland. We look forward to working with Petrosoma over the coming months and executing the exploration program".*

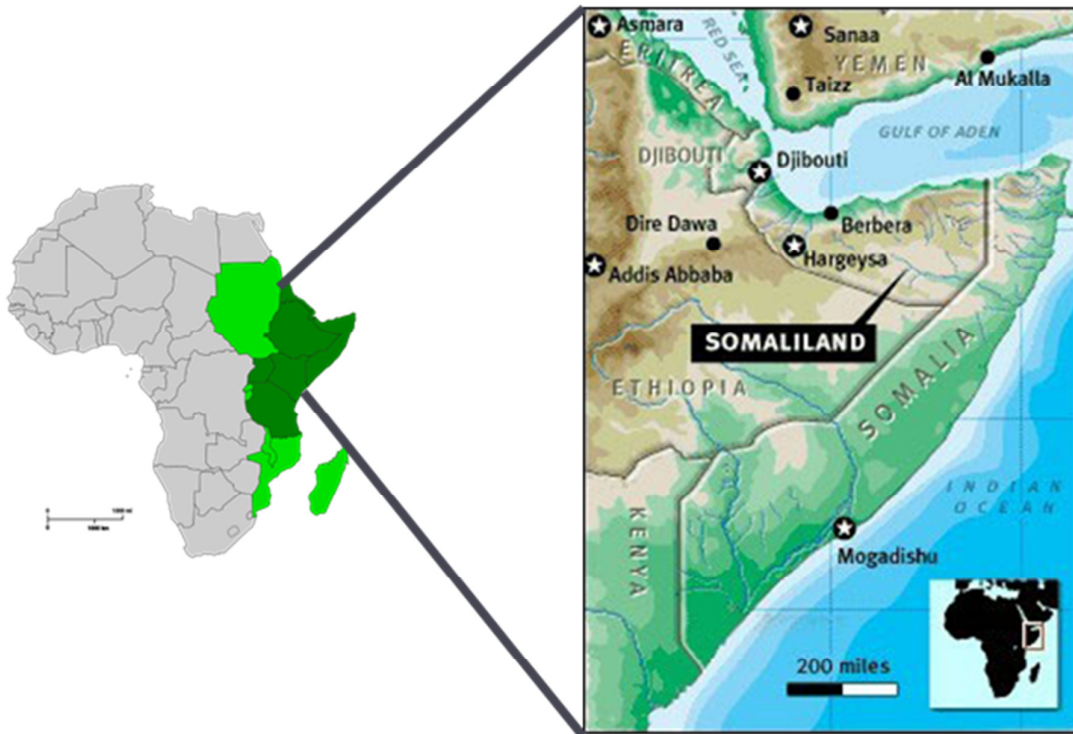


Figure 1, East Africa focus area of Jacka, zoom Horn of Africa

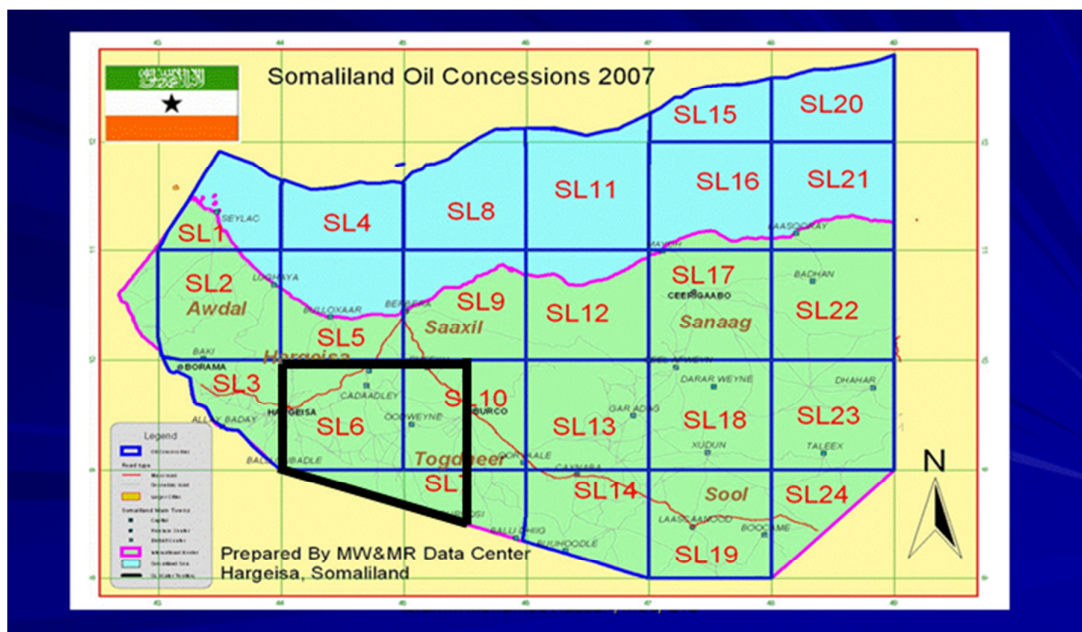


Figure 2, Somaliland Oil concessions

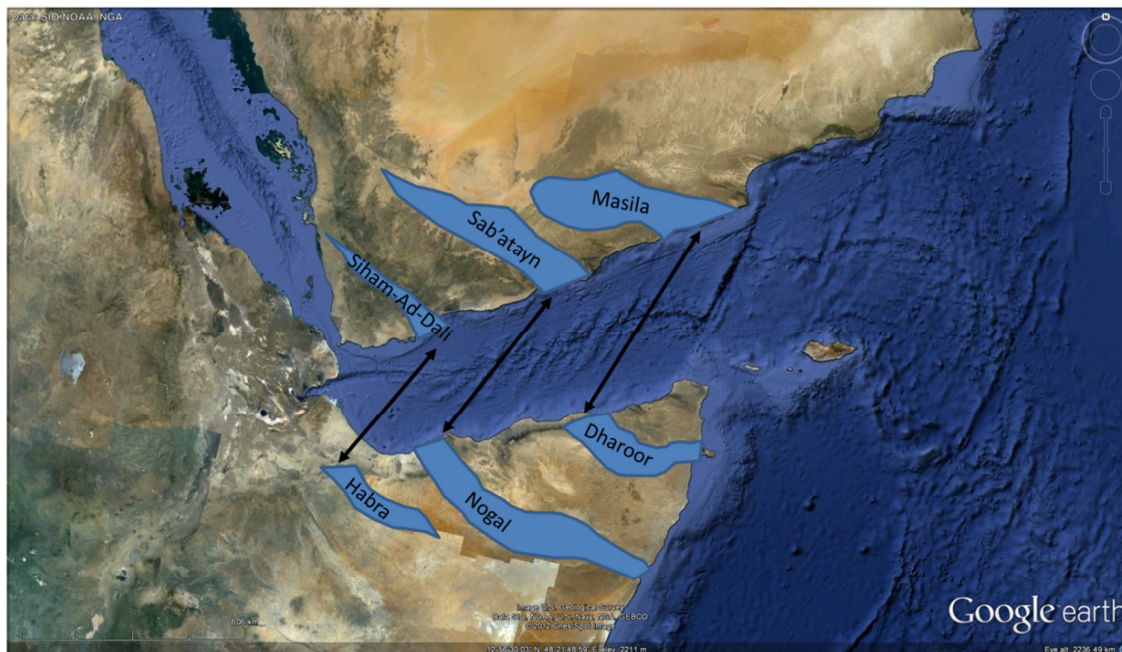


Figure 3, Yemen and Horn of Africa Mesozoic basins. Sab'atayn and Masila basins contain 9.8BBoe (USGS). Siham-Ad-Dali unexplored due to volcanic cover

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*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.*