



ABN: 79 140 110 130

Jacka Resources Limited Quarterly Activities Report – September 2011

Key Events:

- Agreement to acquire a 5% net revenue interest in the Aje Oil and Gas field in the West African Transform Margin offshore Nigeria
- Entry to the Bargou block of Dragon Oil to add reservoir and development expertise for Hammamet appraisal
- Tanzania country entry with offer to negotiate Ruhuhu PSA with Tanzania authorities
- The company is continuing to review new ventures with the most prospective being actively progressed by the company

OML113, Nigeria

On 28 September Jacka announced that it had entered into a Heads of Agreement with Providence Resources Plc ("Providence") whereby Jacka has 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. Upon closing of the transaction which is scheduled for 15 November 2011, Jacka will have a net 5% revenue earning interest in the Aje oil & gas field.

In consideration for the acquisition Jacka will pay the following:

- A deposit of US\$1 million (which has been paid) to secure exclusivity over the transaction
- Tranche 1 payment of US\$9 million payable on 15 November 2011
- Tranche 2 payment of US\$6 million payable on 30 April 2012.

Jacka and Providence have negotiated a formal Sale & Purchase agreement which is expected to be executed before the end of October. The transaction is conditional upon waiver of Joint Venture pre-emptive rights and the receipt of all necessary corporate, shareholder and regulatory approvals. Upon satisfaction of these conditions the acquisition is due to complete on 15 November 2011. Waive of Joint Venture approvals was confirmed on 24 October 2011 and the company will progress the schedule, as planned to transaction close.

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 farmins are complete would be Dragon 55%, Cooper 30% and Jacka 15%.

Dragon's proven technological expertise, coupled with vast development experience, will facilitate the progress of Hammamet West to commerciality and development in a short time period. The Joint Venture will now look to drill the appraisal well Hammamet West-3 around the middle of next year which with contingent resources of between 111 and 213 million barrels.



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Dragon Oil is a leading international oil and gas exploration, development and production company quoted on the London and Irish Stock Exchanges with a market capitalisation of approximately £2.5 Billion (approximately AUD\$4.2 Billion), reserves of 639 million barrels of oil and condensate and 1.6 trillion cubic feet of gas. Dragon operates the Cheleken Contract Area, in the eastern section of the Caspian Sea, offshore Turkmenistan and has invested more than \$2 billion in expanding the oil production capability of its assets. Dragon Oil drilled 59 new wells (as of 21 September 2011), built and expanded the Central Processing Facility, installed two new wellhead and production platforms, upgraded a number of old platforms as well as added related in-field pipelines, and completed a new 30-inch 40 km trunkline to bring oil and gas onshore. The average daily gross field production has increased from approximately 7,000 bopd in 2000 to over 60,000 bopd in 2011. Emirates National Oil Company Limited (ENOC) L.L.C., a company ultimately owned by the Government of Dubai, owns approximately 51% of the Company's ordinary share capital as at the end of April 2011.

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 scheduled to be concluded around the end of the December quarter 2011.

New Ventures – East Africa

Jacka announced on 1 July 2011 that it is in exclusive negotiations for the award of oil and gas exploration and production rights over the entire Ruhuhu Basin, an onshore area of some 8,400km², following an offer by the Tanzania Petroleum and Development Corporation ("TPDC"). The offer is subject to a Production Sharing Agreement ("PSA") which is in the advanced stages of negotiation. 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 92.7 million shares on issue and cash and investments to the value of \$3.1 million; this balance reflects the refundable deposit of US\$1 million paid to Providence Resources in relation to the OML113 transaction.

Level 3, Suite 33
22 Railway Road
SUBIACO WA 6008
www.jackaresources.com.au



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At the time of writing this report the company is in the process of finalising conversion details and underwriting of Jacka's JKAOB class of options that expire on 31 October 2011. There are 46,337,508 options with an exercise price of \$0.15 per share; if fully exercised the options would generate funds of \$6,950,626 for use by the company.

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.

Level 3, Suite 33
22 Railway Road
SUBIACO WA 6008
www.jackaresources.com.au

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 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,302)	(1,302)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(178)	(178)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	31
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(1,449)	(1,449)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	33	33
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		33	33
1.13	Total operating and investing cash flows (carried forward)	(1,416)	(1,416)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,416)	(1,416)
	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	(23)	(23)
	Net financing cash flows	(23)	(23)
	Net increase (decrease) in cash held	(1,439)	(1,439)
1.20	Cash at beginning of quarter/year to date	4,429	4,429
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,990	2,990

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	72
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	175
4.2 Development	-
4.3 Production	-
4.4 Administration	225
Total	400

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	652	926
5.2 Deposits at call	2,338	3,503
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	2,990	4,429

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 (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	92,675,002	83,275,001		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	5,000,000 36,337,501 46,337,501	- 36,337,501 46,337,501	Exercise price \$0.35 \$0.20 \$0.15	Expiry date 31 Dec 13 31 Dec 12 31 Oct 11
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				

+ 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 2011

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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