



JACKA PREPARING TO DRILL COMPANY MAKING WELLS

Having recently celebrated the second anniversary of its listing on the ASX, Australian oil and gas junior **Jacka Resources Limited (ASX: JKA)** is well placed to supply its supporters with some high value results over the next 6 months.

The key value uplift event is likely to be the drilling of the Hammamet West-3 appraisal well off the coast of Tunisia later this year.

With a major joint venture partner brought into the Bargou Permit and now a rig secured to drill Hammamet West-3, everything is lining up for the potentially high value well to spud in December.

Activity surrounding the Bargou Permit and the drilling of Hammamet West had already heated up when London-listed Dragon Oil Plc officially joined the Bargou JV through a farm-in to earn a 55% stake.

With a market cap north of A\$4.5 billion and being part-owned by the Government of Dubai, the introduction of Dragon Oil, which will fund 75% of the drilling costs for Hammamet West-3, is seen as a major financial and technical boost to the proposed development of Hammamet West.

Further good news was announced in July when the Bargou JV entered into a legally binding Letter of Intent with Grup Servicii Petroliere SA (GSP) to contract the jackup rig "GPS Jupiter" to drill the Hammamet West-3 well. The company now has the actual contract signed.

On current planning the Bargou JV is envisaging the spudding of Hammamet West-3 in December.

With two discovery wells already drilled on the Hammamet West structure in 1967 and 1990, the upcoming well is considered to be an appraisal of a proven field. Its main aims are to provide more clarity on reserve estimates for the field - which currently have a wide range of between 111 million and 213 million barrels - and to achieve a commercial flow rate.

The current drill plan for Hammamet West-3 is for the well to further assess the oil resource within the Abiod Formation - where the previous wells indicated the presence of a gross oil column of at least 190 metres - through an initial penetration of the reservoir via a slightly deviated pilot hole. A highly deviated wellbore will then be drilled and tested to confirm the oil



productivity of the Abiod Formation with a secondary target in the Birsa sandstone. Located in water depths of approximately 60 metres, only 12 km offshore, Hammamet West is considered to have the potential to be quickly and very cost effectively developed if Hammamet West-3 proves to be a commercial success.

A low cost field development concept including an un-manned offshore platform, with hydrocarbons piped to an onshore processing facility, has already been investigated and reviewed and would be one of the options considered by the Bargou JV.

A similar type of project has been developed and successfully operated for several years by Italian oil and gas giant ENI on a nearby, look-a-like field.

Jacka Resources' Chairman, Scott Spencer, said Hammamet West offers the company's shareholders a real opportunity to participate in a low-cost, high return opportunity.

"Studies have suggested that even with as low as 10 to 15 million barrels of reserves Hammamet West could be commercially viable because of its location.

"We are confident that the use of modern drilling techniques will prove up a larger reserve than that. It has also been shown in nearby fields that production of up to 20,000 barrels per day is possible in this area from horizontal wells - which would provide Jacka and its supporters with a nice return via our 15% interest in the Bargou JV."

NIGERIAN OPPORTUNITY

A similar low cost, fast track development opportunity is looming for Jacka and its supporters with the recently acquired participation interest in the OML113 licence containing the Aje gas/condensate field offshore Nigeria.

Jacka has acquired a 5% net revenue interest in the Aje field, which has estimated gross contingent resources of 226 million barrels of oil equivalent (boe).

The OML113 JV has recently renewed its focus on the potential for an early oil development, with ongoing technical work including reviews of seismic mapping, the four previously drilled wells and oil development concepts.

African oil and gas industry sources have suggested that a number of companies with a track record of success in nearby permits are considering joining the OML113 JV with an eye on an early phase oil development at Aje, initially through the drilling of an Aje-5 well.

The same sources are suggesting an early drilling opportunity may present itself via the arrival of a rig which is scheduled to drill a well for Afren in a nearby permit in early 2013. That may open a drilling slot late in the first quarter or early in the second quarter of 2013 for the drilling of a well with a primary objective of appraising the Cenomanian oil reservoir in the Aje field.

Potential early oil development concepts for Aje include a subsea tie-back of producing wells to a floating, production, storage and offloading (FPSO) vessel.



SOMALILAND

Never one to sit on its laurels, Jacka Resources is already looking to fast-track exploration of the onshore Somaliland acreage it acquired in April.

Following an initial reconnaissance trip, Jacka has already commenced planning for the acquisition of an initial 7,500 sq. km of high resolution airborne gravity and magnetics data with the survey planned to be completed in the next few months.

Under the agreement with Petrosoma Limited it announced in April, Jacka has become Operator and a 50% equity holder in Blocks 6, 7 (partial) and 10 (partial) which are the subject of a Production Sharing Agreement (PSA) with the Government of the Republic of Somaliland. The area is known collectively as the "Odewayne Block".

"This is a region that we have long viewed as having really interesting geological potential and the acquisition of this interest falls perfectly into our stated strategy of investigating early mover opportunities in Africa - something that the Jacka team has been very successful at in the past.

"There has been a long held view that the basins in northern Somalia including Somaliland are analogous to those which contain the massive fields in Yemen across the other side of the Gulf of Aden," Scott Spencer said. "This analogy is supported by geochemical analysis of oil seeps identified and sampled within the Odewayne Block."

"Jacka's security advisors have confirmed that the situation in Somaliland is stable and an

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ASX CODE

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aggressive company with significant African experience like Jacka can now get in there and test out the theories of the country's exciting prospectivity."

TANZANIA

Another African country where the Jacka team's vast African experience has come in to play is Tanzania, where the company has finalised negotiations with the Tanzania Petroleum and Development Corporation (TPDC) for oil and gas exploration and production rights over the entire Ruhuhu Basin, an onshore area of some 10,100 sq. km abutting Lake Nyasa in the south-west of the country. A Production Sharing Agreement (PSA) over the Ruhuhu Basin has been agreed with the TPDC and Attorney General's Department and is now subject only to Ministerial approval. Jacka will hold 100% equity and will be the operator of the licence.

"Since we first began discussions with the Tanzanian Government, the country has become an oil & gas 'hot spot', with many of the world's biggest players looking to take up positions offshore where there have been some very big gas finds in recent years.

"While Tanzania onshore is dramatically underexplored, we believe it offers our shareholders a great opportunity to have a large holding in a much sought after East African Rift Basin play."

The company is ready to hit the ground running when its PSA is formalised and has already identified a number of promising areas to initially investigate.

The company anticipates beginning the work program soon after Ministerial approval, with a high resolution airborne gravity acquisition among the early works planned.

WESTERN AUSTRALIA

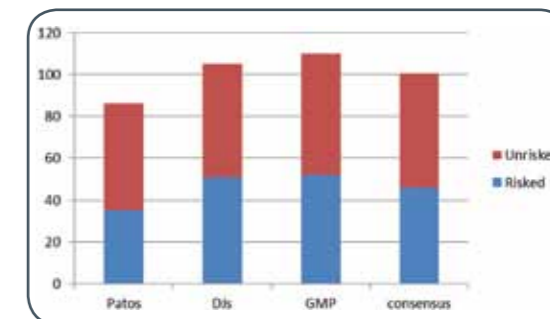
Locally, Jacka has a 15% interest in offshore permit WA-399-P in the Exmouth Basin off the Western Australian coast line.

Located in close proximity to a number of producing oil and gas fields, WA-399-P offers a commercialisation opportunity for even a smallish find.

Following interpretation of recently acquired 3D seismic, the WA-399-P JV is now reviewing initial prospects and leads identified by the operator Apache Northwest Pty Ltd from the data set.



Further technical and commercial work to be undertaken and rig availability and approvals granted will include an assessment of the potential to co-ordinate activities and resources with other permits in the region operated by Apache.



For a relatively small company Jacka has been attracting a lot of attention in the investment world with three broker research notes currently in circulation by DJ Carmichael, GMP and Patersons. The forecast 'risked' price and unrisked price and the consensus is shown in the table above. With the work program / company changing events planned for the next 12 months this would appear to be a great entry point for potential investors.