



ASX Release

5 June 2013

Hammamet West-3 – Drilling Update 10

Jacka Resources Limited ("Jacka" or the "Company", ASX: JKA) is pleased to announce that the Hammamet West-3 well in the Bargou Block, offshore Tunisia has been drilled into the top of the Abiod Formation objective and is preparing to drill a pilot hole to investigate the thickness of the Abiod Formation and the oil column, which was first identified in the Hammamet West-2 well. The pilot hole will be followed by a 580 m horizontal wellbore targeting natural fractures in the Abiod Formation. A decision on testing will follow the drilling of the horizontal wellbore.

More details are provided below in the weekly drilling update and the following comments on well progress and outlook.

Weekly Drilling Update

Current activity:	At 1:00 pm WST (6:00 am Tunisia) on Tuesday June 4 the current operation was running 7" liner to a planned depth of 3,032 mRT*.	
Progress since last report:	Since the last report issued on 29 May the 9 ⁵/₈" casing was cemented at 2,788 mRT and pressure tested. The 8 ¹/₂" hole section was directionally drilled to 3,032 mRT, building angle to 60 degrees from vertical. The top of the Abiod was encountered at 3,010 mRT, approximately 40 mTVD* high to prediction at this location. As planned, drilling was stopped once the top Abiod was encountered and confirmed but before drilling into the predicted fractures.	
Planned Activities:	Run and cement 7" liner at 3,032mRT. Pressure test liner. Drill a 6" pilot hole through the Abiod Formation to 3,438 mRT. (Figure 1) Drilling to the top of the Abiod and running a liner has enabled the Operator to drill through the potentially difficult overlying El Haria Shale and Transition Zone with an oil based mud system designed to control reactive shales. The well will now change to a water based mud system that is more appropriate for the fractured Abiod Formation and will more easily allow identification of oil shows while drilling.	
Well location:	Hammamet West-3 is located in the Bargou Permit, offshore Tunisia. The well is located approximately 15 km offshore in 54m water depth. The well is 80 km SE of Tunis and 77 km NE of the port of Sousse. (Figure 2)	
Offset wells:	The well is located 1.6 km E of Hammamet West-2, which recovered oil from the Abiod Formation (the target in HW-3), and 1.9KM SSE of Hammamet West-1 which encountered oil in the shallow Birsa Formation. The nearest producing field is Maamoura, 12 km SW of HW-3.	
Participating interests:	Jacka	15%
	Cooper (Operator)	30%
	Dragon Oil	55%

*mRT: Depth, in the wellbore, in metres below the rig rotary table or drilling floor.

TVD – "True Vertical Depth" – depth when corrected for the deviation of the wellbore.

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Comments on well progress and outlook

As advised in previous announcements, the forward work program and anticipated cost of Hammamet West-3 has been under review. The well has now intersected the target Abiod Formation at 3,010 mRT, which is approximately 40m TVD high to prognosis at this location, and the current operation is preparing to drill a deviated pilot hole to a total depth of 3,438 mRT. The pilot hole will investigate the thickness of the Abiod reservoir and potentially gain additional information on the thickness of the oil column. The Hammamet West-2 vertical well recovered oil from the Abiod Formation but no oil-water contact was identified.

Upon completion of the pilot hole it is proposed to drill a 580 metre horizontal well which will target near-vertical fractures in the naturally fractured Abiod Formation. A decision on testing will be made upon completion of the horizontal well bore.

Under the terms of a farmin agreement with the operator of the well, Cooper Energy (ASX: COE), Jacka has contributed 30% of the well cost up to a gross well cost of US\$27.2 million after which Jacka will contribute at its participating interest of 15%.

The cost to complete the drilling program is estimated to be \$44.8 million, with a total duration of 100 days, exclusive of testing. Estimated cost to date is approximately \$31.6 million and 67 days have passed since the rig arrived on location on March 28. The Company currently has ample cash reserves sufficient to fund its proportion of the estimated well costs.

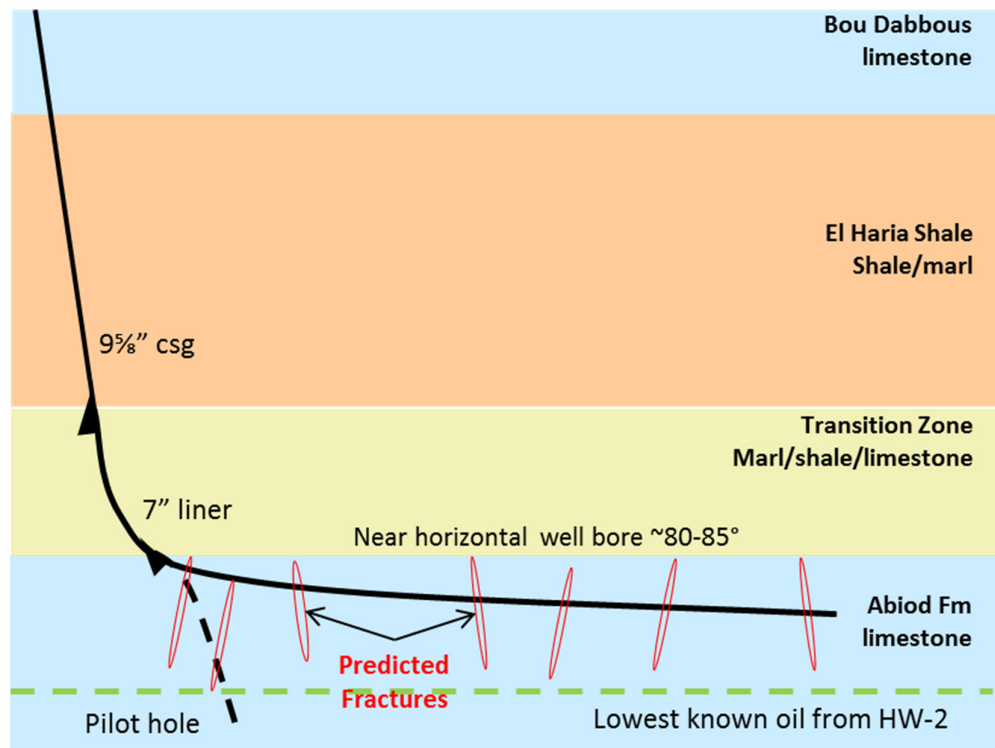


Figure 1: Schematic showing the proposed pilot hole and horizontal section.
The lowest known oil in the Hammamet West-2 (HW-2) well was 192 m below the top of the Abiod Formation

Background

The Hammamet West-2 vertical well recovered oil from the Abiod Formation, and demonstrated the presence of an oil column in the target formation. The Abiod reservoir has proven productive in fields adjacent to the Bargou Permit, including the Maamoura field operated by ENI. During 2012 the joint venture conducted a series of studies using recently acquired 3D seismic data to identify areas of best fracture development and to select an optimum well path to penetrate and test a representative section of the reservoir. Hammamet West-3 will penetrate the Abiod Formation reservoir at approx. 3,000 mRT and a near horizontal wellbore will then be drilled through the upper part of the reservoir. A horizontal wellbore is more likely to penetrate vertical fractures than a normal, vertical appraisal well.

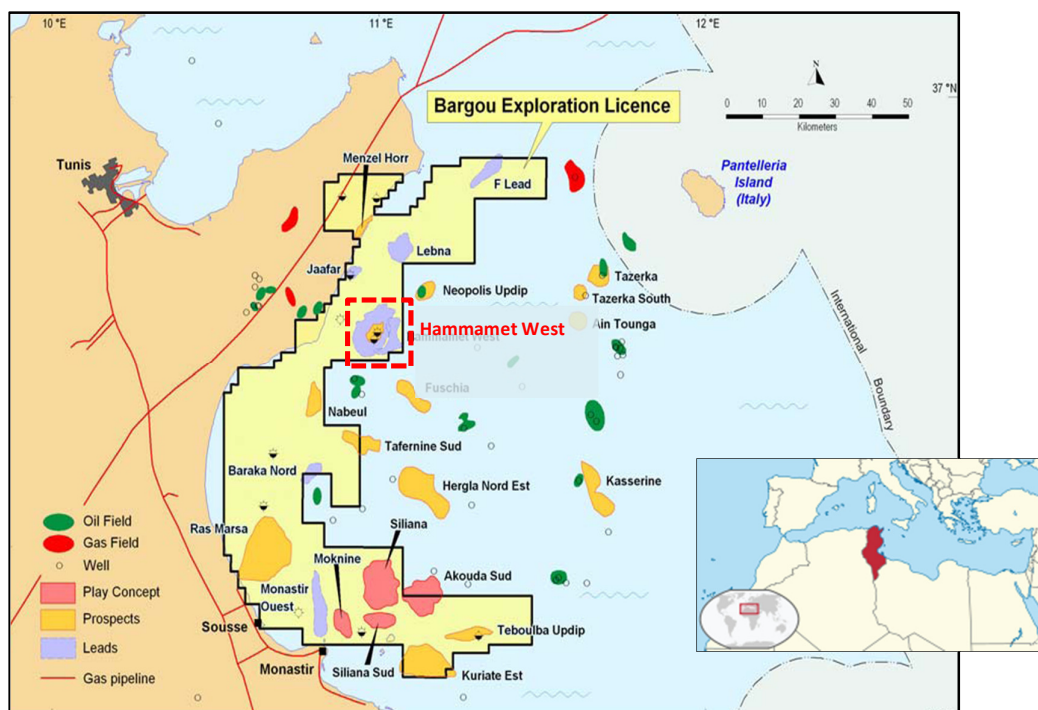


Figure 2: Hammamet West location

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