**ASX Release** **8 July 2013**

# Encouraging hydrocarbon shows in Hammamet West-3 well, Tunisia

Jacka Resources Limited ("Jacka" or the "Company", ASX: JKA) is pleased to provide the following operational update on the Hammamet West-3 ("HW-3") well in the Bargou Block, offshore Tunisia. The well is located approximately 15 km offshore and 1.6 km east of Hammamet West-2 in 54m water depth (see attached map). Cooper Energy Limited (ASX:COE, "Cooper") are the Operator of the Joint Venture and the well.

The well's objective is to drill and test a highly deviated wellbore through the naturally fractured Abiod Formation reservoir to confirm oil productivity. This is illustrated in the schematic diagram (Figure 1).

Since the most recent Weekly Drilling Update issued on Wednesday 3 July the well has commenced the horizontal side-track section in the primary target Abiod Formation limestone by drilling from 3,011 to 3,167 mMDRT[1] (-2,849 to -2,907 mTVDSS[2]).

High gas readings were observed while drilling the interval from 3070 to 3,167 mMDRT. The maximum total gas level recorded was 37%[3], and onsite compositional analysis of the gas indicates the likely presence of oil. In addition, ultraviolet fluorescence, which is indicative of the presence of oil, was observed on the drill cuttings over the interval 3060 to 3092 mMDRT. These gas and oil shows coincide with features on the Logging While Drilling (LWD) image logs, obtained while drilling, which indicate a probable fracture zone from 3075 to 3080 mMDRT.

At the time of the gas influx into the wellbore, the drilling mud weight was 10.6 ppg[4] and it has subsequently been raised to 11.8 ppg. The increase of the drilling mud weight was necessary to limit gas influx to levels that are acceptable for safe drilling but it is expected this will suppress hydrocarbon shows, particularly gas shows, while the remainder of the horizontal well section is drilled. LWD logs and drill cuttings will be available while drilling to TD.

The planned well operation is to continue drilling the horizontal side-track section another 600-700 metres targeting additional Abiod Formation fractures.

The gas influx into the wellbore has resulted in the drilling of the horizontal section being slower than originally expected and it will likely take a further 8-10 days to reach the prognosed total depth and evaluate the significance of the hydrocarbon shows. Based on the previous cost estimates and the expected forward plan, Jacka estimates that the cost to drill the horizontal section and complete drilling operations on the well will be approximately $49 million.

The joint venture will decide whether to conduct a production test after the horizontal well section has been completed and evaluated. A production test could take up to 20 days and is estimated to cost approximately $9.8 million.

The Bargou Joint Venture has conducted a number of fracture prediction studies based on the 3D seismic survey. The horizontal sidetrack will target these predicted fractures. The best of these predicted fractures are yet to be encountered in the well.

Jacka's Chairman, Mr Scott Spencer said "We are very encouraged by these initial results from the horizontal sidetrack. The combination of an increase in gas shows, including a very significant gas peak, associated with oil shows and a probable fracture anomaly on the LWD image log appears at this stage to validate the pre-drill reservoir model. We look forward to drilling the next 600-700 m of horizontal section through the reservoir and intersecting some of the major predicted fractures."

Weekly drilling updates are provided each Wednesday morning.

**Participating interests:**

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|---|---|
| Jacka | 15% |
| Cooper (Operator) | 30% |
| Dragon Oil | 55% |

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%.

**Footnotes**

1. mMDRT – measured depth in metres below the rotary table or drilling floor
2. mTVDss – metres true vertical depth corrected for the deviation of the well bore and referenced to a mean sea level datum
3. Total hydrocarbon gas measured as a percentage of the air/gas mixture extracted from the drilling fluid. The main components of the hydrocarbon gas are also measured and an increase in the ratios of the heavier gases (propane, butane, pentane – components of LPG) to methane ("natural gas") is indicative of the presence of oil.
4. ppg – pounds per gallon

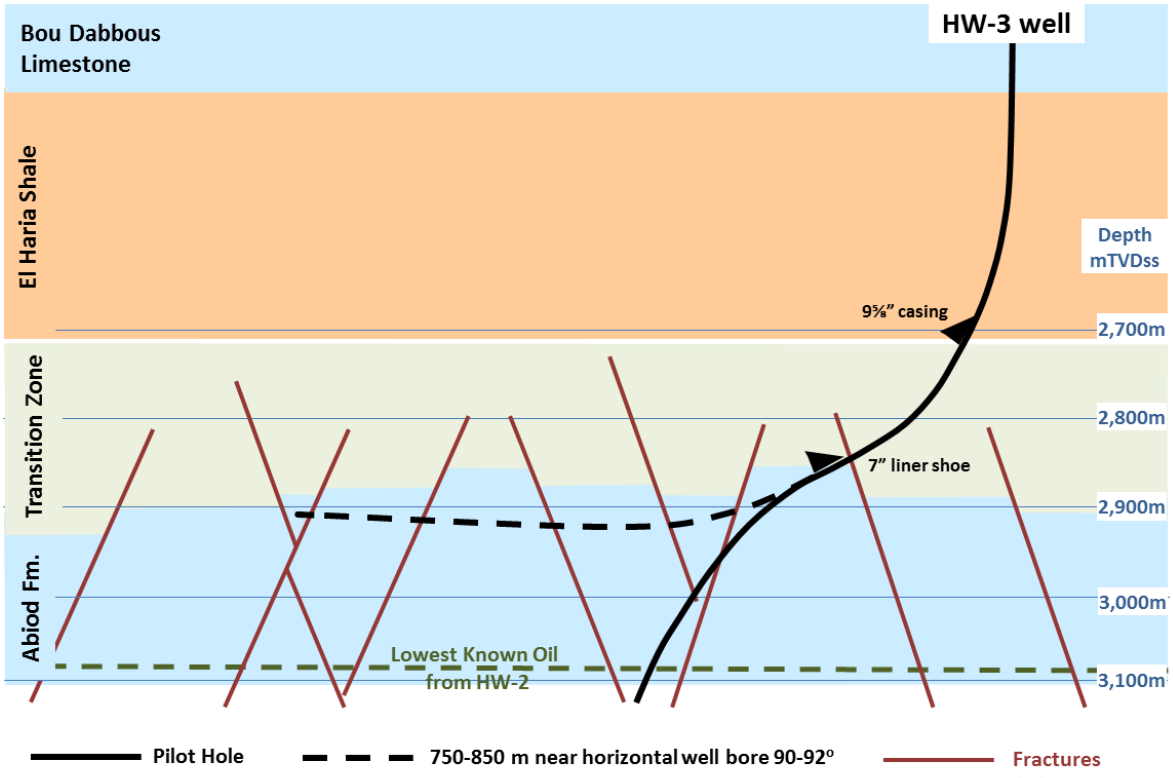


**Figure 1: Hammamet West-3 wellbore schematic**

Level 45, 108 St George's Terrace,
PERTH WA 6000
www.jackaresources.com.au
**ABN: 79 140 110 130**

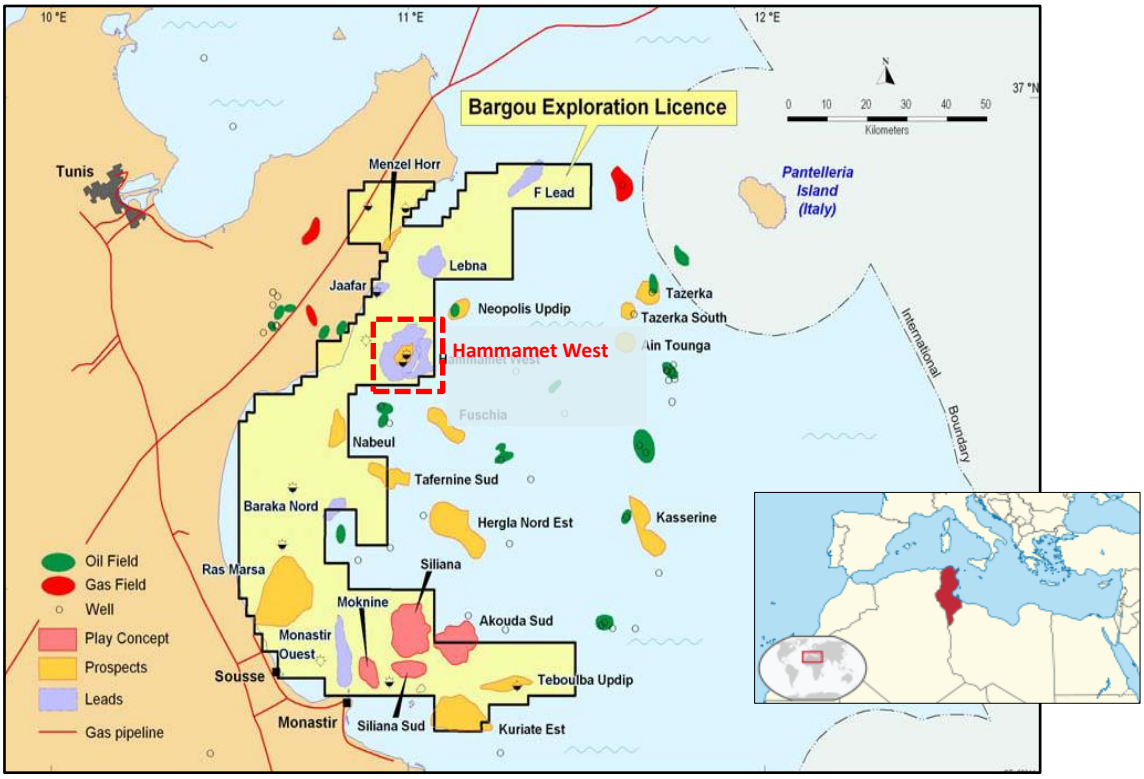


**Figure 2: Hammamet West location**

**For more information please contact:**

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| Richard Aden, Executive Director, or Stephen Brockhurst, Director | Jacka Resources Limited | Tel: +61 8 9480 0111<br>info@jackaresources.com.au |
| Colin Hay or Tony Dawe | Professional Public Relations | Tel: +618 9388 0944<br>Colin Hay mob: +61 404 683 355<br>colin.hay@ppr.com.au,<br>tony.dawe@ppr.com.au, |