



ASX Release

31 July 2013

Hammamet West-3 – Drilling Update 18

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. Cooper Energy Limited (ASX:COE, "Cooper") is the Operator of the Joint Venture and the well.

Preparations are continuing for a production test of the Abiod Formation fractured limestone reservoir. The current forecast is that the test will commence in the week beginning 5 August and may take 4-8 days in total.

More details are provided in the operational update below and the comments that follow.

Current activity: At 1:00 pm WST (06:00 am Tunisia) on Tuesday July 30 the well was running in hole with the production test string at 316 m. Meanwhile surface testing equipment was being installed on the rig deck.

Progress since last report: Since the last weekly progress report issued on Wednesday July 24 the preparations for production testing have continued including assembly and preparation of test tubing, offloading non-essential drilling equipment, reconfigure and pressure test BOP's, mobilising testing personnel and equipment, commence rig up of surface production test equipment on board rig.

Planned Activities: Continue to run in hole with, and then test, the production test string. Continue to prepare the rig for production testing which is expected to commence during the week beginning 5 August 2013.

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 Birsia Formation. The nearest producing field is Maamoura, 12 km SW of HW-3.

Participating interests:	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%.

Comments

The production test will be conducted over the entire 432 metres of Abiod Formation drilled to date. The actual production test period is expected to be 4-8 days, depending on the flow rates recorded during the test. The first phase (1-2 days) of the test will attempt to flow the well naturally. If the well does not flow to surface at sufficient rates it is planned to introduce acid into the well bore to break down any plugged formation caused by the drilling operations and stimulate flow. This is a common practice in production testing fractured

Level 1, 22 Railway Road,
Subiaco, WA 6008

www.jackaresources.com.au

ABN: 79 140 110 130

carbonate reservoirs. It is expected that the main flow period (inclusive of shut-in) will occupy 3-5 days. It should be noted that the well test equipment is limited to a maximum flow rate of 3,000 bopd.

The production test of the near-horizontal wellbore drilled through the naturally fractured Abiod Formation (Figure 1) is the primary objective of the Hammamet West-3 well. The horizontal well path was selected using the results of a number of studies undertaken during 2012, based on recently acquired 3D seismic data, to identify areas of best fracture development in the Abiod Formation target. The fractures and associated dissolution zones are believed to be the reservoir for an oil accumulation in the Abiod.

The well results to date have validated the play concept. Key results are summarised below:

- The Abiod Formation was encountered at 3,010 mMDRT¹, 40 metres shallower than expected, which, along with the results of Hammamet West-2, suggests a vertical oil column in excess of 200 m.
- The near-horizontal sidetrack was drilled through the Abiod Formation to 3,443 mMDRT and significant hydrocarbon shows were encountered in association with predicted fracture zones.
- Oil shows on drill cuttings were observed over approximately 110 metres of the total 432 metres of Abiod Formation drilled in the sidetrack.
- Elevated gas levels with gas composition ratios² indicative of oil were also encountered, generally in association with the oil shows noted above.
- The oil and gas shows coincide with anomalies on Logging While Drilling image logs that are indicative of fractures.
- Drilling mud losses experienced while drilling these intervals are an indicator that the well has likely encountered an open, porous fracture system in the Abiod.
- During recent operations oil has been observed in the drilling mud (18-20%) circulated to surface and samples have been collected for analysis.

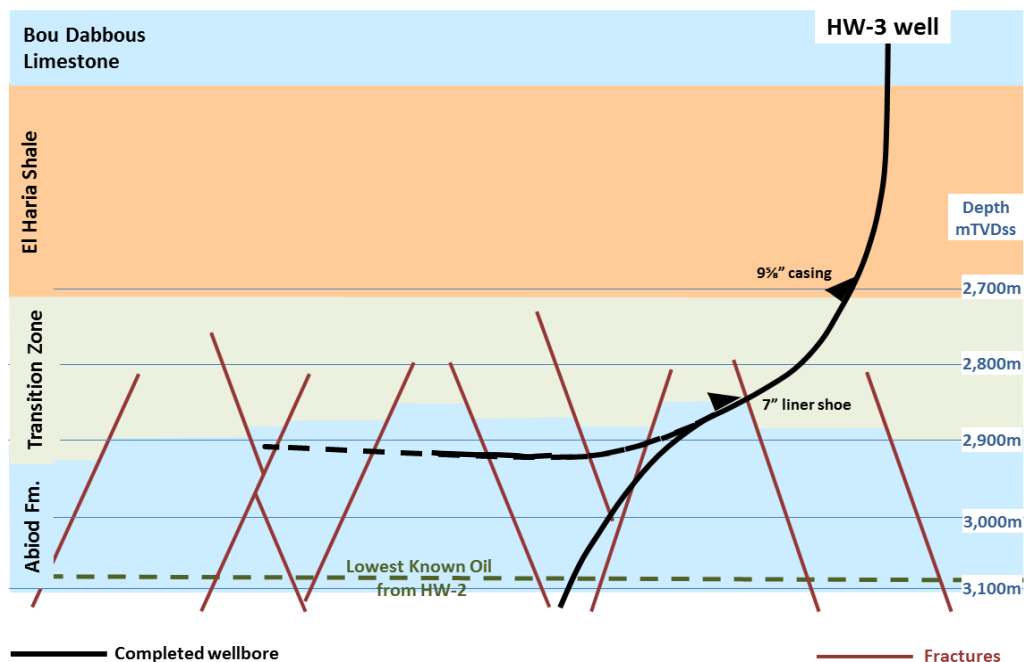


Figure 1: Hammamet West-3 wellbore schematic

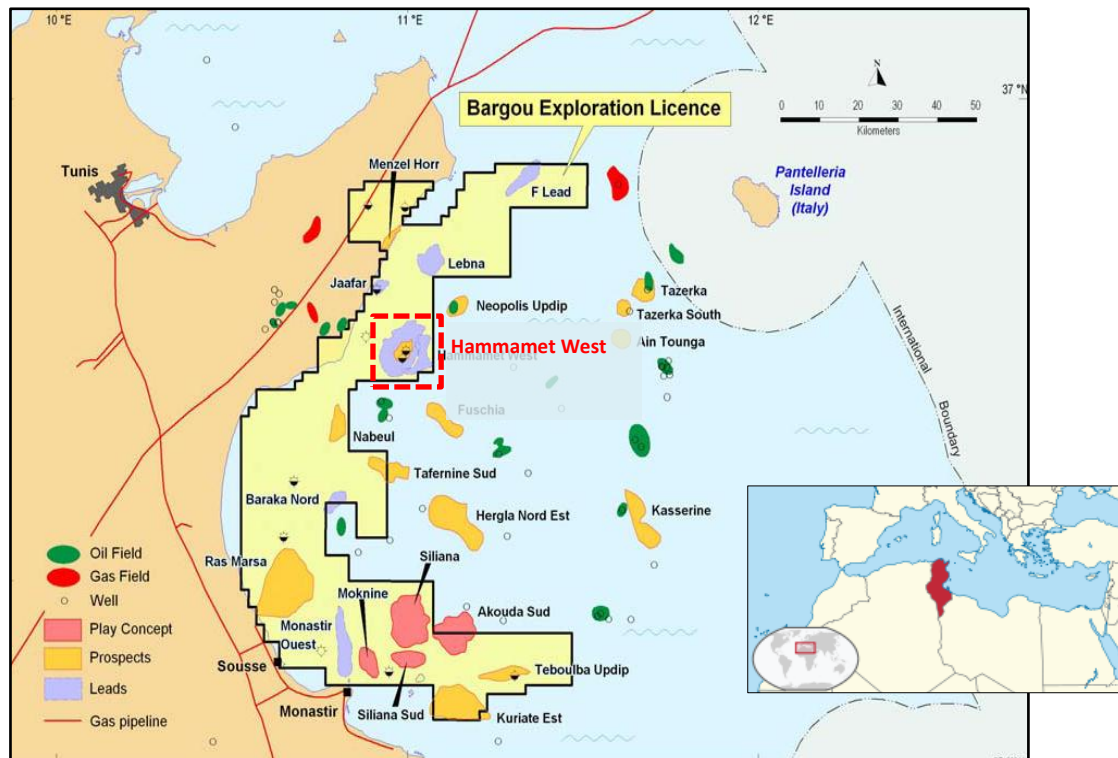


Figure 2: Hammamet West location

Footnotes

1. mMDRT – measured depth in metres below the rotary table or drilling floor
2. Total hydrocarbon gas is 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.

For more information please contact:

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

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