JACKA
RESOURCES LIMITED

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Media Release

Bargou JV to drill second sidetrack into Hammamet West oilfield

Jacka Resources Limited ("Jacka" or the "Company", ASX: JKA) provides the following operational update on the Hammamet West-3 ("HW-3") well in the Bargou Block, offshore Tunisia.

The Bargou joint venture (Jacka 15%, Dragon Oil 55%, Cooper Energy 30% and Operator) has decided to drill a second deviated wellbore (Sidetrack-2 "ST-2") to evaluate and test hydrocarbon-bearing fractures in the Abiod formation that were initially targeted and successfully intersected by the first deviated wellbore, Sidetrack-1 (ST-1).

ST-1 drilled through open fractures with associated oil shows at surface. Significant mud losses while drilling demonstrated that the fractures were open and permeable; however large volumes of lost circulation material (LCM) were required to manage those losses. During the initial clean up flow, ST-1 recorded flow rates averaging 1,290 barrels per day for 1.5 hours, including oil to surface, before the test string became blocked with LCM. Repeated attempts to clean up the well and resume testing since that date have encountered further blockages and obstructions, leaving this wellbore no longer suitable for testing.

Information gathered from ST-1 has demonstrated that the reservoir should be capable of significant flow rates on a clean, unobstructed test. The joint venture has accordingly decided to pursue this objective through drilling ST-2, using information gained from ST-1 to mitigate the risk of blockages caused by LCM. The joint venture has concluded that drilling ST-2 now with the current rig is the preferred option over returning at a later date with another rig, with consequent loss of time and remobilisation costs and is currently preparing to drill ST-2.

It is expected that drilling ST-2 to TD will take approximately 28 days and testing and subsequent well suspension (or abandonment) a further 30 days. Advice on the anticipated cost of ST-2 will be provided on the finalisation of agreement with the drilling contractor, but Jacka is expecting the cost of ST-2 to be approximately $3 million net to Jacka.

The Company has appointed corporate advisors to progress a number of financing initiatives and strategic options which are currently under consideration, including the sale or farmout of certain other projects about which Jacka has received several enquiries from companies.

The Company remains focussed on the two objectives which it set at the outset of this well, namely the demonstration of a commercial flow rate from this reservoir, and the subsequent attribution to Jacka of a major resource in the Hammamet West Field (pre-drill estimate of 17mbbls of oil, 2C contingent resources). The Hammamet West-3 well has successfully encountered open fractures with oil shows and recovered oil to surface. The joint venture's decision to drill and test ST-2 indicates that the joint venture believes these two objectives are achievable, and hence that the joint venture's commitment (and Jacka's investment), while considerably greater than originally envisaged, is commercially justified.

For more technical information please refer to the Jacka website for earlier announcements and project description.

For more information please contact:

Stephen Brockhurst	Jacka Resources Limited	Tel: +61 8 9481 0389 info@jackaresources.com.au
Colin Hay Tony Dawe	Professional Public Relations	Tel: +618 9388 0944 colin.hay@ppr.com.au/tony.dawe@ppr.com.au

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.