

24 March 2014

## Aje Field Development Plan approved

Jacka Resources Limited (“Jacka” or “the Company”) is pleased to announce that the Field Development Plan (FDP) for the Aje field has been approved by the Department of Petroleum Resources (DPR) in Nigeria. The approval by the DPR is an important milestone in the development process and allows the Aje joint venture to move forward with negotiations for major contracts to support the initial stage of a multiphase development.

The joint venture has also voted to acquire new 3D seismic over OML113 and this survey is about to commence. This seismic will be used to refine existing development targets on Aje Field as well as exploring for new prospects and the possible extension of the recently discovered Ogo Field in the adjacent block.

Further details on both activities are provided below.

### Aje Field Development Plan

Aje Field is located in OML113, approximately 24 kilometres offshore western Nigeria, on the West African Transform Margin. Jacka holds a 5.0006% revenue interest in the Aje Field. OML113 covers an area of 835 square kilometres and water depths range from less than 100 metres to approximately 1,500 metres. The field, which is defined by 3D seismic, can be developed with wells drilled in conventional water depths of approximately 100-400 metres.

Four wells have been drilled on the Aje Field, three of which encountered significant hydrocarbons. There are two main reservoir intervals in the Aje Field: a Turonian, dominantly gas/condensate reservoir with an oil leg; and a deeper, Cenomanian oil reservoir. In addition Aje-4 encountered hydrocarbons in the deepest Albian section. Jacka carries total net 2C contingent resources of 10.5 million boe in the Aje Field.

The joint venture expects to develop the Aje Field in multiple phases. The Field Development Plan (FDP) which has just been approved by the Nigerian Department of Petroleum Resources (DPR) is primarily focused on the Cenomanian oil development and the plan for the first phase of the development is based on:

- drilling and completion of a new well, Aje-5;
- re-entry and completion of the previously drilled Aje-4; and
- oil production from the two wells to a leased Floating Production, Storage and Offtake vessel (FPSO).

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The FDP approval is a key milestone for the Aje joint venture and Jacka appreciates the efforts of both the Operator and the DPR to achieve an efficient and timely approval. The approval of the FDP allows the Aje joint venture to move forward with negotiations for major contracts (for example the FPSO lease and subsea equipment and installation) prior to taking a final investment decision for the development. The joint venture has already acquired a number of subsea production wellheads ("subsea trees") as these have a long-lead time. The current plan envisages first oil production commencing in Q4 2015.

Jacka currently carries net contingent 2C resources for the Cenomanian oil of approximately 1.3 mmbbl (27 mmbbl gross). Jacka is reviewing the FDP results with the expectation of transferring some or all of these resources to reserves in the near future.

Subsequent development phases are expected to include additional Cenomanian oil wells tied to the FPSO and the development of the significant shallower, Turonian, gas/condensate resource (which represents the bulk of Aje's total contingent resources) to meet the needs of the evolving Nigerian and West African energy market.

### **3D seismic acquisition**

A new 3D seismic survey covering all of OML113 is expected to commence acquisition this week as the recording vessel has mobilised to the area. The survey is being carried out as part of a joint acquisition program with the adjacent block to the east, OPL 310, where significant discoveries were made in 2013. First Hydrocarbons Nigeria Ltd (a Joint Venture Partner in OML113) will manage the seismic acquisition operations and subsequent processing and interpretation of the seismic data, through their parent company Afren. Afren is the Operator of OPL310 where the recent Ogo-1 well has been reported to have made a significant discovery in reservoirs similar to those in Aje as well as at deeper levels in the new "syn-rift play".

Jacka voted against the new acquisition because the Aje field and many of the leads in OML 113 are already covered by an existing 3D seismic survey, which covered both OML113 and OPL310 and was, we understand, also used to define the Ogo prospect. Jacka has the opportunity, under the JOA and by agreement with the joint venture, to elect not to participate in the 3D seismic survey until March 31. If Jacka does not participate it will not receive the data until it pays its share of the acquisition cost (estimated at approximately US\$600,000) plus a penalty of 100% of that cost.

Jacka's position regarding this new survey will not delay the development plans or exploration activities at Aje. The March 31 decision point allows Jacka to defer the decision until the planned capital raising is initiated. Jacka appreciates the understanding and support of its joint venture partners during this difficult period for the Company.

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**Table 1 - Aje Field interests**

<b>Jacka Resources Limited</b>	<b>Partners</b>
2.6670% Participating Int. 5.0006% Revenue Int. 6.6750% Contributing Int.	Yinka Folawiyo Petroleum 25% (Operator) New AGE 24.05% First Hydrocarbons Nigeria 16.875% Energy Equity Resources 16.875% Pan Petroleum Aje Ltd (Panoro) 12.1913% (All interests shown are Aje Field revenue interests)

**For more information please contact:**

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*Persons compiling information about Hydrocarbons*

*Pursuant to the requirements of the ASX Listing Rules 5.41, 5.42, 5.43 and 5.44, the technical and resource information provided in this announcement has been prepared by Justyn Wood, Technical Director of Jacka Resources Limited. Mr Wood is a qualified geophysicist with 20 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 and considers the resource estimates to be fairly represented. 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. Mr Wood is a long-standing member of the SEG and AAPG*

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