JACKA RESOURCES LIMITED

ABN: 79 140 110 130

And Controlled Entities

CONSOLIDATED HALF YEAR REPORT

For the Half Year Ended
31 December 2014

CONTENTS

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AUDITORS
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Your directors submit the financial report of Jacka Resources Limited ("Jacka" or the "Company") and its controlled entities (together, the "Group") for the half year ended 31 December 2014.

DIRECTORS

The names of Directors who held office during the half year are:

Max Cozijn
James Robinson
Neil Fearis (Appointed 8 September 2014)
Bob Cassie (Resigned 8 September 2014)

RESULTS

The loss after tax for the half year ended 31 December 2014 was $42,684,160 (2013: $425,663).

REVIEW OF OPERATIONS

Operations

Aje Field, Nigeria (Jacka 5.0006% revenue interest, 6.675% contributing interest)

During the reporting period the Company announced that its wholly owned subsidiary (PR Oil & Gas Nigeria Limited), together with its joint venture partners, had taken a final investment decision (FID) to develop the Aje Cenomanian oil reservoir in the OML 113 licence, offshore Nigeria.

The initial Aje development is focused on the Cenomanian Oil reservoir and the first phase will consist of the re-entering and completion of the existing Aje-4 well and the drilling and completion of a new well, Aje-5. The Aje-5 well will be drilled from a seabed location adjacent to Aje-4 and both wells will be connected via a subsea manifold and production flowlines to a floating production, storage and offloading (FPSO) vessel. The Aje-5 well trajectory is designed to intersect the Cenomanian reservoir close to where the Aje-2 well intersected the Cenomanian reservoir. Aje-2 demonstrated excellent productivity in a Cenomanian production test conducted in 1997, when it flowed at 3,766 bopd of 41˚API oil, despite the well sustaining significant productivity impairment during drilling operations.

A contract for the charter of Rubicon's Front Puffin FPSO vessel has been signed, and modifications to bring the FPSO vessel into specification for production from the Aje Field have commenced. The subsea trees and manifold have been acquired, production flowlines and umbilicals ordered, and the transport and installation contracts have been awarded. Negotiations continue for the drilling rig and other services.

Phase I had an estimated funding requirement of US$220 million from FID to first oil on a 100% basis. The Company has been pursuing various funding options however as a consequence of the recent decline in worldwide oil pricing, Jacka's ability to finalize a suitable funding arrangement has been compromised. As a result, the Company is currently suspended from trading on the ASX while funding options are explored.

During the reporting period Jacka announced the results of an independent Competent Persons Report (CPR) on the Aje development (refer tables below). Consistent with the results of the CPR, Jacka has booked net 2P reserves of 1.3 million barrels of oil attributable to its Aje interests. In addition, the Company's net 2C contingent Cenomanian oil resources from subsequent development phases have been revised upwards to 1.5 million barrels, an increase from Jacka's previous 2C contingent resources for the Cenomanian developments of 1.3 million barrels. In aggregate, including the Turonian gas/condensate discovery, Jacka's total net 2C contingent resources from the Aje Field have increased from 10.5 mmboe to 12.1 mmboe.

Overview of AGR TRACS Reserves, Contingent Resources and NPV assessment:

AGR TRACS Reserves	Aje Field Gross Reserves[1] (mmboe)	Jacka Net Reserves[1] (mmboe)	Jacka Net NPV[2] ($80/bbl oil)	Jacka Net NPV[3] ($100/bbl oil)
Cenomanian Proved plus Probable (2P) Reserves (Phase 1)	23.40	1.30	$19.5m	$27.8m

AGR TRACS Resources	Aje Field Gross Resources[1] (mmboe)	Jacka Net Contingent Resources[1] (mmboe)	Jacka Net NPV[2] ($80/bbl oil)	Jacka Net NPV[3] ($100/bbl oil)
Cenomanian 2C Resources (unrisked) (Phase 2)	15.73	0.84	$13.4m	$25.7m
Turonian 2C Resources (unrisked) (Further Phase)	163.23	11.28	$20.1m	$41.0m
Total Cenomanian and Turonian 2C (unrisked)	**178.96**	**12.12**	**$33.5m**	**$66.7m**

Notes:
1. The reserves have been assessed using a combination of deterministic and probabilistic methods As the estimates are for a singular reservoir, aggregation was not required.
2. $1.5/Mscf gas price for Turonian case only
3. $3.0/Mscf gas price for Turonian case only
4. An oil price of $80 per barrel flat real terms (RT) was assumed in determining the reserves and resources attributable to Jacka's economic interests.
5. Refer to ASX announcements of 26 August 2014 and 9 October 2014.

Consistent with the Petroleum Resources Management System (PRMS), Jacka has not assigned proved reserves (1P) at this stage, but carries 0.72 MMbbl net 1C contingent resources for the Cenomanian Phase 1 development which will be transferred to proved reserves (1P) once Jacka's project funding is confirmed.

Exploration activities on OML 113 continue with the processing of the 3D seismic survey acquired from late March to early May 2014. The final Pre-Stack Depth Migration is scheduled for completion by the end of Q1 2015. It is envisaged that the data will enable better planning for the second phase of development drilling on Aje and provide improved data to fully evaluate the exploration potential of the whole of the OML 113 license, including the potential extension of the Ogo-1 discovery, drilled in the neighbouring OPL 310 licence in 2013. The new seismic will also be used to evaluate the synrift exploration play which was significantly de-risked by the Ogo-1.

As the Aje project is in development, the Accounting Standards require that the asset be assessed for impairment. This has resulted in the Company creating a provision for diminuation in the carrying value of this asset relating to the impairement of the pre-development capitalized costs.

Bargou Permit, Tunisia (Jacka 15% participating interest)

The Bargou Permit is located in the Gulf of Hammamet, offshore Tunisia. Reprocessing of the Hammamet West 3D seismic survey was completed during the December 2014 quarter and will be re-interpreted during 2015. No drilling activity is anticipated in the Tunisian permits during the current financial year. Pending joint venture and government approval, a future appraisal well at the Hammamet West Field will not commence until financial year 2016 at the earliest.

The Hammamet West Field is located in relatively shallow waters approximately 60 metres deep, some 15 kilometres from shore. Previous assessments of various development scenarios indicated that gross reserves of approximately 8 - 10 million barrels of oil will be sufficient to support an economic development. This threshold is exceeded by the gross 1C contingent resource (12.6 mmboe) while the gross 2C contingent resource (37.7 mmboe) represents a significant increase over the 1C estimate.

With the difficulty in the oil market and pricing, the Company has created a provision for diminuation of 100% against the carrying value of this asset, while the Company continues to investigate options for economic development.

Ruhuhu, Tanzania (Jacka 100% participating interest)

The Ruhuhu licence is located in south-west Tanzania and covers an area of 10,343 km^2. Jacka's 100% owned subsidiary Jacka Resources (Tanzania) Limited is the Operator, with 100% of the petroleum exploration rights to the entire Ruhuhu Basin, and a portion of the Lake Nyasa rift basin. The Lake Nyasa basin is a part of the prolific East African rift system in which significant oil accumulations have recently been discovered, most notably in Uganda and Kenya.

As well as the conventional exploration potential associated with the younger, East African rift section, the older Ruhuhu Basin is known to contain significant thicknesses of Permian coals as well as organic-rich black shales. These coals and shales may represent an attractive unconventional target with the potential for large scale gas and associated liquids.

A comprehensive review of the licence area's prospectivity was completed mid-year, and is now being used to guide the forward exploration program. Preparations for a geological field program began during the December 2014 quarter, which included a number of remote sensing studies. Future work is expected to include airborne geophysical surveys and seismic prior to any drilling. The Company intends to farmout the Ruhuhu block prior to undertaking significant expenditure on these major geophysical programs and has engaged a US-based consultancy to assist with an ongoing farmout campaign, targeting a wide range of international companies.

The prospectivity review included an assessment of the hydrocarbon exploration potential within the Ruhuhu licence, which was released to the ASX in an announcement on 27 October 2014. As of 24 October 2014, the Ruhuhu Licence unrisked prospective resources net to the Group[1] are as follows:

	Prospective Resources		
Play	**Low Estimate**	**Best Estimate**	**High Estimate**
Conventional Neogene oil	70 mmbo	131 mmbo	263 mmbo
Unconventional shale/tight gas	1.8 Tcf	6.1 Tcf	18.4 Tcf
Unconventional coal seam gas	0.8 Tcf	1.3 Tcf	1.8 Tcf
Total MMBOE*	**490 mmboe**	**1,374 mmboe**	**3,614 mmboe**

*6,000scf=1BOE

[1] *Jacka's working interest has been adjusted for 12.5% royalty of total oil/gas production due to the Government of Tanzania under the Production Sharing Agreement (PSA) covering the Ruhuhu licence. In accordance with the terms of the PSA, the working interest and the economic interest may differ depending on prevailing estimates of prices and costs of future development projects.*

Cautionary Statement:
The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development, which are unquantified but would be considered high at this early stage of exploration. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Conventional gas potential is also recognised in the Karoo section of the Ruhuhu Licence, however, this cannot be reasonably quantified as yet. The Tanzania Petroleum Development Corporation (TPDC) retains the right to acquire 20% equity in any future development in exchange for funding certain past costs.

Qualified Petroleum Reserves and Resource Evaluator Requirements

The information in this report that relates to reserves and resources has been compiled by Mr Robert Cassie, B.SC. (Hons) Geophysics, MAAPG who has over 30 years' experience in the exploration for, and appraisal and development of, petroleum resources and who has sufficient relevant experience to qualify as a Qualified Petroleum Reserves and Resources Evaluator (QPPRE) under the ASX Listing Rules. The information is based on and fairly represents information and supporting documentation prepared by Mr Cassie, who is a consultant to the Company. Mr Cassie consents to the inclusion in this report of that information and supporting documentation in the form and context in which they are included.

Corporate

Given the state of the global oil markets and the depressed oil price, the ability of Jacka to access funding support on acceptable terms is a challenge. The Company is reviewing and negotiating various options, including a strategic partnership and the possible sale and farmout of some of its interests, as well as deferral of certain of its obligations in order to manage its future funding requirements.

It is intended that the Company will remain in suspension until issues surrounding future funding requirements have been resolved.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half year which significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half year ended 31 December 2014 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

Max Cozijn
Chairman
Perth, 12 March 2015

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Jacka Resources Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 12th day of March 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated 31 December 2014	Consolidated 31 December 2013
		$	**$**
Interest revenue		**15,263**	29,618
Gain on farmout		**-**	1,394,849
Accounting and audit fees		**(113,379)**	(120,495)
Compliance fees		**(65,489)**	(58,672)
Consultancy fees		**(194,678)**	(301,900)
Depreciation		**(2,433)**	(2,433)
Directors' remuneration		**(163,632)**	(226,636)
Financial asset impairment		**-**	(100,000)
Financing costs		**-**	(99,194)
Exploration and evaluation expenditure impairment		**(42,582,790)**	(634,061)
Foreign exchange gain/(loss)		**791,648**	55,500
Insurance		**23,185**	(12,764)
Interest expense		**(4,955)**	(61,479)
Legal fees		**(83,837)**	(130,965)
Marketing		**(60,743)**	(28,616)
Occupancy		**(35,390)**	(30,925)
Profit on sale of investments		**-**	6,386
Share based payments		**-**	(54,614)
Travel expenses		**(67,500)**	(39,637)
Other expenses		**(139,430)**	(9,625)
Profit/(loss) before income tax benefit		**(42,684,160)**	(425,663)
Income tax benefit		**-**	-
Profit/(loss) for the period		**(42,684,160)**	(425,663)
Other comprehensive income			
Other comprehensive income (net of income tax)			
Items that may be classified subsequently to profit or loss:			
Net unrealised (gain)/loss on available for sale financial assets		**12,638**	13,910
Total comprehensive income for the period		**(42,671,522)**	(411,753)
Basic loss per share (cents)		**(10.80)**	(0.13)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Consolidated 31 December 2014	Consolidated 30 June 2014
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		**3,519,595**	10,037,359
Trade and other receivables		**99,044**	50,484
Total Current Assets		**3,618,639**	10,087,843
Non-Current Assets			
Plant and equipment		**6,689**	9,122
Financial assets		**46,858**	34,220
Exploration expenditure	2	**1,432,579**	42,030,976
Development expenditure	3	**4,865,751**	-
Total Non-Current Assets		**6,351,877**	42,074,318
Total Assets		**9,970,516**	52,162,161
LIABILITIES			
Current Liabilities			
Trade and other payables		**773,788**	731,426
Borrowings	4	**-**	300,000
Provisions		**-**	70,882
Total Current Liabilities		**773,788**	1,102,308
Non-Current Liabilities			
Asset Retirement Obligation	5	**818,416**	-
Total Non-Current Liabilities		**818,416**	-
Total Liabilities		**1,592,204**	1,102,308
Net Assets		**8,378,312**	51,059,853
EQUITY			
Issued capital	6	**46,978,915**	46,988,934
Reserves		**165,319**	152,681
Retained profits		**(38,765,922)**	3,918,238
Total Equity		**8,378,312**	51,059,853

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Consolidated Entity	**Issued Capital $**	**Option Reserve $**	**Revaluation Reserve $**	**Forex Reserve $**	**Accumulated Losses $**	**Total $**
Balance at 1 July 2014	**46,988,934**	**614,905**	**(14,620)**	**(447,604)**	**3,918,238**	**51,059,853**
Shares issued during the period	-	-	-	-	-	-
Security issue expenses	(10,019)	-	-	-	-	(10,019)
Grant of options	-	-	-	-	-	-
Loss for the period	-	-		-	(**42,684,160**)	(**42,684,160**)
Other comprehensive income (net of income tax)	-	-	12,638	-	-	12,638
Total comprehensive income for the period	-	-	12,638	-	(**42,684,160**)	(**42,671,522**)
Balance at 31 December 2014	**46,978,915**	**614,905**	**(1,982)**	**(447,604)**	**(38,765,922)**	**8,378,312**
Balance at 1 July 2013	**40,456,026**	**560,290**	**(28,470)**	**(447,604)**	**(6,771,537)**	**33,768,705**
Shares issued during the period	3,272,500	-	-	-	-	3,272,500
Security issue expenses	(207,461)	-	-	-	-	(207,461)
Grant of options	-	54,614	-	-	-	54,614
Loss for the period	-	-		-	(425,663)	(425,663)
Other comprehensive income (net of income tax)	-	-	13,910	-	-	13,910
Total comprehensive income for the period	-	-	13,910	-	(425,663)	(411,753)
Balance at 31 December 2013	**43,521,065**	**614,904**	**(14,560)**	**(447,604)**	**(7,197,200)**	**36,476,605**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated 31 December 2014	Consolidated 31 December 2013
		$ Inflows/ (Outflows)	$ Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		**(875,534)**	(892,497)
Interest received		**15,263**	29,618
Interest paid		**(4,955)**	(51,419)
Farmout receipt		**-**	3,163,556
Payment for exploration and evaluation expenditure		**(1,295,214)**	(9,751,920)
Payment for development expenditure		**(4,047,305)**	-
Net cash used in operating activities		**(6,207,745)**	(7,502,662)
Cash flows from investing activities			
Proceeds from sale of financial assets		**-**	26,395
Net cash from investing activities		**-**	26,395
Cash flows from financing activities			
Proceeds from issue of shares		**-**	3,272,500
Payment of share issue costs		**(10,019)**	(207,461)
Proceeds from borrowings		**-**	1,700,000
Repayment of borrowings		**(300,000)**	-
Net cash provided by/(used in) financing activities		**(310,019)**	4,765,039
Net decrease in cash held		**(6,517,764)**	(2,711,228)
Cash at beginning of the financial period		**10,037,359**	3,645,320
Cash and cash equivalents at period end		**3,519,595**	934,092

The accompanying notes form part of these financial statements.

1. Basis of Preparation of Half Year Financial Report

a) Reporting entity

Jacka Resources Limited (the "Company") is a Company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the half year ended 31 December 2014 comprise the Company and its controlled entities (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 30 June 2014 are available upon request from the Company's registered office at Level 11, London House, 216 St Georges Terrace, Perth WA 6000 or at jackaresources.com.au.

b) Statement of compliance

These consolidated interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with IAS134: Interim Financial Reports. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2014.

These consolidated interim financial statements were approved by the Board of Directors on 12 March 2015.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting '
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
- Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
- Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
- Part C: 'Materiality'
- Interpretation 21 'Levies'

The adoption of the above standards have not had a material impact on this half year financial report.

1. Basis of Preparation of Half Year Financial Report (Continued)

The Group's financial instruments consist of trade and other receivable and trade and other payables. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

The Group's held for trading financial assets are level-1 financial instruments and valued using the quoted bid prices from the Australian Securities Exchange as at the reporting date.

c) Going Concern

This half year financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss from ordinary activities of $42,684,160 for the half-year ended 31 December 2014 (2013: $425,663). The net working capital position of the Group at 31 December 2014 was $2,844,851 (30 June 2014: $8,985,535) and the net decrease in cash held during the half-year was $6,517,764 (2013: $2,711,228). The Group has firm exploration commitments payable within the next twelve months of $1,746,314 and development commitments of $14,780,530.

The ability of the Group to continue to pay its debts as and when they fall due is principally dependent upon the Company successfully raising additional share capital, full or partial divestment of assets, containing expenditure in line with available funding, or ultimately developing one of its oil and/or gas assets. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

Notwithstanding the above the Directors believe it is appropriate to prepare these financial statements on a going concern basis because:

• the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable and to raise additional funds as and when they are required. In light of the Group's current exploration projects, the Directors believe that the capital required can be raised in the market within the ordinary course of business; and

• the Directors believe that full or partial divestment of assets is possible to interested industry parties that would provide funding for the remainder of the portfolio.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recovery and reclassification of assets carrying amounts or to the amount and classification of liabilities that might arise should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

d) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $

2. *Exploration expenditure*

Costs carried forward in respect of deferred exploration expenditure:

Exploration at cost		
Balance at beginning of period	**42,030,976**	31,384,668
Exploration expenditure incurred	**1,984,393**	13,086,370
Cost derecognised on farmout	**-**	(1,768,258)
Provision for impairment of exploration expenditure	**(42,582,790)**	(671,804)
Balance at end of period	**1,432,579**	42,030,976

The ultimate recoupment of the exploration expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value. As the Aje Project has transitioned to development stage, the Accounting Standards require that the asset be assessed for impairment as at transition date, which has resulted in the Company creating a provision for diminuation in the carrying value of this asset relating to its capitalized exploration expenditure ($20,455,305). With the difficulty in the oil market and pricing, the Company has created a provision for diminuation of 100% against the carrying value of the Bargou Permit, Tunisia ($22,127,485), while the Company continues to investigate options for economic development.

During the previous period the Group farmed out a proportion of its Odewayne project. It received $3,163,556, with $1,768,707 offset against the carrying value of the project and the remaining $1,394,848 being recognised in profit or loss as a gain on farmout. The impairment loss during the previous period was a result of the Company's decision to relinquish WA-399-P.

3. *Development expenditure*

Costs carried forward in respect of development expenditure:

a) Development at cost		
Balance at beginning of period	**-**	-
Development expenditure incurred	**4,047,335**	-
Balance at end of period	**4,047,335**	-
b) Asset Retirement Obligation Asset		
Asset retirement obligation asset	**818,416**	-
		-
Total Development Assets	**4,865,751**	-

	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $
4. *Borrowings*		
Borrowings from external parties	-	300,000
	-	300,000

At 31 December 2014 all borrowings have been repaid and no facilities for loans are in existence. During the previous financial period, the Group obtained short term loans which were unsecured, bearing interest at 12%pa and repayable within 12 months. The total facility for the loans was $2,000,000, with $300,000 drawn at balance date. Further to this, the Company had entered into a term sheet with Tangiers Petroleum Limited to provide the Group with a $2,500,000 loan facility. This facility was undrawn at 31 December 2013.

5. *Asset Retirement Obligation*

Asset Retirement Obligation	**818,416**	-
	818,416	-

In accordance with the agreements and legislation the wellheads may have to be dismantled and removed. The exact timing of the obligations is uncertain and depent on the rate the reserves of the field are depleted. All of the obligations are expected to be fulfilled after more than one year from the date of the statement of financial postion

6. *Issued capital*

(a) Issued and paid up capital

Ordinary shares fully paid of no par value	46,978,915	46,988,934
	46,978,915	46,988,934

	Consolidated Entity	
	30 June 2014 Number	**30 June 2014 $**
(b) Movement in ordinary shares on issue		
Balance at 30 June 2013	297,513,503	40,456,026
Issued for cash at $0.085 per share on 18 July 2013	38,500,000	3,272,500
Issued for cash at $0.065 per share on 8 April 2014	15,384,615	999,999
Issued for cash at $0.065 per share on 19 May 2014	43,924,765	2,855,087
Transaction costs relating to share issues	-	(594,678)
Balance at 30 June 2014	**395,322,883**	**46,988,934**

	Consolidated Entity 31 December 2014 Number	31 December 2014 $
Balance at 30 June 2014	395,322,883	46,988,934
Transaction costs relating to share issues	-	(10,019)
Balance at 31 December 2014	**395,322,883**	**46,978,915**

(c) Share options

At the end of the period, the following options over unissued ordinary shares were outstanding:

Option Status	Number of Options	Exercise Price	Expiry Date
Listed	50,000,000	$0.35	1 February 2015
Unlisted	19,250,000	$0.14	1 February 2015
Unlisted	500,000	$0.20	11 October 2015
Listed	67,859,379	$0.13	31 May 2016
Unlisted	2,700,000	$0.20	11 September 2016
Unlisted	1,250,000	$0.20	3 May 2017

7. *Commitments*

Expenditure commitments
There are office rental, compliance and financial advisory contracts in place. The committed expenditure is:

Within one year	274,092	500,000
One to five years	340,300	500,000
	614,392	1,000,000

Exploration commitments
No drilling activity is anticipated in the Tunisian permits in the current financial year. Pending joint venture and government approval, a future appraisal well at the Hammamet West field is not likely to start until financial year 2016 or later.

In Nigeria, the licence is in good standing with no further commitment work required, all work is discretionary by the Joint Venture.

In Tanzania on the Ruhuhu block, Jacka has signed up to a 4 year exploration phase and the completion of exploration works is flexible within this timeframe. Early stage works for Jacka include airborne gravity and magnetics and G&G studies.

The committed exploration expenditure is:

Within one year	1,746,314	6,900,000
One to five years	8,245,790	3,400,000
	9,992,104	10,300,000

7. *Commitments (Continued)*

Development commitments
The final investment decision for phase 1 of the Aje Field Development was made in October 2014. Phase 1 will be completed by the end of 2015 with first commercial production to commence at the end of this development.

The committed development expenditure is:

Within one year	14,780,530	-
One to five years	-	-
	14,780,530	-

8. *Contingent liabilities*

There are no contingent liabilities as at the date of this report.

9. *Financial reporting by segments*

The Consolidated Entity has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on exploration in the two principal locations of its projects – Australia and Africa.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

Inter-segment transactions
Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

9. *Financial reporting by segments (Continued)*

*Unallocated item*s
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- administration and other operating expenses not directly related to a specific segment.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Exploration
The exploration segment explores for oil and gas. Segment assets including cash paid to joint venture partners for the costs associated with the exploration and are reported in this segment.

9. *Financial reporting by segments (Continued)*

	Australian Exploration $	African Exploration $	Total $
31 December 2014			
Segment revenue	-	-	-
Segment results	-	(42,732,821)	(42,732,821)
Amounts not included in segment results but reviewed by the Board:			
Interest revenue			15,263
Accounting and audit fees			(35,737)
Compliance fees			(65,166)
Consultancy fees			(187,881)
Depreciation			(2,433)
Directors' remuneration			(163,632)
Foreign exchange			791,648
Insurance			23,185
Interest expense			(4,955)
Legal fees			(50,076)
Marketing			(60,743)
Occupancy			(35,017)
Travel expenses			(37,805)
Other expenses			(137,990)
Loss before income tax			**(42,684,160)**
Segment assets	-	6,298,334	6,298,334
Unallocated assets:			
Cash and cash equivalents			3,519,591
Trade and other receivables			99,044
Plant and equipment			6,689
Non-Current financial assets			46,858
Total assets			**9,970,516**
Segment liabilities	-	-	-
Unallocated liabilities:			
Trade and other payables			773,788
Borrowings			-
Provisions			-
Total liabilities			**773,788**

9. *Financial reporting by segments (Continued)*

	Australian Exploration $	African Exploration $	Total $
31 December 2013			
Segment revenue	-	1,394,849	1,394,849
Segment results	(634,291)	1,366,756	732,465
Amounts not included in segment results but reviewed by the Board:			
Interest revenue			29,618
Accounting and audit fees			(48,766)
Compliance fees			(48,194)
Consultancy fees			(299,059)
Depreciation			(2,433)
Directors' remuneration			(226,636)
Financial asset impairment			(100,000)
Financing costs			(99,194)
Foreign exchange			55,500
Insurance			(9,381)
Interest expense			(61,479)
Legal fees			(123,974)
Marketing			(28,616)
Occupancy			(29,059)
Profit/(loss) on sale of investments			6,386
Share based payments			(54,614)
Travel expenses			(17,847)
Other expenses			(100,380)
Loss before income tax			**(425,663)**
30 June 2014			
Segment assets	-	42,030,976	40,030,976
Unallocated assets:			
Cash and cash equivalents			10,037,359
Trade and other receivables			50,484
Plant and equipment			9,122
Non-Current financial assets			34,220
Total assets			**52,162,161**
Segment liabilities	-	606,757	606,757
Unallocated liabilities:			
Trade and other payables			124,669
Borrowings			300,000
Provisions			70,882
Total liabilities			**1,102,308**

10. *Events subsequent to period end*

There are no matters or circumstances have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

11. *Interests in controlled entities*

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	**Country of incorporation**	**Class of share**	**Equity holding**	
			31 December 2014	**30 June 2014**
Exmouth Energy Pty Ltd	Australia	Ordinary	100%	100%
Jacka Tunisia Pty Ltd	Australia	Ordinary	100%	100%
Jacka Resources Nigeria Holdings Limited BVI	British Virgin Islands	Ordinary	100%	100%
PR Oil and Gas Nigeria Limited	Nigeria	Ordinary	100%	100%
Jacka Resources Africa Limited BVI	British Virgin Islands	Ordinary	100%	100%
Jacka Resources Somaliland Limited BVI	British Virgin Islands	Ordinary	100%	100%
Jacka Resources Tanzania Limited BVI	British Virgin Islands	Ordinary	100%	100%

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 7 to 20 are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

Max Cozijn
Chairman

Perth, 12 March 2015

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Jacka Resources Limited

We have reviewed the accompanying half-year financial report of Jacka Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jacka Resources Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1(c) in the half-year financial report which indicates that the Consolidated Entity incurred a loss of $42,684,160 for the period ended 31 December 2014. This condition, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

Bentleys

BENTLEYS
Chartered Accountants

Doug Bell

DOUG BELL CA
Director

Dated at Perth this 12th day of March 2015