

AJE DEVELOPMENT FUNDING ARRANGEMENTS

Jacka Resources Limited. (“**Jacka**” or the “**Company**”; ASX: JKA) is pleased to announce that it has executed agreements with London-based Cornhill Asset Management Limited. (“**Cornhill**”) to assist in providing funding for Jacka’s portion of the current Aje field development program, offshore Nigeria.

Terms of the agreements with Cornhill include:

- Placement of Jacka shares and options to Cornhill (or its nominees) to raise approximately US \$1 million.
- Funding of Jacka’s share of the Aje field development program with effect from 1 May 2015 through a private placement of shares in and/or loans to the Aje field holding company by Cornhill or a company listed on the UK’s Alternative Investment Market (“**AIM**”) nominated by Cornhill.
- The assignment to Cornhill, or its nominee, of inter-company loans due from Jacka’s subsidiary P.R.Oil & Gas Nigeria Limited (PROG) in exchange for US\$3 million in shares in that AIM-listed company.

Jacka’s Chairman Max Cozijn commented “We are pleased to have finalised these arrangements with Cornhill. With the fall in oil prices and the loss of liquidity in equity and debt markets, this has been a difficult time to secure funding for Aje and these arrangements reduce the funding uncertainty associated with Jacka’s interest in that project whilst at the same time providing Jacka with the opportunity to share in the upside of the Aje field development project”.

Share placement

Under the terms of the agreement with Cornhill, the Company has placed the following shares with parties introduced by Cornhill:

1. 59,000,000 fully paid ordinary shares at A\$0.020 per share; and
2. 6,500,000 fully paid ordinary shares at A\$0.022 per share,

to raise a total of approximately US\$1 million before costs (“**Placement**”). Each new share issued under the Placement will carry a right to receive a free attaching option on the terms outlined below.

The funds have been received and the Placement, which does not require shareholder approval, is being completed today.

The Placement securities are being issued without disclosure under the Corporations Act. However, Jacka intends to issue a disclosure document in respect of these securities as soon as reasonably practicable (taking into account Jacka's business and commercial objectives at that time) after reinstatement of Jacka shares to ASX quotation.

Funds raised through the Placement will be used to fund the Company's commitments for the Aje field development. As outlined above, participants in the Placement will be entitled to receive an attaching unlisted option for each share subscribed for under the Placement, conditional upon the completion of the inter-company loan assignment referred to above. The issue of the options is also subject to the Company having available capacity under ASX Listing Rule 7.1.

Each option will be convertible into one Jacka ordinary fully paid share with an exercise price of A\$0.02 per share. The options will only vest if the Company's shares trade above A\$0.04 on ASX for more than 20 consecutive trading days. The options will expire 2.5 years from their date of issue. The options will not be quoted.

Aje development funding

Cornhill has also agreed to advance, or procure the AIM-listed company referred to above to advance, sufficient funds to fund PROG's portion of the Aje field development program costs from 1 May 2015. Any such funds advanced are non-refundable.

Provided that Cornhill or its nominated AIM-listed company fund all Aje cash calls attributable to Jacka's interest in the Aje field development between 1 May 2015 and commencement of commercial production from that project, the AIM-listed company will acquire a majority interest in the Aje field holding company but Jacka will retain exposure to the Aje project via its shareholding in that company.

Completion of the Aje development funding remains subject to compliance with ASX Listing Rule requirements including any shareholder approvals that maybe required.

Upon completion of the above arrangements Cornhill will have the right to appoint a nominee to the Board of Jacka.

Ongoing Projects

Following completion of the Aje funding arrangements, and achievement of commercial production at Aje, Jacka will continue to hold an interest in a portfolio of oil and gas exploration permits, including:

- a continuing interest in the Aje field, Nigera through its shareholding in the AIM-listed company to be issued to Jacka in connection with the Aje funding arrangements described in this announcement;
- 15% interest in the Bargou Permit, Tunisia;
- 100% interest in the Ruhuhu Licence, Tanzania; and
- 5% option in the Odewayne Block, Somaliland.

The Aje funding arrangements outlined above are expected to provide the Company with greater financial flexibility to identify and pursue new early stage oil and gas exploration opportunities to add to its existing portfolio of interests.

As the Company's funding requirements in relation to the Aje development field have now been addressed, the Company hereby requests reinstatement of quotation of its securities by the ASX.

For and on behalf of the Board

Max Cozijn, Chairman

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