



Announcement to the Australian Securities Exchange:

14 July 2015

JACKA PROGRESSES AJE FUNDING ARRANGEMENT

Jacka Resources Ltd. ("**Jacka**" or the "**Company**"; ASX: JKA) is pleased to update the market, further to its 1 June 2015 announcement regarding funding for Jacka's portion of the ongoing Aje field development program.

The terms of the previously announced agreement with London-based Cornhill Asset Management Limited ("**Cornhill**") included:

- 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 nominated by Cornhill ("**AIM Listed Company**").
- The assignment to Cornhill, or its nominee, of inter-company loans due from Jacka's subsidiary P.R.Oil & Gas Nigeria Limited in exchange for US\$3 million in shares in the AIM-Listed Company.

Jacka is pleased to announce that Cornhill has nominated MX Oil PLC ("**MXO**") as the AIM Listed Company for the purposes of this transaction and that accordingly MXO will assume the role of funding Jacka's share of the Aje field development program. The effect of this arrangement is that if MXO completes this funding, upon the commencement of commercial production from the Aje Project, it would have the economic benefit of Jacka's interest in the Aje field.

Separately, MXO will acquire Jacka's existing loans to PROG in exchange for shares in MXO with a market value of US\$3 million, thereby providing Jacka with ongoing exposure to the Aje project. Those shares will be issued at the same price at which MXO is currently undertaking a capital raising to assist in funding the Aje Phase 1 field development program. Post the current MXO raisings, Jacka's shareholding will represent a 11.47% interest in MXO.

Mr Stefan Oliver CEO MXO stated that "This investment builds on MXO's strategy to acquire high impact near term production assets in proven oil and gas jurisdictions to build a cash generative platform"

MXO is a resource company focused on the Mexican energy sector following recent regulatory reforms. Mexico, the world's 9th largest oil producer with significant underdeveloped resources, has recently opened its energy sector to greater foreign investment in an effort to further develop its reserves and increase production.

MXO's strategy is also to partner with established oil and gas operators to jointly evaluate, acquire and develop licences in Mexico. MX Oil will leverage its extensive in-country network and Board experience to participate in the development of oil and gas resources in Mexico.

Strategically, MXO has been seeking near-term production to fund its participation in this highly prospective area.

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Jacka's Chairman Max Cozijn commented "Through its investment in MXO Jacka looks to obtain incremental value from both Aje and this newly opened and highly prospective area of oil production. This will enable Jacka to concentrate on building additional value as we focus efforts on progressing development of our existing assets as well as reviewing other opportunities".

For more information please contact:

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